[CELLULARLINEGROUP]

www.cellularlinegroup.com

2024 INTERIM
FINANCIAL REPORT

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COMPANY DATA OF THE PARENT CELLULARLINE S.p.A.

Registered Office:

Cellularline S.p.A.

Via Grigoris Lambrakis 1/a

42122 Reggio Emilia (RE) - Italy

Legal information:

Share capital Euro 21,343,189 fully paid-up

VAT reg. no. and Tax Code 09800730963

Economic and Administrative Register RE-315329

Certified e-mail address: spa.cellularline@legalmail.it

ISIN: IT0005244618

Alphanumeric code: CELL

Corporate Website: www.cellularlinegroup.com

CORPORATE BODIES

Board of Directors

Antonio Luigi Tazartes	Chair
Christian Aleotti	Deputy Chair and Chief Executive Officer
Marco Cagnetta	Executive Director
Donatella Busso	Independent Director
Paola Vezzani	Independent Director
Alessandra Bianchi	Independent Director
Davide Danieli	Director
Marco Di Lorenzo	Director
Walter Alba	Independent Director
Laura Elena Cinquini	Independent Director

Risk and Control Committee

Donatella Busso	Chair and Director
Alessandra Bianchi	Director
Paola Vezzani	Director

Appointments and Remuneration Committee

Paola Vezzani	Chair and Director
Walter Alba	Independent Director
Donatella Busso	Director

Committee for Transactions with Related Parties

Donatella Busso	Chair and Director
Alessandra Bianchi	Director
Laura Elena Cinquini	Independent Director

Board of Statutory Auditors

Lorenzo Rutigliano	Chair
Daniela Bainotti	Standing Auditor
Paolo Chiussi	Standing Auditor
Guido Prati	Alternate Auditor
Andrea Fornaciari	Alternate Auditor

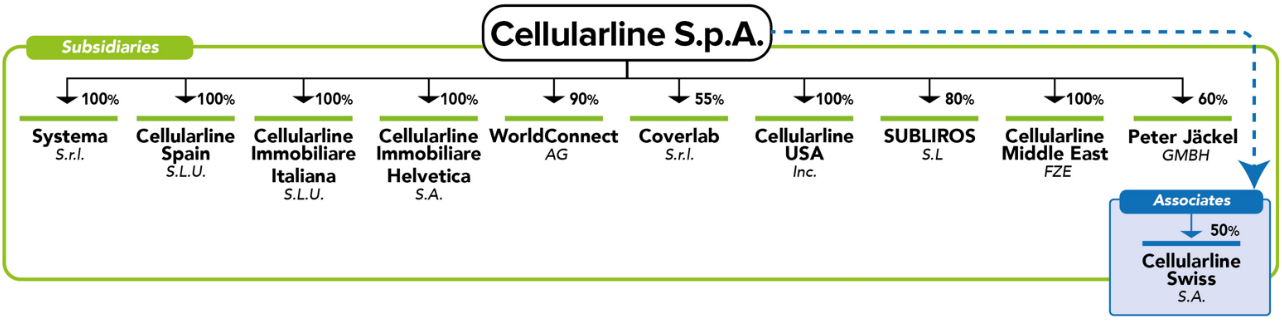
Supervisory Body

Anna Doro	Chair
Alessandro Cencioni	Member
Ester Marino	Member

Independent Auditors

KPMG S.p.A.

GROUP STRUCTURE AT 30 June 2024



GROUP COMPOSITION

As 30 June 2024, the Group consists of the following companies:

- Cellularline S.p.A., the parent, incorporated under Italian law with registered address at Via Lambrakis 1/a, Reggio Emilia (Italy), and operating in Italy and abroad in the sector of design, distribution (including products not under its own brand) and marketing of accessories and devices for multimedia products (smartphones, tablets, wearables, audio devices, etc.) and for mobile connectivity (in the car and on motorcycles/bikes). The parent has a permanent establishment in Paris, at 91, Rue Du Faubourg Saint Honoré (France), where three employees operate on a permanent basis, carrying out strictly commercial activities for the management of relationships with customers in the French market;
- Cellular Spain S.L.U., a company incorporated under Spanish law with registered office in C/Newton, 1 edificio 2 nave 1, Leganes (Madrid) a wholly-owned subsidiary, which distributes Cellularline brand products in the Spanish and Portuguese markets;
- Cellular Inmobiliaria Italiana S.L.U., a company incorporated under Spanish law with registered office in Cl. Industrial no. 50 Sur Edi 2 Nave 27, Leganés (Madrid), a wholly-owned subsidiary which owns a property - formerly the headquarters of Cellular Spain;
- Cellular Immobiliare Helvetica S.A., with registered office in Lugano, Via Ferruccio Pelli no. 9 (Switzerland), a full subsidiary, which owns the property leased to the commercial company Cellular Swiss S.A.;
- Systema S.r.l., a company incorporated under Italian law with registered office in Via della Previdenza Sociale 2, Reggio Emilia (Italy), a wholly-owned subsidiary, operates in the European market for mobile phone accessories for telecommunications;
- Worldconnect AG, a Swiss-registered company based in Diepoldsau, Switzerland, a 90%-owned subsidiary, is the world market leader in premium travel adapters. Founded in 2002, Worldconnect - through its trademarks SKROSS and Q2 Power and leading OEM partnerships - operates internationally with a vast range of products comprising multiple travel adapters, specific adapters for individual countries and peripheral power devices;

- Coverlab S.r.l., a company incorporated under Italian law with registered office in via Mantova 91/A, Parma, a 55%-owned subsidiary, is an e-commerce company, operating - through its proprietary website - in the custom segment of smartphone accessories under the brand Coverlab.
- Subliros SL, a company incorporated under Spanish law with registered office in C/Jacquard 97, Sabadel (Barcelona), an 80%-owned subsidiary, is an e-commerce company, operating - through its proprietary website - in the custom segment of smartphone accessories under the brand Allogio;
- Cellularline USA Inc., a company incorporated under the laws of the United States with registered office in 350 5TH AVE FL 41, New York, is a wholly-owned subsidiary, which distributes Cellularline Group products in the USA and Canada;
- Peter Jäckel GmbH, a major German operator in the field of smartphone accessories, based in Alfeld, a small town in Lower Saxony (Germany), is a 60%-owned subsidiary. The company was acquired in January 2023 and has been operating on the German market for over 25 years with leading consumer electronics players;
- Cellular Middle East FZE, a company incorporated in April 2023 for the purpose of better serving the Middle East region through the distribution of Cellularline-branded products. It is a wholly-owned subsidiary with registered office in Dubai;
- Cellular Swiss S.A., a company incorporated under Swiss law with registered office in Route de Marais 17, Box no. 41, Aigle (Switzerland) a 50%-owned associate, which distributes the Cellularline products in the Swiss market.

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DIRECTORS' REPORT

1. Introduction

The Cellularline Group (hereinafter the "Group" or the "Cellularline Group") is one of the main operators in the smartphone and tablet accessories sector in the EMEA area, as well as a market leader in Italy; moreover, the Group ranks, by volume, among the top operators in Spain, Switzerland, Belgium, the Netherlands and Austria and boasts a strong competitive position in the other European countries.

The consolidating company (Cellularline S.p.A.) is the result of the merger (the "Business Combination"), that took place on 28 May 2018, of Ginetta S.p.A. and Cellular Italia S.p.A. into Crescita S.p.A., a company listed on AIM Italia, the Alternative Capital Market organised and managed by Borsa Italiana S.p.A., until 21 July 2019.

On 22 July 2019, Cellularline was transferred to the Mercato Telematico Azionario - Euronext Star Milan segment - of Borsa Italiana S.p.A.

The 2024 Interim Financial Report include the financial statements of the Parent and its subsidiaries (hereinafter also the "Group" or the "Cellularline Group").

2. Methodological note

This Directors' Report provides information on the financial position, performance and cash flows of the Cellularline Group at 30 June 2024, compared with the prior interim period figures at 30 June 2023 (at 31 December 2023 for the equity figures).

Amounts are expressed in thousands of euros, unless otherwise indicated.

The amounts and percentages were calculated in thousands of euros and, therefore, any differences in certain tables are due to rounding.

3. Accounting policies

This Directors' Report at 30 June 2024 was prepared in accordance with the provisions of art. 154-*ter*, paragraph 4 of Legislative Decree no. 58/98 of the T.U.F. [Consolidated Finance Act] - and subsequent amendments and additions - in compliance with art. 2.2.3 of the Stock Exchange Rules. In order to facilitate an understanding of the Group's economic and financial performance, a number of Alternative Performance Indicators ("APIs") were identified, as defined by the ESMA 2015/1415 guidelines. For a correct interpretation of these APIs, the following should be noted: (i) these indicators are based exclusively on the Group's historical data and are not indicative of its future performance, (ii) the APIs are not required by IFRS and, though derived from the condensed interim consolidated financial statements, are not subject to audit, (iii) the APIs should not be considered as substitutes for the indicators provided for in the IFRS, (iv) these APIs must be read together with the Group's financial information in the annual Consolidated Financial Statements; (v) the definitions and criteria adopted to determine the indicators used by the Group, as they are not provided for by the IFRS, may not be consistent with those adopted by other companies or groups and, therefore, may not be comparable with any indicators presented by such parties, and (vi) the APIs used by the Group are drawn up according to a continuous and consistent definition and presentation for all the periods for which financial information is included in the annual Consolidated Financial Statements.

The APIs shown (Adjusted EBITDA, Adjusted EBIT, Adjusted profit (loss) for the year attributable to owners of the parent, Adjusted Cash Flows from Operations, Net Financial indebtedness, Net Financial indebtedness/Adjusted LTM EBITDA, Cash generation and Cash Conversion Ratio) are not identified as indicators under IFRS and, therefore, as explained above, should not be considered as alternative measures to those provided by the Group's financial statements for the assessment of the economic performance and the related financial position. Certain indicators defined as "adjusted" are reported in order to represent the Group's performance and financial position, net of non-recurring events, non-core operations and events linked to non-recurring transactions, as identified by the Group. These indicators reflect the main financial statements items, net of non-recurring income and expense that are not strictly correlated with the Group's core business and operations, and therefore allow a more consistent analysis of the Group's performance in the periods considered in the Directors' Report.

4. Main financial and performance indicators[1]

(In thousands of Euro)	H1	
	2024	**2023**
Performance indicators		
Revenue	72,587	67,820
Adjusted EBITDA[2]	7,016	4,555
Adjusted EBIT[3]	3,848	1,422
Loss for the period attributable to owners of the parent	(1,292)	(4,036)
Adjusted profit (loss) for the period attributable to owners of the parent[4]	1,259	(1,120)

(In thousands of Euro)	Balance at		
	30 June 2024	**31 December 2023**	**30 June 2023**
Financial indicators			
Cash flows generated by operating activities	13,762	18,181	3,970
Net financial indebtedness	27,495	35,384	48,555
Net financial indebtedness/Adjusted LTM EBITDA	1.2x	1.7x	2.7x

For more details on changes in cash flows generated by operating activities, please refer to paragraph 7. " Financial position and cash flows" included in this Director's Report.

[1] Adjusted indicators are not identified as IFRS indicators and, therefore, should not be considered as an alternative measure for the assessment of the Group's results. Since the composition of these indicators is not regulated by IFRS, the Group's calculation criterion applied may not be consistent with that adopted by other companies or that may be adopted in the future by the Group, or created by it, and thus not comparable.
[2] Adjusted EBITDA is the Consolidated EBITDA adjusted by (i) non-recurring expense/(income), (ii) the effects deriving from non-core events, (iii) the effects of events associated with non-recurring transactions and (iv) exchange gains/(losses).
[3] Adjusted EBIT is the operating profit adjusted by (i) non-recurring expense/(income) and (ii) the effects of non-core events, (iii) the effect of events associated with non-recurring transactions, (iv) operating exchange gains/(losses) and (v) adjustments of amortisation and depreciation relating to the purchase price allocation procedure.
[4] Adjusted profit (loss) for the period attributable to owners of the parent is calculated as the profit (loss) for the period attributable to owners of the parent adjusted by the (i) adjustments incorporated in Adjusted EBITDA, (ii) adjustments of amortisation and depreciation relating to the Purchase Price Allocation, (iii) impairment of goodwill (iv) adjustments of non-recurring financial expense/(income) and (v) the theoretical tax impact of these adjustments.

5. Market performance

The market the Group operates in is characterised by seasonal phenomena that are typical of the market of electronic products and accessories. Sales are higher in the second half of each year, with a peak in demand near and during the Christmas period. The data available about the EMEA market for smartphone accessories below EUR 100 - the one in which the Group mainly operates - suggests a decline in volume by -2.2% and essentially stability in value (+0.2%) with reference to the panel of the top 7 EU countries during the first half of 2024 compared to the same period last year. However, it should be noted that these figures do not include certain product categories (point-of-sale film application services and charging cables) and channels (travel retail, Amazon marketplace) whose weight in Group revenue is increasing.

6. Group performance

The income statement presented in this Directors' Report has been reclassified in accordance with the presentation methods that management believes best represent the trend of the Group's operating profitability during the six months.

Income Statement

(thousands of Euro)	**H1 2024**	**Of which related parties**	**% of revenue**	**H1 2023**	**Of which related parties**	**% of revenue**
Revenue from sales	72,587	2,100	*100%*	67,820	2,012	*100%*
Cost of sales	(44,245)		*-61.0%*	(43,467)		*-64.1%*
Gross operating profit	**28,342**		***39.0%***	**24,353**		***35.9%***
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)/income	727		*1.0%*	691		*1.0%*
Operating profit/(loss)	**107**		***0.1%***	**(2,674)**		***-3.9%***
* 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 exchange gains/(losses)	225		*0.3%*	72		*0.1%*
Adjusted operating profit (Adjusted EBIT)	**3,848**		***5.3%***	**1,422**		***2.1%***
* of which depreciation and amortisation (excluding PPA amortisation)	3,168		*4.4%*	3,133		*4.6%*
Adjusted EBITDA	**7,016**		***9.7%***	**4,555**		***6.7%***
Financial income	216		*0.3%*	60		*0.1%*
Financial expense	(1,793)		*-2.5%*	(1,823)		*-2.7%*
Exchange gains/(losses)	111		*0.2%*	106		*0.2%*
Pre-tax profit/(loss)	**(1,359)**		***-1.9%***	**(4,331)**		***-6.4%***
* of which PPA amortisation	3,337		*4.6%*	3,325		*4.9%*
* of which non-recurring expense/(revenue)	179		*0.2%*	699		*1.0%*
Adjusted profit (loss) before taxes	**2,157**		***3.0%***	**(307)**		***-0.5%***
Current and deferred taxes	67		*0.1%*	295		*0.4%*
Profit (Loss) for the period attributable to owners of the parent	**(1,292)**		***-1.8%***	**(4,036)**		***-6.0%***
* 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%*
Adjusted profit (loss) for the period attributable to owners of the parent	**1,259**		***1.7%***	**(1,120)**		***-1.7%***

6.1 Consolidated revenue

It should be noted that the H1 revenue, given the seasonality of the business, historically account for less than 40% of the annual total and is therefore not necessarily representative of an annual trend.

In the first half of 2024, the Group's Revenue from sales totalled EUR 72,587 thousand, or 7.0% more than in the same period last year (EUR 67,820 thousand), in particular linked to the positive performance of the Red Italy and Red, Blue and Black international lines.

6.1.1 Revenue from sales by product line

The Group designs, distributes and markets a wide range of products divided into the following product lines:

(i) Red line, including accessories for multimedia devices (such as cases, covers, phone holders for cars, protective glass, power supply units, portable chargers, data and charging cables, headphones, earphones, speakers, wearable technology products and travel adapters);

(ii) Black line, including all products and accessories related to the world of motorcycles and bicycles (such as, for example, intercoms and supports for smartphones); and

(iii) Blue line, which includes all the products marketed in Italy and abroad, not under the Group's proprietary trademarks.

