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

[CELLULARLINEGROUP]

www.cellularlinegroup.com

# 2024 ANNUAL REPORT

**Registered Office**

Cellularline S.p.A.

Via Grigoris Lambrakis 1/a

42122 Reggio Emilia (RE) - Italy

**Legal information**

Share capital EUR 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

cellularline

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

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## COMPANY OFFICERS AND CONTROL 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 |
| Mauro Borgogno | Director |
| Marco Di Lorenzo | Director |
| Walter Alba | Independent Director |
| Laura Elena Cinquini | Independent Director |

**Risk and Control Committee**

| | |
|---|---|
| Donatella Busso | Chair and Independent Director |
| Alessandra Bianchi | Independent Director |
| Paola Vezzani | Independent Director |

**Appointments and Remuneration Committee**

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

**Committee for Transactions with Related Parties**

| | |
|---|---|
| Donatella Busso | Chair and Independent Director |
| Alessandra Bianchi | Independent 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 |

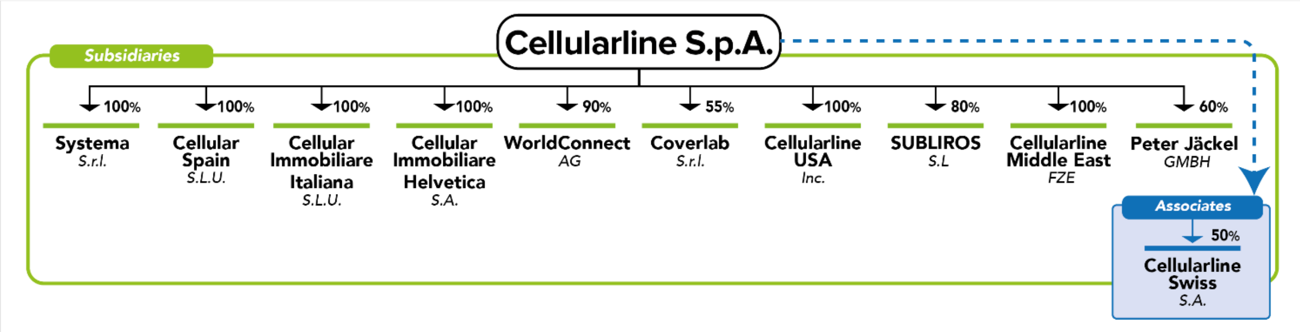
**Supervisory Body**

| | |
|---|---|
| Anna Doro | Chair |
| Alessandro Cencioni | Member |
| Ester Marino | Member |

**Independent Auditors**

KPMG S.p.A.

## GROUP STRUCTURE AS AT 31 DECEMBER 2024




## GROUP COMPOSITION

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 full 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 N. 50 Sur Edi 2 Nave 27, Leganés (Madrid), a full subsidiary which owns a property - formerly the headquarters of Cellular Spain - currently leased to third parties;
- 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 full subsidiary, which operates in the European market for mobile phone accessories for telecommunications. On 18 December 2023, Systema S.r.l. resolved to merge with Pegaso S.r.l.;
- Worldconnect AG, a company incorporated under Swiss law with registered office in Diepoldsau, Switzerland, a 90%-owned subsidiary, 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 power peripheral devices;

- Coverlab S.r.l., a company incorporated under Italian law with registered office in via Mantova 91/A, Parma, controlled for 55%, 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), controlled for 80%, 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 based at 350 5TH AVE FL 41, New York, is a full 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 controlled 60%. The company was acquired in January 2023 and has been operating on the German market for over 25 years with leading consumer electronics players;
- Cellularline Middle East FZE, a company established in April 2023 for the purpose of better serving the Middle East region through the distribution of branded products of Cellularline, a full subsidiary based 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, Germany 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"), 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 - STAR segment - of Borsa Italiana S.p.A.

## 2. Methodological note

This Directors' Report provides information on the financial position, performance and cash flows of the Cellularline Group relative to the year ended 31 December 2024, compared with the prior year figures as at 31 December 2023.

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

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

## 3. Accounting policies

This Director's Report relative to the year ended as at 31 December 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 Law] - 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 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 Group profit/(loss) for the year, Adjusted Cash Flow from Operations, Net Financial indebtedness, Net Financial indebtedness/Adjusted EBITDA LTM, Cash generation and Cash Conversion Ratio) are not identified as accounting measures 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 years considered in the Directors' Report.

## 4. Main financial and performance indicators[1]

| *(In thousands of Euro)* | Year ended | |
|---|---|---|
| | **31 December 2024** | **31 December 2023** |
| **Performance indicators** | | |
| Revenue | 164,263 | 158,648 |
| *Adjusted EBITDA*[2] | 22,642 | 20,757 |
| *Adjusted EBIT*[3] | 15,628 | 14,015 |
| Profit | 5,647 | 3,595 |
| Adjusted profit[4] | 8,618 | 7,678 |

| *(In thousands of Euro)* | Balance as at | |
|---|---|---|
| | **31 December 2024** | **31 December 2023** |
| **Financial indicators** | | |
| Cash flows generated by operating activities | 23,418 | 18,181 |
| Net financial indebtedness | 22,007 | 35,384 |
| Net financial indebtedness/Adjusted EBITDA | 0.97x | 1.70x |

For more details on changes in cash flows generated by operating activities, please refer to paragraph "7. Statement of Financial Position" included in this Directors' Report.

## 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.

In the 7 main EU countries for which the Company continuously purchases market data, compared to 2023, the EMEA market context for smartphone accessories valued at less than EUR 100 (i.e. the one in which the Group

[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) foreign 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 and (iv) adjustments of depreciation relating to the purchase price allocation procedure.

[4] Adjusted Profit for the year is calculated as profit 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.

mainly operates) showed a slight downturn in 2024, with a decrease of 1.6% in volume, less significant with reference to the value data (-0.7%). This phenomenon is also linked to the trend in the primary market for smartphones and the transfer of volumes from segments mapped by GFK to unmapped segments.
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 revenues is increasing.

## 6. Group performance

The income statement presented in this Directors' Report was reclassified in accordance with the presentation methods deemed useful by Management to represent the trend in the Group's operating profitability during the year.

## Reclassified Income Statement - Group

| *(thousands of Euro)* | 31/12/2024 | Of which related parties | % of revenue | 31/12/2023 | Of which related parties | % of revenue |
|---|---|---|---|---|---|---|
| Revenue from sales | 164,263 | 5,262 | *100%* | 158,648 | 5,433 | *100%* |
| Cost of sales | (98,444) | | *-59.9%* | (97,459) | | *-61.4%* |
| **Gross operating profit** | **65,819** | | ***40.1%*** | **61,189** | | ***38.6%*** |
| Sales and distribution costs | (31,421) | | *-19.1%* | (29,233) | | *-18.4%* |
| General and administrative costs | (27,828) | (13) | *-16.9%* | (27,818) | (12) | *-17.5%* |
| Other non-operating revenue | 1,462 | | *0.9%* | 737 | | *0.5%* |
| **Operating profit** | **8,033** | | ***4.9%*** | **4,876** | | ***3.1%*** |
| * of which PPA amortisation/depreciation | 6,678 | | *4.1%* | 6,663 | | *4.2%* |
| * of which impairment losses on non-current asset | 33 | | *0.0%* | 6 | | *0.0%* |
| * of which non-recurring expense | 823 | | *0.5%* | 2,134 | | *1.3%* |
| * of which exchange gains | 62 | | *0.0%* | 335 | | *0.2%* |
| **Adjusted operating profit (Adjusted EBIT)** | **15,628** | | ***9.5%*** | **14,015** | | ***8.8%*** |
| * of which depreciation and amortisation (excluding PPA amortisation/depreciation) | 7,013 | | *4.3%* | 6,742 | | *4.2%* |
| **Adjusted EBITDA** | **22,642** | | ***13.8%*** | **20,757** | | ***13.1%*** |
| Financial income | 3,803 | | *2.3%* | 2,434 | | *1.5%* |
| Financial expense | (5,718) | | *-3.5%* | (3,942) | | *-2.5%* |
| Net exchange gains | 25 | | *0.0%* | 622 | | *0.4%* |
| Net gains on equity investments | 97 | | *0.1%* | 260 | | *0.2%* |
| **Profit/(loss) before taxes** | **6,239** | | ***3.8%*** | **4,250** | | ***2.7%*** |
| * of which PPA amortisation/depreciation | 6,678 | | *4.1%* | 6,669 | | *4.2%* |
| * of which non-recurring expense | 823 | | *0.5%* | 2,134 | | *1.3%* |
| * of which fair value impact on put & call options | (1,057) | | *-0.6%* | (2,296) | | *-1.4%* |
| **Adjusted profit before taxes** | **12,683** | | ***7.7%*** | **10,757** | | ***6.8%*** |
| Current and deferred taxes | (593) | | *-0.4%* | (655) | | *-0.4%* |
| **Profit() for the year** | **5,647** | | ***3.4%*** | **3,595** | | ***2.3%*** |
| * of which PPA amortisation/depreciation | 6,678 | | *4.1%* | 6,669 | | *4.2%* |
| * of which non-recurring expense | 823 | | *0.5%* | 2,134 | | *1.3%* |
| * of which fair value impact on put & call options | (1,057) | | *-0.6%* | (2,296) | | *-1.4%* |
| * of which tax effect on the above items | (2,060) | | *-1.3%* | (2,424) | | *-1.5%* |
| * of which impact of deferred tax liabilities for ***warrants*** | (1,412) | | *-0.9%* | - | | *0.0%* |
| **Adjusted Profit for the year** | **8,618** | | ***5.2%*** | **7,678** | | ***4.8%*** |

### 6.1 Consolidated revenue

In 2024, Revenues from sales amounted to EUR 164,263 thousand (EUR 158,648 thousand in 2023), an increase of EUR 5,615 thousand (+3.5%), due to increased sales mainly in the international market.
The share of revenue generated by the Group outside Italy reached 53.0% in 2024 (51.6% in 2023).

#### 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);

(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 years considered:

**Revenues from Sales by product line**

| *(In thousands of Euro)* | Year ended | | | | Change | |
|---|---|---|---|---|---|---|
| | **31/12/2024** | **% of revenue** | **31/12/2023** | **% of revenue** | **Δ** | **%** |
| Red – Italy | 55,309 | 33.7% | 52,716 | 33.2% | 2,593 | 4.9% |
| Red – International | 79,928 | 48.7% | 75,804 | 47.8% | 4,124 | 5.4% |
| **Revenue from sales - Red** | **135,237** | **82.3%** | **128,520** | **81.0%** | **6,717** | **5.2%** |
| Black – Italy | 4,023 | 2.4% | 3,809 | 2.4% | 214 | 5.6% |
| Black – International | 4,399 | 2.7% | 3,524 | 2.2% | 875 | 24.8% |
| **Revenue from sales - Black** | **8,421** | **5.1%** | **7,333** | **4.6%** | **1,088** | **14.8%** |
| Blue – Italy | 17,930 | 10.9% | 20,334 | 12.8% | (2,405) | -11.8% |
| Blue – International | 2,675 | 1.6% | 2,460 | 1.6% | 215 | 8.7% |
| **Revenue from sales - Blue** | **20,605** | **12.5%** | **22,795** | **14.4%** | **(2,190)** | **-9.6%** |
| **Total Revenue from Sales** | **164,263** | **100.0%** | **158,648** | **100.0%** | **5,615** | **3.5%** |

- The **Red Line**, which represents the Group's core business, recorded an increase over the previous year of 5.2% (EUR 135,237 thousand in 2024 compared to EUR 128,520 thousand in 2023). In 2024, sales of the Red Line accounted for approximately 82.3% of total revenues, a slight increase over the previous year. Growth was driven by extending our business operations with selected top partners and engaging new high-potential customers;
- The **Black Line** recorded sales of EUR 8,421 thousand; an increase of Euro 1,088 thousand compared to the previous year, or 14.8%; the proportion of sales of the Black Line in 2024 (5.1%) improved compared to the previous year (4.6%). Our growth is mainly fuelled by our distribution efforts in international markets;

- The **Blue Line** recorded sales of EUR 20,605 thousand, compared to EUR 22,795 thousand in 2023, a decrease of Euro 2,190 thousand or -9.6%..

### 6.1.2 Consolidated revenue by geographical area

The following table shows revenue, broken down by geographical area, for the years considered:

**Revenue from sales by geographical area**

| *(In thousands of Euro)* | Year ended | | | | Change | |
|---|---|---|---|---|---|---|
| | 31/12/2024 | % of revenue | 31/12/2023 | % of revenue | Δ | % |
| Italy | 77,262 | 47.0% | 76,859 | 48.4% | 402 | 0.5% |
| Spain/Portugal | 15,366 | 9.4% | 14,292 | 9.0% | 1,074 | 7.5% |
| Germany | 11,994 | 7.3% | 12,240 | 7.7% | (246) | -2.0% |
| Eastern Europe | 11,910 | 7.3% | 11,293 | 7.1% | 617 | 5.5% |
| Benelux | 9,245 | 5.6% | 7,961 | 5.0% | 1,284 | 16.1% |
| Northern Europe | 8,471 | 5.2% | 7,880 | 5.0% | 591 | 7.5% |
| France | 8,359 | 5.1% | 6,688 | 4.2% | 1,671 | 25.0% |
| Switzerland | 7,607 | 4.6% | 8,225 | 5.2% | (618) | -7.5% |
| Great Britain | 5,959 | 3.6% | 5,412 | 3.4% | 547 | 10.1% |
| Middle East | 5,840 | 3.6% | 5,220 | 3.3% | 620 | 11.9% |
| North America | 1,510 | 0.9% | 1,750 | 1.1% | (240) | -13.7% |
| Others | 740 | 0.5% | 827 | 0.5% | (88) | -10.6% |
| **Total Revenue from Sales** | **164,263** | **100%** | **158,648** | **100.0%** | **5,615** | **3.5%** |

With regard to the analysis of sales by geographic area, it should be noted that - thanks to the growth in sales recorded internationally - the share of sales in foreign markets accounted for around 53.0% of the Group's total sales, with an increase in the incidence of approximately 6.4% and an increase in the proportion of total revenues of approximately 1.4% compared with the previous year. Noteworthy are the excellent results from France, with an increase in revenue of Euro 1,671 thousand (+25.0%), alongside the growth within the Iberian Peninsula, where revenues increased by EUR 1,074 thousand (+7.5%) compared to the previous year. Similarly, the Benelux region saw its revenues swell by EUR 1,284 thousand, a robust 16.1% rise compared to 2023. A slight downturn in the revenues of Germany (decrease of Euro 246 thousand, or -2.0%) and Switzerland (decrease of Euro 618 thousand, or -7.5%) was observed, chiefly attributed to negative market dynamics.

## 6.2 Cost of sales

In 2024, the cost of sales came to EUR 98,444 thousand, compared with EUR 97,459 thousand in 2023, equating to 59.9% of revenue, as compared with 61.4% of last year.

## 6.3 Sales and distribution costs

| *(In thousands of Euro)* | Year ended | | Changes | |
|---|---|---|---|---|
| | **31/12/2024** | **31/12/2023** | **Δ** | **%** |
| Sales and distribution personnel expense | 13,992 | 12,998 | 994 | 7.6% |
| Commissions to agents | 7,126 | 6,906 | 220 | 3.2% |
| Transport | 4,698 | 4,315 | 382 | 8.9% |
| Advertising and advertising consultancy expenses | 2,229 | 2,435 | (206) | -8.5% |
| Other sales and distribution costs | 3,376 | 2,578 | 797 | 30.9% |
| **Total sales and distribution costs** | **31,421** | **29,233** | **2,188** | **7.5%** |

The item increased both in absolute value compared to the previous period by EUR 2,188 thousand and as a percentage of revenue, rising to 19.1% from 18.4% in 2023.

## 6.4 General and administrative costs

In 2024, general and administrative costs amounted to EUR 27,828 thousand (16.9% of 2024 revenues), compared to EUR 27,818 thousand in the previous year (17.5% of 2023 revenues). The efficiency improvement, which can be seen in the decrease in the incidence on revenue, is a direct consequence of both the higher absorption of fixed costs due to the growth in revenue for the period and the cost control policy implemented by Management.

| *(In thousands of Euro)* | Year ended | | Changes | |
|---|---|---|---|---|
| | **31/12/2024** | **31/12/2023** | **Δ** | **%** |
| Amortisation | 10,286 | 10,024 | 262 | 2.6% |
| Depreciation | 1,729 | 1,655 | 74 | 4.5% |
| Depreciation of right-of-use assets | 1,676 | 1,726 | (50) | -2.9% |
| Impairment losses on non-current assets | 33 | 6 | 27 | >100% |
| Provisions for risks and impairment losses | 295 | 907 | (612) | -67.4% |
| Administrative personnel expense | 6,650 | 6,177 | 472 | 7.6% |
| Strategic, administrative, legal HR consultancy, etc. | 2,816 | 2,780 | 36 | 1.3% |
| Commissions and fees | 156 | 321 | (164) | -51.3% |
| Directors' and Statutory Auditors' fees | 947 | 964 | (17) | -1.7% |
| Other general and administrative costs | 3,239 | 3,258 | (20) | -0.6% |
| **Total General and administrative costs** | **27,828** | **27,818** | **10** | **0.0%** |

## 6.5 Other non-operating revenue

This item includes non-operating costs and revenue for a net positive balance of EUR 1,462 thousand. This item, which refers to expenses and income related to non-core activities for the Group, can be broken down as follows:

| *(In thousands of Euro)* | Year ended | | Change | |
|---|---|---|---|---|
| | **31/12/2024** | **31/12/2023** | **Δ** | **%** |
| (SIAE and CONAI contributions) | (197) | (193) | (5) | 2.4% |
| Recoveries of SIAE fees | 3 | 4 | (1) | -26.6% |
| Prior year and income | 191 | 176 | 15 | 8.5% |
| Other non-operating revenue | 1,465 | 749 | 716 | 95.5% |
| **Total Other non-operating revenue** | **1,462** | **737** | **725** | **98.4%** |

## 6.6 Adjusted EBITDA

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

| *(In thousands of Euro)* | Year ended | | Changes | |
|---|---|---|---|---|
| | **31/12/2024** | **31/12/2023** | **Δ** | **%** |
| **Operating profit** | **8,033** | **4,876** | **3,157** | 64.7% |
| Amortisation and depreciation | 13,691 | 13,405 | 286 | 2.1% |
| Impairment losses on intangible and tangible fixed assets | 33 | 6 | 27 | 0.0% |
| Non-recurring expense | 823 | 2,134 | (1,312) | -61.5% |
| Exchange gains | 62 | 335 | (273) | -81.5% |
| **Adjusted EBITDA** | **22,642** | **20,757** | **1,885** | **9.1%** |

Adjusted EBITDA amounted to EUR 22,642 thousand in the year under review, an increase of 9.1% compared to the previous year. Adjusted EBITDA margin showed an increase of 0.7% over the year, from 13.1% in 2023 to the current 13.8%. This was a direct result of the higher absorption of fixed costs due to revenue growth in the period, mix changes and cost control actions implemented by Management.

Adjustments made to EBITDA, excluding amortisation, depreciation and impairment losses, amounted to EUR 885 thousand during 2024 (EUR 2,469 thousand for 2023) and mainly consisted of:

(i) non-recurring expense (EUR 823 thousand); these are revenue and expense related to non-recurring, atypical events or related to extraordinary transactions;

(ii) exchange gains of EUR 62 thousand due to currency purchases for transactions in USD; although these are not non-recurring revenue and expense, with this adjustment the Group intends to present the operating performance, net of currency effects.

## 6.7 Financial income and expense

Net financial expense amounted to EUR 1,915 thousand (expense of EUR 1,508 thousand for 2023):

| *(In thousands of Euro)* | Year ended | | Change | |
|---|---|---|---|---|
| | **31/12/2024** | **31/12/2023** | **Δ** | **%** |
| Fair value gains | 3,775 | 2,432 | 1,343 | 55.2% |
| Interest income | 28 | 2 | 27 | >100% |
| **Total Financial income** | **3,803** | **2,434** | **1,369** | **56.3%** |
| Commissions, other financial expenses and fair value losses | (3,557) | (1,263) | (2,294) | <100% |
| Interest expense on loans | (1,964) | (2,337) | 373 | -15.9% |
| Other interest expense | (197) | (342) | 145 | -42.5% |
| **Total Financial expense** | **(5,718)** | **(3,942)** | **(1,776)** | **45.1%** |
| **Net financial expense** | **(1,915)** | **(1,508)** | **(407)** | **27.0%** |

The change in net inancial expense for FY 2024, net of the negative effect of the fair value valuation of put &call options and derivative instruments totalling EUR 951 thousand, was EUR 544 thousand mainly due to lower bank interest expense as a result of the refinancing transaction finalised in the second half of the year and to lower interest rates.

### 6.8 Net exchange gains

Net exchange gains amounted to EUR 25 thousand (EUR 622 thousand for 2023):

| *(In thousands of Euro)* | Year ended | | Change | |
|---|---|---|---|---|
| | **31/12/2024** | **31/12/2023** | **Δ** | **%** |
| Net exchange gains | 62 | 335 | (273) | <-100% |
| Net exchange gains/(losses) on financial transactions | (37) | 287 | (324) | >100% |
| **Net exchange gains** | **25** | **622** | **(597)** | <-100% |

The decrease of EUR 597 thousand is mainly due to the hedges implemented on the EUR/USD exchange rate.

### 6.9 Adjusted EBIT

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

| *(In thousands of Euro)* | Year ended | | Changes | |
|---|---|---|---|---|
| | **31/12/2024** | **31/12/2023** | **Δ** | **%** |
| **Operating profit** | **8,033** | **4,876** | **3,157** | **64.7%** |
| PPA amortisation/depreciation | 6,678 | 6,663 | 15 | 0.2% |
| Impairment losses on non-current assets | 33 | 6 | 27 | >100% |
| Non-recurring expense | 823 | 2,134 | (1,312) | -61.5% |
| Net exchange gains | 62 | 335 | (273) | -81.5% |
| **Adjusted EBIT** | **15,628** | **14,015** | **1,614** | **11.5%** |

Adjusted EBIT was positive for EUR 15,628 thousand (in 2023, it was EUR 14,015 thousand). The adjustments made to the Group EBIT refer to the factors mentioned in the paragraph on adjusted EBITDA, and to the amortisation and depreciation related to the purchase price allocation procedure of EUR 6,678 thousand.

## 6.10 Adjusted profit for the year

The main data used to calculate the adjusted profit for the yearis shown below:

| *(In thousands of Euro)* | Year ended | | Changes | |
|---|---|---|---|---|
| | **31/12/2024** | **31/12/2023** | **Δ** | **%** |
| **Profit** | **5,647** | **3,595** | **2,052** | **57.1%** |
| Non-recurring expense | 823 | 2,134 | (1,312) | -61.5% |
| PPA amortisation/depreciation | 6,678 | 6,669 | 9 | 0.1% |
| Fair value of put & call options | (1,057) | (2,296) | 1,239 | -54.0% |
| Tax effect of the above items | (2,060) | (2,424) | 364 | -15.0% |
| of which impact of deferred tax liabilities for warrants | (1,412) | - | (1,412) | >100% |
| **Adjusted profit for the year** | **8,618** | **7,678** | **940** | **12.2%** |

The Group's adjusted result for 2024 is a profit of EUR 8,618 thousand, an improvement on 2023 of EUR 940 thousand. The adjustments made to the Group's profit, in addition to the factors mentioned in the paragraph related to Adjusted EBIT, mainly refer to the tax effects of the items subject to adjustment and to the effect of income recognised in the Parent's Financial Statements for EUR 1,412 thousand related to the release of a deferred tax liability, the allocation of which, made in previous years and up to 31.12.2023, was not appropriate.

## 7. Financial position

### Statement of financial position

| (In thousands of Euro) ASSETS | Balance as at 31/12/2024 | Of which related parties | % | Balance as at 31/12/2023 | Of which related parties | % |
|---|---|---|---|---|---|---|
| Intangible assets | 43,264 | | 19.2% | 50,594 | | 21.7% |
| Goodwill | 38,192 | | 16.9% | 38,505 | | 16.5% |
| Property, plant and equipment | 7,454 | | 3.3% | 7,816 | | 3.3% |
| Equity investments in associates and other companies | 428 | | 0.2% | 331 | | 0.1% |
| Right-of-use assets | 3,099 | | 1.4% | 3,994 | | 1.7% |
| Deferred tax assets | 6,412 | | 2.8% | 5,805 | | 2.5% |
| Financial assets | 141 | | 0.1% | 54 | | 0.0% |
| **Total non-current assets** | **98,989** | | **43.8%** | **107,099** | | **45.9%** |
| Inventories | 39,682 | | 17.6% | 46,931 | | 20.1% |
| Trade receivables | 56,251 | 3,316 | 24.9% | 51,459 | 3,761 | 22.0% |
| Current tax assets | 294 | | 0.1% | 473 | | 0.2% |
| Financial assets | 341 | | 0.2% | 338 | | 0.1% |
| Other assets | 9,583 | | 4.2% | 13,066 | | 5.6% |
| Cash and cash equivalents | 20,753 | | 9.2% | 14,041 | | 6.0% |
| **Total current assets** | **126,903** | | **56.2%** | **126,308** | | **54.1%** |
| **TOTAL ASSETS** | **225,893** | | **100.0%** | **233,407** | | **100.0%** |
| Share capital | 21,343 | | 9.4% | 21,343 | | 9.1% |
| Other reserves | 104,738 | | 46.4% | 107,056 | | 45.9% |
| Retained earnings | 5,338 | | 2.4% | 2,665 | | 1.1% |
| Profit for the year | 5,647 | | 2.5% | 3,595 | | 1.5% |
| **Equity attributable to owners of the parent** | **137,066** | | **60.7%** | **134,659** | | **57.7%** |
| Equity attributable to non-controlling interests | - | | 0.0% | - | | 0.0% |
| **Total Equity** | **137,066** | | **60.7%** | **134,659** | | **57.7%** |
| **LIABILITIES** | | | | | | |
| Bank loans and borrowings and loans and borrowings from other financial backers | 21,149 | | 9.4% | 8,600 | | 3.7% |
| Deferred tax liabilities | 1,406 | | 0.6% | 3,547 | | 1.5% |
| Employee benefits | 604 | | 0.3% | 544 | | 0.2% |
| Provisions for risks and charges | 1,850 | | 0.8% | 1,939 | | 0.8% |
| Other financial liabilities | 6,766 | | 3.0% | 9,061 | | 3.9% |
| **Total non-current liabilities** | **31,775** | | **14.1%** | **23,691** | | **10.2%** |
| Bank loans and borrowings and loans and borrowings from other financial backers | 13,740 | | 6.1% | 29,170 | | 12.5% |
| Trade payables | 31,533 | | 14.0% | 32,330 | | 13.9% |
| Current tax liabilities | 1,854 | | 0.8% | 1,686 | | 0.7% |
| Provisions for risks and charges | - | | 0.0% | - | | 0.0% |
| Other liabilities | 8,478 | | 3.8% | 8,939 | | 3.8% |
| Other financial liabilities | 1,446 | | 0.6% | 2,932 | | 1.3% |
| **Total current liabilities** | **57,051** | | **25.3%** | **75,057** | | **32.2%** |
| **TOTAL LIABILITIES** | **88,826** | | **39.3%** | **98,748** | | **42.3%** |
| **TOTAL EQUITY AND LIABILITIES** | **225,893** | | **100.0%** | **233,407** | | **100.0%** |

## Statement of financial position

The Group's reclassified statement of financial position as at 31 December 2024 and 31 December 2023 is shown below:

| *(In thousands of Euro)* | Balance as at | |
|---|---|---|
| | **31 December 2024** | **31 December 2023** |
| Inventories | 39,682 | 46,931 |
| Trade receivables | 56,251 | 51,459 |
| Trade payables | (31,533) | (32,330) |
| **Net trade working capital** | **64,400** | **66,060** |
| Other working capital items | (455) | 2,914 |
| **Net working capital** | **63,944** | **68,974** |
| Non-current assets | 98,989 | 107,099 |
| Non-current provisions and other liabilities | (3,860) | (6,030) |
| **Net invested capital** | **159,074** | **170,043** |
| Net financial indebtedness | 22,007 | 35,384 |
| Equity | 137,066 | 134,659 |
| **Total equity and financial liabilities** | **159,074** | **170,043** |

The Group's Net trade working capital as at 31 December 2024 amounted to EUR 64,400 thousand with a decrease in absolute value of EUR 1,661 thousand compared to the previous year, mainly due to a decrease in inventories of EUR 7,249 thousand, partially offset by an increase in trade receivables of EUR 4,792 thousand. The change in inventories is attributable to specific efficiency measures implemented by Management.

This aggregate accounted for 39.2% of sales for the period, compared to 41.6% in the previous year.

The decrease in Other working capital items is mainly due to the decrease in prepaid expenses.

Total receivables assigned without recourse to factoring companies amounted to EUR 7,982 thousand as at 31 December 2024 (EUR 13,217 thousand as at 31 December 2023).

## Financial Position

| *(In thousands of Euro)* | Balance as at | |
|---|---|---|
| | **31 December 2024** | **31 December 2023** |
| **Liquid funds/(Financial liabilities):** | | |
| Cash | 10 | 11 |
| Bank deposits | 20,742 | 14,030 |
| **Cash and cash equivalents** | **20,753** | **14,041** |
| Current financial assets | 341 | 338 |
| Current bank loans and borrowings | (13,740) | (29,170) |
| Other financial liabilities | (1,446) | (2,932) |
| **Current financial indebtedness** | **(14,845)** | **(31,764)** |
| **Net current financial indebtedness** | **5,908** | **(17,722)** |
| Non-current bank loans and borrowings | (21,149) | (8,600) |
| Other financial liabilities | (6,766) | (9,061) |
| **Non-current financial indebtedness** | **(27,915)** | **(17,661)** |
| **Net financial indebtedness** | **(22,007)** | **(35,384)** |

Cash and cash equivalents (EUR 20,753 thousand) and available unused trade and factor credit lines (EUR 23,494 thousand) ensure the Group's high financial strength.

Below is a reconciliation of the net financial indebtedness as at 31 December 2024, of EUR 22,007 thousand, and as 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:

| | **Balance as at** | | **Changes** | |
|---|---|---|---|---|
| *(In thousands of Euro)* | **31 December 2024** | **31 December 2023** | **Δ** | **%** |
| (A) Cash | 20,753 | 14,041 | 6,711 | 47.8% |
| (B) Cash and cash equivalents | - | - | - | 0.0% |
| (C) Other current financial assets | 341 | 338 | 3 | 0.9% |
| **(D) Liquidity (A)+(B)+(C)** | **21,094** | **14,379** | **6,714** | **46.7%** |
| (E) Current financial debt | 10,168 | 16,270 | (6,102) | -37.5% |
| (F) Current portion of non-current debt | 5,018 | 15,831 | (10,813) | -68.3% |
| **(G) Current financial indebtedness (E) + (F)** | **15,186** | **32,101** | **(16,915)** | **-52.7%** |
| *- of which guaranteed* | - | - | | |
| *- of which not guaranteed* | *15,186* | *32,101* | *(16,915)* | *-52.7%* |
| **(H) Net current financial indebtedness (G) - (D)** | **(5,907)** | **17,722** | **(23,629)** | **>-100%** |
| (I) Non-current financial debt | 27,915 | 17,661 | 10,253 | 58.1% |
| (J) Debt instruments | - | - | - | 0.0% |
| (K) Trade payables and other non-current payables | - | - | - | 0.0% |
| **(L) Non-current financial indebtedness (I)+(J)+(K)** | **27,915** | **17,661** | **10,253** | **58.1%** |
| *- of which guaranteed* | - | - | | |
| *- of which not guaranteed* | *27,915* | *17,661* | 10,253 | *58.1%* |
| **(M) TOTAL INANCIAL INDEBTEDNESS (H) + (L)** | **22,007** | **35,384** | **(13,376)** | -37.8% |

Net financial indebtedness of EUR 22,007 thousand includes:

- EUR 21,094 thousand in liquid funds;
- EUR 10,168 thousand for current financial liabilities mainly related to current accounts, invoice advances, hot money and short-term portion of liabilities related to the valuation of put & call options for the purchase of minorities;
- EUR 3,572 thousand for financial liabilities of a current nature to repay existing medium- and long-term loans;
- EUR 1,446 thousand mainly related to short-term loan instalments and current portion of IFRS 16 lease obligations;
- EUR 27,915 thousand for non-current financial liabilities, including long-term portions of financial liabilities to credit institutions, long-term liabilities related to the valuation of put & call options and lease

payables in application of IFRS 16.