The following table shows revenue, broken down by product, for the periods considered:

Revenue from Sales by product line

(In thousands of Euro)	H1 2024	% of revenue	H1 2023	% of revenue	Change Δ	Change %
Red – Italy	21,749	30.0%	19,447	28.7%	2,302	11.8%
Red – International	36,490	50.3%	34,708	51.2%	1,782	5.1%
Revenue from sales - Red	**58,239**	**80.2%**	**54,155**	**79.9%**	**4,084**	**7.5%**
Black – Italy	2,146	3.0%	2,228	3.3%	(82)	-3.7%
Black – International	2,583	3.6%	2,135	3.1%	448	21.0%
Revenue from sales - Black	**4,730**	**6.5%**	**4,363**	**6.4%**	**367**	**8.4%**
Blue – Italy	8,320	11.5%	8,478	12.5%	(158)	-1.9%
Blue – International	1,298	1.8%	824	1.2%	474	57.6%
Revenue from sales - Blue	**9,618**	**13.3%**	**9,302**	**13.7%**	**316**	**3.4%**
Total Revenue from Sales	**72,587**	**100.0%**	**67,820**	**100.0%**	**4,767**	**7.0%**

- the **Red Line**, which represents the Group's core business, recorded a year-on-year increase of 7.5% (EUR 4,084 thousand), accounting for approximately 80% of the whole Group's revenue for the period. Growth was driven by the acquisition of new high-potential customers and by the increased involvement with top selected partners;
- the **Black Line** recorded sales of EUR 4,730 thousand; with growth of 8.4% (EUR +367 thousand) compared with the same period of the previous year;

- **the Blue Line** recorded growth of EUR 316 thousand, mainly due to a slightly increase in demand for products of non-Group owned brands distributed in the international markets.

6.1.2 Consolidated revenue by geographical segment

The following table shows revenue, broken down by geographical segment, for the periods considered:

Revenue from sales by geographical segment

(In thousands of Euro)					Change	
	H1 2024	% of revenue	H1 2023	% of revenue	Δ	%
Italy	32,178	44.3%	30,153	44.5%	2,025	6.7%
Spain/Portugal	6,760	9.3%	5,623	8.3%	1,137	20.2%
Germany	5,471	7.5%	6,246	9.2%	(775)	-12.4%
Eastern Europe	6,031	8.3%	5,808	8.6%	223	3.8%
Switzerland	3,146	4.3%	3,690	5.4%	(544)	-14.8%
Benelux	4,195	5.8%	3,817	5.6%	378	9.9%
Northern Europe	3,632	5.0%	3,346	4.9%	287	8.6%
France	4,074	5.6%	2,968	4.4%	1,106	37.3%
Great Britain	3,106	4.3%	2,325	3.4%	781	33.6%
Middle East[5]	2,854	3.9%	2,407	3.5%	447	18.6%
North America	720	1.0%	900	1.3%	(179)	-19.9%
Others	417	0.6%	537	0.8%	(120)	-22.3%
Total Revenue from Sales	**72,587**	**100%**	**67,820**	**100.0%**	**4,767**	**7.0%**

With regard to the analysis of sales by geographic segment, it should be noted that the sales recorded in foreign markets accounted for 55.7% of the Group's total sales (55.5% in H1 2023).

6.2 Cost of sales

In the first half of 2024, cost of sales came to EUR 44,245 thousand (EUR 43,467 thousand in H1 2023) equating to 61.0% of revenue, down in percentage terms on the same period last year (64.1%).

6.3 Sales and distribution costs

(In thousands of Euro)			Changes	
	H1 2024	H1 2023	Δ	%
Sales and distribution personnel expense	7,031	6,739	292	4.3%
Commissions to agents	3,235	2,970	265	8.9%
Transport	2,118	1,918	199	10.4%
Advertising and advertising consultancy expenses	1,293	1,279	14	1.1%
Other sales and distribution costs	1,577	1,224	353	28.8%
Total sales and distribution costs	**15,252**	**14,130**	**1,122**	**7.9%**

[5] For a better presentation, revenue from Turkey, included in the line 'Others' in the 2023 half-yearly financial report, has been reclassified to 'Middle East'.

This item increased by EUR 1,122 thousand compared to the previous period in absolute terms, but the percentage of revenue (21.0%) was in line with the first half of 2023 (20.8%).

6.4 General and administrative costs

(In thousands of Euro)			Changes	
	H1 2024	H1 2023	Δ	%
Amortisation	4,889	4,825	64	1.3%
Depreciation	1,616	1,633	(17)	-1.0%
Provisions for risks and impairment losses	284	327	(43)	-13.3%
Administrative personnel expense	3,341	3,203	139	4.3%
Strategic, administrative, legal HR consultancy, etc.	1,230	1,328	(98)	-7.4%
Commissions and fees	80	142	(63)	-44.0%
Directors' and Statutory Auditors' fees	488	466	22	4.6%
Other general and administrative costs	1,781	1,664	118	7.1%
Total General and administrative costs	**13,709**	**13,588**	**121**	**0.9%**

General and administrative costs amounted to EUR 13,709 thousand in the first half of 2024, compared to EUR 13,588 thousand in H1 2023.

6.5 Other non-operating income and expense

Net non-operating income amounted to EUR 727 thousand and mainly refers to income and expense relating to the Group's non-core operations. The item can be broken down as follows:

(In thousands of Euro)			Changes	
	H1 2024	H1 2023	Δ	%
(SIAE and CONAI contributions)	(93)	(129)	36	-28.1
Prior year income (expense)	142	122	20	16.0%
Recoveries of SIAE fees	3	3	(1)	-17.5%
Other non-operating (expense)/income	675	694	(19)	-2.8%
Total other non-operating (expense) income	**727**	**691**	**36**	**5.2%**

6.6 Adjusted EBITDA

The main data used to calculate adjusted EBITDA are shown below:

(In thousands of Euro)			Changes	
	H1 2024	H1 2023	Δ	%
Operating profit/(loss)	**107**	**(2,674)**	**2,781**	**>-100%**
Amortisation and depreciation	6,505	6,458	47	0.7%
Non-recurring expense(income)	179	699	(520)	-74.3%
Exchange gains/(losses)	225	72	153	>100%
Adjusted EBITDA	**7,016**	**4,555**	**2,461**	**54.0%**

Adjusted EBITDA amounted to EUR 7,016 thousand in the period under review, an increase of EUR 2,461 thousand compared to the same period of the previous year. The Adjusted EBITDA margin shows a 3.0% margin recovery over the period, from 6.7% in H1 2023 to the current 9.7%, as a result of the higher absorption of fixed costs due to the revenue growth in the period, the change in the mix and cost controls implemented by management.

Adjustments made to EBITDA, excluding depreciation and amortisation, amounted to EUR 404 thousand during H1 2024 (EUR 771 thousand in H1 2023) and mainly consisted of:

(i) non-recurring expense(income) (EUR 179 thousand); this comprises income and expense related to non-recurring or non-core events or related to one-off transactions;

(ii) operating exchange gains (EUR 225 thousand) attributable to commercial purchases settled in USD.

6.7 Financial income and expense

Net financial expense amounts to EUR 1,576 thousand (expense of EUR 1,763 thousand in the first half of 2023), as detailed in the table below:

(In thousands of Euro)			Changes	
	H1 2024	**H1 2023**	**Δ**	**%**
Other financial income and fair value gains	206	60	147	>100%
Interest income	10	-	9	>100%
Total Financial income	**216**	**60**	**156**	**>100%**
Interest expense on loans	(1,050)	(1,099)	50	-4.5%
Commissions and fair value losses	(644)	(619)	(25)	4.0%
Other interest expense	(99)	(104)	5	-5.1%
Total Financial expense	**(1,793)**	**(1,823)**	**30**	**-1.6%**
Net Financial income (expense)	**(1,576)**	**(1,763)**	**186**	**-10.6%**

Financial income, amounting to EUR 216 thousand, was mainly attributable to the mark-to-market value of outstanding currency hedging derivatives.

Financial expense, amounting to EUR 1,793 thousand, was in line with the previous period and mainly related to:

- EUR 1,050 thousand for interest due to banks for current and non-current loans;
- EUR 644 thousand for bank commission costs and premiums paid for currency risk hedging transactions and factoring transactions;
- EUR 99 thousand for other interest expense.

6.8 Exchange gains/(losses)

(In thousands of Euro)			Changes	
	H1 2024	**H1 2023**	**Δ**	**%**
Exchange gains on trade transactions	225	72	153	>100%
Exchange gains/(losses) on financial transactions	(114)	34	(148)	>-100%
Net exchange gains	**111**	**106**	**5**	**4.6%**

6.9 Adjusted EBIT

The main data used to calculate adjusted EBIT are shown below:

(In thousands of Euro)			Changes	
	H1 2024	**H1 2023**	**Δ**	**%**
Operating profit/(loss)	**107**	**(2,674)**	**2,781**	**>-100%**
PPA amortisation	3,337	3,325	12	0.4%
Non-recurring expense (revenue)	179	699	(520)	-74.3%
Exchange gains/(losses)	225	72	153	>100%
Adjusted EBIT	**3,848**	**1,422**	**2,426**	**>100%**

Adjusted EBIT amounted to EUR 3,848 thousand compared with EUR 1,422 thousand in the same period of 2023.

The adjustments made to the Group EBIT refer to the factors mentioned in the section on adjusted EBITDA, and to the amortisation related to the purchase price allocation of EUR 3,337 thousand.

6.10 Adjusted profit/(loss) for the period attributable to owners of the parent

The main data used to calculate the adjusted profit/(loss) for the period attributable to owners of the parent are shown below:

(In thousands of Euro)			Changes	
	H1 2024	**H1 2023**	**Δ**	**%**
Group profit (loss)	**(1,292)**	**(4,036)**	**2,744**	**-68.0%**
Non-recurring expense/(revenue)	179	699	(520)	-74.3%
PPA amortisation	3,337	3,325	12	0.4%
Tax effect of the above items	(965)	(1,107)	143	-12.9%
Adjusted profit (loss) for the period attributable to owners of the parent	**1,259**	**(1,120)**	**2,379**	**>-100%**

The adjusted profit for H1 2024 attributable to owners of the parent was EUR 1,259 thousand (a loss of EUR 1,120 thousand for H1 2023).

In addition to the factors mentioned in the section on adjusted EBIT, the adjustments made to this item mainly relate to the tax effects of the items adjusted.

7. Financial position and cash flows

Reclassified statement of financial position

The details of the Group's financial position at 30 June 2024 and 31 December 2023 are shown below:

(In thousands of Euro)	30 June 2024	31 December 2023
Inventories	41,289	46,931
Trade receivables	48,615	51,459
Trade payables	(28,303)	(32,330)
Net trade working capital	**61,602**	**66,060**
Other working capital items	(76)	2,914
Net working capital	**61,526**	**68,974**
Non-current assets	102,199	107,099
Non-current provisions and other liabilities	(5,956)	(6,030)
Net invested capital	**157,769**	**170,043**
Net financial indebtedness	27,495	35,384
Equity	130,273	134,659
Total equity and financial liabilities	**157,769**	**170,043**

The Group's Net Trade Working Capital at 30 June 2024 was EUR 61,601 thousand with a decrease in absolute value of EUR 4,459 thousand compared to 30 June 2023, mainly due to a decrease in inventories for EUR 5,642 thousand and in trade receivables for EUR 2,844 thousand, partially offset by a decrease in trade payables for EUR 4,027 thousand. These changes are partly due to the seasonality of the business and partly to specific efficiency actions taken by management. This aggregate accounted for 37.6% of sales for the period, compared to 41.6% at the end of June 2023.

The decrease in Other working capital items is mainly due to the decrease in prepaid expenses. Total receivables assigned without recourse to factor companies amounted to EUR 11,444 thousand at 30 June 2024 (EUR 13,217 thousand at 31 December 2023).

Reclassified statement of cash flows

(In thousands of Euro)	30 June 2024	31 December 2023
Available cash/(Financial liabilities):		
Cash	11	11
Bank deposits	11,923	14,030
Cash and cash equivalents	**11,934**	**14,041**
Current financial assets	123	338
Current bank loans and borrowings	(28,578)	(29,170)
Other financial liabilities	(1,295)	(2,932)
Current financial indebtedness	**(29,751)**	**(31,764)**
Net current financial indebtedness	**(17,817)**	**(17,722)**
Non-current bank loans and borrowings	(1,400)	(8,600)
Other financial liabilities	(8,279)	(9,061)
Non-current financial indebtedness	**(9,679)**	**(17,661)**
Net financial indebtedness	**(27,495)**	**(35,384)**

Cash and cash equivalents (EUR 11,934 thousand) and available unused trade and factor credit lines (EUR 15,992 thousand) ensure the Group's high financial strength. It should be noted that on 31 July 2024, the Parent entered into a new financing agreement, reference to which is made in the section 'Significant events during and after the reporting period'.

Below is a reconciliation of the net financial indebtedness at 30 June 2024, of EUR 27,495 thousand, and at 31 December 2023, of EUR 35,384 thousand, according to the scheme envisaged by ESMA Guidance 32-382-1138 dated 4 March 2021 and indicated in the Consob Note 5/21 dated 29 April 2021:

(In thousands of Euro)	30 June 2024	31 December 2023	Changes Δ	%
(A) Cash	11,934	14,041	(2,107)	-15.0%
(B) Cash equivalents	-	-	-	-
(C) Other current financial assets	123	338	(215)	-63.7%
(D) Liquidity (A)+(B)+(C)	**12,056**	**14,379**	**(2,323)**	**-16.2%**
(E) Current financial debt	14,319	16,270	(1,951)	-12.0%
(F) Current portion of non-current debt	15,554	15,831	(278)	-1.8%
(G) Current financial indebtedness (E) + (F)	**29,873**	**32,101**	**(2,228)**	**-6.9%**
- of which guaranteed	-	-	-	-
- of which not guaranteed	*29,873*	*32,101*	*(2,228)*	*-6.9%*
(H) Net current financial indebtedness (G) - (D)	**17,817**	**17,722**	**95**	**0.5%**
(I) Non-current financial debt	9,679	17,661	(7,982)	-45.2%
(J) Debt instruments	-	-	-	-
(K) Non-current trade and other payables	-	-	-	-
(L) Non-current financial indebtedness (I)+(J)+(K)	**9,679**	**17,661**	**(7,982)**	**-45.2%**
- of which guaranteed	-	-		-
- of which not guaranteed	*9,679*	*17,661*	*(7,982)*	*-45.2%*
(M) TOTAL FINANCIAL INDEBTEDNESS (H) + (L)	**27,495**	**35,384**	**(7,889)**	**-22.3%**

Total financial indebtedness of EUR 27,495 thousand includes:

- EUR 12,056 thousand in liquidity;
- EUR 14,319 thousand for current financial debt mainly related to hot money and other current financing;
- EUR 15,554 thousand mainly related to the current portion of non-current loans and current portion of IFRS 16 lease liabilities;
- EUR 9,679 thousand for non-current financial debt, including non-current bank loans and borrowings, non-current liabilities related to the valuation of put/call options and lease liabilities in application of IFRS 16.

The main factors that influenced the Group's cash flow trends in the reporting period are summarised below (compared with the same period of last year).

Net cash flows generated by (used in) operating activities

(In thousands of Euro)	H1	
	2024	**2023**
Cash flows from operating activities		
Profit/(loss) for the period	(1,292)	(4,036)
Adjustments for:		
- Current and deferred taxes	(67)	(295)
- Net accruals and impairment losses included in working capital	937	198
- (Gains)/Losses on equity investments	-	-
- Accrued financial (income)/expense and exchange (gains)/losses	1,466	1,718
- Amortisation/depreciation	6,505	6,463
- Other non-monetary changes (*)	(320)	135
Changes in:		
- Inventories	5,366	(6,537)
- Trade receivables	2,615	6,024
- Trade payables	(4,027)	3,258
- Other changes in operating assets and liabilities	2,578	(2,965)
- Payment of employee benefits and change in provisions	-	6
Cash flows generated/(absorbed) by operating activities	**13,762**	**3,970**
Taxes paid	(207)	(1,075)
Interest and other net charges paid	(1,246)	(1,668)
Net cash flows generated by /(used in) operating activities	**12,308**	**1,227**

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

The net cash flow generated by operating activities, amounting to EUR 12,308 thousand (EUR 1,227 thousand in the first half of 2023), increased mainly due to the performance of the half-year and the dynamics of net working capital.

Cash flows generated by/(used in) investing activities

(In thousands of Euro)	H1	
	2024	**2023**
Cash flows from investing activities		
Acquisition of subsidiary, net of cash acquired and other costs	-	(2,552)
(Purchase)/sale of property, plant and equipment and intangible assets	(2,334)	(2,233)
Cash flows generated by/(used in) investing activities	**(2,334)**	**(4,785)**

In the first half of 2024, the investment activity mainly concerned:

- investments in intangible assets of about EUR 1,374 thousand (including the effect of converting financial statements carried in foreign currencies), mainly related to the evolution of the main company software and R&D on new products/brands;
- investments in plant, machinery, equipment and rights of use in the amount of about EUR 960 thousand (including the effect of converting financial statements carried in foreign currencies).

Cash flows generated by/(used in) financing activities

(In thousands of Euro)	H1	
	2024	**2023**
Cash flows from financing activities		
Disbursed bank loans and loans and borrowings from other financial backers[6] (*)	-	10,000
Repaid bank loans and loans and borrowings from other financial backers (*)	(7,881)	(3,109)
Decrease in other financial liabilities	(1,158)	(585)
(Dividend distribution)	(1,824)	-
Payment of transaction costs relating to financial liabilities	-	45
Other changes in equity	(1,218)	(342)
Net cash flows generated by/(used in) financing activities	**(12,082)**	**6,008**

The cash flows used in financing activities in H1 2024 mainly reflect the decrease of EUR 8,193 thousand in bank loans and borrowings mainly as a result of the payment of instalments on non-current bank loans.

The decrease in Other financial liabilities was impacted by the partial exercise of the WorldConnect AG Put option for EUR 642 thousand and reduction of the lease liability for EUR 636 thousand.

We also note the payment of a cash dividend in the amount of EUR 1,824 thousand and buy-back transactions in the first half of 2024 in the amount of EUR 1,218 thousand included in the item Other changes in equity.

8. Investments and research and development activities

During H1 2024 - as in previous reporting periods - the Group carried out constant research and development activities, focusing its efforts on selected projects deemed to be of particular importance:

- technological innovation for the development of new product configurations and their packaging with the aim of increasing the degree of environmental sustainability;
- technological process innovation in key business areas;
- technological innovation aimed at developing new products to expand the market proposition.

9. Information on transactions with related parties and non-recurring, atypical or unusual transactions

Information on transactions with related parties is presented in Note 5 to the Condensed Interim Consolidated Financial Statements.

10. Atypical and/or unusual transactions

During H1 2024, there were no atypical and/or unusual transactions, as defined in CONSOB Communication no. DEM/6064293 of 28 July 2006.

11. Share-based payments

Information on share-based payment plans is presented in Note 4.12 to the Condensed Interim Consolidated Financial Statements.

[6] Stipulation of new loans/new drawdowns.

12. Treasury shares and shares of the parent

During the first half of 2024, 327,634 treasury shares were assigned in connection with the distribution of the dividend resolved by the shareholders' meeting of 24 April 2024. Furthermore, on 31 May 2024, following the exercise of the put option by the shareholders of the company Worldconnect AG, a partial portion of the transaction was settled via the transfer of 339,459 treasury shares.

Therefore, the number of treasury shares held in the portfolio at 30 June 2024 was 306,149 (527,207 at 31 December 2023), or 1.43% of the share capital. See the section 'Significant events during and after the reporting period' for information in the ongoing buy-back program.

13. Main risks and uncertainties to which the Group is exposed

This section provides information on the Group's exposure to each of the risks and uncertainties, the objectives, policies and processes for managing these risks and the methods used to assess them, as well as the Group's management of capital.

The overall responsibility for creating and supervising a Group risk management system lies with the parent's Directors, who are responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are designed to identify and analyse the risks to which the Group is exposed, to establish appropriate limits and controls and to monitor risks and compliance with these limits. These policies and related systems are reviewed regularly to reflect any changes in market conditions and the Group's activities. Through training, standards and management procedures, the Group aims to create a disciplined and constructive control environment in which its employees are aware of their roles and responsibilities.

In this context, the Parent Cellularline S.p.A. has adopted the Code of Ethics and the Organisation and Management Model pursuant to Legislative Decree No. 231 of 8 June 2001, giving appropriate notice to all the parties concerned, and keeps it updated according to regulatory developments and corporate activities.

13.1 Risks related to competition and competitiveness

The market for accessories for mobile devices (smartphones and tablets) is characterised by a high level of competitiveness, which could also be strengthened by the possible entry of potential new Italian or foreign competitors. The Group's current or future competitors may be able to implement marketing and commercial development policies that will enable them to gain market share to the detriment of those operators that use multiple sales channels. In this case, the Group could be forced to reduce its sales prices without any corresponding reduction in the purchase costs of its products, thus achieving a lower margin on the sale of its products. One of the Group's main threats is the sale of competing products by producers located in the Far East, often through the on-line channel and with low quality and/or non-certified product offerings.

If the Group, in the event of an increase in the number of direct and/or indirect competitors, is not able to maintain its competitive strength on the market, there could be negative effects on its business and growth prospects as well as on its financial position and performance. Further risks are linked to possible changes in

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consumer purchasing behaviour in the light of demographic changes, increasing digitalisation, changing economic conditions and purchasing power. Any misjudgement regarding developments in consumer behaviour,
trends in terms of prices and product ranges may result in the risk of failed or delayed adoption of appropriate sales models and in the failed or delayed exploration of new sales channels, with possible negative effects on the Group's financial position and performance.

13.2 Risks related to seasonality and the obsolescence of inventories.

The market the Group operates in is characterised by seasonal phenomena that are typical of the market of electronic products and accessories. In particular, sales in the second half of each year account for more than 60% of total annual sales on average, with demand peaking in the last quarter of the year (Black Friday and Christmas). Absolute EBITDA, in consideration of a far more linear and uniform distribution of overhead costs (personnel, rents and general expenses) throughout the year, is also affected by this seasonality, showing a significantly higher average EBITDA incidence in the second half of the year. Therefore, the Group is exposed to risks related to the availability of certain products in the warehouse as well as the risk that some of them may become obsolete before they are put on the market.
Considering the importance of warehouse management in its business organisation, the Group may be exposed both to an availability risk related to the correct forecast of the quantity and assortment of products for the subsequent marketing in a given period of the year and to a risk related to the obsolescence of inventories due to delays in marketing or because the quantities procured exceed sales on the market in the last quarter with possible sales difficulties in subsequent quarters.
The Group is exposed to the risk associated with possible changes in consumer purchasing behaviour, in light of demographic changes and increased competitive pressure, further amplified by the current macroeconomic conditions that increase price volatility with possible effects on consumers' purchasing choices also in relation to their spending capacity.
The incorrect definition of the product range in terms of variety and availability during the periods of the year that are characterised by high sales or the untimeliness of the change in strategy in terms of updated sales data and information could have a negative impact on the match between product offer and customer demand and the valuation of products held as inventories, with negative effects on the Group's financial position and performance.

13.3 Risks related to changes in the regulatory framework

The Group is subject to the regulations applicable to products manufactured and/or marketed. The evolution of the regulations or any changes to the regulations in force, also at international level, could require the Group to bear additional costs to adapt its production facilities or the characteristics of its products to the new provisions, with a consequent negative effect on the Group's growth prospects as well as on its financial position and performance.

13.4 Risk associated with price trends and possible procurement difficulties and relations with suppliers

The Group operates in international markets, with customers operating mainly in the EMEA area and with suppliers of products located mainly in the Far East (China and the Philippines); as of today, sales are therefore made almost exclusively in Euro, while the majority of purchases of products are settled in USD, as is the practice of the reference industry. The Group is therefore exposed to currency risk - for the main types of product supplies - almost exclusively in USD. However, there are numerous factors that limit its risk profile, including: i) the high rate of product innovation (about 31% of annual turnover derives from products launched in the year), ii) the possibility to carry out, in a relatively short time (3-6 months), revisions to customer price lists and, lastly, iii) the high contractual flexibility with suppliers in the Far East (with no commitments to purchase minimum quantities at predefined prices for periods exceeding 6 months - with rare exceptions).

The trend of the exchange rates applied during the period was as follows:

Currency	Average H1 2024	At 30 June 2024	Average H1 2023	At December 2023
Euro/USD	1.081	1.071	1.081	1.105

In H1 2024, the Group used derivative financial instruments to hedge fluctuations in the EUR/USD exchange rate.

In addition, any legislative, political and economic changes, as well as potential social instability and conflict or the introduction of restrictions or customs duties on the export of products, or the introduction into the European Union of any restrictions on the import of products from these countries, could have a negative impact on the production capacity of suppliers and on the procurement activities of the Group, with consequent possible negative effects on the business and prospects, as well as on the financial position and performance of the Group.

The increase in interest rates due to the tightening of monetary policies implemented to tackle inflation, in addition to impacting the cost of debt, could lead to a contraction in consumption also in the sector in which the Group operates, with unfavourable effects on results.

13.5 Liquidity risk

From an operational point of view, the Group controls the liquidity risk through the regular planning of expected cash flows and payments. Based on the results of such planning, it identifies financial requirements and thus the financial resources to cover them. The average debt exposure is shown below:

(In thousands of Euro)	within 12 months	1 - 5 years	over 5 years	Total
Employee benefits	-	564	-	564
Trade payables	28,303	-	-	28,303
Deferred tax liabilities	-	3,407	-	3,407
Bank loans and borrowings and loans and borrowings from other financial backers	28,578	1,400	-	29,978
Non-current provisions for risks and charges	-	1,985	-	1,985
Other liabilities	9,760	-	-	9,760
Other financial liabilities	1,295	7,245	1,034	9,574
Current tax liabilities	1,791	-	-	1,791
Total	**69,727**	**14,601**	**1,034**	**85,361**

In order to prevent unforeseen cash outflows from becoming critical, the Group aims to keep a balance between maintaining the funding and flexibility, through the use of available liquidity and credit lines. With regard to potential liquidity risks, the Group continues to show a good equity and financial structure, considering the limited leverage ratio (1.2x), the current cash and cash equivalents (EUR 11,934 thousand) and the unsecured commercial credit lines made available by various credit institutions and not used (about EUR 16.0 million).

13.6 Credit risks

Credit risk is the risk that a customer or one of the counterparties to a financial instrument may cause a financial loss by defaulting on an obligation and arises mainly from the Group's trade receivables and financial investments. The Group is exposed to the risk that its customers may delay or fail to meet their payment obligations within the agreed terms and conditions and that the internal procedures adopted in relation to the assessment of creditworthiness and solvency of customers are not sufficient to ensure the successful completion of collections. Such failed payments, late payments or other default situations may be due to the insolvency or bankruptcy of the customer, economic events or specific situations of the customer.

Specifically, the Group pays attention to the credit policy with regard to both long-standing and newly acquired customers, strengthening the policies of preventive action, by acquiring more complete credit information (from different sources) for all major and/or new customers and by progressively increasing the systematic way in which credit report analyses are conducted, including the assessment of the customer portfolio and the assignment of credit limits.

The schedule of trade receivables at 30 June 2024 is shown below:

(In thousands of Euro)	Not yet due	Due within 6 months	Due in 6 to 12 months	Due after 12 months
Trade receivables (gross of loss allowance)	39,982	2,916	875	6,060
Amounts due from associates	1,573	1,374	-	5
Total gross trade receivables	**41,555**	**4,290**	**875**	**6,065**
(Loss allowance)	-	-	-	(4,170)
Total net trade receivables	**41,555**	**4,290**	**875**	**1,895**

The Group recognises an expected loss allowance considering estimated losses on trade receivables, other assets and non-current financial assets, which takes into account the risk level of the counterparties and the related positions by homogeneous classes. In particular, the policy implemented by the Group provides for the stratification of trade receivables on the basis of days past due and an assessment of the counterparty's solvency, and applies different impairment percentages that reflect the relative recovery expectations. The Group then applies an analytical assessment based on the debtor's reliability and ability to pay the amounts due, for impaired loans.

13.7 Interest rate risks

In relation to the risk of changes in interest rates, the Group has not yet entered into interest rate swaps to hedge the risk of changes in interest rates on the loans in place (residual debt at 30 June 2024 of approximately EUR 15.8 million), meaning that interest rates fluctuations could lead to an increase in financial expense relating to indebtedness. It should be noted that on 31 July 2024, the Parent entered into a new financing agreement, reference to which is made in the section 'Significant events during and after the reporting period'.

13.8 Risks related to the administrative liability of legal persons

In 2017 the parent adopted the organisational model and the code of ethics and appointed the supervisory body as provided for by Legislative Decree no. 231 of 8 June 2001, in order to ensure compliance with the set conditions of fairness and transparency in the execution of business activities, to protect its position and image, the expectations of shareholders and the work of employees. The model is a valid tool for raising the awareness of all those who work on behalf of the parent, so that they behave correctly and properly while performing their activities, as well as a means of prevention against the risk of committing crimes.

13.9 Risks associated with climate change

Risk that a catastrophic event resulting from acute weather phenomena (storms, floods, earthquakes, fires or heat waves) and/or chronic weather phenomena, i.e. long-term climatic changes (temperature changes, rising sea levels, reduced water availability, loss of biodiversity, etc.), may damage assets or cause a production stoppage for the Group and/or suppliers, and prevent the Group from carrying out its operations by interrupting the value chain or lead to a slowdown in the supply chain.

The Group regularly and thoroughly examines the risk of climate change. The “ESG Report 2023”, while not constituting an “NFS” (Non-Financial Statement) pursuant to Italian Legislative Decree no. 254/2016 implementing Directive 2014/95/EU, was presented to the Board of Directors on 26 June 2024 and was made public and distributed to all stakeholders. At present, no significant elements have been highlighted such as to identify triggers that could generate accounting impacts. In particular, the recoverability of the value of inventories, the potential impact on the residual useful life of assets, following the potential need to replace them in order to comply with new policies or non-compliance with current regulations, and the potential impact on the demand for products were examined without finding any critical issues. Given the ongoing evolution of the subject, the Group will continue and expand its monitoring of such possible risks in the future.

13.10 Risk of cybercrimes and computer system disruptions

The Group is very sensitive to the risks associated with possible interference with the IT system, on which the continuity and operability of the business very much depends. Also with reference to the Cyber Risk (the risk connected to the handling of information in the computer system that may be hacked, stolen or deleted due to accidental events or malicious actions - such as hacker attacks), it should be noted that the Parent has adopted various measures to guarantee the continuity of IT services, including the use of distinct server locations and various levels of security for access to systems, and has also drawn up a plan to guarantee data recovery in the event of a disaster event through a Disaster Recovery system and plan. With reference to the remaining Group companies, the Parent's management is continuing the process of reconnaissance and evaluation of the measures activated locally with the aim of implementing adequate safeguards at Group level through a programme of continuous improvement of its position in the area of Cyber Security through the set of measures, policies and technologies put in place to protect its digital assets. In addition, an insurance policy has been stipulated to cover the cyber risk.

14. Management and coordination

Cellularline S.p.A. is not managed and coordinated by companies or entities and defines its general and operational strategic guidelines independently.

15. Branches

The Parent has its registered office in Reggio Emilia, at Via Grigoris Lambrakis no. 1/A and has a branch office in France, based in Paris at 91, Rue Du Faubourg Saint Honoré.

16. Workforce

In H1 2024, in the belief that people are one of the Group's strategic assets, it was decided to continue to invest in improving people management practices and policies through the implementation and continuous maintenance of HR processes and systems. Moreover, the Group continues to carry out training and development activities for its employees on a regular basis, in the certainty that the professional and working development of each individual is a prerequisite for continuous improvement in performance.

The work is carried out in full compliance with the rules and regulations in force regarding safety in the workplace. There have been no specific incidents to be mentioned in this report, such as deaths, serious accidents at work or occupational diseases for which the Group has been held liable.

The number of employees at 30 June 2024 was 289, in line with the previous year (288).

17. Information on environmental impact

The Group firmly believes in respecting the environment and the ecosystem in which it operates; this is why it carries out its business taking into account the protection of the environment and the need for sustainable use of natural resources, in accordance with the provisions of current environmental legislation, committing itself to act responsibly towards the territory and the community. In particular, the assessment and management of environmental and social impacts along the supply chain, as well as the traceability of its suppliers are extensively analysed in the Environment, Social and Governance (ESG) report published annually. The Group condemns any type of action or behaviour that is potentially harmful to the environment. Although it does not have any significant environmental impacts, the Group has adopted specific procedures for the disposal of Waste Electrical and Electronic Equipment (WEEE).