The reduction in Net financial indebtedness as of 31 December 2024, compared to 31 December 2023, was EUR 13,376 thousand.

Eliminating the accounting effects arising from the recognition of right-of-use assets (IFRS 16), the Group's Net financial indebtedness (M) decreased compared to the previous year by EUR 12,504 thousand (EUR 18,747 thousand at 31/12/2024 and Euro 31,251 at 31/12/2023).

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

## Net cash flows generated by operating activities

| | Year ended | |
|---|---|---|
| *(In thousands of Euro)* | **31 December 2024** | **31 December 2023** |
| **Cash flows from operating activities** | | |
| Profit for the year | 5,647 | 3,595 |
| *Adjustments for:* | | |
| - Current and deferred taxes | 593 | 655 |
| - Net impairment losses and accruals | 2,292 | 1,681 |
| - Losses on equity investments | 1,890 | 886 |
| - Accrued financial income | (97) | (260) |
| - Amortisation, depreciation and impairment losses | 13,724 | 13,405 |
| - Other non-monetary changes | - | - |
| *Changes in:* | | |
| - Inventories | 5,069 | (4,587) |
| - Trade receivables | (4,932) | 2,498 |
| - Trade payables | (797) | 8,595 |
| - Other changes in operating assets and liabilities | 3,022 | (8,287) |
| - Payment of employee benefits and change in provisions | | (1) |
| - Taxes paid/offset | (2,993) | (1,432) |
| **Cash flow generated by operating activities** | **23,418** | **16,749** |
| Interest and other net charges paid | (1,890) | (3,703) |
| Interest and other net charges paid | - | - |
| **Net cash flow generated by operating activities** | **21,527** | **13,047** |

Net cash flow generated by operating activities records an increase of EUR 8,481 thousand, mainly due to the performance of working capital, explained previously.

## Cash flows used in investing activities

| *(In thousands of Euro)* | Year ended | |
|---|---|---|
| | **31 December 2024** | **31 December 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 | (5,307) | (4,893) |
| **Cash flows used in investing activities** | **(5,307)** | **(7,445)** |

In 2024, the investing activity mainly concerned:

- investments in intangible assets of about EUR 3,098 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 property, plant and equipment in the amount of about EUR 1,462 thousand (including the effect of converting Financial Statements carried in foreign currencies).

**Cash flows used in financing activities**

| *(In thousands of Euro)* | Year ended | |
|---|---|---|
| | **31 December 2024** | **31 December 2023** |
| **Cash flows from financing activities** | | |
| (Dividend distribution) | (1,824) | |
| Disbursed bank loans and borrowings and loans and borrowings from other financial backers | 25,000 | 10,000 |
| Repaid bank loans and borrowings and loans and borrowings from other financial backers | (27,881) | (11,727) |
| Increase/(decrease) in other financial liabilities | (3,871) | (245) |
| Other changes in equity | 1,046 | (592) |
| Other non-monetary changes in equity | (2,124) | - |
| **Net cash flows used in financing activities** | **(9,656)** | **(2,564)** |

The cash flows used in financing activities as at 31 December 2024 mainly reflected the decrease of EUR 7,091 thousand in bank payables as a result of the payment of instalments on medium/long-term bank loans for EUR 27,881 thousand and the taking out of new medium/long-term loans for EUR 25,000 thousand.

## 8. Financial Results of the Parent Company

| *(thousands of Euro)* | 31/12/2024 | Of which related parties | % of revenues | 31/12/2023 | Of which related parties | % of revenues |
|---|---|---|---|---|---|---|
| Revenues from sales | 130,899 | 23,005 | *100%* | 126,766 | 20,823 | *100%* |
| Cost of sales | (83,067) | (1,993) | *-63.5%* | (81,560) | (1,491) | *-64.3%* |
| **Gross operating margin** | **47,832** | | ***36.5%*** | **45,206** | | ***35.7%*** |
| Sales and distribution costs | (21,206) | 0 | *-16.2%* | (19,534) | 61 | *-15.4%* |
| General and administrative costs | (21,310) | (13) | *-16.3%* | (21,500) | (12) | *-17.0%* |
| Other non-operating (expense)/revenue | 2,010 | (415) | *1.5%* | 476 | (145) | *0.4%* |
| **Operating profit/(loss)** | **7,325** | | ***5.6%*** | **4,649** | | ***3.7%*** |
| * of which PPA amortisation | 5,755 | | *4.4%* | 5,749 | | *4.5%* |
| * of which fixed asset write-downs | 33 | | *0.0%* | 6 | | *0.0%* |
| * of which non-recurring expense/(revenue) | 823 | | *0.6%* | 1,998 | | *1.6%* |
| * of which foreign exchange gains/(losses) | 195 | | *0.1%* | 300 | | *0.2%* |
| **Adjusted operating profit/loss (Adjusted EBIT)** | **14,130** | | ***10.8%*** | **12,701** | | ***10.0%*** |
| * of which depreciation and amortisation (excluding PPA amortisation) | 5,290 | | *4.0%* | 5,093 | | *4.0%* |
| **Adjusted EBITDA** | **19,420** | | ***14.8%*** | **17,795** | | ***14.0%*** |
| Financial income | 718 | | *0.5%* | 313 | | *0.2%* |
| Financial expense | (3,342) | | *-2.6%* | (3,863) | | *-3.0%* |
| Foreign exchange gains/(losses) | 66 | | *0.1%* | 674 | | *0.5%* |
| Gains/(losses) on equity investments | (410) | | *-0.3%* | - | | *0.0%* |
| **Profit/(loss) before taxes** | **4,360** | | ***3.3%*** | **1,774** | | ***1.4%*** |
| * of which PPA amortisation | 5,755 | | *4.4%* | 5,755 | | *4.5%* |
| * of which non-recurring expense/(revenue) | 823 | | *0.6%* | 1,998 | | *1.6%* |
| **Adjusted profit before taxes** | **10,936** | | ***8.4%*** | **9,526** | | ***7.5%*** |
| Current and deferred taxes | (339) | | *-0.3%* | (638) | | *-0.5%* |
| **Group profit/(loss) for the period** | **4,021** | | ***3.1%*** | **1,136** | | ***0.9%*** |
| * of which PPA amortisation | 5,755 | | ***4.4%*** | 5,755 | | *4.5%* |
| * of which non-recurring expense/(revenue) | 823 | | *0.6%* | 1,998 | | *1.6%* |
| * of which tax effect on the above items | (1,835) | | *-1.4%* | (2,163) | | *-1.7%* |
| * of which impact deferred tax liabilities *Warrants* | (1,412) | | *-1.1%* | - | | *0.0%* |
| **Adjusted Group profit/(loss) for the period** | **7,350** | | ***5.6%*** | **6,725** | | ***5.3%*** |

### 9. Investments and research and development activities

As in previous years, in 2024 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.

### 10. Information on related party transactions

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 31 December 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 2024, indicating the type of relationship:

| Related parties | Type and main relationship |
|---|---|
| Cellular Swiss S.A. | Associate of Cellularline S.p.A. having a 50% investment (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 equity balances of Cellularline's transactions with related parties for 2024:

| *(In thousands of Euro)* | Current trade receivables | Other non-current assets | (Trade payables) |
|---|---|---|---|
| Cellular Swiss S.A. | 3,316 | - | (34) |
| **Total** | **3,316** | **-** | **(34)** |
| *Impact on the financial statements item* | *5.9%* | - | *-0.1%* |

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

The table below shows the balances the transactions with related parties carried out by Cellularline in the income statement for 2024:

| *(In thousands of Euro)* | Revenue from sales | (Sales and distribution costs) | (General and administrative costs) | Other non-operating expense/(revenue) |
|---|---|---|---|---|
| Cellular Swiss S.A. | 5,262 | - | (2) | - |
| Christian Aleotti | - | - | (11) | - |
| **Total** | **5,262** | **-** | **(13)** | **-** |
| *Impact on the financial statements item* | *3.2%* | - | *0.1%* | - |

It should be noted that the main transactions with related parties for 2024 are as follows:

- Cellular Swiss S.A.: commercial relationship involving the transfer of goods held for sale by Cellularline S.p.A. 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 S.p.A. is a party, as tenant, entered into on 1 September 2017 and 16 October 2017.

It should be noted that there are no existing transactions with other related parties.

### 11. Atypical and/or unusual transactions

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

### 12. Share-based payments

Information on share-based payment plans is presented in Note 3.12 to the Consolidated Financial Statements.

### 13. Treasury shares and shares of the parent

During 2024, 327,634 treasury shares were assigned in connection with the distribution of the extraordinary dividend resolved by the Shareholders' Meeting of 24 April 2024. In addition, on 31 May 2024, following the exercise of the put option by the shareholders of Worldconnect AG, a portion of the consideration was paid with the assignment of 339,459 treasury shares.

The number of treasury shares held in the portfolio as of 31 December 2024 was 568,781 (527,207 as at 31 December 2023), or 2.60% of the share capital. See paragraph "Significant events during the year" for information on the ongoing buy-back programme.

### 14. 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 activity.

### 14.1 Risks related to competition and competitiveness

The mobile device (smartphones and tablets) accessories market is characterised by a high level of competitiveness, which could also increase further with 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 main threats to the Group 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 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.

### 14.2 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.

**a. 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 sustain 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.

**b. 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 (principally China); 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 exchange rate risk - for the main types of product supplies - almost exclusively in USD. However, there are numerous factors that limit its risk profile, including the possibility to carry out, in a relatively short time (3-6 months), revisions to customer price lists and 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 some rare exceptions).

The performance of foreign exchange rates applied during the year was as follows:

| Currency | Average 2024 | Year ended 31 December 2024 | Average 2023 | Year ended 31 December 2023 |
|---|---|---|---|---|
| Euro/US Dollar | 1.082 | 1.039 | 1.081 | 1.105 |

In 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.

### 14.3 Liquidity risk

From an operational point of view, the Group controls the liquidity risk through the annual 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)* | **Due within 12 months** | **1 - 5 years** | **over 5 years** | Total |
|---|---|---|---|---|
| Employee benefits | - | 604 | - | 604 |
| Trade payables | 31,533 | - | - | 31,533 |
| Deferred tax liabilities | - | 922 | 484 | 1,406 |
| Bank loans and borrowings and loans and borrowings from other financial backers | 13,740 | 21,149 | - | 34,889 |
| Current provisions for risks and charges | - | 1,850 | - | 1,850 |
| Other liabilities | 8,478 | - | - | 8,478 |
| Other financial liabilities | 1,446 | 6,766 | - | 8,212 |
| Current tax liabilities | 1,854 | - | - | 1,854 |
| **Total** | **57,051** | **31,775** | **-** | **88,826** |

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 (0.97x), the current cash and cash equivalents (EUR 20,753 thousand) and the unsecured trade and factor credit lines made available by various credit institutions and not used (about EUR 23,492 thousand).

### 14.4 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, attention must be paid 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 ageing list of trade receivables as at 31 December 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 | Total |
|---|---|---|---|---|---|
| Trade receivables (gross of loss allowance) | 46,945 | 3,151 | 2,281 | 4,643 | 57,019 |
| Amounts due from associates | 2,219 | 1,092 | - | 5 | 3,316 |
| **Total gross trade receivables** | **49,164** | **4,243** | **2,281** | **4,648** | **60,335** |
| (Loss allowance) | - | - | - | (4,084) | (4,084) |
| **Total net trade receivables** | **49,164** | **4,243** | **2,281** | **563** | **56,251** |

The Group recognises a 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.

### 14.5 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 31 December 2024 of approximately EUR 25.0 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 paragraph "Significant events during the year".

### 14.6 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.

### 14. 7 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. Although it does not constitute an "NFS" (Non-Financial Statement) pursuant to Legislative Decree no. 254/2016 implementing Directive 2014/95/EU, the "ESG Report 2023" was submitted 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 trigger events 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.

### 14.8 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 the posture 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.

## 15. 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.

## 16. Corporate governance

The Parent's Corporate Governance system complies with the principles contained in the Corporate Governance Code for Listed Companies and with international best practice. On 10 March 2025, the Board of Directors approved the Report on corporate governance and ownership structure, pursuant to article 123-*bis* of the T.U.F. [Consolidated Finance Law], relating to 2023. This Report is published on the Company's website www.cellularlinegroup.com in the "Governance" section - subsection "Shareholders' Meeting" - and explicit reference is made to it as required by law. Cellularline S.p.A.'s management and control model is the traditional one provided for by Italian law, which provides for the presence of a Shareholders' Meeting, a Board of Directors, a Board of Statutory Auditors and the Independent Auditors. The corporate officers are appointed by the Shareholders' Meeting and remain in office for three years. The Independent Directors, as defined in the Code, and the role played by them both within the Board and within the Company's Committees (Risk and Control Committee, Committee for Transactions with Related Parties, Appointments and Remuneration Committee), are appropriate means of ensuring an adequate balance of interests of all the shareholders and a significant degree of debate in the discussions of the Board of Directors.

## 17. Classes of financial instruments

Below is a breakdown of the financial assets and liabilities required by IFRS 7 according to the categories envisaged by IFRS 9 at 31 December 2024 and 31 December 2023.

| | | Carrying amount | | | Fair value level | | |
|---|---|---|---|---|---|---|---|
| *(In thousands of Euro)* | Carrying amount as at 31/12/2024 | Amortised cost | FV to OCI | FV to PL | Level 1 | Level 2 | Level 3 |
| Cash and cash equivalents | 20,753 | 20,753 | - | - | - | - | - |
| Trade receivables and other assets | 65,834 | 65,834 | - | - | - | - | - |
| Other financial assets | 341 | - | - | 341 | - | 341 | - |
| **Total financial assets** | **86,928** | **86,928** | **-** | **-** | **-** | **-** | **-** |
| Financing | 34,889 | 34,889 | - | - | - | - | - |
| Trade payables and other liabilities | 40,011 | 40,011 | - | - | - | - | - |
| Other financial liabilities | 8,212 | - | - | 8,212 | - | 8,212 | - |
| **Total financial liabilities** | **83,112** | **74,900** | **-** | **8,212** | **-** | **8,212** | **-** |

| | | Carrying amount | | | Fair value level | | |
|---|---|---|---|---|---|---|---|
| *(In thousands of Euro)* | Carrying amount as at 31/12/2023 | Amortised cost | FV to OCI | FV to PL | Level 1 | Level 2 | Level 3 |
| Cash and cash equivalents | 14,041 | 14,041 | - | - | - | - | - |
| Trade receivables and other assets | 64,525 | 64,525 | - | - | - | - | - |
| Other financial assets | 338 | 338 | - | - | - | - | - |
| **Total financial assets** | **78,904** | **78,904** | **-** | **-** | **-** | **-** | **-** |
| Financing | 37,770 | 37,770 | - | - | - | - | - |
| Trade payables and other liabilities | 41,269 | 41,269 | - | - | - | - | - |
| Other financial liabilities | 10,878 | - | - | 10,878 | | 10,878 | - |
| **Total financial liabilities** | **89,917** | **79,039** | **-** | **10,878** | **-** | **10,878** | **-** |

IFRS 13 establishes a fair value hierarchy that classifies the inputs of the valuation techniques adopted to measure fair value into three levels. The fair value hierarchy gives the highest priority to prices (unadjusted) quoted in active markets for identical assets or liabilities (Level 1 data) and the lowest priority to unobservable inputs (Level 3 data). In some cases, the data used to measure the fair value of an asset or liability could be classified into different levels of the fair value hierarchy. In such cases, the fair value measurement is classified entirely at the same level of the hierarchy in which the lowest level input is classified, taking into account its importance for the measurement.

The levels used in the hierarchy are:

- 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.

It should be noted that put &call options and derivative financial instruments are measured at fair value. For financial instruments measured at amortised cost, the carrying amount is also considered to be a reasonable approximation of their fair value.

**18. Branches**

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

**19. Workforce**

In 2024, in the belief that people are one of the Group's strategic assets, we continued 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 growth 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 employee as at 31 December 2024 was 299, in line with the previous year (299).

**20. 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).

**21. Significant events during the year**

- 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 708,666 ordinary treasury shares for a total value of EUR 1,875 thousand. As of 31 December 2024, Cellularline directly held 568,781 treasury shares, representing 2.60% of the share capital.
- During 2024, as per internal dealing and relevant shareholding disclosures pursuant to art. 120 of Legislative Decree no. 58/98, it emerges that:

- the Chief Executive Officer, Christian Aleotti, purchased 507,368 ordinary shares and received stock dividends in the amount of 41,519 shares, reaching a total shareholding of 12.37%;
  - the Chairman of the Board of Directors, Antonio Luigi Tazartes, purchased a total of 920,368 ordinary shares and received a stock dividend in the amount of 21.669 shares, reaching a total shareholding of 7.19%, a proportion inclusive of the stakes held indirectly.
- On 24 April 2024, the Shareholders' Meeting approved all the items on the agenda and, in particular:
  - the Financial Statements as at 31 December 2023;
  - the allocation of the year's result, along with the distribution of a cash dividend - partly ordinary, up to the full amount of the year's profit, and partly extraordinary, from available reserves - and an additional extraordinary dividend through the assignment of treasury shares held in portfolio;
  - the Explanatory report on the remuneration policy and fees paid approved;
  - the Incentive Remuneration Plan based on financial instruments called the "Cellularline S.p.A. 2024-2026 Incentive Plan".
- On 22 May: dividend payment, partly an ordinary distribution, of EUR 0.054 per share. The Shareholders' Meeting further resolved to distribute an extraordinary dividend from the "Retained Earnings", providing a cash payout of EUR 0.033 per share and allocating treasury shares at a ratio of 1 share for every 64 ordinary shares owned.
- 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.
- 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 refinancing of the originally existing medium- and long-term financial sources, which allows the Parent to obtain a maturity extension of its financial debt of about 2 years (end of the amortisation period 2028). The new agreement also includes a EUR 10 million line to support the growth strategy and is subject to economic and financial covenants. The pre-existing medium- and long-term lines were repaid at the same time.
- On 24 September 2024, the Board of Directors of Cellularline S.p.A. announced that, following the resignation from the office of Director Davide Danieli, notified on 20 September 2024 with immediate effect, it resolved to appoint Mauro Borgogno as Executive Director of the Company by co-optation.
- On 12 December 2024, the Shareholders' Meeting approved the amendment to Clauses 3, 15 and 21 of Cellularline's Articles of Association in order to attain the legal status of "benefit corporation", in accordance with the provisions of article 1 of Law no. 208 of 28 December 2015, paragraphs 376-384 (the "Benefit Legislation").

## 22. Key events after the reporting date

- From the beginning of FY 2025 until today, Cellularline S.p.A., within the scope of the authorisation to repurchase treasury shares resolved by the Issuer's Shareholders' Meeting on 22 November 2023, purchased 242,390 ordinary treasury shares for a total value of EUR 634 thousand. As of today, Cellularline directly holds 811,171 treasury shares, equal to 3,71% of the share capital with voting rights.
- On 26 February 2025, the Board of Directors approved the 2025-2028 Business Plan.
- From March 2025, the liquidation proceedings of the company Subliros S.L. is underway as part of the Group's e-commerce streamlining efforts, concentrating business operations on its subsidiary, Coverlab S.r.l.

## 23. Outlook

Based on the performance recorded in the financial year 2024, the actions taken by Management, and the performance of both end markets and FX, the Group anticipates a positive revenue and margin improvement in 2025, thereby confirming the guidance issued.

Reggio Emilia, 10 March 2025

Chair of the Board of Directors

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Antonio Luigi Tazartes

[CELLULARLINEGROUP]

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# CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

[CELLULARLINEGROUP]

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# CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024

## CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024

## STATEMENT OF FINANCIAL POSITION

| *(thousands of Euro)* | Notes | 31/12/2024 | Of which related parties | 31/12/2023 | Of which related parties |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Intangible assets | **4.1** | 43,264 | | 50,594 | |
| Goodwill | **4.2** | 38,192 | | 38,505 | |
| Property, plant and equipment | **4.3** | 7,454 | | 7,816 | |
| Equity investments | | 428 | | 331 | |
| Right-of-use assets | **4.4** | 3,099 | | 3,994 | |
| Deferred tax assets | **4.5** | 6,412 | | 5,805 | |
| Financial assets | | 141 | | 54 | |
| **Total non-current assets** | | **98,989** | | **107,099** | |
| **Current assets** | | | | | |
| Inventories | **4.6** | 39,682 | | 46,931 | |
| Trade receivables | **4.7** | 56,251 | 3,316 | 51,459 | 3,761 |
| Current tax assets | **4.8** | 294 | | 473 | |
| Financial assets | **4.9** | 341 | | 338 | |
| Other assets | **4.10** | 9,583 | | 13,066 | |
| Cash and cash equivalents | **4.11** | 20,753 | | 14,041 | |
| **Total current assets** | | **126,903** | | **126,308** | |
| **TOTAL ASSETS** | | **225,893** | | **233,407** | |
| **EQUITY AND LIABILITIES** | | | | | |
| **Equity** | | | | | |
| Share capital | **4.12** | 21,343 | | 21,343 | |
| Other reserves | **4.12** | 104,738 | | 107,056 | |
| Retained earnings | **4.12** | 5,338 | | 2,665 | |
| Profit for the year | | 5,647 | | 3,595 | |
| **Equity attributable to owners of the parent** | | **137,066** | | **134,659** | |
| Equity attributable to non-controlling interests | | - | | - | |
| **TOTAL EQUITY** | | **137,066** | | **134,659** | |
| **LIABILITIES** | | | | | |
| **Non-current liabilities** | | | | | |
| Bank loans and borrowings and loans and borrowings from other financial backers | **4.13** | 21,149 | | 8,600 | |
| Deferred tax liabilities | **4.5** | 1,406 | | 3,547 | |
| Employee benefits | **4.14** | 604 | | 544 | |
| Provisions for risks and charges | **4.15** | 1,850 | | 1,939 | |
| Other financial liabilities | **4.19** | 6,766 | | 9,061 | |
| **Total non-current liabilities** | | **31,775** | | **23,691** | |
| **Current liabilities** | | | | | |
| Bank loans and borrowings and loans and borrowings from other financial backers | **4.13** | 13,740 | | 29,170 | |
| Trade payables | **4.16** | 31,533 | | 32,330 | |
| Current tax liabilities | **4.17** | 1,854 | | 1,686 | |
| Provisions for risks and charges | **4.15** | - | | - | |
| Other liabilities | **4.18** | 8,478 | | 8,939 | |
| Other financial liabilities | **4.19** | 1,446 | | 2,932 | |
| **Total current liabilities** | | **57,051** | | **75,057** | |
| **TOTAL LIABILITIES** | | **88,826** | | **98,748** | |
| **TOTAL EQUITY AND LIABILITIES** | | **225,893** | | **233,407** | |

cellularline

## CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024

## INCOME STATEMENT

| *(thousands of Euro)* | Notes | 2024 | Of which related parties | 2023 | Of which related parties |
|---|---|---|---|---|---|
| Revenue from sales | **5.1** | 164,263 | 5,262 | 158,648 | 5,433 |
| Cost of sales | **5.2** | (98,444) | | (97,459) | |
| **Gross operating profit** | | **65,819** | | **61,189** | |
| Sales and distribution costs | **5.3** | (31,421) | | (29,233) | |
| General and administrative costs | **5.4** | (27,828) | (13) | (27,818) | (12) |
| Other non-operating revenue | **5.5** | 1,462 | | 737 | |
| **Operating profit** | | **8,033** | | **4,876** | |
| Financial income | **5.6** | 3,803 | | 2,434 | |
| Financial expense | **5.6** | (5,718) | | (3,942) | |
| Net exchange gains | **5.7** | 25 | | 622 | |
| Net gains on equity investments | **5.8** | 97 | | 260 | |
| **Profit before taxes** | | **6,239** | | **4,250** | |
| Current and deferred taxes | **5.9** | (593) | | (655) | |
| **Profit for the year before non-controlling interests** | | **5,647** | | **3,595** | |
| Profit for the year attributable to non-controlling interests | | - | | - | |
| **Profit for the year attributable to the owners of the parent** | | **5,647** | | **3,595** | |
| **Basic earnings per share (Euro per share)** | **5.10** | **0.26** | | **0.17** | |
| **Diluted earnings per share (Euro per share)** | **5.10** | **0.26** | | **0.17** | |

## STATEMENT OF COMPREHENSIVE INCOME

| *(thousands of Euro)* | Notes | 2024 | 2023 |
|---|---|---|---|
| **Profit for the year** | | **5,647** | **3,595** |
| *Other components of comprehensive income that will not be reclassified to profit or loss* | | | |
| Actuarial gains (losses) on defined benefit plans | | 4 | (40) |
| Actuarial gains (losses) on provisions for risks | | 1 | (85) |
| Gains/(losses) on translation of foreign operations | | (336) | 1,177 |
| Related taxes | | (2) | 35 |
| **Total other components of comprehensive income for the year** | | **(332)** | **1,087** |
| **Comprehensive income for the year** | | **5,314** | **4,683** |

## CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024

## STATEMENT OF CASH FLOWS

| *(thousands of Euro)* | Notes | 2024 | 2023 |
|---|---|---|---|
| Profit for the year | | 5,647 | 3,595 |
| Amortisation, depreciation and impairment of goodwill | | 13,724 | 13,405 |
| Net impairment losses and provisions included in working capital | | 2,292 | 1,681 |
| Losses on equity investments | | 1,890 | 886 |
| Accrued financial (income)/expenses and exchange (Gains)/losses | | (97) | (260) |
| Current and deferred taxes | | 593 | 655 |
| Other non-monetary changes (*) | | - | - |
| **Cash flow generated by operating activities net of NWC** | | **24,049** | **19,963** |
| (Increase)/decrease in inventories | | 5,069 | (4,587) |
| (Increase)/decrease in trade receivables | | (4,932) | 2,498 |
| Increase/(decrease) in trade payables | | (797) | 8,595 |
| Increase/(decrease) in other assets and liabilities (*) | | 3,022 | (8,287) |
| Payment of employee benefits and change in provisions | | | (1) |
| Interest paid and other net charges paid | | (2,993) | (1,432) |
| **Cash flow generated by operating activities** | | **23,418** | **16,749** |
| Income taxes paid and offset | | (1,890) | (3,703) |
| **Net cash flows generated by operating activities** | | **21,527** | **13,047** |
| Acquisition of subsidiaries, net of cash acquired | | - | (2,552) |
| Purchase of property, plant and equipment and intangible assets | | (5,307) | (4,893) |
| **Cash flows used in investing activities** | | **(5,307)** | **(7,445)** |
| (Dividends distributed) | | (1,824) | - |
| Other financial assets and liabilities | | (3,871) | (245) |
| Disbursed bank loans and borrowings and loans and borrowings from other financial backers (*) | | 25,000 | 10,000 |
| Repaid bank loans and borrowings and loans and borrowings from other financial backers (**) | | (27,881) | (11,727) |
| Other changes in equity | | 1,046 | (592) |
| Other non-monetary changes in equity | | (2,124) | - |
| **Net cash flows used in financing activities** | | **(9,656)** | **(2,564)** |
| **Increase in cash and cash equivalents** | | **6,565** | **3,038** |
| Effect of exchange rate fluctuations | | 146 | 1,087 |
| **Total cash flow** | | **6,711** | **4,125** |
| **Opening cash and cash equivalents** | 4.11 | **14,041** | **9,916** |
| **Closing cash and cash equivalents** | 4.11 | **20,753** | **14,041** |

(*) New loans/new borrowings

(**) In order to provide better comparability, these items for 31 December 2023 have been reclassified

cellularline

# STATEMENT OF CHANGES IN EQUITY

| *(thousands of Euro)* | Notes | Share Capital | Other reserves | Retained earnings | Profit/(loss) for the year | Non-controlling interests | Total Equity |
|---|---|---|---|---|---|---|---|
| **Balance as at 31 December 2022** | | **21,343** | **168,644** | **15,648** | **(75,166)** | **-** | **130,468** |
| Profit/(loss) for the period | | - | - | - | 3,595 | - | 3,595 |
| Other components of the statement of comprehensive income | | - | 1,087 | - | - | - | - |
| **Total statement of comprehensive income for the period** | | **-** | **1,087** | **-** | **3,595** | | **-** |
| Allocation of profit/(loss) for previous year | | - | (62,162) | (13,003) | 75,166 | - | - |
| Dividend distribution | | - | - | - | - | - | - |
| Other changes | | - | (512) | 20 | | | (492) |
| **Balance as at 31 December 2023** | | **21,343** | **107,056** | **2,665** | **3,595** | **--** | **134,659** |
| Profit/(loss) for the period | | - | - | - | 5,647 | - | 5,647 |
| Other components of the statement of comprehensive income | | - | (332) | - | - | - | (332) |
| **Total statement of comprehensive income for the period** | | **-** | **(332)** | **-** | **5,647** | **-** | **5,314** |
| Allocation of profit/(loss) for previous year | | - | 1,044 | 2,551 | (3,595) | - | - |
| Dividend distribution | | - | (1,824) | - | - | - | (1,824) |
| Purchase of treasury shares | | - | (1,875) | - | - | - | (1,875) |
| Other changes | | - | 670 | 122 | - | - | 792 |
| **Balance as at 31 December 2024** | **4.12** | **21,343** | **104,738** | **5,338** | **5,647** | **-** | **137,066** |

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

## 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, Germany and Austria and boasts a strong competitive position in the other European countries.

The Consolidated Financial Statements are submitted for approval by the Shareholders' Meeting convened for 17 April 2025, in line with the financial calendar approved by the Board of Directors on 11 December 2024.

Since 22 July 2019, the Parent's shares have been listed on the STAR segment of the Milan Stock Exchange.

At the reporting date of the Consolidated Financial Statements as at and for the year ended 31 December 2024, the shareholders of Cellularline holding more than 5% of the share capital with voting rights are as follows:

- Christian Aleotti 12.37%
- First Sicaf S.p.A. 7.77%
- Quaero Capital S.A. 7.33%
- Antonio Luigi Tazartes 7.19%

## 2. Basis of preparation of the Consolidated Financial Statements and summary of accounting policies

The basis of preparation and the main accounting policies adopted in the preparation of the Consolidated Financial Statements as at and for the year ended 31 December 2024 are described below. These standards and criteria have been applied consistently for all the years presented in this document, taking into account what is stated in Note 2.4.1 "New accounting standards, amendments and interpretations endorsed by the European Union that became effective as of the year beginning 1 January 2024".

### 2.1 Basis of preparation of the Consolidated Financial Statements

The Financial Statements as at 31 December 2024 have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union.

IFRS also include all the International Financial Reporting Standards ("IFRS"), all the International Accounting Standards ("IAS") and all the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standing Interpretation Committee ("SIC"), endorsed by the European Union at the date of approval of these Financial Statements by the Board of Directors of the Parent and contained in the relative EU regulations published at that date.

Some of the information contained in the Notes to the Consolidated Financial Statements, prepared in ESEF format, extracted from the XHTML format in an XBRL instance, may not be reproduced identically, due to mere technical problems, to that contained in the Consolidated Financial Statements in XHTML format.

### 2.2 Basis of presentation

The Consolidated Financial Statements have been prepared on the basis of the Financial Statements as at 31 December 2024, drafted by the individual companies included in the consolidation scope of Cellularline S.p.A.

("the Company", and together with its Subsidiaries and Associates "the Group"). The Financial Statements and reporting packages of the companies included in the scope of consolidation have been adjusted, where necessary, in order to bring them into line with the accounting policies classification criteria of the parent in compliance with IFRS. The Group has applied IFRS for the preparation of Consolidated Financial Statements since the Financial Statements as at 31 December 2018 with transition date 1 February 2017.

The Consolidated Financial Statements as at and for the year ended 31 December 2024 include the Financial Statements of the Parent, Cellularline S.p.A., and of the companies over which it has the right to exercise, directly or indirectly, control. The purpose of the Notes is to illustrate the accounting policies adopted, to provide the information required by IAS/IFRS and not contained in other parts of the Consolidated Financial Statements, as well as to provide additional information not shown in the Consolidated Financial Statements but necessary in order to give a true and fair view of the Group's operations.

With reference to the use of the going concern assumption in the preparation of the Financial Statements, the joint co-ordination table between the Bank of Italy, Consob and Isvap on the application of IAS/IFRS, with document no. 2 of 06.02.2009 "Information to be provided in financial reports on the going concern assumption, financial risks, impairment testing of assets and uncertainties in the use of estimates", as well as with the subsequent document no. 4 of 04.03.2010, requires Directors to make particularly accurate assessments on the existence of the going concern assumption.

In addition, paragraphs 25-26 of IAS 1 state that: "When preparing financial statements, management shall make an assessment of the entity's ability to continue as a going concern. An entity shall prepare the financial statements on a going concern basis unless management intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so".

Therefore, when preparing the consolidated Financial Statements at 31 December 2024, the Directors carried out a prospective evaluation of the group's ability to continue to constitute a functioning economic complex intended for the production of income for a foreseeable future period of time, relating to a period of at least twelve months from the date of the Financial Statements. This assessment was also made taking into account:

- the positive evolution of the reference market recorded in the last few years, which was associated with a significant increase in sales revenue of the Parent and the Group, as well as forecasts regarding future trends in revenue and core business;
- the positive economic and financial development forecasts contained in the 2025-28 Business Plan of the Parent and the Group, approved by the Parent's Board of Directors on 26 February 2025;
- the (past and expected) ability of the Parent and the Group to continue to generate positive cash flows that, together with available credit lines, enable them to meet expected payment commitments;
- the high level of capitalisation of the Parent and the Group.

Consequently, the consolidated Financial Statements as at and for the year ended 31 December 2024 have been prepared on a going concern basis, as the Directors have verified that there are no income, financial, managerial or other indicators that could indicate critical issues or uncertainties regarding the Parent's and Group's ability to continue to operate as a going concern for the foreseeable future and in particular over the next 12 months.

The Consolidated Financial Statements are expressed in Euro, the functional currency of the Group and the

parent, and all amounts are rounded to the nearest thousand Euro. For the sake of clarity, the mandatory items under IAS 1 that show nil balances in both comparative periods have been omitted from the schedules and tables.
The Consolidated Financial Statements consist of the following statements and these Notes:

- **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.
- **Income statement:** the classification of costs in the income statement is based on their function, showing the intermediate results relating to gross operating profit/(loss), net operating profit/(loss) and profit/(loss) before taxes.
- **Statement of comprehensive income:** this statement includes the profit/(loss) for the year and the expense and income recognised directly in equity for transactions other than those carried out with the owners.
- **Statement of cash flows:** the statement of cash flows shows cash flows from operating, investing and financing activities. Cash flows from operating activities are presented 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.
- **Statement of changes in equity:** this statement includes, in addition to the result of the statement of comprehensive income, also the transactions that took place directly with the owners 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.
- **Notes to the Consolidated Financial Statements.**

The Consolidated Financial Statements are presented in comparative form.
These Consolidated Financial Statements were authorised for publication by the Board of Directors on 10 March 2025.

### 2.3 Basis of consolidation and scope of consolidation

#### Basis of consolidation

The Consolidated Financial Statements include the Financial Statements or reporting packages at 31 December each year 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 year 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.
Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. This interest is determined on the basis of the percentage held in the fair values of the assets and liabilities recognised as at the date of the original acquisition and in the changes in equity after that date.
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 owners 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. Any goodwill deriving from the acquisition is only determined at acquisition, and is recognised as an asset and measured as the excess of the acquisition cost over the Group's interest in the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities recognised. Non-controlling interests in the acquiree are initially measured in proportion to their interest in the fair values of the assets, liabilities and contingent liabilities recognised. 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 selling costs. 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 (i.e. "full goodwill"). The choice of the valuation method can be made on a case-by-case basis for each transaction. To determine goodwill, the consideration transferred in a business combination is calculated as the sum of the fair values of the assets transferred and liabilities assumed by the Group at the acquisition date and the equity instruments issued in exchange for control of the acquiree, including the fair value of any consideration subject to the conditions set out in the acquisition contract. 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 the contingent consideration or in the determination of the fair values of the acquired assets and assumed liabilities, if goodwill could only be determined provisionally at the acquisition date and if such changes are determined 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 Consolidated Financial Statements as at and for the year ended 31 December 2024 include the financial and performance figures of Cellularline S.p.A. (Parent) and 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 method used for consolidation is that of full consolidation for the following companies:

| Company | Office | Currency | Share/quota Capital | Equity | Type of ownership | Profit/(loss) for the previous year | Percentage of ownership |
|---|---|---|---|---|---|---|---|
| | | | (in currency/000) | (in currency/000) | | (in currency/000) | |
| Cellular Spain S.L.U. | Spain (Madrid) | EUR | 3 | 1,498 | Direct | 285 | 100% |
| Cellular Inmobiliaria S.L.U. | Spain (Madrid) | EUR | 3 | 48 | Direct | (30) | 100% |
| Cellular Immobiliare Helvetica S.A. | Switzerland (Lugano) | CHF | 100 | 250 | Direct | (35) | 100% |
| Systema S.r.l. (*) | Italy (Reggio Emilia) | EUR | 100 | 2,768 | Direct | 368 | 100% |
| WorldConnect AG | Switzerland (Diepoldsau) | CHF | 100 | 6,453 | Direct | 1,290 | 90% |
| Cellularline USA Inc. | USA (New York) | USD | 50 | 380 | Direct | (15) | 100% |
| Coverlab S.r.l. | Italy (Parma) | EUR | 69 | (414) | Direct | (580) | 55% |
| Subliros S.L. | Spain (Barcelona) | EUR | 11 | (281) | Direct | (245) | 80% |
| Peter Jäckel GmbH | Germany (Alfeld) | EUR | 100 | 516 | Direct | (345) | 60% |
| Cellularline Middle East FZE | United Arab Emirates (Dubai) | USD | 41 | 46 | Direct | 65 | 100% |

It should be noted that 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 minority 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 | Equity | ownership % | | Profit for the previous year |
|---|---|---|---|---|---|---|---|
| | | | (in currency/000) | (in currency/000) | Direct | Indirect | (in currency/000) |
| Cellular Swiss S.A. | Switzerland (Aigle) | CHF | 100 | 743 | 50% | - | 167 |

## Use of estimates and judgements in the preparation of the Consolidated Financial Statements

In preparing the Consolidated Financial Statements, Management has had to make judgements, estimates and assumptions that influence the application of the accounting policies and the amounts of assets, liabilities, costs and revenue recognised.

Estimates and assumptions are based on elements known at the date of preparation of the Consolidated Financial Statements, Management's experience and other elements considered relevant. The values resulting from the final data may differ from these estimates; these assumptions and hypotheses are reviewed regularly. Significant subjective judgements by Management in applying the Group's accounting policies and the main sources of uncertainty in estimates are listed below.

**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 valuation 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.

**Impairment test on goodwill**

At each reporting date, the Group reviews the carrying amount of its non-financial assets, in line with IAS 36, to determine whether there are any indicators of impairment.

If an impairment indicator exists, then the carrying amount of the assets must undergo an impairment test. Goodwill undergoes an impairment test at least annually.

For the purpose of preparing the Consolidated Financial Statements as at 31 December 2024, the Directors identified an impairment indicator, since carrying amount of the Group's equity was higher than the value of the stock market capitalisation at the same date.

According to the provisions of paragraph 22 of IAS 36, the impairment test must be performed "for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs, unless either:

- the asset's fair value less costs of disposal is higher than its carrying amount; or
- the asset's value in use can be estimated to be close to its fair value less costs of disposal and fair value less costs of disposal can be measured".

Generally, most assets do not have the characteristics to be tested individually and therefore the impairment test is performed at CGU level.

The Cellularline Group has identified a single CGU to which goodwill and other intangible assets recognised as a result of business combinations are allocated. This CGU coincides with the only Operating Segment.

This CGU

- represents the minimum level within the Cellularline Group for which information on goodwill and such other intangible assets is available and monitored for internal management purposes, and
- this level is no larger than an Operating Segment as defined by IFRS 8 before applying the aggregation criteria.

For the purposes of the impairment test, the recoverable amount was determined as value in use using the discounted cash flow model. This criterion is based on the general concept that the Enterprise Value is equal to the discounted 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 Group, therefore, with the support of an Advisor (Deloitte & Touche), performed an impairment test, whose criteria were approved by the Board of Directors of the Parent on 26 February 2025 and the results of which were approved on 5 March 2025. The test revealed no impairment losses. Refer to Note “4.2 Goodwill” for more detailed information.

**Valuation of receivables**

The loss allowance reflects the Directors’ estimate of credit losses on trade receivables. It is estimated based on the Group’s expected credit losses, taking into account expected future changes in the counterparties’ credit ratings, current and previous past due amounts, losses and collections, monitoring of credit quality and projections of economic and market conditions. The Group has adopted a specific credit assessment and allowance determination procedure.

**Valuation of inventories**

The allowance for inventory write-down reflects the Group companies’ estimate of losses in the value of inventories that have already occurred or that are expected to occur, determined on the basis of past experience, and historical and expected sales trends. The allowance for inventory write-down takes into account the commercial obsolescence for each category of products on the basis of inventory turnover rates, market values and specific technical assessments related to technological developments.

**Valuation of the Stock Grant plan**

The valuation of the Stock Grant plans, granted during the three-year period 2021-2023 and the subsequent three-year period 2024-2026, was carried out based on the guidance contained in International Financial Reporting Standard 2 (IFRS 2) - “Share-based payments”.

**Recoverability of deferred tax assets**

The Group's Consolidated Financial Statements include deferred tax assets. These deferred taxes have been recorded taking into consideration their recoverability, on the basis of the future income expectations of the Group companies.

**Provisions for risks**

As it operates globally, the Group is subject to legal and tax risks deriving from the normal operations. The Group recognises and measures contingent liabilities on the basis of assumptions mainly relating to the probability and extent of the financial outlay.

## 2.4 Most significant accounting policies used in the preparation of the Consolidated Financial Statements

The Consolidated Financial Statements are presented in Euro, the Parent's functional and presentation currency. Transactions in foreign currencies are translated into the functional currency of each Group company 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. Foreign exchange gains and losses arising from the translation are generally recognised in profit or loss for the year under financial income and expense.

The exchange rates used to translate into Euro the Financial Statements of Worldconnect AG and Immobiliare Helvetica SA as at and for the year ended 31 December 2024 were as follows:

| Currency | 2024 average | 31 December 2024 | 2023 average | 31 December 2023 |
|---|---|---|---|---|
| Euro/CHF | 0.95 | 0.94 | 0.97 | 0.93 |

The exchange rates used to translate the Financial Statements of Cellularline USA Inc. and Cellularline Middle East FZE[5] as at 31 December 2024 into EUR were as follows:

| Currency | 2024 average | 31 December 2024 | 2023 average | 31 December 2023 |
|---|---|---|---|---|
| Euro/USD | 1.08 | 1.04 | 1.08 | 1.11 |

**Intangible assets**

Intangible assets acquired or generated internally are recognised as assets, in accordance with IAS 38, when it is probable that the use of the asset will generate future economic benefits and when the cost of the asset can be reliably determined. Intangible assets with finite useful lives are measured at the costs incurred to acquire or internally generate the asset, net of accumulated amortisation and impairment losses. Intangible assets are

[5] The Company keeps its accounts in US Dollars

amortised on a straight-line basis over their estimated useful life, which is the estimated period over which the assets will be used by the Group. The amortisation rates used are summarised below, by category of intangible assets:

| Category | Amortisation rate |
|---|---|
| Development costs | 50% |
| Cellularline customer relationships | 7.7% |
| Software | 33% |
| Licenses | 33-50% |
| Cellularline trademark | 5.5% |
| Interphone trademark | 10% |
| Systema trade agreement | 14% |
| Skross trademark | 10% |
| Q2Power trademark | 10% |
| Worldconnect customer relationships | 7% |
| Peter Jäckel customer relationships | 7.7% |
| Worldconnect patents | 10% |
| Other | 33% |

If the licences refer to specific service contracts, they are amortised over the term of the relevant contract. Some of the above items are detailed below.

### Development costs

Costs for research and development projects are those incurred with the aim of studying and acquiring knowledge for new or improved products, processes and services. If these costs reflect a multi-year utility, i.e., if they have benefits that manifest themselves over several years, they may be capitalised; otherwise they are charged to the income statement in the year in which they are incurred.
Advertising expenses, which do not meet the requirements of IAS 38, are taken to profit or loss for the year.

### Customer relationships

The purchase price allocation procedure entailed the appraisal of the Group's customer relationships as the sum of its customer relationships relating to the Red, Blue and Black Lines, in addition to the customer relationship deriving from the FY 2020 acquisition of Worldconnect and the customer relationship of Peter Jäckel, deriving from the January 2023 acquisition. Customer relationships refer to the existing contracts entered into with key customers, enabling the Group to limit access by third parties through the consolidated relationship it has established with the customers. The fair value of customer relationships can be reliably measured as it is possible to identify the economic benefits attributable to this asset by monitoring the revenue generated by individual customers for each product line. The residual useful life, also considering the customer attrition rate, i.e. the percentage of customers who historically interrupt their trade relationships with the Group companies after a given period of time, can be estimated as approximately 13 years.

**Software, license and trademarks**

This item mainly includes the effect of the purchase price allocation procedure for the fair value of the Cellularline and Interphone trademarks, in addition to the trademarks deriving from the acquisition of Worldconnect (in 2020). For the purpose of estimating the fair value, a royalty rate was considered, based on the analysis of comparable market transactions, and applied to the cash flows attributable to each asset. These flows were expressed net of marketing costs aimed at maintaining the intangible asset at the conditions in which it was at the measurement date and net of the related tax burden. The value of the asset is the sum of the present values of the cash flows. The trademarks in question may be separated from the Parent and transferred, sold or licensed for use to a third party and the Parent has the option of limiting access by third parties as they are registered trademarks. In addition, the Parent receives the economic benefits attributable to them, reflected in the revenue of the Red Line for the Cellularline brand, recognised in Europe for smartphone and tablet accessories for over 25 years, and in the revenue of the Black line for the *Interphone* brand. The estimated useful lives of these trademarks are 18 and 10 years, respectively. The Skross trademark - acquired in 2020 following the acquisition of the Worldconnect subsidiary - has an estimated useful life of 10 years. Software costs, including ancillary expense, relate to software acquired for the Group's use. Licenses refer to software licenses dedicated to specific service contracts.

**Patents**

This item mainly includes the effect of the purchase price allocation procedure for the fair value of the patents acquired with the acquisition of Worldconnect (in 2020). The Dual Excess Earnings Model (DEEM) had been used for the valuation at the time of initial registration of the Patents. The useful life is ten years based on an estimate of the competitive positioning to which the patented products refer. The obsolescence factor considered is the "linear" type, in line with practice and consistent with the useful life identified by the Directors. The original estimated useful life of these patents was 10 years.

**Trade agreement**

The purchase price allocation process, carried out following the acquisition of the company Systema S.r.l., entailed the appraisal of a trade agreement with a leading international telephone operator. In 2006, Systema S.r.l. started the production and marketing of accessories for a leading international telephone operator, establishing a long-term strategic partnership. The asset qualifies as a trade agreement of a contractual nature for the supply of goods and/or services to third parties and meets the following conditions:

- it guarantees future sales, with no fixed expiry and despite both parties having the right to withdraw; the relationship remained continuously in place from 2006 to the date of the Business Combination on 3 April 2019;
- sales are regulated at conditions which guarantee a normal return on investment and an extra income.

The trade agreement meets the requirements identified by IFRS 3 (Business Combination) and IAS 38 (Intangible Assets) for the identification and measurement of intangible assets.

**Goodwill**

Goodwill acquired in business combinations is initially recognised at cost and represents the excess of the acquisition cost over the Parent's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquirees. Any negative difference, "negative goodwill", is recognised in profit or loss at the time of acquisition. When a subsidiary is acquired in a business combination achieved in stages, the individual assets and liabilities of the subsidiary are not measured at fair value in each subsequent stage and goodwill is only determined in the first acquisition stage. After initial recognition, goodwill is shown net of impairment losses, determined as described below. At the acquisition date, any emerging goodwill is allocated to each of the cash generating units expected to benefit from the synergies achieved as a result of the acquisition. Any impairment losses are identified through assessments of the ability of each cash-generating unit to generate cash flows capable of recovering the portion of goodwill allocated to it, in the manner indicated in the section on property, plant and equipment. If the recoverable amount of the cash-generating unit is lower than the carrying amount, an impairment loss is recognised. This impairment loss is not reversed if the reasons for it no longer exist. When part or all of an acquiree whose acquisition generated goodwill is sold, the residual carrying amount of goodwill is considered when calculating the gain or loss on the sale.

**Impairment test**

Please refer to paragraph "2.3 Use of estimates and judgements in the preparation of the Consolidated Financial Statements - Impairment Test" and the results of the impairment test as at 31 December 2024 reported in section 4.2.1.

**Property, plant and equipment**

Property, plant, machinery and industrial equipment used for the production or supply of goods and services are recognised at historical cost, net of accumulated depreciation and any impairment losses; the cost also includes any costs directly incurred to prepare the assets for use. Interest expense incurred on loans obtained to purchase or construct property, plant and equipment is recognised as an increase in the assets only in the case of assets that meet the requirements for recognition as such, i.e. they require a significant period of time to be ready for use or marketable. Ordinary maintenance and repair costs are taken directly to profit or loss for the year in which they are incurred, while maintenance costs that increase the value of assets are allocated to such assets and depreciated with the asset on the basis of its residual possibility of use. Assets under construction and payments on account are recognised as assets based on the cost incurred and/or the advance paid, including directly attributable expenses.

Depreciation is calculated on a straight-line basis considering the cost of the assets, net of their residual values (when reasonably estimable), over their estimated useful lives, applying the following rates (main categories):

| Category | Depreciation rate |
|---|---|
| Buildings | 3% |
| Plants and machinery | 12-30% |
| Industrial and commercial equipment | 15% |
| Other assets | 12-15-20-25% |

Assets intended for specific service contracts are an exception and are depreciated according to the duration of the contract. Depreciation begins when the assets are available for use and is calculated at half the normal rate in the year when the assets are placed in service, with the exception of property, plant and equipment allocated for instrumental use on specific service contracts, which are depreciated in proportion to the remaining days of the service contract. Gains and losses on the sale or disposal of assets are determined as the difference between the revenue from sale and the asset's carrying amount, and are recognised in profit or loss for the year.

**Right-of-use assets**

IFRS 16 introduced a single model of accounting for leases in the Financial Statements of lessees whereby the Group, as lessee, recognises an asset that represents the right to use the underlying asset and a liability that reflects the obligation to pay the lease payments. The accounting methods for the lessor, on the other hand, remain similar to those provided for by the previously applicable standard. The Group has used the option to adopt IFRS 16 with the modified retrospective method, which provided for the possibility of recognising the right-of-use asset at 1 January 2019 for an amount equal to the lease liability remaining at that date, without recalculating the figures for the previous year.

**Definition of leasing**

In accordance with IFRS 16, the Group assesses whether the contract is a lease or contains a lease on the basis of the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the date of initial application of IFRS 16, the Group decided to adopt an operating procedure that allows it not to re-examine which transactions constitute a lease. IFRS 16 was applied only to contracts that had previously been identified as leases. Contracts that were not identified as leases by applying IAS 17 and IFRIC 4 were not reassessed to determine whether they were leases. Therefore, the definition of a lease in IFRS 16 has been applied only to contracts entered into or amended on or after 1 January 2019.

**Lessee accounting model**

The Group leases assets such as buildings and motor vehicles. As a lessee, the Group previously classified leases as operating or financial, assessing whether the lease transferred substantially all the risks and rewards of ownership. In accordance with IFRS 16, the Group recognises the right-of-use assets and the lease liabilities in the statement of financial position. However, the Group has decided not to recognise right-of-use assets and lease liabilities of low value assets (less than USD 5,000). Therefore, the Group recognises the lease payments as a cost on a straight-line basis over the lease term. The Group recognises the right-of-use assets that do not meet the definition of investment property under Right-of-use assets, which is the same item it uses to present the same kind of assets that it holds. Right-of-use assets that meet the definition of investment property are presented under Investment property. The Group classifies lease liabilities under "Other financial liabilities" in the statement of financial position. At the commencement date of the lease, the Group recognises a right-of-use asset and a lease liability.

The right-of-use asset is initially measured at cost, then at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any measurement of the lease liability. The right-of-use asset that meets the definition of investment property is recognised under the item of the same name and is initially measured at cost and subsequently at fair value, in accordance with the Group's accounting policies. The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date, discounting them using the interest rate implicit in the lease. If that rate cannot be readily determined, the Group uses the incremental borrowing rate. Generally, the Group uses the incremental borrowing rate as the discount rate. The lease liability is subsequently increased to reflect interest accrued on the lease liability and reduced to reflect the lease payments made and is remeasured if there is a change in future lease payments resulting from a change in the index or rate, if there is a change in the amounts that the Group expects to pay under a residual value guarantee or when there is a change in the assessment of an option to purchase the underlying asset, extend or terminate a lease. The Group has estimated the lease term of certain contracts in which it acts as a lessee and which provide for renewal options. The Group's assessment of whether or not there is a reasonable certainty of exercising the option influences the estimated lease term, significantly impacting the carrying amount of the lease liabilities and right-of-use assets recognised. The Group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

- it applied the exemption not to recognise right-of-use assets and liabilities for leases with a term of less than 12 months;
- it excluded initial direct costs from measuring the right-of-use assets at the date of initial application;
- it used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

**Equity investments in associates**

The Group's equity investments in associates are measured using the equity method. An associate is a company over which the Group exercises significant influence and which cannot be classified as a subsidiary or joint venture. Therefore, the equity investment in an associate is recognised in the statement of financial position at cost, subsequently adjusted for the post-acquisition change in the Group's interest in the associate's equity. Goodwill relating to the associate is included in the carrying amount of the investment and is not subject to amortisation. After application of the equity method, the Group determines whether there is any objective evidence that its net investment in the associate is impaired. The income statement reflects the Group's share of the associate's profit/(loss) for the year. If an associate recognises adjustments directly in equity, the Group recognises its share and presents it, where applicable, in the statement of changes in equity.

**Equity investments in other companies**

Investments in companies other than subsidiaries and associates are measured at cost, including incidental expenses.

**Financial assets and liabilities**

Financial assets and liabilities are accounted for and valued in accordance with IFRS 9.

**Recognition and measurement**

Trade receivables and debt instruments issued are recognised when they originate. All other financial assets and liabilities are initially recognised at the trade date, i.e. when the Group becomes a contractual party to the financial instrument. With the exception of trade receivables that do not contain a significant financing component, financial assets are initially measured at fair value plus or minus - in the case of financial assets or liabilities not at Fair Value Through Profit or Loss (FVTPL) - transaction costs directly attributable to the acquisition or issue of the financial asset. At initial recognition, trade receivables that do not have a significant financing component are measured at their transaction price.

**Classification and subsequent measurement**

Upon initial recognition, a financial asset is classified as either at amortised cost or fair value through profit or loss (FVTPL). Financial assets are not reclassified after initial recognition, unless the Group changes its business model for managing financial assets. In this case, all the financial assets concerned are reclassified on the first day of the first reporting period following the change in the business model. A financial asset shall be measured at amortised cost if it is not designated as at FVTPL and both of the following conditions are met:

- the financial asset is held as part of a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset provide for cash flows at certain dates that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or Fair Value Through Other Comprehensive Income (FVOCI), as indicated above, are measured at FVTPL. Upon initial recognition, the Group may irrevocably designate the financial asset as measured at FVTPL if, by doing so, it eliminates or significantly reduces an accounting mismatch that would otherwise result from measuring the financial asset at amortised cost or at FVOCI.

**Financial assets: subsequent measurement and gains and losses**

Financial assets are classified according to the FVTPL or amortised cost measurement method:

- Financial assets measured at FVTPL are subsequently measured at fair value. Net gains and losses, including dividends or interest received, are recognised in profit or loss for the year.
- Financial assets measured at amortised cost are subsequently measured at amortised cost in accordance with the effective interest method. The amortised cost is reduced by impairment losses. Interest income, exchange gains and losses and impairment losses are recognised in profit or loss for the year as are any gains or losses from derecognition.

**Financial liabilities: classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense and exchange gains and losses are recognised in profit or loss, along with any gains or losses on derecognition.

**Derecognition**

The following are the main requirements for the derecognition of items recorded in the Financial Statements:

- Financial assets are derecognised when the contractual rights to cash flows from the financial asset expire, when the contractual rights to receive cash flows are transferred in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or when the Group does not transfer nor substantially retain all the risks and rewards of ownership of the financial asset and has not retained control of the financial asset.
- Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled or expires. The Group also derecognises a financial liability in the event of a change in the related contractual terms when the cash flows of the modified liability are substantially different. In this case, a new financial liability is recognised at fair value on the basis of the modified contractual terms. The difference between the carrying amount of the financial liability settled and the consideration paid (including assets not represented by transferred cash and cash equivalents or assumed liabilities) is recognised in profit or loss for the year.

**Offsetting**

Financial assets and financial liabilities can be offset and the amount resulting from the offset presented in the statement of financial position if, and only if, the Group has both the legal right to offset the amounts and intends either to settle on a net basis or to realise the financial asset and settle the financial liability simultaneously.

**Impairment losses**

**Financial instruments and contract assets**

The Group recognises loss allowances considering lifetime credit losses. Loss allowances for trade receivables and contract assets are always recognised considering lifetime credit losses. To determine whether the credit risk of a financial asset has increased significantly after initial recognition, in order to estimate the expected credit losses, the Group considers information that reflect reasonable and supportable assumptions that are relevant and available. This includes quantitative and qualitative information and analyses, based on the Group's historical credit losses, on credit assessments and information on expected developments. Lifetime expected credit losses are expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses are the expected credit losses that result from default events on a financial instrument that are possible within twelve months after the reporting date (or a shorter period of time if the expected life of a financial instrument is less than 12 months). The maximum period to consider when assessing expected credit losses is the maximum contractual period during which the Group is exposed to credit risk.

**Impaired financial assets**

At each reporting date, the Group assesses whether financial assets measured at amortised cost are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the Group or of the debtor;
- a breach of contract, such as a default or past-due event (more than 90 days);
- the restructuring of a debt or an advance by the Group under conditions that the Group would not otherwise consider;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties.

**Write-off**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. The Group's policy is to write off the gross carrying amount when the financial asset is more than 90 days past due, based on its historical credit losses of similar assets. Financial assets that have been written off could still be claimed in accordance with the Group's credit recovery procedures.

**Non-financial assets**

At each reporting date, the Group verifies whether there is objective evidence of impairment based on the carrying amounts of its non-financial assets, investment property, inventories and deferred tax assets; if, on the basis of this verification, there is indication that the assets are impaired, the Group estimates their recoverable amount. Conversely, the recoverable amount of goodwill is estimated annually.

**Inventories**

Inventories are measured at the lower of purchase or production cost, determined using a method similar to weighted average cost, including incidental expenses, direct and indirect costs reasonably attributable to them and the estimated realisable value based on market trends. If the net realisable value is lower than cost, the inventories are written down by the difference calculated separately for each item. The write-down is determined following a specific recoverability analysis and is reversed in subsequent years if the reasons for the write-down no longer exist, by reinstating the original value. Goods in transit are measured by specifically identifying the purchase cost.

**Cash and cash equivalents**

Cash and cash equivalents include cash balances and demand deposits with a maturity of three months or less from the original acquisition date, which are subject to an insignificant risk of changes in fair value and are used by the Group to manage short-term commitments.

**Employee benefits**

Post-employment benefits were accounted for in accordance with IAS 19.

The post-employment benefits of Italian companies until 31 December 2006 were considered a defined-benefit plan; the regulations governing these benefits were amended by Law no. 296 of 27/12/2006. They are now to be considered a defined-benefit plan exclusively for the amounts accrued before 1 January 2007 (and not yet paid as at the reporting date), while after that date they are treated as a defined-contribution plan, since the amounts of post-employment benefits accrued after 1 January 2007 are transferred to the specific "Treasury Fund" established by INPS (the Italian social security institution) or to another equivalent pension fund, in compliance with the provisions of the aforementioned legislation. Due to the legislative context, the composition of the Parent's workforce and its seniority, the effects deriving from the use of actuarial techniques and the discounting of future liabilities at the reporting date are considered to be immaterial, considering the nominal amount of the assets as a reliable approximation of the fair value of their expected settlement amount.

**Provisions for risks and charges**

Provisions for risks and charges are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects that some or all of the expenditure covered by a provision for risks and charges will be reimbursed by another party (for example, through insurance contracts), it recognises a provision for the full amount of the liability and a separate asset for the expected reimbursement when it is virtually certain that reimbursement will be received. In this case, the cost of any related provision is taken to profit or loss, net of the amount recognised for the reimbursement. If the effect of the time value of money is material, the amount of a provision is discounted using a pre-tax discount rate that reflects, where appropriate, the risks specific to the liability. When provisions are discounted, the increase in the provision due to the passing of time is recognised as a financial expense. The agents' severance indemnity provision (FISC) includes the annual accruals for the payment of indemnities to agents following termination. In fact, in accordance with Italian legislation (art. 1751 of the Italian Civil Code), upon termination of the agency contract for no fault of the agent, the principal must pay an agent severance indemnity calculated in proportion to the total amount of commissions the agent earned during the contract, even if they were not entirely paid when the contract was terminated.