18. Significant events during and after the reporting period

- 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 early months of 2024, as per the internal dealing communication, moreover:
  - 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%.

- On 24 April 2024, the Shareholders' Meeting approved all the items on the agenda and, in particular:
  - the financial statements at 31 December 2023;
  - the allocation of the profit for the year, 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 report on the remuneration policy and fees paid;
  - the Incentive Remuneration Plan based on financial instruments called the "Cellularline S.p.A. 2024-2026 Incentive Plan".
- On 22 May 2024, cash dividends were paid in the amount of EUR 0.033 per eligible ordinary share, and dividends were paid through the free allocation to shareholders of 327,634 ordinary treasury shares (corresponding to 1.50% of the share capital), in the amount of 1 ordinary share for every 64 ordinary shares held.
- On 31 May 2024, 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. 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.

Subsequent events

- On 3 July 2024, 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;
- On 31 July 2024, the Parent 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 originally existing medium- to long-term financial sources, which will allow the Parent to obtain an extension of the maturities of its financial debt by around two years (to 2028). The new agreement also includes a EUR 10 million line to support the growth strategy and is subject to financial covenants. The pre-existing medium- and long-term lines were repaid at the same time.

19. Outlook

On the basis of the performance recorded in the first half of 2024, the actions taken by management, and the performance of the end markets and currency markets, the Group is confident in a positive development of revenue and margins in the remainder of the financial year.

Reggio Emilia, 11 September 2024.

Antonio Luigi Tazartes
Chair of the Board of Directors

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CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

STATEMENT OF FINANCIAL POSITION

(In thousands of Euro)	Notes	Balance at 30 June 2024	Of which Related parties	Balance at 31 December 2023	Of which related parties
ASSETS					
Non-current assets					
Intangible assets	4.1	46,763		50,594	
Goodwill	4.2	37,892		38,505	
Property, plant and equipment	4.3	7,740		7,816	
Equity investments in associates and other companies		331		331	
Right-of-use assets	4.4	3,343		3,994	
Deferred tax assets	4.5	5,981		5,805	
Financial assets		149		54	
Total non-current assets		**102,199**		**107,099**	
Current assets					
Inventories	4.6	41,289		46,931	
Trade receivables	4.7	48,615	2,277	51,459	3,761
Current tax assets	4.8	535		473	
Financial assets	4.9	123		338	
Other assets	4.10	10,941		13,066	
Cash and cash equivalents	4.11	11,934		14,041	
Total current assets		**113,437**		**126,308**	
TOTAL ASSETS		**215,636**		**233,407**	
EQUITY AND LIABILITIES					
Equity					
Share capital	4.12	21,343		21,343	
Other reserves	4.12	105,006		107,056	
Retained earnings	4.12	5,216		2,665	
Profit (loss) for the period attributable to owners of the parent		(1,292)		3,595	
Equity attributable to owners of the parent		**130,273**		**134,659**	
Non-controlling interests		-		-	
TOTAL EQUITY		**130,273**		**134,659**	
LIABILITIES					
Non-current liabilities					
Bank loans and borrowings and loans and borrowings from other financial backers	4.13	1,400		8,600	
Deferred tax liabilities	4.5	3,407		3,547	
Employee benefits	4.14	564		544	
Provisions for risks and charges	4.15	1,985		1,939	
Other financial liabilities	4.13	8,279		9,061	
Total non-current liabilities		**15,635**		**23,691**	
Current liabilities					
Bank loans and borrowings and loans and borrowings from other financial backers	4.13	28,578		29,170	
Trade payables	4.16	28,303	1	32,330	
Current tax liabilities	4.17	1,791		1,686	
Provisions for risks and charges	4.15	-		-	
Other liabilities	4.18	9,760		8,939	
Other financial liabilities	4.13	1,295		2,932	
Total current liabilities		**69,727**		**75,057**	
TOTAL LIABILITIES		**85,361**		**98,748**	
TOTAL EQUITY AND LIABILITIES		**215,636**		**233,407**	

INCOME STATEMENT

(thousands of Euro)	Notes	H1 2024	Of which related parties	H1 2023	Of which related parties
Revenue from sales	**4.19**	72,587	2,100	67,820	2,012
Cost of sales	**4.20**	(44,245)		(43,467)	
Gross operating profit		**28,342**		**24,353**	
Sales and distribution costs	**4.21**	(15,252)		(14,130)	
General and administrative costs	**4.22**	(13,709)	(6)	(13,588)	(6)
Other non-operating expense(income)	**4.23**	727		691	
Operating profit/(loss)		**107**		**(2,674)**	
Financial income	**4.24**	216		60	
Financial expense	**4.24**	(1,793)		(1,823)	
Exchange gains/(losses)	**4.25**	111		106	
Gains/(losses) on equity investments		-		-	
Pre-tax Profit/(loss)		**(1,359)**		**(4,331)**	
Current and deferred taxes	**4.26**	67		295	
Profit (Loss) for the period before non-controlling interests		**(1,292)**		**(4,036)**	
Non-controlling interests		-		-	
Profit (Loss) for the period attributable to owners of the parent		**(1,292)**		**(4,036)**	
Basic earnings per share (Euro per share)	**4.27**	**(0.06)**		**(0.19)**	
Diluted earnings per share (Euro per share)	**4.27**	**(0.06)**		**(0.19)**	

STATEMENT OF COMPREHENSIVE INCOME

(thousands of Euro)	Notes	H1 2024	H1 2023
Profit (Loss) for the period attributable to owners of the parent		**(1,292)**	**(4,036)**
Other comprehensive income that will not be reclassified to profit or loss			
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
Other comprehensive income (expense)		**(784)**	**58**
Comprehensive (expense)		**(2,076)**	**(3,978)**

STATEMENT OF CASH FLOWS

(thousands of Euro)	Notes	H1 2024	H1 2023
Profit/ (loss) for the period		(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
Cash flows generated (absorbed) by operating activities net of NWC		**7,229**	**4,184**
(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
Cash flows generated (absorbed) by operating activities		**13,762**	**3,970**
Interest paid and other net charges paid		(1,246)	(1,668)
Income taxes paid		(207)	(1,075)
Net cash flows generated by operating activities		**12,308**	**1,227**
Acquisition of subsidiary, net of cash acquired		-	(2,552)
Purchase of property, plant and equipment and intangible assets		(2,334)	(2,233)
Cash flows generated (absorbed) by investing activities		**(2,334)**	**(4,785)**
(Dividends distributed)		(1,824)	-
Other financial assets and liabilities		(1,158)	(585)
Other changes in equity		(1,218)	(342)
Disbursed bank loans and borrowings and loans and borrowings from other financial backers[7] (*)		-	10,000
Repaid bank loans and borrowings and loans and borrowings from other financial backers (*)		(7,881)	(3,109)
Payment of transaction costs relating to financial liabilities		-	45
Net cash flows generated by (used in) financing activities		**(12,082)**	**6,008**
Increase/(decrease) in cash and cash equivalents		**(2,108)**	**2,451**
Opening cash and cash equivalents	**4.11**	**14,041**	**9,916**
Closing cash and cash equivalents	**4.11**	**11,934**	**12,366**

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

[7] Stipulation of new loans/new drawdowns.

STATEMENT OF CHANGES IN EQUITY

		Share capital	Other reserves	Retained earnings	Profit (loss) for the period/ year	Non-controlling interests	Total Equity
Balance at 31 December 2022		**21,343**	**168,644**	**15,648**	**(75,166)**	**-**	**130,468**
Profit (loss) for the year		-	-	-	3,595	-	3,595
Other comprehensive income		-	1,087	-	-	-	1,087
Comprehensive income			**1,087**		**3,595**	**-**	**4,683**
Allocation of prior year loss		-	(62,162)	(13,003)	75,166	-	-
Dividend distribution			-	-	-	-	-
Repurchase of treasury shares		-	-	-	-	-	-
Other changes		-	(512)	20	-	-	(492)
Balance at 31 December 2023		**21,343**	**107,056**	**2,665**	**3,595**		**134,659**
Profit (loss) for the year		-	-	-	(1,292)	-	(1,292)
Other comprehensive expense		-	(784)	-	-		(784)
Comprehensive income			**(784)**	**-**	**(1,292)**	**-**	**(2,076)**
Allocation of prior year profit		-	1,044	2,551	(3,595)	-	-
Dividend distribution		-	(1,824)	-	-	-	(1,824)
Repurchase of treasury shares		-	(1,219)	-	-	-	(1,219)
Other changes		-	733	-	-	-	733
Balance at 30 June 2024	**4.12**	**21,343**	**105,006**	**5,216**	**(1,292)**	**-**	**130,273**

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Introduction

The Cellularline Group (hereinafter the "Group" or the "Cellularline Group") is one of the main operators in the smartphone and tablet accessories sector in the EMEA area, as well as a market leader in Italy; moreover, the Group ranks, by volume, among the top operators in Spain, Switzerland, Belgium, the Netherlands and Austria and boasts a strong competitive position in the other European countries.

Since 22 July 2019, the Parent's shares have been listed on Euronext STAR Milan market, organised and managed by Borsa Italiana S.p.A..

At the reporting date of the condensed consolidated interim financial statement at 30 June 2024, the shareholders of Cellularline holding more than 5% of the share capital with voting rights are as follows:

- Christian Aleotti 12.34%
- First Capital S.p.A. 7.89%
- Quaero Capital S.A. 7.59%
- Antonio Luigi Tazartes 7.19%

This Interim Financial Report is submitted for approval by the Board of Directors on 11 September 2024, in line with the financial calendar approved by the Board of Directors on 13 December 2023.

1.1 Impact of the Russia-Ukraine conflict and the Red Sea crisis on the Group's performance and financial position, measures taken, risks and areas of uncertainty

As it operates in several international markets, the Group is affected by changes in their macroeconomic conditions.

The conflict between Russia and Ukraine, which started in February 2022, is having negative consequences not only because of the severe humanitarian crisis that has ensued, but also because of the economic effects on global markets such as the rising costs of some energy and food commodities. Although such impacts have now been partially attenuated, these generalised increases have contributed to a global inflationary spiral that has already had its impact on consumption and which the Group's management is closely monitoring.

In addition, on 19 October 2023, following the start of the Israeli-Palestinian conflict, the Yemeni Houthi group launched piracy actions against merchant ships transiting the Red Sea, with the aim of damaging the Israeli and Western economy. The need to revise routes by the world's major shipping companies has led to an increase in shipping times and consequently in transport and insurance costs, with a strong impact on the timing of supplies and the final prices of consumer goods. The management is closely monitoring the development of the situation in order to take the necessary corrective actions, should the need arise.

2. Basis of preparation and basis of presentation

The basis of preparation and main accounting policies adopted in the preparation of the Condensed Interim Consolidated Financial Statements at 30 June 2024 (the "Condensed Interim Consolidated Financial Statements") are described below. They have been applied consistently for all the years presented in this document, taking into account the provisions of note 2.5.1 “1) New accounting standards, amendments and interpretations endorsed by the European Union that became effective as of the financial year beginning 1 January 2024”.

2.1 Basis of preparation

These Condensed Interim Consolidated Financial Statements were prepared in accordance with IAS 34 (Interim financial statements) and should be read in conjunction with the Group's latest annual consolidated financial statements at 31 December 2023 (“the latest financial statements”). Although they do not include all the information required for full disclosure of the financial statements, specific explanatory notes are included to explain events and transactions that are relevant to understanding changes in the Group's financial position and performance since the last financial statements.

2.2 Basis of presentation

The Condensed Interim Consolidated Financial Statements were prepared on a going-concern basis, as the Directors verified that there are no financial, management or other indicators that could indicate critical issues regarding the Group's ability to meet its obligations in the foreseeable future and in particular in the next 12 months.

The Condensed Interim Consolidated Financial Statements are presented in Euro, the Group's functional currency. Amounts are expressed in Euro unless otherwise specified. Rounding is carried out at an individual accounting account level and therefore aggregated. It should also be noted that any differences in some tables are due to rounding values expressed in thousands of Euro.

The Condensed Interim Consolidated Financial Statements consist of the following statements and these notes:

- **A) Statement of financial position:** it presents current and non-current assets separately from current and non-current liabilities, with a description in the notes, for each asset and liability item, of the amounts that are expected to be settled or recovered within or after 12 months from the reporting date.
- **B) Income statement:** the classification of costs in the consolidated income statement is based on their function, showing the intermediate results relating to gross operating profit/(loss), net operating profit/(loss) and pre-tax profit/(loss).
- **C) Statement of comprehensive income:** this statement includes the profit/(loss) for the period and the expense and income recognised directly in equity for transactions other than those carried out with the owners.
- **D) Statement of cash flows:** this statement shows cash flows from operating, investing and financing activities. Cash flows from operating activities are represented using the indirect method, through which the profit for the year is adjusted by the effects of non-monetary transactions, any deferral or accrual of previous or future collections or payments and revenue connected with the cash flows deriving from investing or financing activities.
- **E) Statement of changes in equity:** this statement includes, in addition to the result of the consolidated statement of comprehensive income, also the transactions that took place directly with the shareholders

who acted in this capacity and the details of each individual component. Where applicable, it also includes the effects of changes in accounting policies for each item of equity.

F) Notes to the condensed Interim Consolidated Financial Statements.

The Condensed Interim Consolidated Financial Statements are presented in comparative form.

These Condensed Interim Consolidated Financial Statements are authorised for publication by the Board of Directors on 11 September 2024.

2.3 Basis of consolidation and scope of consolidation

Basis of consolidation

The condensed interim consolidated financial statements include the interim financial statements or accounting statements at 30 June 2024 of the subsidiaries included in the scope of consolidation. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. An investor has power over an investee entity when the investor has existing rights that give it the current ability to direct the relevant activities, i.e. the activities that significantly affect that investee's returns.

The results of subsidiaries acquired, including through mergers, or sold during the period, are included in the income statement from the effective date of acquisition until the effective date of disposal.

When necessary, adjustments were made to the financial statements of subsidiaries to align the accounting policies used with those adopted by the Group and in compliance with IFRS.

All transactions between Group companies and the related balances are derecognised on consolidation.

Subsequently, the losses attributable to non-controlling interests in excess of their equity are allocated to equity attributable to owners of the parent, with the exception of cases in which the non-controlling interests have a binding obligation and are able to provide additional investments to cover the losses.

Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is determined by the aggregate acquisition-date fair values of the assets given, liabilities incurred or assumed and equity instruments issued by the Group in exchange for control of the acquiree.

The identifiable assets, liabilities and contingent liabilities of the acquiree that meet the conditions for recognition in accordance with IFRS 3 are recognised at their acquisition-date fair values, with the exception of non-current assets (or disposal groups), which are classified as held for sale in accordance with IFRS 5. These are recognised and measured at their fair values less costs to sell.

Goodwill arising from the acquisition of control of an investee or a business unit reflects the excess of the acquisition cost (defined as the aggregate considerations transferred in the business combination), plus the fair value of any previously held interests in the acquiree, over the acquisition-date fair values of the acquiree's identifiable assets, liabilities and contingent liabilities.

In an acquisition that does not entail control, goodwill can be determined at the acquisition date either in proportion to the percentage of control acquired or by measuring the fair value of non- controlling interests.

The valuation method is chosen on a case-by-case basis for each transaction.

Any adjustments to goodwill may be recognised in the measurement period (which may not exceed one year from the acquisition date) as a result of subsequent changes in the fair value of payments subject to conditions or in the determination of the fair values of the acquired assets and assumed liabilities, if provisionally recognised at the acquisition date and if such changes are deemed to reflect new information about facts and circumstances existing at the combination date. In the event of the sale of interests in subsidiaries, the residual amount of goodwill attributable to them is included in the determination of the gain or loss on the sale.

Scope of consolidation

The Condensed Interim Consolidated Financial Statements at 30 June 2024 include the statement of financial position and income statement figures of Cellularline S.p.A. (Parent) and the operating companies in which the Parent holds, directly or indirectly, an interest of more than 50%, or controls according to the definition in IFRS 10.

The line-by-line method is used for the consolidation of the following companies:

Company	Office	Currency	Share/quota capital (in currency/000)	Type of ownership	Percentage of ownership
Cellular Spain S.L.U.	Spain (Madrid)	EUR	3	Direct	100%
Cellular Inmobiliaria S.L.U.	Spain (Madrid)	EUR	3	Direct	100%
Cellular Immobiliare Helvetica S.A.	Switzerland (Lugano)	CHF	100	Direct	100%
Systema S.r.l.	Italy (Reggio Emilia)	EUR	100	Direct	100%
WorldConnect AG	Switzerland (Diepoldsau)	CHF	100	Direct	90%
Cellularline USA Inc	New York (USA)	USD	50	Direct	100%
Coverlab S.r.l.	Italy (Parma)	EUR	69	Direct	55%
Subliros S.L.	Spain (Barcelona)	EUR	11	Direct	80%
Peter Jäckel GmbH	Germany (Alfeld)	EUR	100	Direct	60%
Cellularline Middle East	Arab Emirates (Dubai)	USD	41	Direct	100%

It is specified that the companies Worldconnect AG, Coverlab S.r.l., Subliros S.L. and Peter Jäckel GmbH are consolidated 100% by virtue of the put&call contracts signed by the Parent, which regulate the acquisition of the remaining shares in the subsidiaries.

On 31 May 2024, 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 non-controlling shareholders brings Cellularline to hold a 90% controlling interest in Worldconnect.

The associate Cellular Swiss S.A. is measured using the equity method, as shown in the table below:

Company	Office	Currency	Share Capital	ownership %	
				Direct	Indirect
Cellular Swiss S.A.	Switzerland (Aigle)	CHF	100,000	50%	-

2.4 Use of estimates and judgements for the preparation of the Condensed Interim Consolidated Financial Statements

When preparing the Condensed Interim Consolidated Financial Statements, Management had to formulate valuations, estimates and assumptions that influence the application of accounting standards and the amounts of assets, liabilities, costs and revenue recognised in the financial statements.

Estimates and assumptions are based on information known at the date of preparation of the Condensed Interim Consolidated Financial Statements, management's experience and other elements considered relevant. The final amounts may differ from these estimates.

The main subjective assessments made by management in applying the Group's accounting policies and the main sources of uncertainty in the estimates were the same as those applied for the preparation of the consolidated financial statements at 31 December 2023.

Goodwill

The Group verifies the recoverable amount of the cash-generating unit to which the goodwill is allocated annually, or more frequently in the presence of impairment indicators. The recoverable amount is determined as value in use using the discounted cash flow method. This criterion is based on the general concept that the Enterprise Value is equal to the present value of the following two elements:

- the cash flows it will be able to generate within the forecast period;
- the terminal value, i.e. the value of the business as a whole, after the forecast period.

In applying this method, the Group uses various assumptions, including the estimate of future increases in sales, operating expense, the growth rate of terminal values, investments, changes in working capital and the weighted average cost of capital (discount rate).

The performance of the impairment test is characterised by a high degree of judgement with particular reference to the estimation of expected operating cash flows, which are subject to physiological uncertainty profiles, and the financial parameters to be used for discounting these flows.

Changes in the main estimates and assumptions made in the preparation of the Plan, and therefore of the impairment test, may change the value in use and realisable value of the recognised assets.

On 28 February 2024, the Parent's Board of Directors approved the 2024-2027 Business Plan, which contains the Group's strategic guidelines and medium- to long-term objectives, which are broken down as follows: *(i)* Brands and Products; *(ii)* Italian Market; *(iii)* International Market Priorities; *(iv)* Travel Retail and optimisation of other distribution channels; *(v)* E-commerce; *(vi)* Organisation, Processes and Digitalisation; *(vii)* ESG; and *(viii)* M&A. For the purposes of preparing the Interim Financial Report at 30 June 2024, the Group's management decided, in the absence of significant changes in the target markets or Group strategies, to continue to use the 2024-2027 Business Plan referred to above, taking into account the updates available for the first year of the plan, and carried out an analysis on the possible presence of indicators of goodwill impairment. As a result of this analysis, it deemed it appropriate to carry out impairment testing, since, based on the situation at30 June 2024, the carrying amount of equity attributable to owners of the parent was higher than the value of the stock exchange capitalisation at the

same date.
The Group, therefore, also with the support of a Consultant (Deloitte & Touche), performed an impairment test, the results of which were approved on 11 September 2024 by the Board of Directors.
The impairment test was carried out using a method that was essentially consistent in its approach to that adopted with reference to the consolidated financial statements at 31 December 2023, and updated all relevant parameters based on information available from external sources, starting in particular with the determination of the discount rate (WACC) and the perpetual growth rate subsequent to the explicit forecast (g-rate).
The test revealed no impairment losses on Goodwill. Refer to note "4.2 Goodwill" for more detailed information.

Customer relationships

The Directors have carried out an analysis to verify the possible need to subject these intangible assets with a defined useful life to an impairment test, considering - as provided for by IAS 36 - the possible presence of internal and external indicators. At 30 June 2024, the Group did not carry out the impairment test, as it did not detect any specific impairment indicators on the asset, in consideration of the fact that multi-year and annual renewals were carried out with strategic customers and, therefore, the core of the most relevant customers from the 2018 business combination perimeter does not appear to be at risk. The Group has also not identified impairment indicators related to the customer relationship that emerged during the Purchase Price allocation of Worldconnect, considering: (i) the economic-financial performance (revenue and EBITDA) at 30 June 2024 (ii) the key economic-financial indicators for the company that were included in the plan prepared by management. The Group has not identified any impairment indicators related to the commercial agreement that arose during the Purchase Price Allocation of Systema considering that: (i) the commercial relationship with the main customer is still in place; (ii) the main economic and financial indicators relating to this type of sale are growing over the plan period. In 2023, the value of Peter Jäckel GmbH's Customer Relationship, in which the controlling interest was acquired in January of that year, was also recognised for the first time. At the reporting date, the core of the perimeter of the key accounts was not considered to be at risk.

Trademarks

Following the formalisation of internal analyses, the Directors did not identify any specific impairment indicators relating to these assets, considering: (i) the main economic and financial indicators of the plan prepared by management and (ii) the maintenance of a significant market share in the relevant markets.

Fair value measurement

When measuring the fair value of an asset or liability, the Group makes use of observable market data where possible.
The fair values are divided into various hierarchical levels based on the input data used in the measurement techniques, as illustrated below:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 inputs are unobservable inputs for the asset or liability.

If the inputs used to measure the fair value of an asset or a liability might be categorised within different levels of the fair value hierarchy, the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level of input that is significant to the entire measurement.

2.5 Main accounting policies

The accounting standards adopted for the preparation of the Condensed Interim Consolidated Financial Statements are consistent with those used for the preparation of the Consolidated Financial Statements of the Cellularline Group at 31 December 2023.

Transactions in foreign currencies are translated into the functional currency at the exchange rate in force at the date of the transaction.

Monetary items in foreign currency at the reporting date are translated into the functional currency using the exchange rate at that date. Non-monetary items that are measured at fair value in a foreign currency are translated into the functional currency using the exchange rates in force on the date on which the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate in force at the transaction date. Exchange gains and losses arising from the translation are generally recognised in profit or loss for the period under financial income and expense.

The exchange rates used to translate the financial statements of Cellular Immobiliare Helvetica SA and Worldconnect AG at 30 June 2024 into Euro were as follows:

Currency	**Average H1 2024**	**30 June 2024**
EUR/CHF exchange rate	0.962	0.963

The exchange rates used to translate the financial statements of Cellularline USA Inc. and Cellularline Middle East FZE[8] at 30 June 2024 into EUR were as follows:

Currency	**Average H1 2024**	**30 June 2024**
EUR/USD exchange rate	1.081	1.071

[8] The company keeps its accounts in USD Dollars.

2.5.1 New accounting standards, amendments and interpretations endorsed by the European Union that became effective as of the financial year beginning 1 January 2024

A number of new standards and certain amendments to existing accounting standards are mandatorily applicable for the first time as of 1 January 2024 as a result of the endorsement by the European Commission of the following regulations:

Document title	Endorsement date	Entry into force	EU Regulation
Amendments to IFRS 16 "Leases" - Lease liability in a sale and leaseback	20 November 2023	1 January 2024	NO. 2579/2023
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of Liabilities as current or non-current and Non-current liabilities with covenants	19 December 2023	1 January 2024	NO. 2822/2023
Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures'	15 May 2024	1 January 2024	NO. 1317/2024

- **Amendments to IAS 1** - Presentation of financial statements: Classification of liabilities as current or non-current. Document issued by the IASB on 23 January 2020 and updated on 15 July 2020, applicable from 1 January 2024 with early application permitted. The amendments clarify the requirements to be considered in determining whether, in the statement of financial position, financial and other liabilities with an uncertain settlement date are to be classified as current or non-current (including financial liabnilities extinguishable by conversion into equity instruments).
- **Amendments to IFRS 16** - Lease liabilities in a sale and leaseback: Document issued by the IASB on 22 September 2022, applicable from 1 January 2024 with early application permitted. The amendments provide that, in measuring lease liabilities in a sale and leaseback transaction, the seller-lessee shall determine the lease payments in such a way that no amount of gain or loss relating to the retained right of use is recognised.
- **Amendments to IAS 1** - Presentation of financial statements: Non-current liabilities with covenants. Document issued by the IASB on 31 October 2022, applicable from 1 January 2024 with early application permitted. The amendments are intended to improve the information provided by an entity when the right to defer settlement of a liability for at least twelve months is subject to compliance with certain parameters.
- **Amendments to IAS 7** - Statement of Cash Flows and **IFRS 7** - Financial Instruments: Supplier finance arrangements and disclosures in notes to financial statements. Document issued by the IASB on 25 May 2023, applicable from 1 January 2024 with early application permitted. The amendments require an entity to provide additional disclosures about reverse factoring arrangements that enable users of financial statements to evaluate how financial arrangements with suppliers may affect the entity's liabilities and cash flows and to understand the effect of those arrangements on the entity's exposure to liquidity risk. The amendments clarify, correct or remove redundant or conflicting wording or formulations in the text of the relevant standards.

With respect to changes to existing standards, no impact on the condensed interim consolidated financial statements at 30 June 2024 was identified.

2.5.2 IFRS and IFRIC accounting standards, amendments and interpretations approved by the European Union, not yet applicable and not adopted in advance at 30 June 2024

There are no standards or amendments endorsed by the European Union not yet applicable at the date of the interim report.

2.5.3 IFRS accounting standards, amendments and interpretations not yet endorsed by the European Union

At the reporting date of the interim position, the competent bodies of the European Union have not completed the endorsement process necessary for the adoption of certain amendments and standards.

The following table summarises the standard:

Document title	Issue date (IASB)	Date of entry into force (IASB)
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	15 August 2023	1 January 2025
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	30 May 2024	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	9 April 2024	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	9 May 2024	1 January 2027

Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability. Document issued by the IASB on 15 August 2023, applicable from 1 January 2025 with early application permitted. The amendments require an entity to apply a methodology consistently over time to ascertain whether one currency can be converted into another and, when this is not possible, to define the method of exchange rate determination to be used and the disclosure to be made in the notes to the financial statements.

IFRS 18 - Presentation and Disclosure in Financial Statements. Standard issued by the IASB on 9 April 2024, applicable from 1 January 2027 with early application permitted. The new standard, which will replace IAS 1 'Presentation of Financial Statements', improves the disclosure of corporate performance in terms of comparability, transparency and usefulness of the published information and introduces significant changes in the structure of the financial statements with particular reference to the income statement and, to a lesser extent, the statement of cash flows. In particular:

- some classifications of revenue and expense are revised, drawing a distinction between the operating, investment and financial sections, as well as confirming the already existing tax and discontinued operations categories;
- two new sub-totals (operating profit and profit before financial operations and income tax) are introduced;
- it is required to use the operating result as the starting point for the presentation of the statement of cash flows prepared under the indirect method;

- it provides for the elimination of certain alternative classification options of currently permitted items in the cash flow statement, such as interest received and paid and dividends received and paid.

Entities are also called upon to identify and disclose non-IFRS performance indicators used by management to comment on economic and financial trends, justifying and reconciling them with the items in the IFRS financial statements. Finally, the standard introduces new criteria for the aggregation and disaggregation of information within the notes.

Amendments to IFRS 9 and IFRS 7 - Changes to the classification and measurement of financial instruments. Standard issued by the IASB on 30 May 2024, applicable from 1 January 2026 with early application permitted. The changes concern in particular:

- the derecognition of a financial liability through electronic payment systems. It is clarified that the settlement date of a liability through electronic payments is the date on which the liability is extinguished. Under certain specific criteria introduced by the amendment, however, the derecognition may be recognised prior to the settlement date;
- classification of certain financial assets, including those with characteristics related to environmental, social and corporate governance (ESG) factors, which may now meet the IFRS 9 criterion of Solely payments for principle and interest (SPPI), provided that their cash flows are not significantly different from those of an identical financial asset without such a characteristic;
- financial statement disclosures in relation to investments in equity investments irrevocably measured at fair value through other comprehensive income, for which separate disclosure is required of the income and expenses for the period realised on the disposal of assets from those arising from the period-end valuation;
- financial statement disclosures in relation to financial instruments with special features that are not directly related to the risks and costs of financing.

On 18 June 2024, the IASB published 'Annual Improvements to International Financial Reporting Standards - Volume 11'. These improvements include eight amendments to five existing international accounting standards, which are outlined below:

- IFRS 1 - First-time Adoption of International Financial Reporting Standards. The improvement resolves a potential source of error due to inconsistency in the text of IFRS 1 with the requirements for hedge accounting under IFRS 9 'Financial Instruments';
- IFRS 7 - Financial Instruments: Disclosures. The IASB introduced three changes:
    - gains or losses recognised at the time of derecognition. The improvement resolves a potential source of confusion in relation to the recognition of gains or losses on derecognition as IFRS 7 had a reference to a paragraph deleted from the accounting standard when IFRS 13 ' Fair Value Measurement' was issued;

- disclosure of differences between fair value and transaction price. The improvement corrects an inconsistency between IFRS 7 and its implementation guidance;
- introduction and disclosure of credit risk. The improvement resolves a potential source of confusion by clarifying that the implementation guidance does not necessarily explain all the requirements set out in the reference paragraphs of IFRS 7, and also simplifies some explanations.

- IFRS 9 - Financial Instruments. The IASB has introduced two changes:
  - derecognition by the lessor of a lease liability. The improvement resolves a potential lack of clarity in the application of the requirements within IFRS 9 in connection with the lessee's accounting for the extinguishing of a lease liability;
  - transaction price. The improvement resolves a source of potential confusion arising from a reference in Annex A to IFRS 9 to the definition of 'transaction price' found in IFRS 15 'Revenue from Contracts with Customers', as the term 'transaction price' is used in various places in IFRS 9 with a meaning that is not necessarily consistent with the definition found in IFRS 15;
- IFRS 10 - Consolidated financial statements. The improvement resolves a source of potential confusion caused by an inconsistency in the text of IFRS 10 regarding the investor's identification of a '*de facto*' agent;
- IAS 7 - Statement of Cash Flows. The improvement resolves a potential source of error in the application of IAS 7 arising from the use of the term 'cost method', which is no longer defined within the International Financial Reporting Standards.

With reference to the new standards and amendments outlined above, the directors are currently assessing the possible effects on the Group's consolidated financial statements related to their introduction.

These condensed interim consolidated financial statements have been prepared using the same accounting standards applied by the Group for the preparation of the Consolidated Financial Statements at 31 December 2023.

2.6 Seasonality

The market the Group operates in is characterised by seasonal phenomena. In particular, sales are higher in the final part of each year, with a peak in demand near and during the Christmas period; also, the purchases of goods from suppliers are mainly concentrated in that period. On the other hand, operating expense show a more linear trend given the presence of a component of fixed costs (personnel, rents and general expenses) which has a uniform distribution over the year. As a result, operating margins are also affected by this seasonal nature.

The trend in revenue and the trend in costs described above have an impact on the trend in net trade working capital and net financial indebtedness, which is structurally characterised by the generation of cash in the final part of the year.

Therefore, the analysis of interim results financial position and indicators cannot be considered fully representative, and it would therefore be wrong to consider the indicators for the period as a proportional share of the entire year.

3. Segment reporting

The Group has identified one operating segment, which includes all the services and products provided to customers, and it coincides with the entire Group. The Group's vision of a single business means that it has identified one single Strategic Business Unit (“SBU”).