Under IFRS, and considering the guidance provided by the International Accounting Standard Board (IASB) and the International Financial Reporting Interpretation Committee (IFRIC), the FISC has been considered a post-employment benefit, specifically a defined-benefit plan, which must therefore be accounted for using actuarial techniques. The actuarial valuation of the FISC was carried out using the "Projected Unit Credit Method" (PUM) as provided for by paragraphs 64-66 of IAS 19. This method consists of valuations that express the average present value of the defined benefit obligations and past service cost up to the date of the actuarial valuation, projecting, however, the agent's commissions until the anticipated end date of continuing the agency contract.

**Trade payables**

The Cellularline Group holds contracts for the supply of goods that include the provision of bonuses, discounts and, in certain circumstances, contributions classified as a reduction of trade payables. These bonuses, discounts and contributions are recognised either as a percentage of the quantities purchased, as a fixed amount on the quantities bought or sold, or as a defined contribution. Mainly with reference to agreements with a maturity date later than the end of the year, which represent a minority share of the bonuses and contributions for the year, the determination of their amount represents a complex accounting estimate that requires a high degree of judgement as it is influenced by multiple factors. The parameters and information that are used for the estimate are based on the amount purchased or sold and on assessments that take into account historical data regarding the actual recognition of bonuses and contributions by suppliers.

**Foreign currency translation**

The functional and presentation currency adopted by the Group is the Euro. Assets and liabilities, with the exception of property, plant and equipment, intangible and non-current financial assets, originally expressed in the currencies of non-EU countries, are translated into Euro at the closing spot rate and the exchange gains and/or losses are taken to profit or loss. Revenue and income, costs and expense relating to foreign currency transactions are recognised at the transaction date exchange rate.

**Recognition of revenue**

Revenue is recognised when control of goods or services is transferred to the customer and to the extent that the Group will receive the economic benefits and the amount can be measured reliably. In addition, it is recognised net of returns, discounts, rebates and premiums.

**Recognition of costs**

Costs and other operating expenses are recognised in the income statement when they are incurred on an accruals basis and related to revenue, when they do not produce future economic benefits or when they do not qualify for recognition as assets.

**Financial income and expense**

Financial income and expense are recognised on an accruals basis using the effective interest rate and include exchange gains and losses and hedging gains and losses recognised in profit or loss. Financial expense is recognised in profit or loss when incurred. Financial expense is capitalised when it refers to an item of property, plant and equipment or an intangible asset that requires a significant period of time to be available for its intended use or for sale.

## Government grants

Government grants are recognised when there is a reasonable assurance that they will be received and the Group will comply with the conditions relating to them. When grants are related to cost components, they are recognised as revenue, but are systematically allocated over the years so as to match the costs they are intended to offset.

## Income taxes

### Current taxes

Current tax assets and liabilities for the current and previous years are measured on the basis of the amount expected to be recovered or paid to the tax authorities. The tax rates and rules used to calculate the amount are those issued and in force at the reporting date.

### Deferred taxes

Deferred taxes are calculated using the liability method on the temporary differences at the reporting date between the tax values of assets and liabilities and their corresponding carrying amounts.
Deferred tax liabilities are recognised for all taxable temporary differences, except:

- to the extent that the deferred tax liability arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss);
- for the taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, if the reversal of the temporary differences can be controlled and it is likely that it will not occur in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and for the carry-forward of unused tax losses and unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the unused tax losses and unused tax credits can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). With reference to taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, a deferred tax asset is recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised. The carrying amount of deferred tax assets is reassessed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed annually at the end of each reporting period and a previously unrecognised deferred tax asset is recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted by the end of the reporting period. Income taxes relating to items recognised directly in equity are recognised directly in equity and not in profit or loss. Deferred tax assets and liabilities are offset if, and only if, the Company has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

**Earnings per share**

Basic and diluted earnings per share are shown at the bottom of the income statement. Basic earnings per share are calculated by dividing the profit for the year attributed to owners of the parent by the weighted average of ordinary shares outstanding during the year, excluding treasury shares. To calculate diluted earnings per share, the weighted average of outstanding shares is adjusted by assuming the conversion of all potential dilutive shares.

**Risks, commitments, guarantees**

Commitments and guarantees are indicated at their contractual value, along with the risks for which a liability is only possible, without allocating provisions for risks. Risks for which a liability is probable are described in the Notes and the amount is accrued, in accordance with the principle of fairness, in the provisions for risks. Risks of a remote nature are not taken into account.

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

As required by IAS 8 - Accounting policies, changes in accounting estimates and errors -, new accounting standards and interpretations, as well as amendments to existing standards and interpretations already applicable, not yet in force at the date, which may apply in the future in the Cellularline Group's Consolidated Financial Statements, are set out below:

**a) New documents issued by the IASB and endorsed by the EU to be mandatorily adopted as of Financial Statements for years beginning on 1 January 2024**

| Document title | Date of issue | Date of entry into force | Endorsement date | EU Regulation and date of publication |
|---|---|---|---|---|
| Lease liabilities in a sale and leaseback (Amendments to IFRS 16) | September 2022 | 1 January 2024 | 20 November 2023 | (EU) 2023/2579<br>21 November 2023 |
| Classification of liabilities as current or non-current (Amendments to IAS 1) and Non-current liabilities with covenants (Amendments to IAS 1) | January 2020<br>July 2020<br>October 2022 | 1 January 2024 | 19 December 2023 | (EU) 2023/2822<br>20 December 2023 |
| Disclosures: supplier finance arrangements (Amendments to IAS 7 – Statement of cash flows and IFRS 7 – Financial instruments) | May 2023 | 1 January 2024 | 15 May 2024 | 16 May 2024 |

The accounting standards, amendments and interpretations, in force from 1 January 2024 and endorsed by the European Commission, are set out below:

**Amendments to IFRS 16 – Lease liabilities in a sale and leaseback**

On 22 September 2022, the IASB issued the document "Lease Liability in a Sale and Leaseback (Amendments to IFRS 16 – Lease)" with the aim of indicating the correct valuation to be performed by the seller-lessee following a sale and leaseback transaction.

The amendment to IFRS 16 clarifies the following aspects that the seller-lessee shall determine lease payments so as not to recognise any gain or loss related to the right of use retained by the seller-lessee.

**Amendments to IAS 1 – Classification of liabilities as current or non-current and Non-current liabilities with covenants**

On 23 January 2020, the IASB issued the document "Classification of Liabilities as Current or Non-current (Amendments to IAS 1 – Presentation of Financial Statements" with the aim of specifying how an entity should determine debt and other liabilities with an uncertain settlement date in the statement of financial position. According to these amendments, the debt or other liabilities must be classified as current (with an actual or potential settlement date within one year) or non-current.

On 31 October 2022, the IASB issued the document "Non-current Liabilities with Covenants (Amendments to IAS 1 – Presentation of Financial Statements)" with the aim of clarifying how an entity should classify, whether as current or non-current, liabilities arising from a loan agreement with covenants. These amendments also improve the information that a company must provide when its right to defer the discharge of a liability for at least twelve months is subject to covenants.

**Amendments to IAS 7 and IFRS 7 – Disclosures: supplier finance arrangements**

On 25 May 2023, the IASB issued the document: "Disclosures: Supplier Finance Arrangements (Amendments to IAS 7 – Statement of Cash Flows and IFRS 7 – Financial Instruments)". The amendments introduce some specific disclosure requirements for supplier finance arrangements and also provide guidance on the characteristics of such arrangements. In this regard:

- The objective of the disclosures referred to in the amendment to IAS 7 is to enable users of Financial Statements to evaluate the effects of supplier finance arrangements on an entity's liabilities and cash flows and on the entity's exposure to liquidity risk. To achieve this, an entity shall describe the following: a) the terms and conditions of the arrangement, b) the carrying amounts of the suppliers' financial liabilities and the financial liability items in which they are presented, c) non-monetary items in the carrying amounts of the supplier finance arrangement liabilities, and the carrying amounts and related items of the financial liabilities referred to in (a) for which the suppliers have already received payment from the lenders, d) the payment due dates for both the financial liabilities referred to in (a) and comparable trade payables that are not part of a supplier finance arrangement. If payment due date intervals are wide, explanatory information on these intervals or additional intervals (e.g. stratified intervals) is required.
- The IFRS 7 application guidance provides examples of factors that an entity may consider in preparing liquidity risk disclosures. The amendments incorporated supplier finance agreements as an additional

factor relevant to liquidity risk. The guidance to IFRS 7 was amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk.

The adoption of the new standards as of 1 January 2024 had no impact on the Group's Consolidated Financial Statements.

**b) New documents issued by the IASB and endorsed by the EU applicable to Financial Statements for years beginning after 1 January 2024, EU endorsed documents as at 31 December 2024:**

As at the date of approval of these Consolidated Financial Statements, the following new accounting standards, interpretations and amendments were issued by the IASB, but not yet endorsed by the European Union, some of which are still in the consultation phase, including the following:

| Document title | Date of issue | Date of entry into force | Endorsement date | EU Regulation and date of publication |
|---|---|---|---|---|
| Lack of Exchangeability (Amendments to IAS 21) | August 2023 | 1 January 2025 | 12 November 2024 | (EU) 2024/2862 13 November 2024 |

**c) New documents issued by the IASB and endorsed by the EU applicable to Financial Statements for years beginning after 1 January 2024, non-EU endorsed documents as at 31 December 2024:**

| Document title | Date of issue by the IASB | Date of entry into force of the IASB document |
|---|---|---|
| **New IFRS accounting standards** | | |
| IFRS 18 - Presentation and disclosure in Financial Statements | April 2024 | 1 January 2027 |
| IFRS 19 - Subsidiaries without public accountability: disclosure | May 2024 | 1 January 2027 |
| **Amendments to IFRS accounting standards** | | |
| Amendments to the classification and measurement of financial instruments (Amendments IFRS 9 and IFRS 7) | May 2024 | 1 January 2026 |
| Annual improvements - Volume 11 | July 2024 | 1 January 2026 |
| Contracts referencing nature-dependent electricity (Amendments to IFRS 9 and IFRS 7) | December 2024 | 1 January 2026 |

For all newly-issued standards, as well as for revisions and amendments to existing standards, the Cellularline Group is assessing any impacts that cannot currently be reasonably estimated arising from their future application.

**2.5 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).

## 3 Information on financial risks

Within the framework of business risks, the main risks identified, monitored and, to the extent specified below, actively managed by the Group are the following:

- credit risk (both in relation to normal business relations with customers and financing activities);
- liquidity risk (with reference to the availability of financial resources and access to the credit market and financial instruments in general);
- market risk (defined as exchange rate and interest rate risk).

The aim is to maintain a balanced management of its financial exposure over time, ensuring a liability structure that is in balance with the composition of the assets on the statement of financial position and capable of ensuring the necessary operational flexibility through the use of liquidity generated by current operating activities and recourse to bank loans.

The following section provides qualitative and quantitative benchmarks on the incidence of these risks.

### 3.1 Credit risk

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, attention must be paid to the credit policy with regard to both long-standing and newly acquired customers, strengthening the policies of preventive action, by acquiring more complete commercial 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 Group recognises a loss allowance considering estimated losses on trade receivables, other assets and non-current financial assets. The main components of this allowance are the individual losses on significant exposures and the collective impairment of homogeneous groups of assets for losses already incurred that have not yet been identified; the collective impairment is determined on the basis of the historical data on similar credit losses.

To date, credit risk on trade receivables has not increased as a result of COVID-19, thanks to both the high quality of the customer portfolio and the careful credit monitoring strategy managed at Group level.

### 3.2 Liquidity risk

From an operational point of view, the Group controls the liquidity risk through the annual 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. 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.

### 3.3 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 31 December 2024 of approximately EUR 25.0 million). Should further fluctuations in interest rates occur, these could lead to an increase in borrowing costs. It should be noted that, on 31 July 2024, the Parent entered into a new financing agreement, reference to which is made in paragraph "Significant events during the year".

## 4 Notes to the Statement of Financial Position

The following are Notes to the main assets and liabilities in the Consolidated Financial Statements as at 31 December 2024 and 31 December 2023.

**ASSETS**

**NON-CURRENT ASSETS**

### 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 balance of intangible assets, broken down by category as at 31 December 2024 and 31 December 2023, is shown below:

| *(In thousands of Euro)* | Carrying amount 31 December 2023 | Increases | (Decreases) | Acquisitions | (Amortisation) | (Impairment losses) | Reclassifications | Exchange difference | Carrying amount 31 December 2024 |
|---|---|---|---|---|---|---|---|---|---|
| Start-up and expansion costs | 22 | - | - | - | (6) | - | - | - | 16 |
| Development costs | 1,097 | 1,497 | (5) | - | (1,418) | - | - | 2 | 1,173 |
| Industrial patents and intellectual property rights | 4,592 | 1,534 | - | - | (2,011) | - | - | (49) | 4,065 |
| Concessions, licenses, trademarks and similar rights | 16,376 | 68 | - | - | (1,540) | - | - | (42) | 14,861 |
| Customer relationships | 28,448 | - | - | - | (5,310) | - | - | (48) | 23,090 |
| Assets under development and payments on account | 59 | - | - | - | - | - | - | - | 59 |
| **Total intangible assets** | **50,594** | **3,098** | **(5)** | **-** | **(10,286)** | **-** | **-** | **(138)** | **43,264** |

With reference to the Consolidated Financial Statements as at 31 December 2024, it should be noted that the Group made investments of EUR 3,098 thousand, mainly for the implementation of IT systems and for R&D of product and brand.

In particular, investments are mainly attributable to:

- development costs of approximately EUR 1,497 thousand; this item includes the costs incurred for investments in specific product and process 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;
- industrial patents and intellectual property rights, equal to EUR 1,534 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 three years. The investments are mainly related to innovations in SAP management and further innovations/IT projects, aimed at increasingly effective and efficient information tools to support the organisational structure of the Group.

#### *4.1.1* Customer Relationships and Trademarks

As at 31 December 2024, Cellularline's Customer Relationships with a finite useful life, recognised in the Consolidated Financial Statements, amounted to EUR 23,090 thousand, net of accumulated amortisation and impairment losses, while the value of the Trademarks, net of amortisation, amounted to EUR 14,861 thousand.

### 4.2 Goodwill

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

| *(In thousands of Euro)* | Carrying amount 31 December 2023 | Increases | (Decreases) | Acquisitions | (Amortisation) | (Impairment losses) | Reclassifications | Exchange difference | Carrying amount 31 December 2024 |
|---|---|---|---|---|---|---|---|---|---|
| Goodwill | 38,505 | - | - | - | - | - | - | (313) | 38,192 |
| **Total Goodwill** | **38,505** | **-** | **-** | **-** | **-** | **-** | **-** | **(313)** | **38,192** |

The value of goodwill as at 31 December 2024, amounting to EUR 38,192 thousand, was down compared to the previous year due to exchange rate effects.

#### 4.2.1 Impairment test on goodwill

As at 31 December 2024, goodwill recognised in the Group's Consolidated Financial Statements amounted to EUR 38.2 million and was allocated to the sole cash-generating unit (hereinafter also referred to as the "CGU"), which coincides with the entire Cellularline Group.

As required by the relevant accounting standard (IAS 36), at the time of closing the Financial Statements as at 31 December 2024, the Directors verified whether the intangible assets with an indefinite useful life (goodwill) were impaired by comparing the carrying amount with the related recoverable amount. The Directors therefore performed a special impairment test with the assistance of a consultant (Deloitte & Touche) in order to determine the relative recoverable amount of the Group's net invested capital.

In particular, the impairment test was performed on the basis of the economic-financial forecasts based on the 2025-2028 Business Plan approved by the Board of Directors on 26 February 2025.

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 discounted 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 (WACC) of 10.66% (12.02% at 31 December 2023) and a perpetually sustainable growth rate (g) estimated at 1.96% (1.93% at 31 December 2023), determined in line with expected long-term inflation (source: International Monetary Fund, October 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 the 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 Consolidated Financial Statements also includes an execution risk component, with an impact on the calculation of the finished rate equal to 1.10%, which represents an estimate of the risk of not completely achieving the Plan objectives, as well as the current degree of volatility and uncertainty reflected in the market trend and, in general, in the 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 amount, in terms of Enterprise Value, of approximately EUR 186.0 million. This value is higher than the Carrying Amount, which is equal to the Group's net invested capital at the reference date (approximately EUR 159.1 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 group'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 at the reporting date;

- the WACC and EBITDA according to the 2025-2028 Plan 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 at the reporting date.

Sensitivity analyses revealed potential impairment situations in the event of a deterioration of WACC and g-rate. They showed no potential impairment in the event of a reduction of more than 10% in Plan EBITDA and Terminal Value, further to what was already considered in the execution risk estimate.

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

| | | WACC | | | | |
|---|---|---|---|---|---|---|
| | | -1,0% | -0,5% | Company | +0,5% | +1,0% |
| | | **9.7%** | **10.2%** | **10.7%** | **11.2%** | **11.7%** |
| G-rate | - | 27.5 | 17.7 | 8.9 | 0.9 | (6.5) |
| | **0.5%** | 32.3 | 21.9 | 12.5 | 4.0 | (3.7) |
| | **1.0%** | 38.1 | 26.9 | 16.8 | 7.7 | (0.5) |
| | **1.5%** | 44.6 | 32.4 | 21.6 | 11.9 | 3.1 |
| | **2.0%** | 51.9 | 38.7 | 26.9 | 16.5 | 7.1 |
| | **2.5%** | 60.3 | 45.7 | 32.9 | 21.6 | 11.5 |
| | **3.0%** | 69.9 | 53.8 | 39.7 | 27.4 | 16.5 |

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

| | | WACC |
|---|---|---|
| | | Comapny |
| | | **10.7%** |
| EBITDA reduction - over and above what is already included in the execution (WACC) | **(10.0%)** | 1.7 |
| | **(7.5%)** | 8.0 |
| | **(5.0%)** | 14.3 |
| | **(2.5%)** | 20.6 |
| | - | 26.9 |

It should be noted that the inclusion of an Execution Risk Premium in the WACC implies a tolerance with respect to a possible reduction in EBITDA in the Plan forecasts. In the specific case, this tolerance is 13.0% over the Plan period and consequently, the sensitivity shown here is calculated starting from an EBITDA 13.0% lower than that of the 2025-28 Business Plan.

## 4.3 Property, plant and equipment

The specific table below shows changes in this item, indicating the historical cost, accumulated depreciation, changes in the year and the closing balance of each asset. Depreciation was calculated using the rates that reflect the property, plant and equipment's residual useful lives. The balance of Property, plant and equipment, broken down by category as at 31 December 2024 and 31 December 2023, is shown below:

| *(In thousands of Euro)* | Carrying amount 31 December 2023 | Increases | (Decreases) | Acquisitions | (Depreciation) | (Impairment losses) | Exchange difference | Reclassifications | Carrying amount 31 December 2024 |
|---|---|---|---|---|---|---|---|---|---|
| Land and buildings | 4,863 | 58 | - | - | (175) | - | (20) | - | 4,727 |
| Plants and machinery | 356 | 52 | - | - | (110) | - | (1) | - | 297 |
| Industrial and commercial equipment | 2,468 | 1,237 | (17) | - | (1,445) | - | (7) | 16 | 2,253 |
| Assets under construction and payments on account | 129 | 115 | (51) | - | - | - | - | (16) | 177 |
| **Total property, plant and equipment** | **7,816** | **1,462** | **(68)** | **-** | **(1,729)** | **0** | **(27)** | **-** | **7,454** |

As at 31 December 2024, the item consisted mainly of buildings used as the operating offices of Group companies for EUR 4,727 thousand and industrial and commercial equipment for EUR 2,253 thousand (in particular furniture, furnishings, office equipment and moulds). The Group made investments of EUR 1,462 thousand, mainly relating to industrial and commercial equipment.

### 4.4 Right-of-use assets

This item, amounting to EUR 3,099 thousand (EUR 3,994 thousand as at 31 December 2023), refers exclusively to the recognition of rights of use due to the initial application of IFRS 16 - Leases.
The changes in the year were as follows:

| *(In thousands of Euro)* | **Carrying amount as 31 December 2023** | **Increases** | **(Decreases)** | **Acquisitions** | **(Depreciation)** | **(Impairment losses)** | **Exchange difference** | **Reclassifications** | **Carrying amount as at 31 December 2024** |
|---|---|---|---|---|---|---|---|---|---|
| Right-of-use assets | 3,994 | 867 | (84) | - | (1,676) | - | (2) | - | 3,099 |
| **Total right-of-use assets** | **3,994** | **867** | **(84)** | **-** | **(1,676)** | **-** | **- 2** | **-** | **3,099** |

The increases in the year, equal to EUR 867 thousand, mainly refer to some new contracts to lease cars and commercial vehicles.

### 4.5 Deferred tax assets and liabilities

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

#### Deferred tax assets

| *(In thousands of Euro)* | |
|---|---|
| **Balance as at 31 December 2023** | **5,805** |
| Accruals in profit or loss | 607 |
| **Balance as at 31 December 2024** | **6,412** |

The balance of EUR 6,412 thousand at 31 December 2024 is composed of deferred tax assets originating mainly in the Parent from allocations to taxed provisions, from temporarily non-deductible amortisation, depreciation and impairment losses, and from temporary differences relating to trademarks and customer relationships. Compared to the previous year, the Parent has recognised deferred IRES and IRAP tax assets calculated, mainly, on partially deductible amortisation and depreciation such as those of the Cellularline and Interphone trademarks and other minor changes amounting to EUR 562 thousand.
The 2022 Budget Law (no. 234/2021, art. 1, paragraphs 622-624) has retroactively modified the regime for revaluations and realignments of trademarks and goodwill carried out on the basis of art. 110 of Decree Law no. 104/2020, increasing the time span of deductions from 18 to 50 years (2% per annum from 2021).
The rule also provided the following two additional alternatives:

1. maintenance of the deduction over 18 years against payment of the ordinary substitute tax on the franking of extraordinary transactions (12%, 14% and 16% for revaluations of up to 5 million, between 5 million and 10 million and over 10 million, respectively);
2. revocation of the realignment for tax purposes, with repayment or right to offset the substitute tax already paid, in accordance with procedures to be defined by a future measure.

Considering that:

- the dilution of the benefit over 50 years shifts the cost-benefit balancing point from the second to the seventh year, while still maintaining a significant overall tax saving;
- the outlay for the "ordinary" substitute tax, necessary to maintain deductibility over 18 years, is very costly and close in time, considerably reducing the advantage of the operation;
- revocation of the realignment would entail cancellation of the income from the release of the deferred tax liabilities, with an inevitable impact on the parent's equity;

it was deemed reasonable to maintain the realignment carried out with the 50-year deduction and to recognise deferred tax assets on temporarily non-deductible amortisation/depreciation and impairment losses, with annual monitoring of the reasonable certainty of their recovery.

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

- the tax regulations of the country in which the Group operates and their impact on temporary differences, and any tax benefits deriving from the use of tax losses carried forward, 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 as at 31 December 2023** | **3,547** |
| Releases to profit or loss | (2,129) |
| Releases to comprehensive income (income tax) | (12) |
| **Balance as at 31 December 2024** | **1,406** |

Deferred tax liabilities at 31 December 2024 are primarily attributable to the deferred taxation arising from the PPA of Worldconnect, Systema and Peter Jäckel.

The change for the year, amounting to EUR 2,141 thousand, is mainly due to the release of a deferred tax liability, the allocation of which (amounting to EUR 1,412 thousand), made in previous years and up to 31.12.2023, is not appropriate.

It is estimated that the residual deferred tax liability refers to differences that will be reabsorbed in the medium and long term.

## CURRENT ASSETS

### 4.6 Inventories

Inventories as at 31 December 2024 amounted to EUR 39,682 thousand (EUR 46,931 thousand as at 31 December 2023), net of the allowance for inventory write-down of EUR 4,734 thousand. Inventories include those at the Group's warehouses and goods in transit, for which the Group has already acquired ownership, for EUR 7,215 thousand (EUR 3,199 thousand as at 31 December 2023).

Inventories are made up as follows:

| *(In thousands of Euro)* | Balance as at | |
|---|---|---|
| | **31 December 2024** | **31 December 2023** |
| Finished products and goods | 35,194 | 45,230 |
| Goods in transit | 7,215 | 3,199 |
| Advances | 2,007 | 1,007 |
| **Gross inventories** | **44,416** | **49,436** |
| (Allowance for inventory write-down) | (4,734) | (2,505) |
| **Total Inventories** | **39,682** | **46,931** |

The decrease in gross inventories, amounting to EUR 5,020 thousand compared to 31 December 2023, is mainly attributable to an improvement in inventory management and timely purchase planning. The carrying amount of inventories is adjusted by the allowance for inventory write-down, which includes the write-down of goods at risk of potential obsolescence.

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

| *(In thousands of Euro)* | **Allowance for inventory write-down** |
|---|---|
| **Balance as at 31 December 2023** | **(2,505)** |
| (Accruals) | (2,180) |
| Exchange difference | (49) |
| **Balance as at 31 December 2024** | **(4,734)** |

Accruals made relate to the analysis of slow moving products faced with problems (typical of the sector) related to the obsolescence/slow turnover of inventories, in order to align their value to the estimated realisable value.

### 4.7 Trade receivables

As at 31 December 2024 this item amounted to EUR 56,251 thousand, net of the loss allowance of EUR 4,084 thousand (EUR 51,459 thousand, net of a loss allowance of EUR 3,946 thousand as at 31 December 2023). Trade receivables as at 31 December 2024 and 31 December 2023 are shown in detail below:

| (In thousands of Euro) | Balance as at | |
|---|---|---|
| | **31 December 2024** | **31 December 2023** |
| Trade receivables from third parties | 57,019 | 51,644 |
| Trade receivables from related parties (Note 5) | 3,316 | 3,761 |
| **Gross trade receivables** | **60,335** | **55,406** |
| (Loss allowance) | (4,084) | (3,946) |
| **Total trade receivables** | **56,251** | **51,459** |

Trade receivables are presented net of total receivables assigned without recourse to factoring companies and amounted to EUR 7,982 thousand as at 31 December 2024 (EUR 13,217 thousand as at 31 December 2023).

Changes in the loss allowance as at 31 December 2024 are shown below:

| (In thousands of Euro) | Loss allowance |
|---|---|
| **Balance as at 31 December 2023** | **(3,946)** |
| (Accruals) | (475) |
| Exchange difference | 2 |
| Utilisations | 335 |
| **Balance as at 31 December 2024** | **(4,084)** |

Impaired assets refer mainly to disputed amounts or customers subject to bankruptcy proceedings. The utilisations reflect amounts that, based on certain, precise information or pending bankruptcy procedures were impaired in full. As shown in the tables above, the loss allowance amounted to EUR 4,084 thousand as at 31 December 2024 and to EUR 3,946 thousand as at 31 December 2023. 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 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. As at the date of the assessment, there were no significant effects that could be attributed to the consequences of the pandemic. The carrying amounts of trade receivables are deemed to approximate their fair value.

### 4.8 Current tax assets

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

| (In thousands of Euro) | Balance as at | |
|---|---|---|
| | **31 December 2024** | **31 December 2023** |
| Receivables from tax authorities | 163 | 270 |
| Receivables for tax payments on account | 14 | 88 |
| Tax rebate assets | 117 | 115 |
| **Total current tax assets** | **294** | **473** |

Current tax assets mainly include the following items recorded in the Parent's Financial Statements: *(i)* the receivable for research, development, innovation and design for EUR 139 thousand, *(ii)* the receivable for taxes for which a rebate of EUR 117 thousand has been requested.

### 4.9 Financial assets

Financial assets amounted to EUR 341 thousand (338 thousand as at 31 December 2023) and refer mainly to receivables for active derivative instruments.

### 4.10 Other assets

The breakdown of other current assets as at 31 December 2024 and 31 December 2023 is shown below:

| *(In thousands of Euro)* | **Balance as at** | |
|---|---|---|
| | **31 December 2024** | **31 December 2023** |
| Prepaid expenses | 7,218 | 11,043 |
| Others | 2,365 | 2,023 |
| **Total Other current assets** | **9,583** | **13,066** |

This item mainly includes prepaid expenses referring to the advance payment of costs relating to future years and the receivable due from the tax authority for period VAT.

### 4.11 Cash and cash equivalents

Cash and cash equivalents include cash balances and demand deposits with a maturity of three months or less from the original date of acquisition, which are subject to an insignificant risk of changes in fair value and are used by the Group to manage short-term commitments.
The breakdown of cash and cash equivalents as at 31 December 2024 and 31 December 2023 is shown below:

| *(In thousands of Euro)* | **Balance as at** | |
|---|---|---|
| | **31 December 2024** | **31 December 2023** |
| Bank accounts | 20,742 | 14,030 |
| Cash on hand | 10 | 11 |
| **Total Cash and cash equivalents** | **20,753** | **14,041** |

Cash and cash equivalents amount to EUR 20,753 thousand as at 31 December 2024 (EUR 14,041 thousand as 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.

## EQUITY AND LIABILITIES

### 4.12 Equity

Equity was EUR 137,066 thousand (EUR 134,659 thousand as at 31 December 2023), having increased mainly as a result of the profit for the year.

**Share capital**

The share capital as at 31 December 2024 amounts to EUR 21,343, divided into 21,868,189 ordinary shares.

On 22 July 2019, Borsa Italiana S.p.A. commenced trading of the Parent's ordinary shares and warrants on the Mercato Telematico Azionario (MTA), including them in the STAR segment.

**Other reserves**

As at 31 December 2024, other reserves amounted to EUR 104,738 thousand (EUR 107,056 thousand as at 31 December 2023) and were mainly broken down as follows:

- The share premium, which amounts to EUR 102,135 thousand, including EUR 59,253 in suspended taxation following the realignment of trademarks and customer relationships.
- Other reserves amounting to EUR 4,690 thousand which mainly originated as a result of the effects of the application of the IFRS and the Business Combination which took place in 2018;
- Treasury shares of EUR 2,087 thousand.

**Retained earnings**

As at 31 December 2024, retained earnings amounted to EUR 5,338 thousand.

**Profit/(loss) for the year attributable to owners of the Parent**

2024 ended with a profit for the year of EUR 5,647 thousand.

**Long Term Incentive Plan Reserve (Share-based payment arrangements)**

In 2021, the Group approved a Stock Grant Plan, which envisages the award of rights to certain employees to receive Company 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 |
|---|---|---|---|
| 17 March 2022 | 90,000 * | 30% Relative Total Shareholder Return<br>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<br>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, the second and third award cycles have been completed.*

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 the parent's shares, 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 attribution 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 30%,
(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 70%.
As at 31 December 2024, in accordance with IFRS 2, the valuation 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 valued at the reporting date to account for expectations regarding the number of rights that may vest.
In addition, in 2024, the Group approved a new Stock Grant Plan, which envisages the award to certain employees of rights to receive the parent's shares 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 |
|---|---|---|---|
| 8 May 2024 | 109,000 * | 50% Relative Total Shareholder Return<br>50% Consolidated Adjusted EBITDA | Three years |

*(*) As 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 the parent's shares, 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 attribution 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%.
As at 31 December 2024, in accordance with IFRS 2, the valuation 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 valued at the reporting date to account for expectations regarding the number of rights that may vest.
The LTI reserve at 31 December 2024 amounts to EUR 255 thousand (EUR 279 thousand as at 31 December 2023).

**Reconciliation of the Parent's equity and profit for the year with consolidated equity and profit for the year.**
The following table shows the reconciliation between the equity reported in the Financial Statements of the Parent as at 31 December 2024 and that reported in the Consolidated Financial Statements as at the same date (in thousands of Euro).

| RECONCILIATION OF PARENT'S EQUITY WITH CONSOLIDATED EQUITY | Equity as at 31/12/2022 | Profit for 2023 | Other changes to equity of the Parent | Equity as at 31/12/2023 | Profit for 2024 | Other changes to equity of the Parent | Equity as at 31/12/2024 |
|---|---|---|---|---|---|---|---|
| **Cellularline S.p.A.** | **127,531** | **1,136** | **(578)** | **128,089** | **4,021** | **(2,808)** | **129,302** |
| Difference between carrying amount and equity of subsidiaries | 3,008 | 2,571 | 1,174 | 6,755 | 1,124 | (431) | 7,448 |
| Measurement of Cellular Swiss at equity | 38 | 260 | - | 298 | 96 | - | 394 |
| Derecognition of intragroup gains | (110) | (373) | - | (483) | (3) | - | (486) |
| Elimination of intragroup impairment losses | - | - | - | - | 410 | - | 410 |
| **Cellularline Group** | **130,468** | **3,595** | **596** | **134,659** | **5,647** | **(3,239)** | **137,066** |

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

The breakdown of Financial liabilities (current and non-current) as at 31 December 2024 is shown below:

| *(In thousands of Euro)* | Balance as at | |
|---|---|---|
| | 31 December 2024 | 31 December 2023 |
| Current bank loans and borrowings and loans and borrowings from other financial backers | 13,740 | 29,170 |
| Non-current bank loans and borrowings and loans and borrowings from other financial backers | 21,149 | 8,600 |
| **Total bank loans and borrowings and loans and borrowings from other financial backers** | **34,889** | **37,770** |
| Other current financial liabilities | 1,446 | 2,932 |
| Other non-current financial liabilities | 6,766 | 9,061 |
| **Total other financial liabilities** | **8,212** | **11,993** |
| **Total financial liabilities** | **43,101** | **49,763** |

As at 31 December 2024, bank loans and borrowings and loans and borrowings from other financial backers came to EUR 34,889 thousand (EUR 37,770 thousand as at 31 December 2023) and mainly include:

- the bank loan of the Parent, stipulated in July 2024 in the re-financing transaction for EUR 25,000 thousand;
- the Parent's short-term hot money bank loans and other current financial liabilities, in the amount of EUR 10,168 thousand.

The Parent's bank loan, gross of bank fees, is shown below:

| *(In thousands of Euro)* | Inception | Maturity | Original amount | Balance as at 31 December 2024 | | |
|---|---|---|---|---|---|---|
| | | | | Outstandi ng debt | current portion | non-current portion |
| **Syndicate** | | | | | | |
| "Ordinary" facility | 31/07/2024 | 31/07/2028 | 25,000 | 25,000 | 3,752 | 21,248 |
| **Total sydicated loan (*)** | | | **25,000** | **25,000** | **3,752** | **21,248** |

*(*) The syndicated loan was signed with con BNL S.p.A. and Unicredit S.p.A.*

The bank loan repayable to the above institutions is subject to economic and financial covenants. These covenants, calculated on a leverage ratio defined as the Net Financial Position in relation to EBITDA on the basis of contractual agreements with credit institutions, were met as of 31 December 2024.

The loan is measured at amortised cost in accordance with IFRS 9 and therefore its carrying amount of EUR 24,721 thousand as at 31 December 2024 (EUR 23,000 thousand as at 31 December 2023) is reduced by transaction costs.

For details regarding the item Other financial liabilities (current and non-current), please refer to Note 4.20.

Below is a reconciliation of the net financial indebtedness as at 31 December 2024, of EUR 22,007 thousand, and as 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 :

| (In thousands of Euro) | Balance as at 31 December 2024 | 31 December 2023 | Changes Δ | % |
|---|---|---|---|---|
| (A) Cash | 20,753 | 14,041 | 6,712 | 47.8% |
| (B) Cash and cash equivalents | - | - | - | - |
| (C) Other current financial assets | 341 | 338 | 3 | 0.9% |
| **(D) Liquidity (A)+(B)+(C)** | **21,094** | **14,379** | **6,715** | **46.7%** |
| (E) Current financial debt | 10,168 | 16,270 | (6,103) | -37.5% |
| (F) Current portion of non-current debt | 5,018 | 15,831 | (10,813) | -68.3% |
| **(G) Current financial indebtedness (E) + (F)** | **15,186** | **32,101** | **(16,916)** | **-52.7%** |
| *- of which guaranteed* | - | - | - | - |
| *- of which not guaranteed* | *15,186* | *32,101* | *(16,916)* | *-52.7%* |
| **(H) Net current financial indebtedness (G) - (D)** | **(5,908)** | **17,722** | **(23,631)** | **>-100%** |
| (I) Non-current financial debt | 27,915 | 17,661 | 10,254 | 58.1% |
| (J) Debt instruments | - | - | - | - |
| (K) Non-current trade and other payables | - | - | - | - |
| **(L) Non-current financial indebtedness (I)+(J)+(K)** | **27,915** | **17,661** | **10,254** | **58.1%** |
| *- of which guaranteed* | - | - | - | - |
| *- of which not guaranteed* | *27,915* | *17,661* | *10,254* | *58.1%* |
| **(M) TOTAL FINANCIAL INDEBTEDNESS (H) + (L)** | **22,007** | **35,384** | **(13,377)** | **-37.8%** |

A breakdown of the financial liabilities is shown below based on their maturity:

| (In thousands of Euro) | Balance as at 31 December 2024 | 31 December 2023 |
|---|---|---|
| Within 1 year | 15,186 | 32,101 |
| From 1 to 5 years | 27,915 | 17,566 |
| Over 5 years | - | 96 |
| **Total** | **43,101** | **49,763** |

## 4.14 Employee benefits

As at 31 December 2024, the item amounted to EUR 604 thousand (EUR 544 thousand as at 31 December 2023) and derives from the actuarial valuations of the Italian companies' post-employment benefits (TFR), which represent a defined-benefit plan. These valuations were made on the basis of the accrued benefits method using the "Projected Unit Credit" method, as required by IAS 19.

The actuarial model is based on:

- discount rate of 3.18%, which was derived from the Iboxx Corporate AA index with a duration of 7-10;
- annual inflation rate of 2.00%;
- annual rate of TFR increase of 3.00%.

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 31 December 2024 are shown below:

| *(In thousands of Euro)* | Agents' severance indemnity provision (FISC) | Provision for future risks | Total |
|---|---|---|---|
| **Balance as at 31 December 2023** | **1,582** | **357** | **1,939** |
| *- of which current portion* | | | - |
| *- of which non-current portion* | *1,582* | *357* | *1,939* |
| Accruals | 252 | - | 252 |
| From change in the scope of consolidation | - | - | - |
| Utilisations/Releases | (52) | (288) | (341) |
| **Balance as at 31 December 2024** | **1,781** | **69** | **1,850** |
| *- of which current portion* | | | - |
| *- of which non-current portion* | *1,781* | *69* | *1,850* |

The Agents' severance indemnity provision (FISC) refers to the measurement of the agents' severance indemnity of the Parent and of Systema for the amount to be paid to agents for the termination of the agency relationship through no fault of the agent. The actuarial valuation, consistent with IAS 37, was carried out by quantifying future payments through the projection of the indemnity accrued at the reporting date by the agents operating until the presumed (random) termination of the contractual relationship. For actuarial valuations, 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 at 3.18%.

## 4.16 Trade payables

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

| *(In thousands of Euro)* | Balance as at | |
|---|---|---|
| | **31 December 2024** | **31 December 2023** |
| Trade payables to third parties | 31,533 | 32,330 |
| **Total trade payables** | **31,533** | **32,330** |

As at 31 December 2024, trade payables amounted to EUR 31,533 thousand (EUR 32,330 thousand as at 31 December 2023) and refer to the acquisition of goods and services, all due within the year.

## 4.17 Current tax liabilities

The item, amounting to EUR 1,854 thousand, mainly includes the debt of the Parent for EUR 1,593 thousand, as well as tax liabilities of the other Group companies for EUR 261 thousand.

## 4.18 Other liabilities

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

| *(In thousands of Euro)* | Balance as at | |
|---|---|---|
| | **31 December 2024** | **31 December 2023** |
| Due to employees | 2,311 | 2,119 |
| Tax liabilities | 2,240 | 2,854 |
| Social security liabilities | 994 | 875 |
| Other payables | 2,933 | 3,091 |
| **Total Other liabilities** | **8,478** | **8,939** |

As at 31 December 2024, the item amounts to EUR 8,478 thousand (EUR 8,939 thousand as at 31 December 2023) and mainly consists of:

- EUR 2,311 thousand due to employees for wages to be settled and bonuses;
- tax liabilities of EUR 2,240 thousand (withholdings and VAT);
- EUR 994 thousand due to social security institutions for contributions to be settled;
- EUR 2,933 thousand for other payables (accrued expenses and deferred income).

### 4.19 Other financial liabilities (current and non-current)

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

| *(In thousands of Euro)* | Balance as at | |
|---|---|---|
| | **31 December 2024** | **31 December 2023** |
| Other current financial liabilities | 1,446 | 2,932 |
| Other non-current financial liabilities | 6,766 | 9,061 |
| **Total other financial liabilities** | **8,212** | **11,993** |

As at 31 December 2024, Other financial liabilities come to EUR 8,212 thousand (EUR 11,993 thousand at 31 December 2023) and mainly include:

- financial liabilities relating to put/call options and agreements signed for the purchase of the remaining shares of subsidiaries for EUR 4,952 thousand, of which EUR 4,352 thousand relating to Worldconnect, EUR 200 thousand relating to Peter Jäckel and EUR 400 thousand relating to Coverlab;
- the lease liability deriving from the application of IFRS 16 for EUR 3,260 thousand (EUR 4,132 as at 31 December 2023).

## 5. Notes to the consolidated income statement

The notes to the consolidated income statement with reference to the years ending 31 December 2024 and 31 December 2023 are provided below.

### 5.1 Revenue from sales

In 2024, revenue from sales amounts to EUR 164,263 thousand (EUR 158,648 thousand in 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 area.

**Revenue from Sales by product line**

| *(In thousands of Euro)* | **Year ended** | | | | **Change** | |
|---|---|---|---|---|---|---|
| | **31/12/2024** | **% of revenue** | **31/12/2023** | **% of revenue** | **Δ** | **%** |
| Red – Italy | 55,307 | 33.7% | 52,716 | 33.2% | 2,591 | 4.9% |
| Red – International | 79,928 | 48.7% | 75,804 | 47.8% | 4,124 | 5.4% |
| **Revenue from sales - Red** | **135,235** | **82.3%** | **128,520** | **81.0%** | **6,715** | **5.2%** |
| Black – Italy | 4,024 | 2.4% | 3,809 | 2.4% | 215 | 5.6% |
| Black – International | 4,399 | 2.7% | 3,524 | 2.2% | 875 | 24.8% |
| **Revenue from sales - Black** | **8,422** | **5.1%** | **7,333** | **4.6%** | **1,089** | **14.8%** |
| Blue – Italy | 17,931 | 10.9% | 20,334 | 12.8% | (2,404) | -11.8% |
| Blue – International | 2,675 | 1.6% | 2,460 | 1.6% | 215 | 8.7% |
| **Revenue from sales - Blue** | **20,606** | **12.5%** | **22,795** | **14.4%** | **(2,189)** | **-9.6%** |
| **Total Revenue from Sales** | **164,263** | **100.0%** | **158,648** | **100.0%** | **5,615** | **3.5%** |

- The **Red Line**, which represents the Group's core business, recorded an increase over the previous year of 5.2% (EUR 135,235 thousand in 2024 compared to EUR 128,520 thousand in 2023). In 2024, sales of the Red Line accounted for approximately 82.3% of total revenue, a slight increase over the previous year. Growth was driven by extending our business operations with selected top partners and engaging new high-potential customers;
- The **Black Line** recorded sales of EUR 8,422 thousand; an increase of Euro 1,089 thousand compared to the previous year, or 14.8%; the proportion of sales of the Black Line in 2024 (5.1%) improved compared to the previous year (4.6%). Our growth is mainly fuelled by our distribution efforts in international markets;
- The **Blue Line** recorded sales amounting to EUR 20,605 thousand, compared to EUR 22,795 thousand in 2023 a decrease of Euro 2,189 thousand or -9.6%.

**Revenue from sales by geographical area**

| *(In thousands of Euro)* | Year ended | | | | Change | |
|---|---|---|---|---|---|---|
| | 31/12/2024 | % of revenue | 31/12/2023 | % of revenue | Δ | % |
| Italy | 77,262 | 47.0% | 76,859 | 48.4% | 402 | 0.5% |
| Spain/Portugal | 15,366 | 9.4% | 14,292 | 9.0% | 1,074 | 7.5% |
| Germany | 11,994 | 7.3% | 12,240 | 7.7% | (246) | -2.0% |
| Eastern Europe | 11,910 | 7.3% | 11,293 | 7.1% | 617 | 5.5% |
| Benelux | 9,245 | 5.6% | 7,961 | 5.0% | 1,284 | 16.1% |
| Northern Europe | 8,471 | 5.2% | 7,880 | 5.0% | 591 | 7.5% |
| France | 8,359 | 5.1% | 6,688 | 4.2% | 1,671 | 25.0% |
| Switzerland | 7,607 | 4.6% | 8,225 | 5.2% | (618) | -7.5% |
| Great Britain | 5,959 | 3.6% | 5,412 | 3.4% | 547 | 10.1% |
| Middle East | 5,840 | 3.6% | 5,220 | 3.3% | 620 | 11.9% |
| North America | 1,510 | 0.9% | 1,750 | 1.1% | (240) | -13.7% |
| Others | 740 | 0.5% | 827 | 0.5% | (88) | -10.6% |
| **Total Revenue from Sales** | **164,263** | **100%** | **158,648** | **100.0%** | **5,615** | **3.5%** |

With regard to the analysis of sales by geographical area, it should be noted that - thanks to the growth in sales recorded internationally - the share of sales in foreign markets accounted for around 53.0% of the Group's total sales, with an increase in the incidence of approximately 6.4% and an increase in the proportion of total revenues of approximately 1.4% compared with the previous year. Noteworthy are the good results from France, with an increase in revenue of Euro 1,671 thousand (+25.0%), alongside the growth within the Iberian Peninsula, where revenue increased by EUR 1,074 thousand (+7.5%) compared to the previous year. Similarly, the Benelux region saw its revenue swell by EUR 1,284 thousand, a robust 16.1% increase. A slight downturn in the revenue of Germany (decrease of Euro 246 thousand, or -2.0%) and Switzerland (decrease of Euro 618 thousand, or -7.5%) was observed, chiefly attributed to negative market dynamics.

## 5.2 Cost of sales

The cost of sales amounts to EUR 98,444 thousand as at 31 December 2024 (EUR 97,459 thousand as at 31 December 2023) and mainly includes the costs of purchasing and processing raw materials (EUR 92,491 thousand), personnel expense (EUR 3,068 thousand), logistics costs (EUR 2,086 thousand) and related costs (EUR 799 thousand).

### 5.3 Sales and distribution costs

The following table shows details of sale and distribution costs:

| *(In thousands of Euro)* | Year ended | | | |
|---|---|---|---|---|
| | **31 December 2024** | **% of revenue** | **31 December 2023** | **% of revenue** |
| Sales and distribution personnel expense | 13,992 | 8.5% | 12,998 | 8.2% |
| Commissions to agents | 6,984 | 4.3% | 6,906 | 4.4% |
| Transport | 4,698 | 2.9% | 4,315 | 2.7% |
| Advertising and commercial consultancy expenses | 2,229 | 1.4% | 2,435 | 1.5% |
| Other sales and distribution costs | 3,517 | 2.1% | 2,578 | 1.6% |
| **Total sales and distribution costs** | **31,421** | **19.1%** | **29,233** | **18.4%** |

In 2024, sales and distribution costs amounted to EUR 31,421 thousand, compared to EUR 29,233 thousand in 2023.

### 5.4 General and administrative costs

The following table shows the breakdown of other general and administrative costs:

| *(In thousands of Euro)* | Year ended | | | |
|---|---|---|---|---|
| | **31 December 2024** | **% of revenues** | **31 December 2023** | **% of revenues** |
| Amortisation | 10,286 | 6.3% | 10,024 | 6.3% |
| Depreciation | 1,729 | 1.1% | 1,655 | 1.0% |
| Depreciation of right-of-use assets | 1,676 | 1.0% | 1,726 | 1.1% |
| Impairment losses on non-current assets | 33 | *0.0%* | 6 | *0.0%* |
| Provisions for risks and impairment losses | 295 | 0.2% | 907 | 0.6% |
| Administrative personnel expense | 6,650 | 4.0% | 6,177 | 3.9% |
| Administrative, legal and management consultancy | 2,816 | 1.7% | 2,780 | 1.8% |
| Commissions and fees | 156 | 0.1% | 321 | 0.2% |
| Directors' and Statutory Auditors' fees | 947 | 0.6% | 964 | 0.6% |
| Other general and administrative costs | 3,239 | 2.0% | 3,258 | 2.1% |
| **Total general and administrative costs** | **27,828** | **16.9%** | **27,818** | **17.5%** |

General and administrative costs amounted to EUR 27,828 thousand in 2024, compared to EUR 27,818 thousand as at 2023.

### 5.5 Other non-operating revenue

The following table shows details of Other non-operating revenue.

| *(In thousands of Euro)* | Year ended | | | |
|---|---|---|---|---|
| | **31 December 2024** | **% of revenues** | **31 December 2023** | **% of revenues** |
| Prior year income | 191 | 0.1% | 176 | 0.1% |
| Recoveries of SIAE fees | 3 | 0.0% | 4 | 0.0% |
| (SIAE and CONAI contributions) | (197) | -0.1% | (193) | -0.1% |
| Other non-operating revenue | 1,465 | 0.9% | 749 | 0.5% |
| **Total other non-operating revenue** | **1,462** | **0.9%** | **737** | **0.5%** |

Total Other non-operating revenue amounted to EUR 1,462 thousand, an increase of EUR 725 thousand compared with 2023.

## 5.6 Net financial expense

Net financial expense amounts to EUR 1,915 thousand (expense of EUR 1,508 thousand for 2023). The following table shows details of financial income:

| *(In thousands of Euro)* | Year ended | | | |
|---|---|---|---|---|
| | **31 December 2024** | **% of revenue** | **31 December 2023** | **% of revenue** |
| Other financial income and fair value gains | 3,775 | 2.3% | 2,432 | 1.5% |
| Interest income | 28 | 0.0% | 2 | 0.0% |
| **Total Financial income** | **3,803** | **2.3%** | **2,434** | **1.5%** |
| Commissions, other financial expense and fair value losses | (3,557) | -2.2% | (1,263) | -0.8% |
| Interest expense on loans | (1,959) | -1.2% | (2,337) | -1.5% |
| Other interest expense | (201) | -0.1% | (342) | -0.2% |
| **Total Financial expense** | **(5,718)** | **-3.5%** | **(3,942)** | **-2.5%** |
| **Net financial expense** | **(1,915)** | **-1.2%** | **(1,508)** | **-0.9%** |

The change in net expense for FY 2024, net of the negative effect of the fair value valuation of put &call options and derivative instruments totalling EUR 951 thousand, was EUR 544 thousand mainly due to lower bank interest expense as a result of the refinancing transaction finalised in the second half of the year and to lower interest rates.

## 5.7 Net exchange gains

Net exchange gains showed a balance of EUR 25 thousand (EUR 622 thousand for 2023).

| *(In thousands of Euro)* | Year ended | | | |
|---|---|---|---|---|
| | **31 December 2024** | **% of revenue** | **31 December 2023** | **% of revenue** |
| Net exchange gains on trading | 62 | *0.0%* | 68 | *0.0%* |
| Net exchange gains/(losses) on financial transactions | (37) | *0.0%* | 554 | *0.3%* |
| **Net exchange gains** | **25** | ***0.0%*** | **622** | ***0.4%*** |

In FY 2024, the item net exchange gains is mainly influenced by hedging transactions of US Dollar/Euro exchange rate differences.

## 5.8 Net gains on equity investments

Gains on equity investments amount to EUR 97 thousand as at 31 December 2024 (EUR 260 thousand for 2023) and refer exclusively to the impairment gain recognised on the investment in the associate Cellular Swiss, measured using the equity method.

## 5.9 Income taxes

The breakdown of Income taxes for the years ended 31 December 2024 and 31 December 2023 is shown below:

| *(In thousands of Euro)* | Year ended | |
|---|---|---|
| | **31/12/2024** | **31/12/2023** |
| Current taxes of the year | (3,219) | (1,301) |
| Current taxes of previous years | (22) | (9) |
| Deferred tax assets/(liabilities) | 2,648 | 656 |
| **Total income taxes** | **(593)** | **(655)** |

The item includes the expense for current taxes pertaining to the year, amounting to EUR 3,219 thousand, and for taxes relating to previous years, amounting to EUR 22 thousand.

Deferred taxes of EUR 2,648 thousand mainly refer to:

- income recorded in the Parent's Financial Statements of EUR 1,413 thousand for the release of a deferred tax liability, the allocation of which, made in previous years and up to 31.12.2023, was not appropriate;
- income for the release of a deferred tax liability of the Parent in the amount of EUR 278 thousand on exchange rate differences arising from foreign currency items;
- income due to the recognition of deferred tax assets of the Parent amounting to EUR 563 thousand on partially-deductible amortisation, like that of the Cellularline and Interphone trademarks, and on the accrual made to the allowance for inventory (direct) write-down;
- minor changes (in the amount of EUR 157) arising from the recognition of deferred tax assets on the Financial Statements of other Group companies;
- other minor changes arising from the consolidation entries of Subsidiaries for EUR 237 thousand and from deferred tax assets.

## 5.10 Basic and diluted earnings per share

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

| *(thousands of Euro)* | **Year ended 31 December 2024** | **Year ended 31 December 2023** |
|---|---|---|
| Profit for the year attributable to owners of the parent | 5,647 | 3,595 |
| Average number of ordinary shares outstanding | 21,328 | 21,164 |
| **Basic earnings per share** | **0.26** | **0.17** |

| *(thousands of Euro)* | **Year ended 31 December 2024** | **Year ended 31 December 2023** |
|---|---|---|
| Group profit for the year: | 5,647 | 3,595 |
| Average number of outstanding shares | 21,328 | 21,164 |
| Number of shares with a dilutive effect | - | - |
| Average number of shares to calculate the diluted earnings | 21,328 | 21,164 |
| **Diluted earnings per share** | **0.26** | **0.17** |

## 5.11 Statement of cash flows

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

### Net cash flows generated by operating activities

| | Year ended | |
|---|---|---|
| *(In thousands of Euro)* | 31 December 2024 | 31 December 2023 |
| **Cash flows from operating activities** | | |
| Profit for the year | 5,647 | 3,595 |
| *Adjustments for:* | | |
| - Current and deferred taxes | 593 | 655 |
| - Net impairment losses and accruals | 2,292 | 1,681 |
| - Losses on equity investments | 1,890 | 886 |
| - Accrued financial income | (97) | (260) |
| - Amortisation, depreciation and impairment losses | 13,724 | 13,405 |
| - Other non-monetary changes | - | - |
| *Changes in:* | | |
| - Inventories | 5,069 | (4,587) |
| - Trade receivables | (4,932) | 2,498 |
| - Trade payables | (797) | 8,595 |
| - Other changes in operating assets and liabilities | 3,022 | (8,287) |
| - Payment of employee benefits and change in provisions | | (1) |
| - Taxes paid/offset | (2,993) | (1,432) |
| **Cash flows generated by operating activities** | **23,418** | **16,749** |
| Interest and other net charges paid | (1,890) | (3,703) |
| Interest and other net charges paid | - | - |
| **Cash flows generated by operating activities** | **21,527** | **13,047** |

### Cash flows used in investing activities

| | Year ended | |
|---|---|---|
| *(In thousands of Euro)* | 31 December 2024 | 31 December 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 | (5,307) | (4,893) |
| **Cash flows used in investing activities** | **(5,307)** | **(7,445)** |

### Cash flows used in financing activities

| | Year ended | |
|---|---|---|
| *(In thousands of Euro)* | 31 December 2024 | 31 December 2023 |
| **Cash flows from financing activities** | | |
| (Dividend distribution) | (1,824) | |
| Disbursed bank loans and borrowings and loans and borrowings from other financial backers [1] (*) | 25,000 | 10,000 |
| Repaid bank loans and borrowings and loans and borrowings from other financial backers (*) | (27,881) | (11,727) |
| Decrease in other financial liabilities | (3,871) | (245) |

| | | |
|---|---|---|
| Other changes in equity | 1,046 | (592) |
| Other non-monetary changes in equity | (2,124) | - |
| **Net cash flows used in financing activities** | **(9,656)** | **(2,564)** |

## 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 granting 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 31 December 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 2024, indicating the type of relationship:

| Related parties | Type and main relationship |
|---|---|
| Cellular Swiss S.A. | Associate of Cellularline S.p.A. having a 50% investment (measured 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 balances of Cellularline's transactions with related parties in 2024 in the statement of financial position:

| *(In thousands of Euro)* | Current trade receivables | Other non-current assets | (Trade payables) |
|---|---|---|---|
| Cellular Swiss S.A. | 3,316 | - | (34) |
| **Total** | **3,316** | **-** | **(34)** |
| *Impact on the financial statements item* | *5.9%* | - | *-0.1%* |

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

The table below shows the balances of the transactions with related parties carried out by Cellularline in the income statement for 2024:

| *(In thousands of Euro)* | Revenue from sales | (Sales and distribution costs) | (General and administrative costs) | Other non-operating expense/(revenue) |
|---|---|---|---|---|
| Cellular Swiss S.A. | 5,262 | - | (2) | - |
| Christian Aleotti | - | - | (11) | - |
| **Total** | **5,262** | **-** | **(13)** | **-** |
| *Impact on the financial statements item* | *3.2%* | - | *0.1%* | - |

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

- Cellular Swiss S.A.: commercial 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 lease agreements to which Cellularline is a party, as tenant, entered into on 1 September 2017 and 16 October 2017.

It should be noted that there are no existing relations with other related parties.

## 6. Other information

### Classes of financial instruments

Below is a breakdown of the financial assets and liabilities required by IFRS 7 according to the categories envisaged by IFRS 9 at 31 December 2024 and 31 December 2023.

| | | Carrying amount | | | Fair value level | | |
|---|---|---|---|---|---|---|---|
| *(In thousands of Euro)* | Carrying amount as at 31/12/2024 | Amortised cost | FV to OCI | FV to PL | Level 1 | Level 2 | Level 3 |
| Cash and cash equivalents | 20,753 | 20,753 | - | - | - | - | - |
| Trade receivables and other assets | 65,834 | 65,834 | - | - | - | - | - |
| Other financial assets | 341 | - | - | - 341 | - | 341 | - |
| **Total financial assets** | **86,928** | **86,928** | **-** | - | **-** | **-** | **-** |
| Financing | 34,889 | 34,889 | - | - | - | - | - |
| Trade payables and other liabilities | 40,011 | 40,011 | - | - | - | - | - |
| Other financial liabilities | 8,212 | - | - | 8,212 | - | 8,212 | - |
| **Total financial liabilities** | **83,112** | **74,900** | **-** | 8,212 | **-** | **8,212** | **-** |

| | | Carrying amount | | | Fair value level | | |
|---|---|---|---|---|---|---|---|
| *(In thousands of Euro)* | Carrying amount as at 31/12/2023 | Amortised cost | FV to OCI | FV to PL | Level 1 | Level 2 | Level 3 |
| Cash and cash equivalents | 14,041 | 14,041 | - | - | - | - | - |
| Trade receivables and other assets | 64,525 | 64,525 | - | - | - | - | - |
| Other financial assets | 338 | 338 | - | - | - | - | - |
| **Total financial assets** | **78,904** | **78,904** | **-** | **-** | **-** | **-** | **-** |
| Financing | 37,770 | 37,770 | - | - | - | - | - |
| Trade payables and other liabilities | 41,269 | 41,269 | - | - | - | - | - |
| Other financial liabilities | 10,878 | - | - | 10,878 | | 10,878 | - |
| **Total financial liabilities** | **89,917** | **79,039** | **-** | **10,878** | **-** | **10,878** | **-** |

IFRS 13 establishes a fair value hierarchy that classifies the inputs of the valuation techniques adopted to measure fair value into three levels. The fair value hierarchy gives the highest priority to prices (unadjusted) quoted in active markets for identical assets or liabilities (Level 1 data) and the lowest priority to unobservable inputs (Level 3 data).

In some cases, the data used to measure the fair value of an asset or liability could be classified into different levels of the fair value hierarchy. In such cases, the fair value measurement is classified entirely at the same level of the hierarchy in which the lowest level input is classified, taking into account its importance for the measurement.
The levels used in the hierarchy are:

- 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.

It should be noted that put &call options and derivative financial instruments are measured at fair value. For financial instruments measured at amortised cost, the carrying amount is also considered to be a reasonable approximation of their fair value.

**Contingent liabilities**

On the basis of the information available to date, the parent's Directors believe that, at the date of approval of these consolidated Financial Statements, the accrued provisions are sufficient to ensure the correct presentation of financial information.

**Risks**

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

**Guarantees granted in favour of third parties**

There are guarantees in favour of third parties, in particular for a customer for EUR 600 thousand and rental guarantees for EUR 11 thousand.

**Number of employees**

The average number of employees of the Group for the year, broken down by category, was as follows:

| AVERAGE NUMBER OF EMPLOYEES | | |
|---|---|---|
| **HEADCOUNT** | **Average 2024** | **Average 2023** |
| Managers | 14 | 15 |
| Junior managers | 41 | 45 |
| Clerical staff | 221 | 217 |
| Blue collar workers | 1 | 1 |
| Apprentices | 17 | 13 |
| **TOTAL** | **295** | **291** |

### Remuneration of Executive Directors and Key Managers

The following table shows the fees:

| Category | 2024 | 2023 |
|---|---|---|
| *(In thousands of Euro)* | | |
| Executive Directors | 998 | 995 |
| Other key managers | 235 | 242 |
| **Total remuneration** | **1,233** | **1,237** |

The remuneration of the Executive Directors includes both the emolument for this office and the remuneration as executives.

### Directors' and Statutory Auditors' fees

The Directors' fees for 2024 amounted to approximately EUR 310 thousand.

The Board of Statutory Auditors' fees for 2024 amounted to approximately EUR 76 thousand.