The Group's activities develop through one operating segment, which can be divided into three main product lines:

- Red line (accessories for multimedia devices);
- Black line (accessories for motorcycles and cycling);
- Blue line (third party products marketed under distribution agreements).

4. Notes to the individual condensed interim consolidated financial statements captions

4.1 Intangible assets

The specific table below shows changes in this item, indicating the historical cost, accumulated amortisation, changes in the year and the closing balance of each asset. Amortisation was calculated using the rates that reflect the assets’ residual useful lives.

The change in intangible assets, broken down by category at 31 December 2023 and 30 June 2024, is shown below:

(In thousands of Euro)	31 December 2023	Increases	(Decreases)	Acquisitions	(Amortisation)	Exchange difference	30 June 2024
Start-up and expansion costs	22	-	-	-	(7)	1	15
Development costs	1,097	650	(2)	-	(546)	(9)	1,190
Industrial patents and intellectual property rights	4,592	707	-	-	(915)	(107)	4,278
Concessions, licenses, trademarks and similar rights	16,376	17	-	-	(767)	(91)	15,535
Customer relationships	28,448	-	-	-	(2,654)	(108)	25,686
Assets under development and payments on account	59	-	-	-	-	-	59
Total intangible assets	**50,594**	**1,374**	**(2)**	**-**	**(4,889)**	**(315)**	**46,763**

With reference to the six-month period ended 30 June 2024, it should be noted that the item has increased by EUR 1,374 thousand.

In particular, the increases are mainly attributable to:

- industrial patents and intellectual property rights, equal to EUR 707 thousand: this item mainly includes software, i.e. the costs incurred for the implementation and development of the main management programme and other specific applications, which are normally amortised over 3 years. The investments are mainly related to updates to the SAP management software, to the business intelligence systems and further innovations/IT projects, aimed at having increasingly effective and efficient information tools to support the Group's organisational structure;

- development costs of EUR 650 thousand; this item mainly includes the costs incurred for investments in specific product innovation projects. These are considered to generate long-term benefits, as they relate to projects under development, whose products are clearly identified, are intended for a market with sufficient profit margins to cover the amortisation of capitalised costs, which is normally two years.

As described above, from the internal analyses performed, the Directors did not identify any specific impairment indicators related to customer relationships and trademarks.

4.2 Goodwill

The details of Goodwill at 30 June 2024 and 31 December 2023 are shown below:

(In thousands of Euro)		
	30 June 2024	**31 December 2023**
Goodwill	37,892	38,505
Total Goodwill	**37,892**	**38,505**

The changes in Goodwill from 31 December 2023 to 30 June 2024 are shown below:

(In thousands of Euro)	**Goodwill**
Balance at 31 December 2023	**38,505**
Acquisitions	-
Increases	-
Exchange difference	(613)
(Impairment losses)	-
Balance at 30 June 2024	**37,892**

4.2.1 Impairment test on goodwill

At 30 June 2024, goodwill recognised in the condensed interim consolidated financial statements amounted to EUR 37,892 thousand and was allocated to the sole cash-generating unit (hereinafter also referred to as the "CGU"), which coincides with the entire Cellularline Group.

Based on the above considerations, the Group, following an analysis of impairment indicators, deemed it appropriate to carry out the impairment test on the CGU to which the Goodwill is allocated also on the occasion of the interim financial report at 30 June 2024 given that, in particular with reference to external information sources, the equity attributable to owners of the parent is higher than the stock market capitalisation value at that same date.

In accordance with the applicable standard (IAS 36), to test goodwill for impairment at 30 June 2024, the Directors carried out a specific impairment test, with the support of an Advisor (Deloitte & Touche).

In particular, the impairment test was carried out with reference to the entire Group, which represents the cash generating unit to which the goodwill was allocated, on the basis of the economic and financial forecasts based on the Business Plan 2024-2027 approved on 28 February 2024.

The recoverable amount is determined as value in use using the discounted cash flow method.

This criterion is based on the general concept that the Enterprise Value is equal to the present value of the following two elements:

- the cash flows it will be able to generate within the forecast period;
- the residual value, i.e. the value of the business as a whole, after the forecast period.

The discount rate used was the weighted average cost of capital ("Weighted Average Cost of Capital" or "WACC") of approximately 11.99% (12.02% at 31 December 2023) and an estimated perpetually sustainable growth rate ("g") of 1.94% determined consistently with long-term inflation expectations in the EUR Area (source: International Monetary Fund, April 2024), representative of the geographical market areas in which the Group operates.

The WACC is the average of the cost of equity and the cost of debt capital weighted according to financial structure of comparable companies. It should be noted that the estimates and data relating to the performance and financial forecasts to which the above parameters are applied are determined by Management on the basis of past experience and expectations of developments in the markets in which the Group operates.

In addition, it should be noted that WACC used for the purpose of the impairment test in these condensed interim consolidated financial statements also includes an execution risk component, with an impact on the calculation of the finished rate equal to 1.45%, which represents an estimate of the risk due to the current degree of volatility and uncertainty reflected by the contingent macro-economic context. Therefore, this component, although reflected in the discount rate and not in the cash flows, originates from simulations carried out on the assumption that the Plan's objectives will not be fully achieved, given the persistence of a context of uncertainty.

The analyses performed, based on the assumptions and limitations highlighted above, led to an estimate of the recoverable value, in terms of Enterprise Value, of approximately EUR 176.2 million. This value was higher than the carrying amount of the Parent at the reference date (approximately EUR 157.8 million), giving rise to no impairment losses.

Impairment testing is characterised by a high level of judgement, in addition to the uncertainty inherent in any forecast, especially in relation to:

- the expected operating cash flows, calculated by taking into account the general economic performance (including expected inflation rates and exchange rates) and that of the company's sector and the actual cash flows generated by the CGU in previous years;
- the financial parameters to be used to discount the above cash flows.

In addition, sensitivity analyses were carried out which simultaneously consider a change in:

- the WACC and the growth rate (g-rate), in order to verify the impact generated by changes in these parameters on the Enterprise Value and, consequently, on the difference between the latter and the

Carrying Amount, and the Equity Value, which is the difference between value in use and the net financial position at the reporting date.

- the WACC and EBITDA according to the Financial Projections 2024-2027 and the Terminal Value in order to verify the impact generated by changes in these parameters on the Enterprise Value and, consequently, on the difference between the latter and the carrying amount, and the Equity Value, which is the difference between the value in use and the net financial position at the reporting date.

The above sensitivity analyses revealed potential impairment losses in the event of a worsening of the WACC, zero g-rate or a combination of the two, and in the event of a reduction in Plan EBITDA and Terminal Value.

Sensitivity analysis: Cover/(Impairment) - WACC and g-rate (€ thousand)

		WACC				
		-1,0%	-0,5%	Entity	+0,5%	+1,0%
		11.0%	**11.5%**	**12.0%**	**12.5%**	**13.0%**
G-rate	-	19.6	11.1	3.2	(3.9)	(10.5)
	0.4%	23.4	14.4	6.2	(1.3)	(8.2)
	0.9%	28.2	18.7	9.9	2.0	(5.3)
	1.4%	33.6	23.3	14.0	5.6	(2.2)
	1.9%	39.5	28.4	18.5	9.5	1.3
	2.4%	46.1	34.1	23.4	13.7	5.0
	2.9%	53.5	40.4	28.9	18.5	9.1

Sensitivity analysis: Cover/(Impairment) - WACC and EBITDA (€ thousand)

Sensitivity analysis: Cover/(Impairment) - WACC and EBITDA (€ thousand)

		WACC
		Entity
		12.0%
EBITDA reduction - over and above what is already included in the execution (WACC)	**(10.0%)**	(6.2)
	(7.5%)	(0.0)
	(5.0%)	6.1
	(2.5%)	12.3
	-	18.5

4.3 Property, plant and equipment

The change to Property, plant and equipment, broken down by category at 31 December 2023 and 30 June 2024, is shown below:

(In thousands of Euro)	31 December 2023	Increases	(Decreases)	Acquisitions	(Depreciation)	Exchange differences	30 June 2024
Land and buildings	4,863	-	-	-	(86)	(45)	4,731
Plant and machinery	356	8	-	-	(53)	(1)	309
Industrial and commercial equipment	2,468	773	(2)	-	(648)	(21)	2,570
Assets under construction and payments on account	129	-	-	-	-	-	129
Total property, plant and equipment	**7,816**	**781**	**(2)**	**-**	**(788)**	**(68)**	**7,740**

For the six-month period ended 30 June 2024, the Group made investments amounting to EUR 781 thousand: in particular, plotters were purchased (to support the development of the custom-made protective film business) given on loan for free to customers and moulds for new products, as well as commercial display units.

4.4 Right-of-use assets

This item, amounting to EUR 3,343 thousand (EUR 3,994 thousand at 31 December 2023), refers exclusively to the recognition of right-of-use assets due to the initial application of IFRS 16 - Leases.

The changes in the year were as follows:

(In thousands of Euro)	**Right-of-use assets**
Balance at 31 December 2023	**3,994**
Increases	235
Exchange difference	(2)
Decreases	(55)
(Amortisation)	(828)
Balance at 30 June 2024	**3,343**

4.5 Deferred tax assets and liabilities

Changes in Deferred tax assets and liabilities between 31 December 2023 and 30 June 2024 are shown below.

Deferred tax assets

(In thousands of Euro)	
Balance at 31 December 2023	**5,805**
Accruals/(releases) to profit or loss	176
Accruals/(releases) to comprehensive income	-
Balance at 30 June 2024	**5,981**

The balance at 30 June 2024, amounting to EUR 5,981 thousand, comprises deferred tax assets originating mainly from accruals to taxed provisions, temporarily non-deductible amortisation/depreciation and the impact of the application of IFRS, though not for taxation purposes. The change from the previous year, amounting to EUR 176 thousand, is related to deferred IRES and IRAP tax assets calculated, mainly, on partially deductible amortisation and depreciation such as that related to the Cellularline and Interphone trademarks.

The following aspects were taken into account in the calculation of deferred tax assets:

- the tax regulations in force and their impact on temporary differences, and any tax benefits deriving from the use of tax losses carried forward, where such exist, considering their potential recoverability over a period of three years;
- the Group's forecast profits in the medium and long term.

On the basis of the above, the Group expects that it can recover with reasonable certainty the deferred tax assets recognised.

Deferred tax liabilities

(In thousands of Euro)	
Balance at 31 December 2023	**3,547**
Accruals/(releases) to profit or loss	(140)
Accruals/(releases) to comprehensive income (income tax)	-
Balance at 30 June 2024	**3,407**

Deferred tax liabilities at 30 June 2024 are primarily attributable to the deferred taxation arising from the PPA of Worldconnect AG, Systema S.r.l. and Peter Jäckel GmbH.

It is estimated that this debt is attributable to differences that will be absorbed in the medium and long term.

4.6 Inventories

Inventories at 30 June 2024 amounted to EUR 41,289 thousand, net of the allowance for inventory write-down of EUR 2,765 thousand. Inventories include those at the Group's warehouse and goods in transit, for which the Group has already acquired ownership, for EUR 7,734 thousand (EUR 3,199 thousand at 31 December 2023).

Inventories consist mainly of finished products; advances also include advances for the purchase of finished products.

The decrease compared to 31 December 2023 is attributable to both the seasonality of the business and strategic policies by management on the efficiency of inventories.

Inventories are made up as follows:

(In thousands of Euro)	**30 June 2024**	**31 December 2023**
Finished products and goods	34,336	45,230
Goods in transit	7,734	3,199
Advances	1,985	1,007
Gross inventories	**44,055**	**49,436**
(Allowance for inventory write-down)	(2,765)	(2,505)
Total Inventories	**41,289**	**46,931**

Changes in allowance for inventory write-down between 31 December 2023 and 30 June 2024 are shown below:

(In thousands of Euro)	**Allowance for inventory write-down**
Balance at 31 December 2023	**(2,505)**
(Accruals)	(275)
Releases to profit or loss	-
Exchange difference	15
Utilisations	-
Balance at 30 June 2024	**(2,765)**

During the period, the Group, following an analysis of slow-moving products, set aside EUR 275 thousand for problems (typical of the sector) related to the obsolescence/slow movement of inventories, in order to align their carrying amount to the estimated realisable value.

4.7 Trade receivables

The breakdown of Trade receivables at 30 June 2024 and 31 December 2023 are shown below:

(In thousands of Euro)	30 June 2024	31 December 2023
Trade receivables from third parties	50,708	51,644
Trade receivables from related parties (Note 5)	2,077	3,761
Gross trade receivables	**52,785**	**55,406**
(Loss allowance)	(4,170)	(3,946)
Total trade receivables	**48,615**	**51,459**

The amount of receivables decreased by EUR 2,844 thousand compared to the previous reporting date; the decrease is mainly due to a seasonal phenomenon of the business and to the action taken by management on credit management.

Total receivables assigned without recourse to factor companies amounted to EUR 11,444 thousand at 30 June 2024 (EUR 13,217 thousand at 31 December 2023).

Changes in the loss allowance at 30 June 2024 are shown below:

(In thousands of Euro)	Loss allowance
Balance at 31 December 2023	**(3,946)**
(Accruals)	(284)
Exchange difference	5
Utilisations	55
Balance at 30 June 2024	**(4,170)**

Impaired assets refer mainly to disputed amounts or customers subject to bankruptcy proceedings. The utilisations reflect amounts that, based on certain, precise information or the outcome of pending bankruptcy procedures, were impaired in full.

Credit risk is the exposure to potential losses arising from non-performance of the obligations taken on by the counterparty. The Group has credit control processes in place that include customer creditworthiness analyses and credit exposure controls based on reports with a breakdown of due dates and average collection times.

The change in the loss allowance, following the accrual of the period, is the result of an analytical assessment of non-performing assets and assets that have been proven to be of uncertain recoverability as well as a general assessment based on the asset's historical credit loss.

The carrying amounts of trade receivables are deemed to approximate their fair value.

4.8 Current tax assets

The breakdown of current tax assets at 30 June 2024 and 31 December 2023 is shown below:

(In thousands of Euro)	30 June 2024	31 December 2023
Receivables for tax payments on account	383	358
Tax assets requested for reimbursement	152	115
Total current tax assets	**535**	**473**

Current tax assets mainly include: (*i*) tax payments on account in the amount of EUR 383 thousand, and (*ii*) taxes requested for reimbursement in the amount of EUR 152 thousand.

4.9 Financial assets

Financial assets at 30 June 2024 amounted to EUR 123 thousand (EUR 338 thousand at 31 December 2023) and mainly refer to guarantee deposits and the positive mark-to-market of current derivatives.

4.10 Other assets

The breakdown of Other assets at 30 June 2024 and 31 December 2023 is shown below:

(In thousands of Euro)	30 June 2024	31 December 2023
Prepaid expenses	8,445	11,043
Others	2,496	2,023
Total Other current assets	**10,941**	**13,066**

Other assets at 30 June 2024 amounted to EUR 10,941 thousand (EUR 13,066 thousand at 31 December 2023) and mainly include prepaid expenses and the amount from the tax authorities for VAT for the period.

4.11 Cash and cash equivalents

The breakdown of Cash and cash equivalents at 30 June 2024 and 31 December 2023 is shown below:

(In thousands of Euro)	30 June 2024	31 December 2023
Bank accounts	11,923	14,030
Cash on hand	11	11
Total Cash and cash equivalents	**11,934**	**14,041**

Cash and cash equivalents amount to EUR 11,934 thousand at 30 June 2024 (EUR 14,041 thousand at 31 December 2023). The item consists of cash on hand, securities and demand deposits or short-term deposits with banks that are currently available and readily usable.

For further details regarding the dynamics that influenced cash and cash equivalents, reference should be made to the Statement of Cash Flows.

4.12 Equity

Equity was EUR 130,273 thousand (EUR 134,659 thousand at 31 December 2023), having decreased during the period mainly as a result of the loss for the period.

Share capital

The share capital at 30 June 2024 amounts to EUR 21,343 thousand, divided into 21,868,189 ordinary shares.
On 22 July 2019, Borsa Italiana S.p.A. commenced trading of the Parent's ordinary shares on the Mercato Telematico Azionario (MTA), including them in the STAR segment.