### Independent Auditors' fees

The Parent is required to prepare Consolidated Financial Statements and, by resolution of the Shareholders' Meeting of 16 April 2019, appointed KPMG S.p.A. as Independent Auditor until the approval of the 2027 Financial Statements. Fees for the statutory audit of the Parent's and the Group's separate and consolidated Financial Statements (annual and half-yearly) amounted to a total of approximately EUR 180 thousand, in addition to EUR 63 thousand for other appointments for the issue of an attestation and EUR 11 thousand for other accounting services as shown in the following table:

| *(In thousands of Euro)* | | | |
|---|---|---|---|
| **Type of services** | **Recipient** | **KPMG Network** | **2024** |
| A) Audit services | Parent | KPMG S.p.A. | 148 |
| | | KPMG Network | - |
| B) Attestation services | Parent | KPMG S.p.A. | 63 |
| | | KPMG Network | - |
| C) Other services | Parent | KPMG S.p.A. | 8 |
| | | KPMG Network | |
| **Total - Parent** | | | **219** |
| A) Audit services | Subsidiaries | KPMG S.p.A. | 13 |
| | | KPMG Network | 19 |
| B) Attestation services | Subsidiaries | KPMG S.p.A. | - |
| | | KPMG Network | - |
| C) Other services | Subsidiaries | KPMG S.p.A. | 3 |
| | | KPMG Network | - |
| **Total - Subsidiaries** | | | **35** |

### Key events after the reporting date

- From the beginning of FY 2025 until today, Cellularline S.p.A., within the scope of the authorisation to repurchase treasury shares resolved by the Issuer's Shareholders' Meeting on 22 November 2023, purchased

242,390 ordinary treasury shares for a total value of EUR 634 thousand. As of today, Cellularline directly holds 811,171 treasury shares, equal to 3.71% of the share capital with voting rights.

- On 26 February 2025, the Board of Directors approved the 2025-2028 Business Plan.
- In March 2025, the liquidation proceedings of the company Subliros S.L. is underway as part of the Group's e-commerce streamlining efforts, concentrating business operations on its subsidiary, Coverlab S.r.l.

Reggio Emilia, 10 March 2025

Chair of the Board of Directors

Antonio Luigi Tazartes

**ATTESTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024 PURSUANT TO ART. 81-*TER* OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999, AS AMENDED AND SUPPLEMENTED**

1. We, the undersigned Christian Aleotti, as Chief Executive Officer, and Mauro Borgogno, in his capacity as Manager responsible for preparing the 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 consolidated Financial Statements are consistent with the characteristics of the business;
- that the administrative and accounting procedures for the preparation of the Consolidated Financial Statements as at and for the year ended 31 December 2024 have been effectively applied.

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

3. We also attest that:

3.1. The Consolidated Financial Statements as at and for the year ended 31 December 2024 of the Cellularline Group:

- have 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;
- correspond with the entries in the ledgers and the accounting records;
- give a true and fair view of the performance and financial position of the issuer and of all the companies included in the consolidation scope.

3.2. The Directors' Report includes a reliable analysis of the performance and results of operations as well as of the issuer's position and of all the companies included in the consolidation scope, together with a description of the main risks and uncertainties to which they are exposed.

Reggio Emilia, 10 March 2025

| Christian Aleotti | Mauro Borgogno |
|---|---|
| ____________________ | ____________________ |
| Chief Executive Officer | Manager responsible for preparing the financial information |

cellularline

# SEPARATE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

# SEPARATE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024

## SEPARATE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024

## STATEMENT OF FINANCIAL POSITION

| *(thousands of Euro)* | Notes | 31/12/2024 | Of which related parties | 31/12/2023 | Of which related parties |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Intangible assets | **6.1** | 33,596 | | 39,333 | |
| Goodwill | **6.2** | 18,432 | | 18,432 | |
| Property, plant and equipment | **6.3** | 4,997 | | 5,282 | |
| Equity investments in subsidiaries and associates | **6.4** | 24,940 | | 23,561 | |
| Right-of-use assets | **6.5** | 1,816 | | 2,622 | |
| Deferred tax assets | **6.6** | 5,765 | | 5,203 | |
| Financial assets | **6.7** | 2,522 | 2,498 | 6,912 | 6,912 |
| **Total non-current assets** | | **92,067** | | **101,344** | |
| **Current assets** | | | | | |
| Inventories | **6.8** | 31,343 | | 37,710 | |
| Trade receivables | **6.9** | 55,419 | 20,038 | 48,864 | 17,341 |
| Current tax assets | **6.10** | 257 | | 415 | |
| Financial assets | | 341 | | 269 | |
| Other assets | **6.11** | 7,376 | 115 | 10,392 | 75 |
| Cash and cash equivalents | **6.12** | 13,906 | | 6,356 | |
| **Total current assets** | | **108,642** | | **104,005** | |
| **TOTAL ASSETS** | | **200,709** | | **205,349** | |
| **EQUITY AND LIABILITIES** | | | | | |
| **Equity** | | | | | |
| Share capital | **6.13** | 21,343 | | 21,343 | |
| Other reserves | **6.13** | 103,913 | | 103,189 | |
| Retained earnings | **6.13** | 26 | | 2,420 | |
| Profit for the year | | 4,021 | | 1,136 | |
| **TOTAL EQUITY** | | **129,302** | | **128,089** | |
| **LIABILITIES** | | | | | |
| **Non-current liabilities** | | | | | |
| Bank loans and borrowings and loans and borrowings from other financial backers | **6.14** | 21,149 | | 8,600 | |
| Deferred tax liabilities | **6.6** | 39 | | 1,727 | |
| Employee benefits | **6.15** | 204 | | 211 | |
| Provisions for risks and charges | **6.17** | 1,667 | | 1,795 | |
| Other financial liabilities | **6.21** | 607 | | 1,909 | |
| **Total non-current liabilities** | | **23,666** | | **14,242** | |
| **Current liabilities** | | | | | |
| Bank loans and borrowings and loans and borrowings from other financial backers | **6.14** | 13,739 | | 29,169 | |
| Trade payables | **6.18** | 27,144 | 1,291 | 27,296 | 605 |
| Current tax liabilities | **6.19** | 1,593 | | 1,268 | |
| Provisions for risks and charges | **6.17** | - | | - | |
| Other liabilities | **6.20** | 3,925 | | 4,221 | |
| Other financial liabilities | **6.21** | 1,339 | | 1,063 | |
| **Total current liabilities** | | **47,741** | | **63,017** | |
| **TOTAL LIABILITIES** | | **71,407** | | **77,260** | |
| **TOTAL EQUITY AND LIABILITIES** | | **200,709** | | **205,349** | |

# SEPARATE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024

## INCOME STATEMENT

| *(thousands of Euro)* | **Notes** | **2024** | **Of which related parties** | **2023** | **Of which related parties** |
|---|---|---|---|---|---|
| Revenue from sales | **7.1** | 130,899 | 23,005 | 126,766 | 20,832 |
| Cost of sales | **7.2** | (83,067) | (1,993) | (81,560) | (1,491) |
| **Gross operating profit** | | **47,832** | | **45,206** | |
| Sales and distribution costs | **7.3** | (21,206) | | (19,534) | 61 |
| General and administrative costs | **7.4** | (21,310) | (13) | (21,500) | (12) |
| Other non-operating revenue | **7.5** | 2,010 | 415 | 476 | (145) |
| **Operating profit** | | **7,325** | | **4,649** | |
| Financial income | **7.6** | 718 | 278 | 313 | 177 |
| Financial expense | **7.6** | (3,341) | | (3,862) | |
| Net exchange gains | **7.7** | 66 | | 674 | |
| Net losses on equity investments | | (410) | | - | |
| **Profit before taxes** | | **4,360** | | **1,774** | |
| Current and deferred taxes | **7.8** | (339) | | (638) | |
| **Profit for the year** | | **4,021** | | **1,136** | |

## STATEMENT OF COMPREHENSIVE INCOME

| *(thousands of Euro)* | **Notes** | **2024** | **2023** |
|---|---|---|---|
| **Profit for the year** | | **4,021** | **1,136** |
| *Other components of comprehensive income that will not be reclassified to profit or loss* | | | |
| Actuarial gains (losses) on defined benefit plans | | 2 | (19) |
| Actuarial gains (losses) on provisions for risks | | 1 | (79) |
| Gains/(losses) on translation of foreign operations | | - | - |
| Related taxes | | (1) | 27 |
| **Other components of comprehensive income (expense) for the year** | | **2** | **(71)** |
| **Comprehensive income for the year** | | **4,023** | **1,065** |

## SEPARATE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024

## STATEMENT OF CASH FLOWS

| *(thousands of Euro)* | Notes | 2024 | 2023 |
|---|---|---|---|
| Profit for the year | | 4,021 | 1,136 |
| Amortisation, depreciation and impairment losses | | 11,044 | 10,842 |
| Net impairment losses and accruals | | 1,937 | 1,203 |
| Accrued financial (Income)/expenses and exchange (Gains)/losses | | 2,556 | 2,875 |
| (Gains)/losses on equity investments | | 410 | - |
| Current and deferred taxes | | 339 | 638 |
| Other non-monetary changes | | -(913) | - |
| **Cash flow generated by operating activities net of NWC** | | **19,394** | **16,694** |
| (Increase)/decrease in inventories | | 4,587 | (2,866) |
| (Increase)/decrease in trade receivables | | (6,646) | (374) |
| Increase/(decrease) in trade payables | | (151) | 8,415 |
| Increase/(decrease) in other assets and liabilities | | 2,721 | (6,469) |
| Payment of employee benefits and change in provisions | | (201) | (18) |
| Income taxes paid and offset | | (2,107) | (933) |
| **Cash flow generated by operating activities** | | **17,595** | **14,447** |
| Interest paid and other net charges paid | | (2,556) | (2,901) |
| **Net cash flows generated by operating activities** | | **15,039** | **11,547** |
| Acquisition of subsidiary, net of cash acquired | | -(643) | (2,945) |
| Purchase of property, plant and equipment and intangible assets | | (4,216) | (3,977) |
| **Cash flows used in investing activities** | | **(4,859)** | **(6,922)** |
| (Dividends distributed) | | (1,824) | - |
| Other financial assets and liabilities | | (3,058) | (1,761) |
| Disbursed bank loans and borrowings and loans and borrowings from other financial backers (*) | | 25,000 | 10,000 |
| Repaid bank loans and borrowings and loans and borrowings from other financial backers (**) | | (27,881) | (10,749) |
| Other changes in equity | | (1,875) | (508) |
| Other non-monetary changes in equity | | 892 | (71) |
| **Net cash flows used in financing activities** | | **(2,630)** | **(3,088)** |
| **Increase in cash and cash equivalents** | | **7,550** | **1,538** |
| | | | |
| **Opening cash and cash equivalents** | **6.12** | **6,356** | **4,818** |
| **Closing cash and cash equivalents** | **6.12** | **13,906** | **6,356** |

(*) New loans/new borrowings

(**) In order to provide better comparability, these items for 31 December 2023 have been reclassified

# STATEMENT OF CHANGES IN EQUITY

| *(thousands of Euro)* | Notes | Share Capital | Other reserves | Retained earnings | Profit for the year | Total Equity |
|---|---|---|---|---|---|---|
| **Balance as at 31 December 2022** | | **21,343** | **166,260** | **15,821** | **(75,893)** | **127,531** |
| Profit for the year | | - | - | - | 1,136 | 1,136 |
| Other components of the statement of comprehensive income | | - | (71) | - | - | (71) |
| **Total comprehensive income for the year** | | **-** | **(71)** | **-** | **1,136** | **1,066** |
| Allocation of profit for previous year | | - | (75,893) | - | 75,893 | - 0 |
| Dividend distribution | | - | - | - | - | 0 |
| Other changes | | - | 508 | - | - | - 508 |
| **Balance as at 31 December 2023** | | **21,343** | **89,789** | **15,821** | **1,136** | **128,089** |
| Profit for the year | | - | - | - | 4,021 | 4,021 |
| Other components of the statement of comprehensive income | | - | 2 | - | - | 2 |
| **Comprehensive income for the year** | | **-** | **2** | **-** | **4,021** | **4,023** |
| Allocation of profit for previous year | | - | - | 1,136 | (1,136) | 0 |
| Dividend distribution | | | 1,697 | (3,521) | | (1,824) |
| Purchase of treasury shares | | - | (1,875) | - | - | (1,875) |
| Other changes | | - | (985) | - | - | (985) |
| **Balance as at 31 December 2024** | **6,13** | **21,343** | **90,502** | **13,436** | **4,021** | **129,302** |

# NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

## 1. Introduction

Cellularline S.p.A. (hereinafter also “Cellularline” or the “Company”), a company incorporated under Italian law with registered office in Reggio Emilia, Via G. Lambrakis 1/a, 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, in terms of volume, the Company ranks among the top operators in Switzerland, Spain, Belgium, the Netherlands, Germany and Austria and boasts a strong competitive position in the other European countries.

The Separate Financial Statements are submitted for approval by the Shareholders’ Meeting convened for 17 April 2025, in line with the financial calendar approved by the Board of Directors on 11 December 2024.

Since 22 July 2019, Cellularline shares have been listed on the STAR segment of the Milan Stock Exchange.

As at 31 December 2024, the shareholders of Cellularline holding more than 5% of the share capital with voting rights are as follows:

- Christian Aleotti 12.37%
- First Sicaf S.p.A. 7.77%
- Quaero Capital S.A. 7.33%
- Antonio Luigi Tazartes 7.19%

## 2. Basis of preparation and summary of accounting policies

The basis of preparation and the main accounting policies adopted in the preparation of the Separate Financial Statements as at and for the year ended 31 December 2024 are described below. They have been applied consistently for all previous years. The purpose of the Notes is to illustrate the accounting policies adopted, to provide the information required by IAS/IFRS that is not contained in other parts of the Separate Financial Statements, as well as to provide additional information that is not shown in the financial schedules, but is required to give a true and fair view of the Company’s operations.

### 2.1 Basis of presentation

With reference to the use of the going concern assumption in the preparation of the Separate Financial Statements, the joint co-ordination table between the Bank of Italy, Consob and Isvap on the application of IAS/IFRS, with document no. 2 of 06.02.2009 “Information to be provided in financial reports on the going concern assumption, financial risks, impairment testing of assets and uncertainties in the use of estimates”, as well as with the subsequent document no. 4 of 04.03.2010, requires Directors to make particularly accurate assessments on the existence of the going concern assumption.

In addition, paragraphs 25-26 of IAS 1 state that: “When preparing financial statements, management shall make an assessment of the entity’s ability to continue as a going concern. An entity shall prepare the financial statements on a going concern basis unless management intends to liquidate the entity or cease trading, or has no realistic alternative but to do so”.

Therefore, when preparing the separate Financial Statements at 31 December 2024, the Directors carried out a prospective evaluation of the Company’s ability to continue to constitute a functioning economic complex

intended for the production of income for a foreseeable future period of time, relating to a period of at least twelve months from the date of the Financial Statements. This assessment was also made taking into account:
- the positive evolution of the reference market recorded in the last few years, which was associated with a significant increase in sales revenue, as well as forecasts regarding future trends in revenue and core business;
- the positive economic and financial development forecasts contained in the 2025-2028 Business Plan approved by the Company on 26 February 2025;
- the (past and expected) ability of the Company to continue to generate positive cash flows that, together with available credit lines, enable them to meet expected payment commitments;
- the high level of capitalisation of the Company. The Separate Financial Statements as at and for the year ended 31 December 2024 have been prepared on a going concern basis. The Financial Statements are expressed in Euro, which is the Company's functional currency. For the sake of clarity, the mandatory items under IAS 1 that show nil balances in both comparative periods have been omitted from the schedules and tables. The following schedules have been used in the preparation of these Separate Financial Statements:

- **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.
- **Income statement:** the classification of costs in the income statement is based on their function, showing the intermediate results relating to gross operating profit/(loss), net operating profit/(loss) and profit/(loss) before taxes.
- **Statement of comprehensive income:** this statement includes the profit/(loss) for the year and the expenses and income recognised directly in equity for transactions other than those carried out with the owners.
- **Statement of cash flows:** the statement of cash flows shows cash flows from operating, investing and financing activities. Cash flows from operating activities are presented 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.
- **Statement of changes in equity:** this statement includes, in addition to the result of the statement of comprehensive income, also the transactions that took place directly with the owners who acted in this capacity and the details of each component. Where applicable, it also includes the effects of changes in accounting policies for each item of equity.
- **Notes to the Financial Statements.**

The income statement presents the following results, since Management believes that they are significant for the purposes of providing a better understanding of the Company's results:

- Gross operating profit: this is the difference between revenue from sales and services and the cost of sales;
- Operating profit: this is the profit for the year before financial income and expense and income taxes.

These operating results are not accounting measures in accordance with the IFRS and, therefore, should not be considered a substitute for assessing performance. Furthermore, the criteria for determining these operating results may not be consistent with those adopted by other companies and, therefore, that these data may not be comparable. The Statement of Cash Flows has been prepared using the indirect method and shows the cash flows for the year, classifying them under operating, investing and financing activities. With reference to CONSOB Resolution no. 15519 of 27 July 2006 on financial statement formats, it should be noted that the income statement and statement of financial position include mention of transactions with related parties.

## 2.2 Use of estimates and judgements in the preparation of the Separate Financial Statements

In preparing the Separate Financial Statements, Management has had to make judgements, estimates and assumptions that influence the application of the accounting policies and the amounts of assets, liabilities, costs and revenue recognised. However, since these are estimates, actual results will not necessarily be the same as those represented here; these estimates and assumptions are regularly reviewed.
Significant subjective judgements made by Management in the application of the accounting policies and the main sources of uncertainty in estimates are listed below.

**Fair value measurement**

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

- Level 1 inputs are quoted prices (unadjusted) on active markets for identical assets or liabilities that the Company 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.

**Impairment test**

The Company reviews the carrying amount of its non-financial assets at each reporting date in line with IAS 36 so as to determine whether there are any indicators of impairment.
If an impairment indicator exists, then the carrying amount of the assets must undergo an impairment test. Goodwill undergoes an impairment test at least annually.
For the purpose of preparing the Financial Statements for the year ended 31 December 2024, the Directors identified an impairment indicator because the carrying amount of equity was higher than the value of the stock market capitalisation at the same date.

According to the provisions of paragraph 22 of IAS 36, the impairment test must be performed "for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs, unless either:
- the asset's fair value less costs of disposal is higher than its carrying amount; or
- the asset's value in use can be estimated to be close to its fair value less costs of disposal and fair value less costs of disposal can be measured".
Generally, most assets do not have the characteristics to be tested individually and therefore the impairment test is performed at CGU level.
The Company has identified a single CGU, which corresponds to the entire Cellularline Group, to which goodwill and other intangible assets recognised as a result of business combinations are allocated. This CGU coincides with the only Operating Segment.

This CGU

- represents the minimum level at which information on goodwill and such other intangible assets is available and monitored for internal management purposes, and
- this level is no larger than an Operating Segment as defined by IFRS 8 before applying the aggregation criteria.

For the purpose of the impairment test, the value in use of the Company's invested capital is therefore derived from the impairment test carried out at the Consolidated Financial Statements level, making the following adjustments to the Consolidated Enterprise Value:

- Deduction of the net financial position pertaining to subsidiaries
- Deduction of the liability recognised in the Consolidated Financial Statements for put options relating to minority interests in the above-mentioned subsidiaries

In order to verify the recoverability of goodwill, this value is compared with Cellularline S.p.A.'s net invested capital, including goodwill and investments in subsidiaries.
Refer to Note "6.2 Goodwill" for more detailed information.

**Valuation of receivables**

The loss allowance reflects the Directors' estimate of credit losses on trade receivables. It is estimated based on the expected credit losses, taking into account expected future changes in the counterparties' credit ratings, current and previous past due amounts, losses and collections, monitoring of credit quality and projections of economic and market conditions. The Company has adopted a specific credit assessment and allowance determination procedure.

**Valuation of inventories**

The allowance for inventory write-down reflects the estimate of the losses in the value of inventories, that have already occurred or that are expected to occur determined on the basis of past experience, and historical and expected sales trends. The allowance for inventory write-down takes into account the commercial obsolescence for each category of products on the basis of inventory turnover rates, market values and specific technical assessments related to technological developments.

**Valuation of the Stock Grant plan**

The valuation of the Stock Grant plans, granted during the three-year period 2021-2023 and the subsequent three-year period 2024-2026, was carried out based on the guidance contained in International Financial Reporting Standard 2 (IFRS 2) - "Share-based payments".

**Recoverability of deferred tax assets**

The Separate Financial Statements include deferred tax assets. These deferred taxes have been recorded taking into consideration their recoverability, on the basis of the future income expectations of the companies.

**Provisions for risks**

As it operates globally, the Company is subject to legal and tax risks deriving from normal operations. The Company recognises and measures contingent liabilities on the basis of assumptions mainly relating to the probability and extent of the financial outlay.

## 2.3 Most significant accounting policies used in the preparation of the Separate Financial Statements

Transactions in foreign currencies are translated into the Company's functional currency at the exchange rate in force at the transaction date. 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. Foreign exchange gains and losses arising from the translation are generally recognised in profit or loss for the year under financial income and expense.

**Intangible assets**

Intangible assets acquired or generated internally are recognised as assets, in accordance with IAS 38, when it is probable that the use of the asset will generate future economic benefits and when the cost of the asset can be reliably determined. Intangible assets with finite useful lives are measured at the costs incurred to acquire or internally generate the asset, net of accumulated amortisation and impairment losses.

Intangible assets are amortised on a straight-line basis over their estimated useful life, which is the estimated period over which the assets will be used by the Company.

The amortisation rates used are summarised below, by category of intangible assets:

| Category | Amortisation rate |
|---|---|
| Development costs | 50%-33% |
| Customer relationships | 7.7% |
| Software | 33% |
| Licenses | 33-50% |
| Cellularline trademark | 5.5% |
| Interphone trademark | 10% |
| Other | 33% |

If the licences refer to specific service contracts, they are amortised over the term of the relevant contract.
Some of the above items are detailed below.

**Development costs**

Costs incurred for research and development projects are those incurred with the aim of studying and acquiring knowledge for new or improved products, processes and services. If these costs reflect a multi-year utility, i.e., if they have benefits that manifest themselves over several years, they may be capitalised, otherwise they are charged to the income statement in the year in which they are incurred.
Advertising expenses, which do not meet the requirements of IAS 38, are taken to profit or loss for the year.

**Customer relationships**

The purchase price allocation procedure entailed the appraisal of the Company's customer relationship, as the sum of its customer relationships relating to the Red, Blue and Black Lines. Customer relationships refer to the existing contracts with key customers, enabling the Company to limit access by third parties through the consolidated relationship it has established with customers. The fair value of customer relationships can be reliably measured as it is possible to identify the economic benefits attributable to this asset by monitoring the revenue generated by individual customers for each product line. The residual useful life, also considering the customer attrition rate, i.e. the percentage of customers who historically interrupt their trade relationships with the Company after a given period of time, can be estimated at 13 years.

**Software, license and trademarks**

This item mainly includes the effect of the purchase price allocation procedure for the fair value of the Cellularline and Interphone brands. For the purpose of estimating the fair value, a royalty rate was considered, based on the analysis of comparable market transactions, and applied to the cash flows attributable to each asset. These flows were expressed net of marketing costs aimed at maintaining the intangible asset at the conditions in which it was at the measurement date and net of the related tax burden. The value of the asset is the sum of the present values of the cash flows. The trademarks in question may be separated from the Company and transferred, sold or licensed for use to a third party and the Company has the option of limiting access by third parties as they are registered trademarks. In addition, the Company receives the economic benefits attributable to them, reflected in the revenue of the Red Line for the Cellularline brand, recognised in Europe for smartphone and tablet accessories for over

25 years, and in the revenue of the Black division for the Interphone brand. The estimated useful lives of these trademarks are 18 and 10 years, respectively. Software costs, including ancillary expense, relate to software acquired for the Group's use. Licenses refer to software licenses dedicated to specific service contracts.

**Goodwill**

Goodwill acquired in business combinations is initially recognised at cost and represents the excess of the acquisition cost over the Company's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquirees. Any negative difference, "negative goodwill", is recognised in profit or loss at the time of acquisition. When a subsidiary is acquired in a business combination achieved in stages, the individual assets and liabilities of the subsidiary are not measured at fair value in each subsequent stage and goodwill is only determined in the first acquisition stage. After initial recognition, goodwill is shown net of impairment losses, determined as described below. At the acquisition date, any emerging goodwill is allocated to each of the cash generating units expected to benefit from the synergies achieved as a result of the acquisition. Any impairment losses are identified through assessments of the ability of each cash-generating unit to generate cash flows capable of recovering the portion of goodwill allocated to it, in the manner indicated in the section on property, plant and equipment. If the recoverable amount of the cash-generating unit is lower than the carrying amount, an impairment loss is recognised. This impairment loss is not reversed if the reasons for it no longer exist. When part or all of an acquiree whose acquisition generated goodwill is sold, the residual carrying amount of goodwill is considered when calculating the gain or loss on the sale.
Goodwill is not subject to amortisation.

**Impairment test**

Please refer to paragraph "2.2 Use of estimates and judgements in the preparation of the Separate Financial Statements – Impairment Test" and to the results of the impairment test as at 31 December 2024 reported in section 6.2.1.

**Property, plant and equipment**

Property, plant, machinery and industrial equipment (including that under finance lease) used for the production or supply of goods and services are recognised at historical cost, net of accumulated depreciation and any impairment losses; the cost also includes any costs directly incurred to prepare the assets for use. Interest expense incurred on loans obtained to purchase or construct property, plant and equipment is recognised as an increase in the assets only in the case of assets that meet the requirements for recognition as such, i.e. they require a significant period of time to be ready for use or marketable. Ordinary maintenance and repair costs are taken directly to profit or loss for the year in which they are incurred, while maintenance costs that increase the value of assets are allocated to such assets and depreciated with the asset on the basis of its residual possibility of use. Assets under construction and payments on account are recognised as assets based on the cost incurred and/or the advance paid, including directly attributable expenses. Depreciation is calculated on a straight-line basis considering the cost of the assets, net of their residual values (when reasonably estimable), over their estimated useful lives, applying the following rates (main categories):

| Category | Depreciation rate |
|---|---|
| Buildings | 3% |
| Plants and machinery | 12-30% |
| Industrial and commercial equipment | 15% |
| Other assets | 12-15-20-25% |

Assets intended for specific service contracts are an exception and are depreciated according to the duration of the contract. Depreciation begins when the assets are available for use and is calculated at half the normal rate in the year when the assets are placed in service, with the exception of property, plant and equipment allocated for instrumental use on specific service contracts, which are depreciated in proportion to the remaining days of the service contract. Gains and losses on the sale or disposal of assets are determined as the difference between the revenue from sale and the asset's carrying amount, and are recognised in profit or loss for the year.

**Equity investments in subsidiaries**

Cellularline controls a company 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. Controlling interests are initially recognised at fair value and subsequently measured at cost, adjusted by any subsequent impairment.

**Equity investments in associates**

The Company's investments in associates are measured using the equity method. An associate is a company over which the Company has significant influence but which cannot be classified as a subsidiary or joint venture. Therefore, the investment in an associate is recognised in the statement of financial position at cost, subsequently adjusted for the post-acquisition changes in the Company's interest in the associate's equity. Goodwill relating to the associate is included in the carrying amount of the investment and is not subject to amortisation. After application of the equity method, the Company determines whether there is any objective evidence that its net investment in the associate is impaired. The income statement reflects the Company's share of the associate's profit/(loss) for the year. If an associate recognises adjustments directly in equity, the Company recognises its share and presents it, where applicable, in the statement of changes in equity.

**Equity investments in other companies**

Investments in other unconsolidated and unrelated companies are measured at cost, including incidental expenses.

**Financial assets and liabilities**

The application of IFRS 9 has not had a significant impact on financial assets and liabilities.

The standard introduces a new model of hedge accounting in order to update the requirements of the current IAS 39. The main updates concern:

- changes to the effectiveness test by replacing the current 80-125% parameter-based approach, with the principle of the "economic relationship" between the hedged item and the hedging instrument; moreover, an assessment of the retrospective effectiveness of the hedging relationship is no longer required;

- the increase in the types of transactions eligible for hedge accounting, also including the risks of non-financial assets/liabilities eligible for hedge accounting;
- the change in the accounting treatment of forward contracts and options when they are included in a hedging relationship in order to reduce the volatility in the income statement.

**Recognition and measurement**

Trade receivables and debt instruments issued are recognised when they originate. All other financial assets and liabilities are initially recognised at the trade date, i.e. when the Company becomes a contractual party to the financial instrument. With the exception of trade receivables that do not contain a significant financing component, financial assets are initially measured at fair value plus or minus - in the case of financial assets or liabilities not at Fair Value Through Profit or Loss (FVTPL) - transaction costs directly attributable to the acquisition or issue of the financial asset. At initial recognition, trade receivables that do not have a significant financing component are measured at their transaction price.

**Classification and subsequent measurement**

Upon initial recognition, a financial asset is classified as either at amortised cost or fair value through profit or loss (FVTPL).

Financial assets are not reclassified after initial recognition, unless the Company changes its business model for managing financial assets. In this case, all the financial assets concerned are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset shall be measured at amortised cost if it is not designated as at FVTPL and both of the following conditions are met:

- the financial asset is held as part of a business model whose objective is to hold assets to collect contractual cash flows;
- the contractual terms of the financial asset provide for cash flows at certain dates that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or Fair Value Through Other Comprehensive Income (FVOCI), as indicated above, are measured at FVTPL. Upon initial recognition, the Company may irrevocably designate the financial asset as measured at FVTPL if, by doing so, it eliminates or significantly reduces an accounting mismatch that would otherwise result from measuring the financial asset at amortised cost or at FVOCI.

**Financial assets: subsequent measurement and gains and losses**

- Financial assets measured at FVTPL are subsequently measured at fair value. Net gains and losses, including dividends or interest received, are recognised in profit or loss for the year.
- Financial assets measured at amortised cost are subsequently measured at amortised cost in accordance with the effective interest method. The amortised cost is reduced by impairment losses. Interest income,

exchange gains and losses and impairment losses are recognised in profit or loss for the year as are any gains or losses from derecognition.

**Financial liabilities: classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense and exchange gains and losses are recognised in profit or loss, along with any gains or losses on derecognition.

**Derecognition**

- Financial assets are derecognised when the contractual rights to cash flows from the financial asset expire, when the contractual rights to receive cash flows are transferred in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or when the Company does not transfer nor substantially retain all the risks and rewards of ownership of the financial asset and has not retained control of the financial asset.
- Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled or expires. The Company also derecognises a financial liability in the event of a change in the related contractual terms when the cash flows of the modified liability are substantially different. In this case, a new financial liability is recognised at fair value on the basis of the modified contractual terms. The difference between the carrying amount of the financial liability settled and the consideration paid (including assets not represented by transferred cash and cash equivalents or assumed liabilities) is recognised in profit or loss for the year.

**Offsetting**

Financial assets and financial liabilities can be offset and the amount resulting from the offset is presented in the statement of financial position if, and only if, the Company has both the legal right to offset the amounts and intends either to settle on a net basis or to realise the financial asset and settle the financial liability simultaneously.

**Impairment losses**

**Financial instruments and contract assets**

The Company recognises loss allowances considering lifetime credit losses. Loss allowances for trade receivables and contract assets are always recognised considering lifetime credit losses. To determine whether the credit risk of a financial asset has increased significantly after initial recognition, in order to estimate the expected credit losses, the Company considers information that reflect reasonable and supportable assumptions that are relevant and available. This includes quantitative and qualitative information and analyses, based on the Company's historical credit losses, on credit assessments and information on expected developments. Lifetime expected credit losses are expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses are the expected credit losses that result from default events on a financial instrument that are possible within twelve months after the reporting date (or a shorter period of

time if the expected life of a financial instrument is less than 12 months).
The maximum period to consider when assessing expected credit losses is the maximum contractual period during which the Company is exposed to credit risk.

**Impaired financial assets**

At each reporting date, the Company assesses whether financial assets measured at amortised cost are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.
Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the Company or of the debtor;
- a breach of contract, such as a default or past-due event (more than 90 days);
- the restructuring of a debt or an advance by the Company under conditions that the Company would not otherwise consider;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties.

**Write-off**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. The Company's policy is to write off the gross carrying amount when the financial asset is more than 90 days past due, based on its historical credit losses of similar assets. Financial assets that have been written off could still be claimed in accordance with the Company's credit recovery procedures.

**Non-financial assets**

At each reporting date, the Company verifies whether there is objective evidence of impairment based on the carrying amounts of its non-financial assets, investment property, inventories and deferred tax assets; if, on the basis of this verification, there is indication that the assets are impaired, the Company estimates their recoverable amount. Conversely, the recoverable amount of goodwill is estimated annually.

**Inventories**

Inventories are measured at the lower of purchase or production cost, determined using a method similar to weighted average cost, including incidental expenses, direct and indirect costs reasonably attributable to them and the estimated realisable value based on market trends. If the net realisable value is lower than cost, the inventories are written down by the difference calculated separately for each item. The write-down is determined following a specific recoverability analysis and is reversed in subsequent years if the reasons for the write-down no longer exist, by reinstating the original value. Goods in transit are measured by specifically identifying the purchase cost.

### Cash and cash equivalents

Cash and cash equivalents include cash balances and demand deposits with a maturity of three months or less from the original date of acquisition, which are subject to an insignificant risk of changes in fair value and are used by the Company to manage short-term commitments.

### Employee benefits

Post-employment benefits were accounted for in accordance with IAS 19.

The post-employment benefits of Italian companies until 31 December 2006 were considered a defined-benefit plan; the regulations governing these benefits were amended by Law no. 296 of 27/12/2006. They are now to be considered a defined-benefit plan exclusively for the amounts accrued before 1 January 2007 (and not yet paid as at the reporting date), while after that date they are treated as a defined-contribution plan, since the amounts of post-employment benefits accrued after 1 January 2007 are transferred to the specific "Treasury Fund" established by INPS (the Italian social security institution) or to another equivalent pension fund, in compliance with the provisions of the aforementioned legislation. Due to the legislative context, the composition of the Company's workforce and its seniority, the effects deriving from the use of actuarial techniques and the discounting of future liabilities at the reporting date are considered to be immaterial, considering the nominal amount of the assets as a reliable approximation of the fair value of their expected settlement amount.

### Provisions for risks and charges

Provisions for risks and charges are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects that some or all of the expenditure covered by a provision for risks and charges will be reimbursed by another party (for example, through insurance contracts), it recognises a provision for the full amount of the liability and a separate asset for the expected reimbursement when it is virtually certain that reimbursement will be received. In this case, the cost of any related provision is taken to profit or loss, net of the amount recognised for the reimbursement. If the effect of the time value of money is material, the amount of a provision is discounted using a pre-tax discount rate that reflects, where appropriate, the risks specific to the liability. When provisions are discounted, the increase in the provision due to the passing of time is recognised as a financial expense.

The agents' severance indemnity provision (FISC) includes the annual accruals for the payment of indemnities to agents following termination. In fact, in accordance with Italian legislation (art. 1751 of the Italian Civil Code), upon termination of the agency contract for no fault of the agent, the principal must pay an agent severance indemnity calculated in proportion to the total amount of commissions the agent earned during the contract, even if they were not entirely paid when the contract was terminated.

Under IFRS, and considering the guidance provided by the International Accounting Standard Board (IASB) and the International Financial Reporting Interpretation Committee (IFRIC), the FISC has been considered a post-employment benefit, specifically a defined-benefit plan, which must therefore be accounted for using actuarial techniques. The actuarial valuation of the FISC was carried out using the "Projected Unit Credit Method" (PUM) as provided for by paragraphs 64-66 of IAS 19. This method consists of valuations that express the average present value of the defined benefit obligations and past service cost up to the date of the actuarial valuation, projecting, however, the agent's commissions until the anticipated end date of continuing the agency contract.

**Trade payables**

The Company holds contracts for the supply of goods that include the provision of bonuses, discounts and, in certain circumstances, contributions classified as a reduction of trade payables. These bonuses, discounts and contributions are recognised either as a percentage of the quantities purchased, as a fixed amount on the quantities bought or sold, or as a defined contribution. Mainly with reference to agreements with a maturity date later than the end of the year, which represent a minority share of the bonuses and contributions for the year, the determination of their amount represents a complex accounting estimate that requires a high degree of judgement as it is influenced by multiple factors. The parameters and information that are used for the estimate are based on the amount purchased or sold and on assessments that take into account historical data regarding the actual recognition of bonuses and contributions by suppliers.

**Foreign currency translation**

The functional and presentation currency adopted by the Company is the Euro.

Assets and liabilities, with the exception of property, plant and equipment, intangible and non-current financial assets, originally expressed in the currencies of non-EU countries, are translated into Euro at the closing spot rate and the exchange gains and/or losses are taken to profit or loss. Revenue and income, costs and expense relating to foreign currency transactions are recognised at the transaction date exchange rate.

**Recognition of revenue**

Revenue is recognised when control of goods or services is transferred and to the extent that the Company will receive the economic benefits and the amount can be measured reliably. In addition, it is recognised net of returns, discounts, rebates and premiums.

**Recognition of costs**

Costs and other operating expenses are recognised in the income statement when they are incurred on an accruals basis and related to revenue, when they do not produce future economic benefits or when they do not qualify for recognition as assets.

**Interest and financial income**

Financial income and interest are recognised on an accruals basis using the effective interest rate and include exchange gains and losses and hedging gains and losses recognised in profit or loss.

**Government grants**

Government grants are recognised when there is a reasonable assurance that they will be received and the Company will comply with the conditions relating to them. When grants are related to cost components, they are recognised as revenue, but are systematically allocated over the years so as to match the costs they are intended to offset.

**Financial expense**

Financial expense is recognised in profit or loss when incurred. Financial expense is capitalised when it refers to an item of property, plant and equipment or an intangible asset that requires a significant period of time to be available for its intended use or for sale.

**Dividends**

Dividend income is recognised when the Company has the right to receive them, which normally coincides with the year when the investee's Shareholders' Meeting that approved the distribution of profit or reserves is held. Dividend distributions on the Company's ordinary shares are recognised as a liability in the Separate Financial Statements for the year in which the distribution is approved by the Shareholders' Meeting.

**Income taxes**

**Current taxes**

Current tax assets and liabilities for the current and previous years are measured on the basis of the amount expected to be recovered or paid to the tax authorities. The tax rates and rules used to calculate the amount are those issued and in force at the reporting date.

**Deferred taxes**

Deferred taxes are calculated using the liability method on the temporary differences at the reporting date between the tax values of assets and liabilities and their corresponding carrying amounts.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- to the extent that the deferred tax liability arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss);
- for the taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, if the reversal of the temporary differences can be controlled and it is likely that it will not occur in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and for the carry-forward of unused tax losses and unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the unused tax losses and unused tax credits can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). With reference to taxable temporary differences associated with investments in subsidiaries, associates and joint

ventures, a deferred tax asset is recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised. The carrying amount of deferred tax assets is reassessed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed annually at the end of each reporting period and a previously unrecognised deferred tax asset is recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted by the end of the reporting period.
Income taxes relating to items recognised directly in equity are recognised directly in equity and not in profit or loss.
Deferred tax assets and liabilities are offset if, and only if, the Company has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

**Risks, commitments, guarantees**

Commitments and guarantees are indicated at their contractual value, along with the risks for which a liability is only possible, without allocating provisions for risks.
Risks for which a liability is probable are described in the Notes and the amount is accrued, in accordance with the principle of fairness, in the provisions for risks. Risks of a remote nature are not taken into account.

**Right-of-use assets**

The Company has adopted IFRS 16 Leases from 1 January 2019. IFRIC 23, IAS 28 and IAS 19, which became effective on 1 January 2019. IFRS 16 introduced a single model of accounting for leases in the Financial Statements of lessees whereby the Company, as lessee, recognised an asset that represents the right to use the underlying asset and a liability that reflects the obligation to pay the lease payments. The accounting methods for the lessor, on the other hand, remain similar to those provided for by the previously applicable standard.
The Company has used the option to adopt IFRS 16 with the modified retrospective method, which provides for the possibility of recognising the right-of-use asset as at 1 January 2019 for an amount equal to the lease liability remaining at that date, without recalculating the figures for the previous year.

**Definition of leasing**

In accordance with IFRS 16, the Company assesses whether the contract is a lease or contains a lease on the basis of the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. As at the date of initial application of IFRS 16, the Company decided to adopt an operating procedure that allows it not to re-examine which transactions constitute a lease. IFRS 16 was applied only to contracts that had previously been identified as leases. Contracts that were not identified as leases by applying IAS 17 and IFRIC 4 were not reassessed to determine whether they were leases. Therefore, the definition of a lease in IFRS 16 has been applied only to contracts entered into or amended on or after 1 January 2019.

**Lessee accounting model**

The Company leases assets such as buildings and motor vehicles. As a lessee, the Company previously classified leases as operating or financial, assessing whether the lease transferred substantially all the risks and rewards of ownership. In accordance with IFRS 16, the Company recognises the right-of-use assets and the lease liabilities in the statement of financial position. However, the Company has decided not to recognise right-of-use assets and lease liabilities of low value assets (less than USD 5,000). Therefore, the Company recognises the lease payments as a cost on a straight-line basis over the lease term. The Company recognises the right-of-use assets that do not meet the definition of investment property under "Property, plant and equipment", which is the same item it uses to present the same kind of assets that it holds. The Company classifies lease liabilities under "Other financial liabilities" in the statement of financial position. As at the commencement date of the lease, the Company recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at cost, then at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any measurement of the lease liability. The right-of-use asset that meets the definition of investment property is recognised in the item of the same name and is initially measured at cost and subsequently at fair value, in accordance with the Company's accounting policies.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date, discounting them using the interest rate implicit in the lease. If that rate cannot be readily determined, the Company uses the incremental borrowing rate. Generally, the Company uses the incremental borrowing rate as the discount rate.

The lease liability is subsequently increased to reflect the interest accrued on the lease liability and reduced to reflect the lease payments made and is remeasured if there is a change in future lease payments resulting from a change in the index or rate, if there is a change in the amounts that the Company expects to pay under a residual value guarantee or when there is a change in the assessment of an option to purchase the underlying asset, extend or terminate a lease.

The Company has estimated the lease term of certain contracts in which it acts as a lessee and which provide for renewal options. The assessment of whether or not there is a reasonable certainty of exercising the option influences the estimated lease term, significantly impacting the carrying amount of the lease liabilities and right-of-use assets recognised.

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

As required by IAS 8 – Accounting policies, changes in accounting estimates and errors, new accounting standards and interpretations, as well as amendments to existing standards and interpretations already applicable, not yet in force at the date, which may apply in the future in the Company's Separate Financial Statements, are set out below:

d) **New documents issued by the IASB and endorsed by the EU to be mandatorily adopted as of Financial Statements for years beginning on 1 January 2024**

| Document title | Date of issue | Date of entry into force | Endorsement date | EU Regulation and date of publication |
|---|---|---|---|---|
| Lease liabilities in a sale and leaseback (Amendments to IFRS 16) | September 2022 | 1 January 2024 | 20 November 2023 | (EU) 2023/2579<br>21 November 2023 |
| Classification of liabilities as current or non-current (Amendments to IAS 1) and Non-current liabilities with covenants (Amendments to IAS 1) | January 2020<br>July 2020<br>October 2022 | 1 January 2024 | 19 December 2023 | (EU) 2023/2822<br>20 December 2023 |
| Disclosures: supplier finance arrangements (Amendments to IAS 7 – Statement of cash flows and IFRS 7 – Financial instruments) | May 2023 | 1 January 2024 | 15 May 2024 | 16 May 2024 |

The accounting standards, amendments and interpretations, in force from 1 January 2024 and endorsed by the European Commission, are set out below:

**Amendments to IFRS 16 – Lease liabilities in a sale and leaseback**

On 22 September 2022, the IASB issued the document "Lease Liability in a Sale and Leaseback (Amendments to IFRS 16 – Lease)" with the aim of indicating the correct valuation to be performed by the seller-lessee following a sale and leaseback transaction.

The amendment to IFRS 16 clarifies the following aspects that the seller-lessee shall determine lease payments so as not to recognise any gain or loss related to the right of use retained by the seller-lessee.

**Amendments to IAS 1 – Classification of liabilities as current or non-current and Non-current liabilities with covenants.**

On 23 January 2020, the IASB issued the document "Classification of Liabilities as Current or Non-current (Amendments to IAS 1 – Presentation of Financial Statements" with the aim of specifying how an entity should determine debt and other liabilities with an uncertain settlement date in the statement of financial position. According to these amendments, the debt or other liabilities must be classified as current (with an actual or potential settlement date within one year) or non-current.

On 31 October 2022, the IASB issued the document "Non-current Liabilities with Covenants (Amendments to IAS 1 – Presentation of Financial Statements)" with the aim of clarifying how an entity should classify, whether as current or non-current, liabilities arising from a loan agreement with covenants. These amendments also improve the information that a company must provide when its right to defer the discharge of a liability for at least twelve months is subject to covenants.

**Amendments to IAS 7 and IFRS 7 – Disclosures: supplier finance arrangements**

On 25 May 2023, the IASB issued the document: "Disclosures: Supplier Finance Arrangements (Amendments to IAS 7 – Statement of Cash Flows and IFRS 7 – Financial Instruments)". The Amendments introduce some specific disclosure requirements for supplier finance arrangements and also provide guidance on the characteristics of such arrangements. In this regard:

- The objective of the disclosures referred to in the amendment to IAS 7 is to enable users of Financial Statements to evaluate the effects of supplier finance arrangements on an entity's liabilities and cash flows and on the entity's exposure to liquidity risk. To achieve this objective, an entity shall describe the following: a) the terms and conditions of the arrangement, b) the carrying amounts of the suppliers' financial liabilities and the items of the financial liabilities in which they are presented, c) non-monetary items in the carrying amounts of the supplier finance arrangement liabilities, and the carrying amounts and related items of the financial liabilities referred to in (a) for which the suppliers have already received payment from the lenders, d) the payment due dates for both the financial liabilities referred to in (a) and comparable trade payables that are not part of a supplier finance arrangement. If payment due date intervals are wide, explanatory information on these intervals or additional intervals (e.g. stratified intervals) is required.
- The IFRS 7 application guidance provides examples of factors that an entity may consider in preparing liquidity risk disclosures. The amendments incorporated supplier finance agreements as an additional factor relevant to liquidity risk. The guidance to IFRS 7 was amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk.

The adoption of the new standards as of 1 January 2024 had no impact on the Company's Separate Financial Statements.

**e) New documents issued by the IASB and endorsed by the EU applicable to Financial Statements for years beginning after 1 January 2024, EU endorsed documents as at 31 December 2024:**

As at the date of approval of these Separate Financial Statements, the following new accounting standards, amendments and interpretations were issued by the IASB, but not yet endorsed by the EU, some of which are still in the consultation phase, including the following:

| Document title | Date of issue | Date of entry into force | Endorsement date | EU Regulation and date of publication |
|---|---|---|---|---|
| Lack of Exchangeability (Amendments to IAS 21) | August 2023 | 1 January 2025 | 12 November 2024 | (EU) 2024/2862<br>13 November 2024 |

**f) New documents issued by the IASB and endorsed by the EU applicable to Financial Statements for years beginning after 1 January 2024, non-EU endorsed documents as at 31 December 2024:**

| Document title | Date of issue<br><br>by the IASB | Date of entry into force of the IASB document |
|---|---|---|
| **New IFRS accounting standards** | | |
| IFRS 18 - Presentation and Disclosure in Financial Statements | April 2024 | 1 January 2027 |
| IFRS 19 - Subsidiaries without Public Accountability: Disclosure | May 2024 | 1 January 2027 |
| **Amendments to IFRS accounting standards** | | |
| Amendments to the classification and measurement of financial instruments (Amendments IFRS 9 and IFRS 7) | May 2024 | 1 January 2026 |
| Annual improvements - Volume 11 | July 2024 | 1 January 2026 |
| Contracts referencing nature-dependent electricity (Amendments to IFRS 9 and IFRS 7) | December 2024 | 1 January 2026 |

For all newly-issued standards, as well as for revisions and amendments to existing standards, Cellularline is assessing any impacts that cannot currently be reasonably estimated arising from their future application.

## 4 Segment reporting

The Company has identified one operating segment, which includes all the services and products provided to customers. The Company'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 bicycles);
- Blue Line (third party products marketed under distribution agreements).

## 5 Notes to the Statement of Financial Position

The following are the Notes to the main assets and liabilities in the Separate Financial Statements of Cellularline S.p.A. as at 31 December 2024.

**ASSETS**

**NON-CURRENT ASSETS**

### 6.1 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.

Intangible assets as at 31 December 2024 and 31 December 2023 are detailed below.

| *(In thousands of Euro)* | Carrying amount as at 31 December 2023 | Increases | (Amortisation) | (Decreases/ Impairment losses) | Reclassifications | Carrying amount at 31 December 2024 |
|---|---|---|---|---|---|---|
| Development costs | 704 | 1,302 | (1,227) | (3) | 1 | 776 |
| Industrial patents and intellectual property rights | 1,771 | 1,527 | (1,621) | - | - | 1,676 |
| Concessions, licenses, trademarks and similar rights | 13,981 | 63 | (1,186) | - | - | 12,859 |
| Customer relationships | 22,876 | - | (4,593) | - | - | 18,283 |
| Assets under construction and payments on account | - | 1 | - | - | (1) | - |
| **Total intangible assets** | **39,333** | **2,892** | **(8,626)** | **(3)** | **-** | **33,596** |

With reference to 31 December 2024, it should be noted that the Company has made investments of EUR 2,892 thousand.

In particular, investments are mainly attributable to:

- industrial patents and intellectual property rights, equal to EUR 1,527 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 to further innovations/IT projects, aimed at having increasingly effective and efficient information tools to support the Company's organisational structure;
- development costs of EUR 1,302 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 at 31 December 2024, the Customer Relationships with a finite useful life recognised in the Separate Financial Statements amounted to EUR 18,283 thousand, net of accumulated amortisation and impairment losses.

The value of Trademarks, net of amortisation, amounted to Euro 12,859 thousand.

## 6.2 Goodwill

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

| *(In thousands of Euro)* | Carrying amount 31 December 2023 | Increases | (Decreases) | Acquisitions | (Amortisation) | (Impairment losses) | Reclassifications |
|---|---|---|---|---|---|---|---|
| Goodwill | 18,432 | - | - | - | - | - | - |
| **Total Goodwill** | **18,432** | **-** | **-** | **-** | **-** | **-** | **-** |

### 6.2.1 Impairment test on goodwill

As of 31 December 2024, the goodwill recognised in the Company's Financial Statements amounted to EUR 18,432 thousand and was allocated to the only cash-generating unit (GCU) identified, which coincides with the entire Cellularline Group.

As required by the relevant accounting standard (IAS 36), at the time of closing the Separate Financial Statements as at 31 December 2024, the Directors verified whether there the intangible assets with an indefinite useful life (goodwill) were impaired by comparing the carrying amount with the related recoverable amount. The Directors therefore arranged for a specific impairment test to be carried out on the Consolidated Financial Statements, determining the value in use using the discounted cash flow method, also making use of a Consultant (Deloitte & Touche).

The discount rate used was the Weighted Average Cost of Capital (WACC) of 10.66% (12.02% at 31 December 2023) and a perpetually sustainable growth rate (g) estimated at 1.96% (1.93% at 31 December 2023), determined in line with expected long-term inflation (source: International Monetary Fund, October 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 the 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 particular, the impairment test was performed on the basis of the economic-financial forecasts based on the 2025-2028 Business Plan approved by the Board of Directors on 26 February 2025.

In addition, it should be noted that WACC used for the purpose of the impairment test also includes an execution risk component, with an impact on the calculation of the finished rate equal to 1.10%, which represents an estimate of the risk of not completely achieving the Plan objectives, as well as the current degree of volatility and uncertainty reflected by the 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.

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:

- WACC and the growth rate (g-rate) in order to verify the impact generated by the variations of these parameters on the value in use and, consequently, on the difference between the latter and the Carrying Amount at the reporting date;

- the WACC and EBITDA according to the 2025-2028 Plan and the Terminal Value in order to verify the impact generated by changes in these parameters on value in use and, consequently, on the difference between the latter and the Carrying Amount at the reporting date.

  In order to determine the relative recoverable value of Cellularline S.p.A.'s net invested capital, the following adjustments were made to the Consolidated Enterprise Value

  - Deduction of the net financial position pertaining to subsidiaries;

  - Deduction of the liability recorded in the consolidated financial statements for put options relating to minority interests in the above-mentioned subsidiaries.

  The analyses carried out, based on the assumptions and limitations previously highlighted, led to an estimated value in use of about €183.9 million. This value is higher than the Carrying Amount equal to the Company's net invested capital at the reference date (equal to about €151.9 million), showing a headroom of about €32 million (headroom on the consolidated balance sheet equal to about €26.9 million), not giving rise to impairment losses.

Considering that the impairment test for the Separate Financial Statements was conducted starting from the impairment test performed on the Consolidated Financial Statements, reference is made for the sensitivity analyses to those formalised for the Consolidated Financial Statements below, taking into account that the headroom on the separate financial statements is, with reference to the base values used for the impairment test, Euro 5.1 million higher than that calculated on the consolidated financial statements.. These sensitivity analyses revealed potential impairment situations in the event of a worsening of the WACC and g-rate, which, with reference to the Separate Financial Statements, are further limited in view of the higher headroom identified with respect to the Consolidated Financial Statements. They showed no potential impairment in the event of a reduction of more than 10% in Plan EBITDA and Terminal Value, further to what was already considered in the execution risk estimate.

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

| | | WACC | | | | |
|---|---|---|---|---|---|---|
| | | -1,0% | -0,5% | Company | +0,5% | +1,0% |
| | | **9.7%** | **10.2%** | **10.7%** | **11.2%** | **11.7%** |
| G-rate | - | 27.5 | 17.7 | 8.9 | 0.9 | (6.5) |
| | **0.5%** | 32.3 | 21.9 | 12.5 | 4.0 | (3.7) |
| | **1.0%** | 38.1 | 26.9 | 16.8 | 7.7 | (0.5) |
| | **1.5%** | 44.6 | 32.4 | 21.6 | 11.9 | 3.1 |
| | **2.0%** | 51.9 | 38.7 | 26.9 | 16.5 | 7.1 |
| | **2.5%** | 60.3 | 45.7 | 32.9 | 21.6 | 11.5 |
| | **3.0%** | 69.9 | 53.8 | 39.7 | 27.4 | 16.5 |

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

| | | WACC |
|---|---|---|
| | | Comapny |
| | | **10.7%** |
| **EBITDA reduction - over and above what is already included in the execution (WACC)** | **(10.0%)** | 1.7 |
| | **(7.5%)** | 8.0 |
| | **(5.0%)** | 14.3 |
| | **(2.5%)** | 20.6 |
| | - | 26.9 |

It should be noted that the inclusion of an Execution Risk Premium in the WACC implies a tolerance with respect to a possible reduction in EBITDA in the plan forecasts. In the specific case, this tolerance is 13.0% over the Plan period and consequently, the sensitivity shown here is calculated starting from an EBITDA 13.0% lower than that of the 2025-28 Business Plan.

### 6.3 Property, plant and equipment

Depreciation was calculated using the rates that reflect the assets' residual useful lives.

The balance of Property, plant and equipment, broken down by category as at 31 December 2024 and 31 December 2023, is shown below:

| *(In thousands of Euro)* | Carrying amount at 31 December 2023 | Increases | (Depreciation) | (Decreases/ Impairment losses) | Reclassifications | Carrying amount at 31 December 2024 |
|---|---|---|---|---|---|---|
| Land and buildings | 3,216 | 58 | (123) | - | - | 3,151 |
| Plants and machinery | 327 | 38 | (98) | - | - | 268 |
| Industrial and commercial equipment | 1,610 | 867 | (1,074) | (18) | 16 | 1,402 |
| Assets under construction and payments on account | 129 | 115 | - | (51) | (16) | 176 |
| **Total property, plant and equipment** | **5,282** | **1,079** | **(1,295)** | **(69)** | **-** | **4,996** |

As at 31 December 2024 the item consisted mainly of buildings used as the operating offices of the Company for EUR 3,151 thousand and industrial and commercial equipment for EUR 1,402 thousand (mainly furniture, furnishings, office machinery and moulds). With reference to the year ended at 31 December 2024, the Company made investments of EUR 1,079 thousand, mainly related to industrial and commercial equipment.

### 6.4 Equity investments in subsidiaries and associates

The breakdown of changes in the item as at 31 December 2023 and 31 December 2024 are shown below:

| *(In thousands of Euro)* | 31 December 2023 | Increases | Decreases | 31 December 2024 |
|---|---|---|---|---|
| Equity investments in subsidiaries | 23,528 | 1,556 | (177) | 24,907 |
| Equity investments in associates | 33 | - | - | 33 |
| **Total equity investments** | **23,561** | **1,556** | **(177)** | **24,940** |

Below is a list of investments:

| **EQUITY INVESTMENTS** | **Office** | **Share/ quota Capital** | **Equity** | **Type of ownership** | **Profit/(loss) for the previous year** | **Percentage of ownership** | **Carrying amount** | **Measurement using the Equity Method** |
|---|---|---|---|---|---|---|---|---|
| | | **(in foreign currency)** | **(in foreign currency)** | | **(in foreign currency)** | | **(in Euro/000)** | **(in Euro/000)** |
| **Subsidiaries** | | | | | | | | |
| - Cellular Spain S.L.U. | ES | 3 | 1,212 | Direct | 256 | 100% | 1,103 | 1,305 |
| - Cellular Inmobiliaria Italiana S.L.U. | ES | 3 | 77 | Direct | (9) | 100% | 3 | 69 |
| - Cellular Immobiliare Helvetica S.A. | CH | 100 | 284 | Direct | 16 | 100% | 71 | 321 |
| - Systema S.r.l. | IT | 100 | 2,399 | Direct | 228 | 100% | 3,665 | 4,479 |
| - Worldconnect AG | CH | 100 | 5,163 | Direct | 1,395 | 90% | 16,313 | 18,012 |
| - Cellularline USA Inc. | US | 50 | 357 | Direct | (128) | 100% | 474 | 366 |
| - Coverlab S.r.l. | IT | 69 | 166 | Direct | (120) | 55% | 295 | 420 |
| - Subliros S.L. | ES | 11 | (36) | Direct | (82) | 80% | - | (20) |
| - Peter Jäckel GmbH | DE | 100 | 862 | Direct | (578) | 60% | 2,945 | 2,984 |
| - Cellularline Middle East FZE | UAE | 41 | 19 | Direct | (60) | 100% | 38 | (167) |
| **Total subsidiaries** | | | | | | | **24,907** | **27,767** |

| Associates | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| - Cellular Swiss S.A. (*) | CH | 100 | 743 | Direct | 167 | 50% | 33 | |
| **Total associates** | | | | | | | **33** | |

(*) Figures refer to the latest available Financial Statements as at 31 December 2023.

For transactions with related parties, reference should be made to the "transactions with related parties" section of these Notes.

**Cellular Spain S.L.U.**

The Company ended 2024 with revenue of EUR 13,512 thousand (EUR 12,387 thousand in 2023). The Company increased revenue in 2024, due to contracts signed with leading local players and the expansion of the product range. The company made a profit of EUR 285 thousand.

**Cellular Inmobiliaria S.L.U. – Cellular Immobiliare Helvetica S.A.**

The two real estate companies continued their ordinary operations. There are no indicators of impairment.

**Systema S.r.l.**

The company Systema S.r.l. ended 2024 with revenue of EUR 12,219 thousand (EUR 10,088 thousand in 2023). It made a profit of EUR 368 thousand.

**WorldConnect AG**

The Swiss-registered company is the global market leader for SKROSS-branded travel adapters. Worldconnect had a turnover of EUR 19,481 thousand in 2024 (EUR 19,963 thousand in 2023). The economic result for the year was a profit of EUR 1,354 thousand.

**Coverlab S.r.l.**

An innovative e-commerce company operating in the custom accessories segment. It closed FY 2024 with revenue of EUR 862 thousand (EUR 1,504 thousand in 2023).
It made a loss of EUR 580 thousand.

**Cellular Usa Inc.**

Cellular USA was established in the first half of 2022 and aims to market the Black Line in the American market; as a newco, it does not yet have any significant turnover, ending 2024 with a turnover of EUR 329 thousand. It recorded a loss for the year of EUR 13 thousand.

**Subliros S.L.**

Acquired at the end of October 2022, the company is an innovative e-commerce company and operates in the custom accessories segment. As at 31 December 2024, it recorded a loss for the year of EUR 245 thousand.

**Cellular Swiss S.A.**

In 2024, the associate Cellular Swiss continued to pursue its strategy to develop business with existing customers – which operate mainly in the Consumer Electronics channel - and seeking new customers, also in different channels (for example, in the Telco, Travel Retail and Mass Merchandise channels).

**Peter Jäckel GmbH** was acquired in January 2023; it is a major German player in the field of smartphone accessories. It closed FY 2024 with a turnover of EUR 4,664 thousand. It recorded a loss of EUR 345 thousand for the year.

**Cellularline Middle East FZE**, established on 17 May 2023, is an operational hub in the Jebel Ali Free Zone, Dubai, in order to serve the Middle East region more efficiently. It recorded a profit of EUR 60 thousand for the year.

## 6.5 Right-of-use assets

This item, amounting to EUR 1,816 thousand (EUR 2,622 thousand as at 31 December 2023), refers exclusively to the recognition of right-of-use assets due to the initial application of IFRS 16 - Leases.

This item is treated as an intangible asset and depreciated over the term of the underlying lease or rental agreement. In no case is there a contractual purchase option.

The changes in the year were as follows:

| *(In thousands of Euro)* | Carrying amount as 31 December 2023 | Increases | (Decreases) | Acquisitions | (Depreciation) | (Impairment losses) | | Carrying amount as at 31 December 2024 |
|---|---|---|---|---|---|---|---|---|
| Right-of-use assets | | | 2,622 | 401 | (84) | - (1,123) | - - | 1,816 |
| **Total right-of-use assets** | **2,622** | **401** | **(84)** | **-** | **(1,123)** | **-** | **-** | **1,816** |

The increases of the year, equal to EUR 401 thousand, mainly concern new contracts for cars and commercial vehicles.

## 6.6 Deferred tax assets and liabilities

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

### Deferred tax assets

| *(In thousands of Euro)* | |
|---|---|
| **Balance as at 31 December 2023** | **5,203** |
| Accrualsin profit or loss | 562 |
| Accruals/(Releases) in comprehensive income | - |
| **Balance as at 31 December 2024** | **5,765** |

The balance as at 31 December 2024, amounting to EUR 5,765 thousand, is composed of deferred tax assets mainly originating from taxed provisions, temporarily non-deductible amortisation and depreciation and temporary differences related to trademarks and customer relationships. The main change from the previous year, amounting to EUR 503 thousand, is related to deferred IRES and IRAP tax assets calculated, mainly, on partially deductible amortisation and depreciation such as those related to the Cellularline and Interphone trademarks and on the allocation made for the allowance for inventory (direct) write-down.