Other reserves

As 30 June 2024, other reserves amount to EUR 105,006 thousand (EUR 107,056 thousand at 31 December 2023) and were divided as follows:

- Share premium reserve, which amounts to EUR 85,970 thousand;
- FTA (First Time Adoption) reserve in the amount of EUR 10,986 thousand;
- Negative reserve for treasury shares in portfolio in the amount of EUR 1,431 thousand (at 31 December 2023, it was EUR 3,629 thousand); the decrease for the period was due to the resolution of a dividend by the shareholders' meeting of 24 April 2024, through which 327,634 treasury shares were assigned. Furthermore, on 31 May 2024, following the exercise of the put option by the shareholders of the company Worldconnect AG, a partial portion of the transaction was paid through the payment with treasury shares in the amount of 339,459. We also report buy-back transactions that led to the purchase of 446,035 treasury shares
- Legal reserve for EUR 4,350 thousand;
- Extraordinary reserve for EUR 3,490 thousand;
- Translation reserve for EUR 1,530 thousand;
- Other minor reserves for EUR 201 thousand.

Consolidation reserve

At 30 June 2024 the consolidation reserve was EUR 5,216 thousand.

Loss for the period attributable to owners of the parent

The loss for the period ended 30 June 2024 attributable to owners of the parent came to EUR 1,292 thousand.

Long Term Incentive Plan Reserve (Share-based payment plans)

In 2021, the Group approved a Stock Grant Plan, which envisages the award to certain employees of rights to receive Parent shares free of charge.

The free award of such rights to receive shares comes under the scope of the "Cellularline S.p.A. 2021-2023 Incentive Plan", submitted for approval by the ordinary shareholders' meeting on 28 April 2021.

The following table summarises the main conditions of the stock grant plan:

Date of assignment	Maximum number of instruments	Vesting conditions	Contractual duration of options
9 June 2021	90,000 *	30% Relative Total Shareholder Return 70% Consolidated Adjusted EBITDA	Three years
Date of assignment	**Maximum number of instruments**	**Vesting conditions**	**Contractual duration of options**
17 March 2022	90,000 *	30% Relative Total Shareholder Return 70% Consolidated Adjusted EBITDA	Three years
Date of assignment	**Maximum number of instruments**	**Vesting conditions**	**Contractual duration of options**
15 March 2023	90,000 *	30% Relative Total Shareholder Return 70% Consolidated Adjusted EBITDA	Three years

(*) The number of instruments reported refers to the first tranche of awards of the three-year cycle, of which 55,000 assigned to CEOs and key managers. At the date of this Report, all three award cycles have been activated.

The Plan envisages three cycles of annual awards of rights to Beneficiaries (2021, 2022 and 2023), each of which with a three-year performance period and a two-year lock-up on the shares assigned by virtue of the rights awarded for each cycle, where conditions are met and in accordance with the terms and conditions set forth in the Plan and its Regulation. The rights assigned to the beneficiaries will accrue, and accordingly give entitlement to their holders to receive shares of the Parent, according to the degree to which measurable long-term performance objectives, pre-determined by the Parent, are achieved. These performance objectives contribute with a different percentage weighting towards the accrual of the rights and allocation of the shares, all as indicated:

(i) the Relative Total Shareholder Return (or Relative TSR) is the share performance objective and contributes towards the incentive variable remuneration envisaged by the Plan (in the form of shares), weighing for 70%,

(ii) the Consolidated Three-Year Adjusted EBITDA is the corporate performance objective and contributes towards the incentive variable remuneration envisaged by the Plan (in the form of shares), weighing for 30%.

At 31 December 2023, in accordance with IFRS 2, the measurement regarded the total fair value of the approved plan.

The "market based" component (Relative Total Shareholder Return) has been estimated using a stochastic simulation with the Monte Carlo Method, which, on the basis of suitable hypotheses, made it possible to define a significant number of alternative scenarios over the time frame considered.

The non-market based component was measured at the reporting date to account for expectations regarding the number of rights that may vest.

In addition, in 2024, the Group approved a Stock Grant Plan, which envisages the award to certain employees of rights to receive shares of the Parent free of charge.
The free award of such rights to receive shares comes under the scope of the "Cellularline S.p.A. 2024-2026 Incentive Plan", submitted for approval by the ordinary shareholders' meeting on 24 April 2024.
The following table summarises the main conditions of the stock grant plan:

Date of assignment	Maximum number of instruments	Vesting conditions	Contractual duration of options
08 May 2024	109,000 *	50% Relative Total Shareholder Return 50% Consolidated Adjusted EBITDA	Three years

(*) At the date of this Report, only the first cycle of the above-mentioned Plan has been activated.

The Plan envisages three cycles of annual awards of rights to Beneficiaries (2024, 2025 and 2026), each of which with a three-year performance period and a two-year lock-up on the shares assigned by virtue of the rights awarded for each cycle, where conditions are met and in accordance with the terms and conditions set forth in the Plan and its Regulation. The rights assigned to the beneficiaries will accrue, and accordingly give entitlement to their holders to receive shares of the Parent, according to the degree to which measurable long-term performance objectives, pre-determined by the Parent, are achieved. These performance objectives contribute with a different percentage weighting towards the accrual of the rights and allocation of the shares, all as indicated:

(i) the Relative Total Shareholder Return (or Relative TSR) is the share performance objective and contributes towards the incentive variable remuneration envisaged by the Plan (in the form of shares), weighing for 50%,
(ii) the Consolidated Three-Year Adjusted EBITDA is the corporate performance objective and contributes towards the incentive variable remuneration envisaged by the Plan (in the form of shares), weighing for 50%.
At 30 June 2024, in accordance with IFRS 2, the measurement regarded the total fair value of the approved plan.
The “market based” component (Relative Total Shareholder Return) has been estimated using a stochastic simulation with the Monte Carlo Method, which, on the basis of suitable hypotheses, made it possible to define a significant number of alternative scenarios over the time frame considered.
The non-market based component was measured at the reporting date to account for expectations regarding the number of rights that may vest.

The amount of the LTI reserve at 30 June 2024 is EUR 198 thousand (EUR 279 thousand at 31 December 2023).

4.13 Bank loans and borrowings and other financial liabilities (current and non-current)

The breakdown of current and non-current bank loans and borrowings and other financial liabilities at 30 June 2024 is shown below:

(In thousands of Euro)	30 June 2024	31 December 2023
Current bank loans and borrowings and loans and borrowings from other financial backers	28,578	29,170
Non-current bank loans and borrowings and loans and borrowings from other financial backers	1,400	8,600
Total bank loans and borrowings and loans and borrowings from other financial backers	**29,978**	**37,770**
Other current financial liabilities	1,295	2,932
Other non-current financial liabilities	8,279	9,061
Total other financial liabilities	**9,574**	**11,993**
Total financial liabilities	**39,552**	**49,763**

At 30 June 2024, Bank loans and borrowings and loans and borrowings from other financial backers come to EUR 39,552 thousand (EUR 49,763 thousand at 31 December 2023) and mainly include:

- the bank loan of the Parent, stipulated in October 2020 in the re-financing transaction for EUR 10,000 thousand, in addition to use of the Capex facility in January 2023 for EUR 2,000 thousand;
- the bank loan signed in January 2023 for a residual EUR 3,800 thousand;
- the Parent's short-term hot money bank loans and other short-term financial liabilities and lease liabilities in the amount of EUR 23,752 thousand.

The bank loans of the Parent at 30 June 2024, gross of bank fees, are as follows:

(In thousands of Euro)	Inception	Maturity	Original amount	30 June 2024		
				Outstanding debt	current portion	non-current portion
Syndicated loans						
"Ordinary" facility	26 October 2020	20 June 2025	50,000	10,000	10,000	-
"Capex" facility	11 January 2023	20 June 2025	4,000	2,000	2,000	-
Total syndicated loan (*)			**54,000**	**12,000**	**12,000**	**-**
BNL S.p.A.	25 January 2023	25 January 2026	6,000	3,800	2,400	1,400
Bank loans and borrowings and loans and borrowings from other financial backers			**60,000**	**15,800**	**14,400**	**1,400**

(*) The syndicated loan was signed with Banco BPM S.p.A. and Intesa Sanpaolo S.p.A..

The syndicated bank loan is subject to financial covenants. These covenants have been complied with at 30 June 2024.

Loans are measured using the amortised cost method based on the provisions of IFRS 9.

Below is a reconciliation of the net financial indebtedness at 30 June 2024, of EUR 27,495 thousand, and at 31 December 2023, of EUR 35,384 thousand, according to the scheme envisaged by ESMA Guidance 32-382-1138 dated 4 March 2021 and indicated in the Consob Note 5/21 dated 29 April 2021:

(In thousands of Euro)	30 June 2024	31 December 2023	Changes Δ	%
(A) Cash	11,934	14,041	(2,107)	-15.0%
(B) Cash equivalents	-	-	-	-
(C) Other current financial assets	123	338	(215)	-63.7%
(D) Liquidity (A)+(B)+(C)	**12,056**	**14,379**	**(2,323)**	**-16.2%**
(E) Current financial debt	14,319	16,270	(1,951)	-12.0%
(F) Current portion of non-current debt	15,554	15,831	(278)	-1.8%
(G) Current financial indebtedness (E) + (F)	**29,873**	**32,101**	**(2,228)**	**-6.9%**
- of which guaranteed	-	-	-	-
- of which not guaranteed	*29,873*	*32,101*	*(2,228)*	*-6.9%*
(H) Net current financial indebtedness (G) - (D)	**17,817**	**17,722**	**95**	**0.5%**
(I) Non-current financial debt	9,679	17,661	(7,982)	-45.2%
(J) Debt instruments	-	-	-	-
(K) Non-current trade and other payables	-	-	-	-
(L) Non-current financial indebtedness (I)+(J)+(K)	**9,679**	**17,661**	**(7,982)**	**-45.2%**
- of which guaranteed	-	-		-
- of which not guaranteed	*9,679*	*17,661*	*(7,982)*	*-45.2%*
(M) NET FINANCIAL INDEBTEDNESS (H) + (L)	**27,495**	**35,384**	**(7,889)**	**-22.3%**

A breakdown of financial liabilities by maturity is shown below:

(In thousands of Euro)	30 June 2024	31 December 2023
Within 1 year	29,874	32,101
From 1 to 5 years	9,588	17,566
Over 5 years	91	96
Total financial liabilities	**39,552**	**49,763**

It should be noted that on 31 July 2024, the Parent entered into a new financing agreement, reference to which is made in the section 'Significant events during and after the reporting period'.

4.14 Employee benefits

At 30 June 2024, the item amounts to EUR 564 thousand (EUR 544 thousand at 31 December 2023); the actuarial measurement of the Parent's and subsidiary Systema's post-employment benefits (TFR) are updated at 31 December 2023. These latter measurements are made on the basis of the accrued benefits method using the "Projected Unit Credit" criterion, as required by IAS 19.

The change in the period is attributable to staff turnover and actuarial measurements.

At 31 December 2023, the actuarial model is based on:

- discount rate of 3.08%, which was derived from the Iboxx Corporate AA index with a duration of 7/10;
- annual inflation rate of 2.00%;

- annual rate of increase in the post-employment benefits of 3.00%, which is equal to 75% of inflation plus 1.5 percentage points.

In addition, sensitivity analyses were carried out for each actuarial assumption, considering the effects that would have occurred as a result of reasonably possible changes in the actuarial assumptions at the reporting date; the results of these analyses do not give rise to significant effects.

4.15 Provisions for risks and charges

Changes in the Provisions for risks and charges, broken down for the period between 31 December 2023 and 30 June 2024 are shown below:

(In thousands of Euro)	Agents' severance indemnity provision (FISC)	Provision for future risks	Total
Balance at 31 December 2023	**1,582**	**357**	**1,939**
- of which current portion	-	-	-
- of which non-current portion	*1,582*	*357*	*1,939*
Accruals	101	-	101
From change in the scope of consolidation	-	-	-
(Utilisations)/Releases	(34)	(21)	(55)
Balance at 30 June 2024	**1,649**	**336**	**1,985**
- of which current portion	-	-	-
- of which non-current portion	*1,649*	*336*	*1,985*

The Agents' severance indemnity provision (FISC) refers to the probable amount to be paid by the Parent and the subsidiary Systema to agents for the termination of the agency relationship for events not the fault of the agent. The actuarial measurement, updated at 31 December 2023, in compliance with IAS 37, was carried out by quantifying future payments through the projection of the indemnities accrued at the reporting date by the agents operating until the presumed (random) termination date of the contractual relationship. For actuarial measurements, demographic and economic-financial assumptions were adopted; specifically, the discount rate was set with reference to the IBoxx Eurozone AA index in relation to the duration of the collective. Specifically, a rate of 3.17% was adopted.

4.16 Trade payables

The breakdown of Trade payables at 30 June 2024 and 31 December 2023 is shown below:

(In thousands of Euro)	30 June 2024	31 December 2023
Third parties	28,303	32,330
Total trade payables	**28,303**	**32,330**

At 30 June 2024, trade payables, all due within the year with normal payment terms, amounted to EUR 28,303 thousand (EUR 32,330 thousand at 31 December 2023) and refer to the acquisition of goods and services.

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4.17 Current tax liabilities

At 30 June 2024, this item amounted to EUR 1,791 thousand (EUR 1,686 thousand at 31 December 2023) and mainly included the liability of the Parent for EUR 1,189 thousand and EUR 497 thousand attributable to other Group companies (of which Worldconnect AG for EUR 287 thousand and Peter Jäckel GmbH for EUR 171 thousand).

4.18 Other liabilities

The breakdown of Other liabilities at 30 June 2024 and 31 December 2023 is shown below:

(In thousands of Euro)	30 June 2024	31 December 2023
Due to employees	2,684	2,119
Tax liabilities	2,704	2,854
Social security liabilities	1,008	875
Other liabilities	3,364	3,091
Total Other liabilities	**9,760**	**8,939**

At 30 June 2024, the item amounts to EUR 9,760 thousand (EUR 8,939 thousand at 31 December 2023) and mainly consists of:

- EUR 2,684 thousand due to employees for wages to be settled and bonuses;
- tax liabilities of EUR 2,704 thousand (withholdings and VAT);
- EUR 1,008 thousand due to social security institutions for contributions to be settled;
- EUR 3,364 thousand for other liabilities (accrued expenses and deferred income).

4.19 Other financial liabilities (current and non-current)

The breakdown of Other financial liabilities at 30 June 2024 and 31 December 2023 is shown below:

(In thousands of Euro)	Balance at	
	30 June 2024	31 December 2023
Other current financial liabilities	8,279	2,932
Other non-current financial liabilities	1,295	9,061
Total other financial liabilities	**9,574**	**11,993**

At 31 June 2024, Other financial liabilities come to EUR 9,574 thousand (EUR 11,993 thousand at 31 December 2023) and mainly include:

- the financial liabilities relative to the put/call options and the agreements stipulated for the purchase of the remaining shares in the subsidiaries for EUR 6,077 thousand, of which EUR 1,986 thousand relative to Worldconnect, EUR 2,701 thousand relative to Peter Jäckel, EUR 1,204 thousand Coverlab, EUR 141 thousand relative to Systema and EUR 45 thousand relative to Subliros;
- the lease liability deriving from the application of IFRS 16 for EUR 3,497 thousand (EUR 4,132 at 31 December 2023).

4.20 Revenue

In the first half of 2024, revenue from sales amounts to EUR 72,587 thousand (EUR 67,820 thousand in the first half of 2023). As mentioned earlier, the Group's business is developed in a single operating segment and can be divided into three main product lines:

- Red line (accessories for multimedia devices);
- Black line (accessories for motorcycles and bicycles);
- Blue line (third party products marketed under distribution agreements).

The following tables show revenue, broken down by product line and geographical segment.

Revenue from Sales by product line

(In thousands of Euro)					Change	
	H1 2024	**% of revenue**	**H1 2023**	**% of revenue**	**Δ**	**%**
Red – Italy	21,749	30.0%	19,447	28.6%	2,302	11.8%
Red – International	36,490	50.3%	34,708	51.2%	1,782	5.1%
Revenue from sales - Red	**58,239**	**80.2%**	**54,155**	**79.9%**	**4,084**	**7.5%**
Black – Italy	2,146	3.0%	2,228	3.3%	(82)	-3.7%
Black – International	2,583	3.6%	2,135	3.1%	448	21.0%
Revenue from sales - Black	**4,730**	**6.5%**	**4,363**	**6.4%**	**367**	**8.4%**
Blue – Italy	8,320	11,5%	8,478	12.5%	(158)	-1,9%
Blue – International	1,298	1.8%	824	1.2%	474	57,6%
Revenue from sales - Blue	**9,618**	**13.3%**	**9,302**	**13.7%**	**316**	**3.4%**
Total Revenue from Sales	**72,587**	**100.0%**	**67,820**	**100.0%**	**4,766**	**7.0%**

Revenue from sales by geographical segment

(In thousands of Euro)					Change	
	H1 2024	**% of revenue**	**H1 2023**	**% of revenue**	**Δ**	**%**
Italy	32,178	44.3%	30,153	44.5%	2,025	6.7%
Spain/Portugal	6,760	9.3%	5,623	8.3%	1,137	20.2%
Germany	5,471	7.5%	6,246	9.2%	(775)	-12.4%
Eastern Europe	6,031	8.3%	5,808	8.6%	223	3.8%
Switzerland	3,146	4.3%	3,690	5.4%	(544)	-14.8%
Benelux	4,195	5.8%	3,817	5.6%	378	9.9%
Northern Europe	3,632	5.0%	3,346	4.9%	287	8.6%
France	4,074	5.6%	2,968	4.4%	1,106	37.3%
Great Britain	3,106	4.3%	2,325	3.4%	781	33.6%
Middle East[9]	2,854	3.9%	2,407	3.5%	447	18.6%
North America	720	1.0%	900	1.3%	(179)	-19.9%
Others	417	0.6%	537	0.8%	(120)	-22.3%
Total Revenue from Sales	**72,587**	**100%**	**67,820**	**100.0%**	**4,767**	**7.0%**

[9] For a better presentation, revenue from Turkey, included in the line 'Others', have been reclassified to 'Middle East'.

4.21 Cost of sales

The cost of sales amounts to EUR 44,245 thousand for the first half of 2024 (EUR 43,467 for the first half of 2023) and mainly includes the costs of purchasing and processing raw materials (EUR 41,430 thousand), personnel expense (EUR 1,543 thousand) and accessory costs (EUR 1,272 thousand).

4.22 Sales and distribution costs

In the first half of 2024, the sales and distribution costs amounted to EUR 15,252 thousand (EUR 14,130 thousand in the first half of 2023) and break down as follows:

(In thousands of Euro)	**H1 2024**	**% of revenue**	**H1 2023**	**% of revenue**
Sales and distribution personnel expense	7,031	9.7%	6,739	9.9%
Commissions to agents	3,235	4.5%	2,970	4.4%
Transport	2,118	2.9%	1,918	2.8%
Advertising and commercial consultancy expenses	1,293	1.8%	1,279	1.9%
Other sales and distribution costs	1,577	2.2%	1,224	1.8%
Total sales and distribution costs	**15,252**	**21.0%**	**14,130**	**20.8%**

4.23 General and administrative costs

In the first half of 2024, the general and administrative costs amounted to EUR 13,709 thousand (EUR 13,588 thousand in the first half of 2023) and break down as follows:

(In thousands of Euro)	**H1 2024**	**% of revenue**	**H1 2023**	**% of revenue**
Amortisation	4,889	6.7%	4,825	7.1%
Depreciation	1,616	2.2%	1,633	2.4%
Provisions for risks and impairment losses	284	0.4%	327	0.5%
Administrative personnel expense	3,341	4.6%	3,203	4.7%
Strategic, administrative, legal HR consultancy, etc	1,230	1.7%	1,328	2.0%
Directors' and Statutory Auditors' fees	488	0.7%	466	0.7%
Commissions and fees	80	0.1%	142	0.2%
Other general administrative costs	1,781	2.5%	1,664	2.4%
Total general and administrative costs	**13,709**	**18.9%**	**13,588**	**20.0%**

4.24 Other non-operating income and expense

In the first half of 2024, non-operating income and expense amounted to EUR 727 thousand (EUR 691 thousand in the first half of 2023) and break down as follows:

(In thousands of Euro)	H1 2024	% of revenue	H1 2023	% of revenue
Prior year income	142	0.2%	122	0.2%
Recoveries of SIAE fees	3	0.0%	3	0.0%
(SIAE and CONAI contributions)	(93)	-0.1%	(129)	-0.2%
Other non-operating income (expense)	675	0.9%	694	1.0%
Total other non-operating income	**727**	**1.0%**	**691**	**1.0%**

Total other non-operating income amounted to EUR 727 thousand and was essentially in line with the corresponding period of the previous year.

4.25 Financial income and expense

Net financial expense amounts to EUR 1,576 thousand (expense of EUR 1,763 thousand in the first half of 2023).

(In thousands of Euro)	H1 2024	% of revenue	H1 2023	% of revenue
Other financial income and fair value gains	206	0.3%	60	0.1%
Interest income	10	0.0%	-	0.0%
Total Financial income	**216**	**0.3%**	**60**	**0.1%**
Commissions and fair value losses	(644)	-0.9%	(619)	-0.9%
Interest expense on loans	(1,050)	-1.4%	(1,099)	-1.6%
Other interest expense	(99)	-0.1%	(104)	-0.2%
Total Financial expense	**(1,793)**	**-2.5%**	**(1,823)**	**-2.7%**
Net financial expense	**(1,576)**	**-2.2%**	**(1,763)**	**-2.6%**

Financial income, amounting to EUR 216 thousand, was mainly attributable to the mark-to-market value of outstanding currency hedging derivatives.

Financial expense, amounting to EUR 1,793 thousand, was in line with the corresponding period of the previous year and mainly related to:

- EUR 1,050 thousand for interest due to banks for current and non-current loans;
- EUR 644 thousand for bank commission costs and premiums paid for currency risk hedging transactions and factoring transactions;
- EUR 99 thousand for other interest expense.

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4.26 Exchange gains and losses

The breakdown of the item for the six-month periods ended 30 June 2024 and 30 June 2023 is shown below:

(In thousands of Euro)	H1 2024	% of revenue	H1 2023	% of revenue
Net exchange gains/(losses) on trading	225	0.3%	72	0.1%
Net exchange gains/(losses) on financial transactions	(114)	-0.2%	34	0.0%
Net exchange gains (losses)	**111**	**0.2%**	**106**	**0.2%**

4.27 Income taxes

The breakdown of Income taxes for the six-month periods ended 30 June 2024 and 30 June 2023 is shown below:

(In thousands of Euro)	H1 2024	H1 2023
Current taxes	(197)	(103)
Current taxes from previous years	(21)	3
Deferred taxes	285	395
Total	**67**	**295**

This item includes the charge for current taxes for the year in the amount of EUR 197 thousand.

Taxes for interim periods are calculated by applying the tax rate determined on the most up-to-date forecast situation at 31 December available at the time of closing (budget or forecast) to the profit or loss for the period. We proceed to determine the taxes of this forecast situation, estimating analytically the increases and decreases. The incidence of budget/forecast taxes on the respective profit or loss determines the tax rate, which is subsequently applied to the interim period profit or loss for the calculation of taxes for the period.

Deferred taxes of EUR 285 thousand mainly refer to:

- income due to the recognition of deferred tax assets of the Parent amounting to EUR 186 thousand on partially-deductible amortisation, like that of the Cellularline and Interphone trademarks, as described in the section on deferred tax assets;
- income from the release of deferred tax liabilities arising from the effect of amortisation on the PPA of Worldconnect, Systema and Peter Jäckel, amounting to EUR 111 thousand;

4.28 Basic and diluted earnings per share

Basic earnings per share were calculated by dividing the loss for the period by the average number of ordinary shares. The table below shows the details of the calculation:

(In thousands of Euro)	H1	
	2024	2023
Loss for the period [A]	(1,292)	(4,036)
Number of shares (in thousands) taken into account for the calculation of basic and diluted earnings per share [B]	21,219	21,033
Basic and diluted earnings per share (*in Euro*) [A/B]	**(0.06)**	**(0.19)**

4.29 Statement of cash flows

The main factor that influenced cash flow trends in the years considered are summarised below.

Net cash flows generated by/(used in) operating activities

(In thousands of Euro)	H1	
	2024	**2023**
Cash flows from operating activities		
Profit/(loss) for the period	(1,292)	(4,036)
Adjustments for:		
- Income taxes	(67)	(295)
- Net accruals and impairment losses	937	198
- Accrued net financial income	1,466	1,718
- Amortisation, depreciation and impairment of goodwill	6,505	6,463
- Other non-monetary changes *(*)*	(320)	135
Changes in:		
- Inventories	5,366	(6,537)
- Trade receivables	2,615	6,024
- Trade payables	(4,027)	3,258
- Other changes in operating assets and liabilities	2,578	(2,965)
- Payment of employee benefits and change in provisions	-	6
Cash flow generated/(absorbed) by operating activities	**13,762**	**3,970**
Taxes paid/offset	(207)	(1,075)
Interest paid	(1,246)	(1,668)
Net cash flows generated by/(used in) operating activities	**12,308**	**1,227**

(*) In order to provide better comparability, these items for H1 2024 have been reclassified.

Cash flows generated by/(used in) investing activities

(In thousands of Euro)	H1	
	2024	**2023**
Cash flows from investing activities		
Acquisition of subsidiary, net of cash acquired and other costs	-	(2,552)
Purchase of property, plant and equipment and intangible assets	(2,334)	(2,233)
Cash flows generated by/(used in) investing activities	**(2,334)**	**(4,785)**

Cash flows generated by/(used in) financing activities

(In thousands of Euro)	H1	
	2024	2023
Cash flows from financing activities		
Disbursed bank loans and borrowings and loans and borrowings from other financial backers[10] (*)	-	10,000
Repaid bank loans and borrowings and loans and borrowings from other financial backers (*)	(7,881)	(3,109)
Decrease in other financial liabilities	(1,558)	(585)
(Dividend distribution)	(1,824)	-
Payment of transaction costs relating to financial liabilities	-	45
Other changes in equity	(1,218)	(342)
Net cash flows generated by/(used in) financing activities	**(12,082)**	**6,008**

5. Transactions with related parties

Transactions with related parties are neither atypical nor unusual and are part of the ordinary course of business of the Group's companies. These transactions mainly concern (i) the supply of products and accessories for mobile telephony, (ii) the provision of services that are functional to the performance of the business and (iii) the provision of loans to the above-mentioned related parties. Transactions with related parties, as defined by IAS 24 and governed by Article 4 of Consob Regulation 17221 of 12 March 2010 (and subsequent amendments), implemented by the Group up to 30 June 2024 concern mainly commercial transactions relating to the supply of goods and the provision of services. The following is a list of the related parties with which transactions took place in the first half of 2024, indicating the type of relationship:

Related parties	Type and main relationship
Cellular Swiss S.A.	50%-owned associate of Cellularline S.p.A. (consolidated using the equity method); the remaining shareholders are: Maria Luisa Urso (25%) and Antonio Miscioscia (25%)
Christian Aleotti	Shareholder of Cellularline S.p.A.

The table below shows the statement of financial position balances of the Group's Related Party Transactions at 30 June 2024 compared with 31 December 2023.

(In thousands of Euro)	Balance at					
	30 June 2024			31 December 2023		
	Current trade receivables	**Other non-current assets**	**(Trade payables)**	**Current trade receivables**	**Other non-current assets**	**(Trade payables)**
Cellular Swiss S.A.	2,277	-	(1)	3,761	-	-
Total	**2,277**	**-**	**(1)**	**3,761**	**-**	**-**
Impact on the financial statements item	*4.7%*	-	*0.0%*	*7.3%*	-	-

It should be noted that trade receivables are presented net of the related trade payables.

[10] Stipulation of new loans/new drawdowns.

The table below shows the income statement balances of Cellularline's transactions with related parties for the first half of 2024 and the corresponding period of 2023:

(In thousands of Euro)	H1							
	2024				2023			
	Revenue from sales	(Sales and distribution costs)	(General and administrative costs)	Other non-operating income/ (expense)	Revenue from sales	(Sales and distribution costs)	(General and administrative costs)	Other non-operating income/(expense)
Cellular Swiss S.A.	2,100	-	(1)	-	2,012	-	(1)	-
Other	-	-	(5)	-	-	-	(5)	-
Total	**2,100**	**-**	**(6)**	**-**	**2,012**	**-**	**(6)**	**-**
Impact on the financial statements item	*2.9%*	-	*0.0%*		*3.0%*	-	*0.0%*	-

The main related parties with which Cellularline carried out transactions in the first half of 2024 are as follows:

- Cellular Swiss S.A.: trading relationship involving the transfer of goods held for sale by Cellularline to Cellular Swiss S.A., with the latter recharging a portion of the commercial contributions incurred for the acquisition of new customers and/or the development of existing customers, in line with the Group's commercial policies;
- Christian Aleotti: two leases to which Cellularline is a party, as tenant, entered into on 1 September 2017 and 16 October 2017.

6. Other information

6.1 Contingent liabilities

On the basis of the information available to date, the Parent's Directors believe that, at the date of approval of these condensed interim consolidated financial statements, the accrued provisions are sufficient to ensure the correct presentation of financial information.

6.2 Risks

The Group is exposed to the various risks already illustrated in Paragraph 13 of the Directors' Report.

6.3 Guarantees granted in favour of third parties

This item includes sureties payable in favour of third parties for EUR 611 thousand, mainly relating to a customer to guarantee any contractual penalties for commercial supplies.

It should be noted that at 30 June 2024, no contractual penalties have been recognised and none are expected in the Group's budget and forecasts.

6.4 Subsequent events

- On 3 July 2024, 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;
    - On 31 July 2024, the Parent 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 originally existing medium- to long-term financial sources, which will allow the Parent to obtain an extension of the maturities of its financial debt by around two years (to 2028). The new agreement also includes a EUR 10 million line to support the growth strategy and is subject to financial covenants. The pre-existing medium- and long-term lines were repaid at the same time.

Reggio Emilia, 11 September 2024.

Antonio Luigi Tazartes	Mauro Borgogno
Chair of the Board of Directors	*Manager responsible for preparing financial information*

ATTESTATION OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024 PURSUANT TO ART. 81-TER OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999, AS AMENDED AND SUPPLEMENTED

I, the undersigned Christian Aleotti, as Chief Executive Officer, and Mauro Borgogno, in his capacity as Manager responsible for preparing financial information of the Cellularline Group, attest, also considering the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree 58 of 24 February 1998:

- that the condensed interim consolidated financial statements are consistent with the characteristics of the business; and
- that the administrative and accounting procedures for the preparation of the Condensed Interim Consolidated Financial Statements as at and for the six-month period ended 30 June 2024 have been effectively applied.

In this regard, we note that no significant issues emerged.

It is also certified that the 2024 Interim Consolidated Financial Report of the Cellularline Group:

- has been prepared in accordance with the applicable International Financial Reporting Standards endorsed by the European Union pursuant to Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- corresponds with the entries in the ledgers and the accounting records;
- gives a true and fair view of the performance and financial position of the issuer and of all the companies included in the consolidation.

The Director's Report includes a reliable analysis of references to important events that occurred in the first six months of the year and their impact on the Condensed Interim Consolidated Financial Statements, together with a description of the main risks and uncertainties for the remaining six months of the year. The Director's Report also includes a reliable analysis of information on significant transactions with related parties.

Reggio Emilia, 11 September 2024.

Christian Aleotti	Mauro Borgogno
Deputy Chair and CEO	*Manager responsible for preparing financial information*

(Translation from the Italian original which remains the definitive version)

Cellularline S.p.A.

Condensed interim consolidated financial statements as at and for the six months ended 30 June 2024

(with auditors' report on review thereof)

KPMG S.p.A.

12 September 2024

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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Report on review of condensed interim consolidated financial statements

To the shareholders of
Cellularline S.p.A.

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of the Cellularline Group, comprising the statement of financial position as at 30 June 2024, the income statement and the statements of comprehensive income, cash flows and changes in equity for the six months then ended and notes thereto. The directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of the review

We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the Cellularline Group as at and for the six months ended

30 June 2024 have not been prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Parma, 12 September 2024

KPMG S.p.A.

(signed on the original)

Federico Superchi
Director of Audit