The 2022 Budget Law (no. 234/2021, art. 1, paragraphs 622-624) has retroactively modified the regime for revaluations and realignments of trademarks and goodwill carried out on the basis of art. 110 of Decree Law no. 104/2020, increasing the time span of deductions from 18 to 50 years (2% per annum from 2021).

The rule also provided the following two additional alternatives:

- maintenance of the deduction over 18 years against payment of the ordinary substitute tax on the franking of extraordinary transactions (12%, 14% and 16% for revaluations of up to 5 million, between 5 million and 10 million and over 10 million, respectively);
- revocation of the realignment for tax purposes, with repayment or right to offset the substitute tax already paid, in accordance with procedures to be defined by a future measure.

Considering that:

- the dilution of the benefit over 50 years shifts the cost-benefit balancing point from the second to the seventh year, while still maintaining a significant overall tax saving;
- the outlay for the "ordinary" substitute tax, necessary to maintain deductibility over 18 years, is very costly and close in time, considerably reducing the advantage of the operation;
- revocation of the realignment would entail cancellation of the income from the release of the deferred tax liabilities, with an inevitable impact on the Company's equity.

It was deemed reasonable to maintain the realignment carried out with the 50-year deduction and to recognise deferred tax assets on temporarily non-deductible amortisation and depreciation, with annual monitoring of the reasonable certainty of their recovery.

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 Company's forecast profits in the medium and long term.

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

cellularline

### Deferred tax liabilities

| *(In thousands of Euro)* | |
|---|---|
| **Balance as at 31 December 2023** | **1,727** |
| Releases to profit or loss | (1,691) |
| Accrualsin comprehensive income | 2 |
| **Balance as at 31 December 2024** | **39** |

The balance as at 31 December 2024, amounting to EUR 39 thousand, consists of deferred tax liabilities calculated on exchange rate differences arising from foreign currency items. The decrease in the deferred tax liabilities during the year was mainly due to the release of a deferred tax liability of EUR 1,413 thousand, the allocation of which, made in previous years and up to 31.12.2023, was not appropriate.

## 6.7 Financial assets

Changes in Non-recurring financial assets between 31 December 2023 and 31 December 2024 are shown below.

| *(In thousands of Euro)* | **Financial assets** |
|---|---|
| **Balance as at 31 December 2023** | **6,912** |
| Increases | 546 |
| (Decreases) | (4,936) |
| **Balance as at 31 December 2024** | **2,522** |

The item, which came to EUR 2,522 thousand, consists of loans granted to subsidiaries. These include loans to Worldconnect of EUR 708 thousand (corresponding to CHF 667 thousand), Cellular Immobiliare Helvetica S.A. of EUR 817 thousand (corresponding to CHF 769 thousand), Cellular Inmobiliaria Italiana S.L.U. of EUR 334 thousand, Coverlab S.r.l. of EUR 534 thousand, Cellular Usa of EUR 106 thousand (corresponding to USD 110 thousand). Net decreases mainly related to repayments made by subsidiaries in 2024, respectively amounting to CHF 4,333 thousand (EUR 4,691 thousand) by Worldconnect, CHF 75 thousand (EUR 94 thousand) by Cellular Immobiliare Helvetica and EUR 150 thousand by Subliros for loan write-downs.

## CURRENT ASSETS

## 6.8 Inventories

Inventories are made up as follows:

| *(In thousands of Euro)* | Balance as at | |
|---|---|---|
| | **31 December 2024** | **31 December 2023** |
| Finished products and goods | 26,055 | 35,656 |
| Goods in transit | 7,196 | 3,199 |
| Advances | 1,997 | 980 |
| **Gross inventories** | **35,248** | **39,835** |
| (Allowance for inventory write-down) | (3,905) | (2,125) |
| **Total Inventories** | **31,343** | **37,710** |

Gross inventories include finished products at the Company's warehouses, as well as goods in transit for which the Company has already acquired ownership of EUR 7,196 thousand (EUR 3,199 thousand as at 31 December 2023). Advances include prepayments for the purchase of finished products. The carrying amount of inventories is adjusted by the allowance for inventory write-down, which includes the write-down of goods at risk of potential obsolescence.

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

| *(In thousands of Euro)* | **Allowance for inventory write-down** |
|---|---|
| **Balance as at 31 December 2023** | **(2,125)** |
| Utilisations/(Accruals) | (1,780) |
| **Balance as at 31 December 2024** | **(3,905)** |

During the year, the Company, following an analysis of slow-moving products, set aside EUR 1,780 thousand for problems (typical of the sector) related to the obsolescence/slow turnover of inventories, in order to align their value to the estimated realisable value.

## 6.9 Trade receivables

Trade receivables as at 31 December 2023 and 31 December 2024 are shown in detail below:

| *(In thousands of Euro)* | **Balance as at** | |
|---|---|---|
| | **31 December 2024** | **31 December 2023** |
| Trade receivables from third parties | 39,205 | 35,257 |
| Trade receivables from related parties (Note 8) | 20,038 | 17,341 |
| **Gross trade receivables** | **59,243** | **52,598** |
| (Loss allowance) | (3,825) | (3,734) |
| **Total trade receivables** | **55,419** | **48,864** |

Changes in the loss allowance from 31 December 2023 to 31 December 2024 are shown below:

| *(In thousands of Euro)* | **Loss allowance** |
|---|---|
| **Balance as at 31 December 2023** | **(3,734)** |
| (Accruals) | (400) |
| Utilisations | 309 |
| **Balance as at 31 December 2024** | **(3,825)** |

Impaired assets refer mainly to disputed amounts or customers subject to bankruptcy proceedings. The utilisations reflect amounts that, based on certain, precise information or 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 Company has credit control processes in place that include customer reliability 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 year, 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.

## 6.10 Current tax assets

The breakdown of Current tax assets as at 31 December 2023 and 31 December 2024 is shown below:

| *(In thousands of Euro)* | Balance as at | |
|---|---|---|
| | **31 December 2024** | **31 December 2023** |
| Receivables from tax authorities for current taxes | 257 | 415 |
| **Total current tax assets** | **257** | **415** |

Receivables from tax authorities for current taxes mainly include: (i) the receivable for research, development, innovation and design for EUR 139 thousand, (ii) the receivable for taxes for which a rebate of EUR 115 thousand has been requested.

## 6.11 Other assets

The breakdown of other current assets as at 31 December 2023 and 31 December 2024 is shown below:

| *(In thousands of Euro)* | Balance as at | |
|---|---|---|
| | **31 December 2024** | **31 December 2023** |
| Prepaid expenses | 7,114 | 10,193 |
| VAT credit | 63 | - |
| Others | 198 | 199 |
| **Total Other assets** | **7,376** | **10,392** |

This item mainly includes prepaid expenses referring to the advance payment of costs relating to future years.

## 6.12 Cash and cash equivalents

The breakdown of cash and cash equivalents as at 31 December 2023 and 31 December 2024 is shown below:

| *(In thousands of Euro)* | Balance as at | |
|---|---|---|
| | **31 December 2024** | **31 December 2023** |
| Bank accounts | 13,901 | 6,350 |
| Cash on hand | 5 | 6 |
| **Total Cash and cash equivalents** | **13,906** | **6,356** |

Cash and cash equivalents amount to EUR 13,906 thousand as at 31 December 2024 (EUR 6,356 thousand as 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.

## EQUITY AND LIABILITIES

### 6.13 Equity

Equity was EUR 129,302 thousand (EUR 128,089 thousand as at 31 December 2023), having increased mainly as a result of the profit for the year.

Below is an analysis of equity items in relation to their origin, possibility of utilisation and distribution (in thousands of Euro):

| EQUITY | | CARRYING AMOUNT AS AT 31.12.2024 | Possibility of use of reserves (*) | Available portion of reserves | Summary of uses in the year and the previous three years | |
|---|---|---|---|---|---|---|
| | | | | | Coverage of losses | Distribution of dividends/reserves |
| I | Share capital | 21,343 | | | | |
| II | Share premium | 101,392 | A, B, C | 101,392 | 31,316 | |
| IV | Legal reserve | 4,269 | B | 4,269 | | |
| V | Statutory reserves | - | | | | |
| VII | Other reserves | 329 | B | 329 | 31,177 | |
| VIII | Retained earnings | 36 | A, B, C | 36 | 18,263 | (4,533) |
| IX | Profit for the year | 4,021 | | | | |
| X | Treasury shares | (2,087) | None | | | 1,697 |
| **Total Equity** | | **129,302** | | **106,025** | **80,755** | **(2,836)** |

***(*) Key / Notes:***

*A = for capital increase*

*B = to cover losses*

*C = for distribution to shareholders*

As a result of the realignment of the tax value to the statutory value of trademarks and Customer Relationships, as provided for by article 110, paragraphs 8 and 8-*bis* of Decree Law no. 104/2020, converted into Law no. 126/2020, as amended by Law no. 178/2020, there is a tax suspension restriction in the amount of EUR 59,253 thousand for the Share premium.

#### Share capital

The share capital as at 31 December 2024 amounts to EUR 21,343, divided into 21,868,189 ordinary shares.

#### Other Reserves not commented on above

As at 31 December 2024, other reserves amount to EUR 103,903 thousand (EUR 103,189 thousand as at 31 December 2023) and were mainly divided as follows:

- Legal reserve, which amounts to EUR 4,269 thousand.

- The share premium, which amounts to EUR 101,392 thousand, including EUR 59,253 in suspended taxation following the realignment of trademarks and customer relationships.
- Other reserves amounting to EUR 329 thousand which originated as a result of the effects of the application of the IFRS and the Business Combination which took place in 2018;
- Treasury shares of EUR 2,087 thousand.

**Retained earnings**

Retained earnings amount to EUR 36 thousand (EUR 2,420 thousand as at 31 December 2023).

**Profit for the year**

2024 ended with a profit for the year of EUR 4,020,864.

The Board of Directors resolved to propose to the Shareholders' Meeting to be convened, in a single call, on 17 April 2025, to allocate the net profit for the year, amounting to Euro 4,020,864, as follows:

- Distribution of a cash dividend in the amount of EUR 0.093 per eligible ordinary share and a dividend through free assignment to shareholders of a maximum of 345,197 ordinary treasury shares, in the amount of 1 ordinary treasury share for every 61 ordinary shares held, excluding treasury shares held on the day prior to the ex-dividend date.
- Allocation of residual profit to the "Retained earnings reserve".

The allocation of treasury shares is part of the distribution of dividends for the financial year 2024 and corresponds to EUR 0.14 per share, calculated on the basis of the closing price of the shares on the day prior to the resolution of the Board of Directors approving the draft financial statements.

The proposed dividend distribution schedule is as follows: ex-dividend date 19 May 2025; *record date*, pursuant to Art. 83-terdecies of Legislative Decree no. 58 of 24 February 1998, and Article 2.6.6, paragraph 2, of the Rules of the Markets organised and managed by Borsa Italiana S.p.A.) 20 May 2025; payment date gross of statutory deductions starting from 21 May 2025.

**Long Term Incentive Plan Reserve (Share-based payment arrangements)**

In 2021, the Company approved a Stock Grant Plan, which envisages the award to certain employees of rights to receive Company 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 |
|---|---|---|---|
| 17 March 2022 | 90,000 * | 30% Relative Total Shareholder Return<br>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<br>70% Consolidated Adjusted EBITDA | Three years |

*(*) The number of instruments reported refers to each individual tranche of awards of the three-year cycle, of which 55,000 assigned to CEOs and key managers. At the date of this Report, the second and third award cycles are active.*

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 Company shares, according to the degree to which measurable long-term performance objectives, pre-determined by the Company, are achieved. These performance objectives contribute with a different percentage weighting towards the accrual of the rights and attribution 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%.
As at 31 December 2024, in accordance with IFRS 2, the valuation 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 valued at the reporting date to account for expectations regarding the number of rights that may vest.
In addition, during 2024, the Company approved a Stock Grant plan, which envisages the award to certain employees of rights to receive Company shares free of charge.
The free award of such rights to receive shares comes under the scope of the "2024-2026 Incentive Plan" of the Company, 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 |
|---|---|---|---|
| 8 May 2024 | 109,000 * | 50% Relative Total Shareholder Return<br>50% Consolidated Adjusted EBITDA | Three years |

*(*) As 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 Company shares, according to the degree to which measurable multi-year performance objectives, pre-determined by the Company, are achieved. These performance objectives contribute with a different percentage weighting towards the accrual of the rights and attribution 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%.
As at 31 December 2024, in accordance with IFRS 2, the valuation 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 valued at the reporting date to account for expectations regarding the number of rights that may vest.
The LTI reserve at 31 December 2024 amounts EUR 255 thousand (EUR 279 thousand as at 31 December 2023).

## 6.14 Financial liabilities (current and non-current)

The breakdown of current and non-current Financial liabilities as at 31 December 2024 is shown below:

| *(In thousands of Euro)* | **Balance as at** | |
|---|---|---|
| | **31 December 2024** | **31 December 2023** |
| Current bank loans and borrowings and loans and borrowings from other financial backers | 13,739 | 29,170 |
| Non-current bank loans and borrowings and loans and borrowings from other financial backers | 21,149 | 8,600 |
| **Total bank loans and borrowings and loans and borrowings from other financial backers** | **34,888** | **37,770** |
| Other current financial liabilities | 1,339 | 1,063 |
| Other non-current financial liabilities | 607 | 1,909 |
| **Total other financial liabilities** | **1,946** | **2,972** |
| **Total financial liabilities** | **36,834** | **40,741** |

Bank loans and borrowings and loans and borrowings from other financial backers amounted to EUR 36,834 thousand (EUR 40,741 thousand as at 31 December 2023) and mainly include:

- the bank loan entered into on 31 July 2024 (re-financing) for EUR 25,000 thousand. The residual debt at year-end including the effect of amortised cost amounted to EUR 24,721 thousand;
- hot money bank loans in the amount of EUR 4,800 thousand;
- current accounts payable and invoice advances in the amount of EUR 5,378 thousand;
- other financial liabilities, including lease liabilities in the amount of EUR 1,946 thousand.

The following are highlights of the financial debt outstanding at 31 December 2024:

| *(In thousands of Euro)* | Inception | Maturity | Original amount | Balance as at 31 December 2024 | | |
|---|---|---|---|---|---|---|
| | | | | Outstanding debt | current portion | non-current portion |
| Banca Nazionale del Lavoro S.p.A. [*] | 31/07/2024 | 31/07/2028 | 12,500 | 12,500 | 1,876 | 10,624 |
| Unicredit S.p.A. [*] | 31/07/2024 | 31/07/2028 | 12,500 | 12,500 | 1,876 | 10,624 |
| **Bank loans and borrowings from other financial backers** | | | **25,000** | **25,000** | **3,752** | **21,248** |

The bank loan payable to the above institutions is subject to economic and financial covenants. These covenants have been complied with as at 31 December 2024.

A breakdown of the financial liabilities is shown below based on their maturity:

| *(In thousands of Euro)* | Balance as at | |
|---|---|---|
| | 31 December 2024 | 31 December 2023 |
| Within 1 year | 14,774 | 30,232 |
| From 1 to 5 years | 22,060 | 10,509 |
| **Total** | **36,835** | **40,741** |

Below is a reconciliation of the net financial indebtedness as at 31 December 2024, of EUR 22,587 thousand, and as at 31 December 2023, of EUR 34,116 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)* | Balance as at | | Changes | |
|---|---|---|---|---|
| | 31 December 2024 | 31 December 2023 | Δ | % |
| (A) Cash | 13,906 | 6,356 | 7,550 | >100% |
| (B) Cash and cash equivalents | - | - | | |
| (C) Other current financial assets | 341 | 269 | 72 | 26.9% |
| **(D) Liquidity (A)+(B)+(C)** | **14,247** | **6,625** | **7,623** | **>100%** |
| (E) Current financial debt | 10,168 | 14,769 | (4,601) | -31.2% |
| (F) Current portion of non-current debt | 4,606 | 15,463 | (10,857) | -70.2% |
| **(G) Current financial indebtedness (E) + (F)** | **14,774** | **30,232** | **(15,458)** | **-51.1%** |
| *- of which guaranteed* | - | - | | |
| *- of which not guaranteed* | *14,774* | *30,232* | *(15,458)* | *-51.1%* |
| **(H) Net current financial indebtedness (G) - (D)** | **527** | **23,608** | **(23,080)** | **-97.8%** |
| (I) Non-current financial debt | 22,060 | 10,509 | 11,502 | >100% |
| (J) Debt instruments | - | - | - | - |
| (K) Non-current trade and other payables | - | - | - | - |
| **(L) Non-current financial indebtedness (I)+(J)+(K)** | **22,060** | **10,509** | **11,502** | **>100%** |
| *- of which guaranteed* | - | - | | |
| *- of which not guaranteed* | *22,060* | *10,509* | *11,502* | **>100%** |
| **(M) TOTAL FINANCIAL INDEBTEDNESS (H) + (L)** | **22,587** | **34,116** | **(11,529)** | **-33.8%** |

## 6.15 Employee benefits

As at 31 December 2024, this item, amounting to EUR 204 thousand (EUR 211 thousand as at 31 December 2023), derives from the actuarial valuation of the Company's post-employment benefits (TFR); these valuations were carried out using the "Projected Unit Credit" method as provided for by IAS 19.

The actuarial model is based on:

- discount rate of 3.18%, 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.

## 6.16 Buy-Back Plan

Starting 23 November 2023, the current share buyback and disposal programme was started on the basis of the authorisation resolution approved by the Shareholders' Meeting of 22 November 2023, which provides for the purchase of a maximum number of shares that shall not, in total, exceed 7% of the share capital, for a period of no more than eighteen months. As part of this resolution, the Board of Directors initiated the programme for the repurchase and disposal of treasury shares, providing that the repurchase will be carried out in one or more tranches, up to a maximum number of 1,003,566 Cellularline shares, equating to approximately 4.6% of the share capital, for a maximum value of EUR 3.0 million. As we are close to reaching the set share purchase threshold, the Board of Directors' meeting of 10 March 2025 planned to increase the number of shares to be purchased in one or more tranches by 150,000, amounting to approximately 0.7% of the share capital.

It is recalled that as at 22 November 2023, the Company held 527,207 treasury shares, equal to 2.4% of the share capital.

The initiation of the repurchase programme was ruled necessary in order to: i) preserve for subsequent use, including, by way of example, consideration in extraordinary transactions, including the exchange or sale of equity investments to be carried out through an exchange, contribution or other act of disposition and/or use, with other parties, or use to service bonds convertible into shares of the Company or bonds with warrants; ii) use for the service of future compensation and incentive plans based on financial instruments and reserved for the Directors and employees of the Company and/or the companies directly or indirectly controlled by the same, either through the granting of stock options free of charge, or through the free allocation of shares (stock option and Stock Grant plans); and iii) use to service any future programmes for the free assignment of shares to shareholders. The programme has a duration of eighteen months from the date of the Shareholders' Meeting and thus ends on 21 May 2025.

During the current buy-back programme, the following Cellularline treasury shares were utilised: i) 327,634 for the distribution of the 2024 dividend, ii) 339,459 for the payment of a tranche totalling 10% of the share capital of the subsidiary Worldconnect, achieving a 90% controlling interest in the same, following the exercise of the put option reserved to them by the minority shareholders of Worldconnect.

It is recalled that as at 10 March 2025, the Company held 811,171 treasury shares, equal to 3.71% of the share capital.

On 10 March 2025, the Board of Directors placed on the agenda the proposal of submitting to the Shareholders' Meeting a new Buy-Back Plan with a maximum number of Cellularline shares held up to 7% of the share capital, having the same purposes as the existing Buy-Back Programme, for a duration of 18 months.

## 6.17 Provisions for risks and charges

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

| *(In thousands of Euro)* | Provision for future risks | Agents' severance indemnity provision (FISC) | Total |
|---|---|---|---|
| **Balance as at 31 December 2023** | **336** | **1,459** | **1,795** |
| *- of which current portion* | | - | - |
| *- of which non-current portion* | *336* | *1,459* | *1,795* |
| Accruals | | 142 | 142 |
| Utilisations/Releases | (267) | (3) | (267) |
| **Balance as at 31 December 2024** | **69** | **1,598** | **1,667** |
| *- of which current portion* | | - | |
| *- of which non-current portion* | *69* | *1,598* | *1,667* |

The Agents' severance indemnity provision (FISC) refers to the measurement of the agents' severance indemnity of the Company for the amount to be paid to the agents for the termination of the agency relationship through no fault of the agent. The actuarial valuation, consistent with IAS 37, was carried out by quantifying future payments through the projection of the indemnity accrued at the reporting date by the agents operating until the presumed (random) termination of the contractual relationship. For actuarial valuations, 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 at 3.18%.

## 6.18 Trade payables

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

| *(In thousands of Euro)* | Balance as at | |
|---|---|---|
| | 31 December 2024 | 31 December 2023 |
| Trade payables to third parties | 25,853 | 26,691 |
| Trade payables from related parties (Note 8) | 1,291 | 605 |
| **Total trade payables** | **27,144** | **27,296** |

As at 31 December 2024, trade payables were down compared to 31 December 2023. These payables relate to commercial transactions with normal payment terms, all due within one year.

## 6.19 Current tax liabilities

The item, amounting to EUR 1,593 thousand (EUR 1,268 thousand as of 31 December 2023) mainly includes the liability for IRES and IRAP taxes for FY 2024.

## 6.20 Other liabilities

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

| *(In thousands of Euro)* | Balance as at | |
|---|---|---|
| | **31 December 2024** | **31 December 2023** |
| Due to employees | 1,992 | 1,899 |
| Social security liabilities | 881 | 779 |
| Tax liabilities | 1,048 | 1,062 |
| Other payables | 5 | 481 |
| **Total Other liabilities** | **3,925** | **4,221** |

As at 31 December 2024, other liabilities amount to EUR 3,925 thousand (EUR 4,221 thousand as at 31 December 2023) and are mainly divided as follows:

- EUR 1,992 thousand due to employees for wages to be settled and bonuses;
- EUR 881 thousand due to social security institutions for contributions to be settled;
- tax liabilities of EUR 1,048 thousand (withholdings, IRPEF).

## 6.21 Other financial liabilities (current and non-current)

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

| *(In thousands of Euro)* | Balance as at | |
|---|---|---|
| | **31 December 2024** | **31 December 2023** |
| Other current financial liabilities | 1,339 | 1,063 |
| Other non-current financial liabilities | 607 | 1,909 |
| **Total other financial liabilities** | **1,946** | **2,972** |

Other financial liabilities as at 31 December 2024 amounted to EUR 1,946 thousand (EUR 2,972 thousand as at 31 December 2023) and mainly included the lease liability arising from the application of IFRS 16 in the amount of EUR 1,772 thousand (EUR 2,747 thousand as at 31 December 2023).

# 6 Notes to the income statement

The notes to the income statement for 31 December 2024 and 31 December 2023 are provided below.

## 7.1 Revenue from Sales

In 2024, revenue from sales amounts to EUR 130,899 thousand (EUR 126,766 thousand in 2023).

The Company'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 bicycles);
- Blue Line (third party products marketed under distribution agreements).

The following table shows revenue, broken down by product line and geographical area for 2024.

**Revenue from Sales by product line**

| *(In thousands of Euro)* | Year ended | | | | Change | |
|---|---|---|---|---|---|---|
| | **2024** | **% of revenues** | **2023** | **% of revenues** | **Value** | **%** |
| Red – Italy | 50,364 | 38.48% | 49,481 | 39.03% | 883 | 1.8% |
| Red – International | 51,209 | 39.12% | 48,174 | 38.00% | 3,035 | 6.3% |
| **Revenue from sales - Red** | **101,573** | **77.60%** | **97,655** | **77.04%** | **3,918** | **4.0%** |
| Black – Italy | 4,085 | 3.12% | 3,809 | 3.00% | 276 | 7.3% |
| Black – International | 4,295 | 3.28% | 3,557 | 2.81% | 738 | 20.7% |
| **Revenue from sales - Black** | **8,380** | **6.40%** | **7,366** | **5.81%** | **1,014** | **13.8%** |
| Blue – Italy | 20,905 | 15.97% | 21,738 | 17.15% | (833) | -3.8% |
| Blue – International | 40 | 0.03% | 7 | 0.01% | 33 | 0.0% |
| **Revenue from sales - Blue** | **20,945** | **16.00%** | **21,745** | **17.15%** | **(800)** | **-3.7%** |
| **Total Revenue from Sales** | **130,899** | **100.00%** | **126,766** | **100.00%** | **4,132** | **3.3%** |

- The **Red Line** recorded a year-on-year increase of 4% (EUR +3,918 thousand), accounting for approximately 77% of the overall performance for the period. Growth was driven by extending our business operations with selected top partners and engaging new high-potential customers;
- The **Black Line** recorded sales of EUR 8,380 thousand. The proportion of sales of the Black Line in 2024 (6.4%) was up from the previous year (5.8%). Our growth is mainly fuelled by our distribution efforts in international markets;
- The **Blue Line** recorded sales of EUR 20,945 thousand, compared to EUR 21,745 thousand in 2023 (-3.7%).

**Revenue from sales by geographical area**

| *(In thousands of Euro)* | Year ended | | | | Change | |
|---|---|---|---|---|---|---|
| | 2024 | % of revenues | 2023 | % of revenues | Δ | % |
| Italy | 75,355 | 57.6% | 75,028 | 59.2% | 327 | 0.4% |
| Spain/Portugal | 10,041 | 7.7% | 9,566 | 7.5% | 475 | 5.0% |
| Eastern Europe | 10,473 | 8.0% | 7,325 | 5.8% | 3,149 | 43.0% |
| Germany | 6,275 | 4.8% | 6,578 | 5.2% | (303) | -4.6% |
| Northern Europe | 6,385 | 4.9% | 5,917 | 4.7% | 468 | 7.9% |
| France | 7,246 | 5.5% | 5,645 | 4.5% | 1,601 | 28.4% |
| Switzerland | 5,372 | 4.1% | 5,540 | 4.4% | -168 | -3.0% |
| Middle East | 4,338 | 3.3% | 4,313 | 3.4% | 25 | 0.6% |
| Others | 543 | 0.4% | 3,207 | 2.5% | -2,664 | -83.1% |
| Benelux | 3,207 | 2.5% | 2,778 | 2.2% | 429 | 15.4% |
| Great Britain | 1,647 | 1.3% | 851 | 0.7% | 796 | 93.5% |
| North America | 17 | 0.0% | 19 | 0.0% | (2) | -11.8% |
| **Total Revenue from Sales** | **130,899** | **100%** | **126,766** | **100%** | **4,132** | **3.3%** |

With regard to the analysis of sales by geographical area, we highlight the good performance of France, where the increase was about 28%, Spain, where revenue increased by EUR 1,074 thousand (+7.5%) compared to the previous year, and Benelux, where revenue increased by EUR 1,284 thousand (+16.1%). A slight downturn in the revenue of Germany and Switzerland was observed, chiefly attributed to negative market dynamics.

## 7.2 Cost of sales

The cost of sales came to EUR 83,067 thousand (EUR 81,560 thousand in FY 2023), equating to 63.5% of revenue, as compared with 64.3% of last year.

## 7.3 Sales and distribution costs

Sales and distribution costs amount to EUR 21,206 thousand (EUR 19,534 thousand in 2023), as illustrated in the table below.

| *(In thousands of Euro)* | Year ended | | | |
|---|---|---|---|---|
| | 31/12/2024 | % of revenue | 31/12/2023 | % of revenue |
| Sales and distribution personnel expense | 10,054 | 7.7% | 9,312 | 7.3% |
| Commissions to agents | 4,633 | 3.5% | 4,637 | 3.7% |
| Transport | 3,286 | 2.5% | 2,891 | 2.3% |
| Travel costs | 896 | 0.7% | 815 | 0.6% |
| Advertising and commercial consultancy expenses | 995 | 0.8% | 1,081 | 0.9% |
| Other sales and distribution costs | 1,342 | 1.0% | 798 | 0.6% |
| **Total sales and distribution costs** | **21,206** | **16.2%** | **19,534** | **15.4%** |

## 7.4 General and administrative costs

General and administrative costs amount to EUR 21,310 thousand (EUR 21,500 thousand in 2023), as illustrated in the table below.

| (In thousands of Euro) | Year ended | | | |
|---|---|---|---|---|
| | 31/12/2024 | % of revenue | 31/12/2023 | % of revenue |
| Amortisation | 8,627 | 6.6% | 8,383 | 6.6% |
| Depreciation | 1,295 | 1.0% | 1,226 | 1.0% |
| Depreciation of right-of-use assets IFRS 16 | 1,122 | 0.9% | 1,233 | 1.0% |
| Impairment losses on assets | 33 | 0.0% | - | - |
| Provisions for risks and impairment losses | 400 | 0.3% | 838 | 0.7% |
| Administrative personnel expense | 4,778 | 3.7% | 4,426 | 3.5% |
| Administrative, legal, personnel consultancy etc. | 2,185 | 1.7% | 2,372 | 1.9% |
| Commissions and fees | 61 | 0.0% | 206 | 0.2% |
| Directors' and Statutory Auditors' fees | 417 | 0.3% | 433 | 0.3% |
| Other general administrative costs | 2,391 | 1.8% | 2,383 | 1.9% |
| **Total general and administrative costs** | **21,310** | **16.3%** | **21,500** | **17.0%** |

### 7.5 Other non-operating revenue

Other non-operating revenue for the year as at 31 December 2024 amounts to EUR 2,010 thousand (EUR 476 thousand in 2023), as shown in the table below.

| (In thousands of Euro) | Year ended | | | |
|---|---|---|---|---|
| | 31/12/2024 | % of revenues | 31/12/2023 | % of revenues |
| Recoveries of SIAE fees | 3 | *0.0%* | 4 | *0.0%* |
| Prior year income | 134 | *0.1%* | 59 | *0.0%* |
| (SIAE and CONAI contributions) | (177) | *-0.1%* | (173) | *-0.1%* |
| Other non-operating revenue | 2,049 | *1.6%* | 585 | *0.5%* |
| **Total other non-operating revenue** | **2,010** | ***1.5%*** | **476** | ***0.4%*** |

### 7.6 net financial expense

Net financial expense amounts to EUR 2,622 thousand (EUR 3,549 thousand in 2023).

| (In thousands of Euro) | Year ended | | | |
|---|---|---|---|---|
| | 31 December 2024 | % of revenue | 31 December 2023 | % of revenue |
| Other income and air value gains | 425 | 0.3% | 136 | 0.1% |
| Interest income | 293 | 0.2% | 177 | 0.1% |
| **Total Financial income** | **718** | **0.5%** | **313** | **0.2%** |
| Commissions, other financial expense and fair value losses | (1,266) | -1.0% | (1,263) | -1.0% |
| Interest expense on medium/long-term loans | (1,952) | -1.5% | (2,493) | -2.0% |
| Other interest expense | (123) | -0.1% | (107) | -0.1% |
| **Total financial (expense)** | **(3,342)** | **-2.6%** | **(3,862)** | **-3.0%** |
| **Net financial expense** | **(2,622)** | **-2.0%** | **(3,549)** | **-2.8%** |

Net financial expense is equal to EUR 2,622 thousand, while in 2023, it amounted to EUR 3,549 thousand.

Financial expense at 31 December 2024 comes to EUR 3,342 thousand and mainly refers to:

- EUR 1,266 thousand for bank commission costs and premiums paid for currency exchange rate risk hedging transactions and factoring transactions;

- EUR 1,952 thousand for interest from banks for short and medium/long-term loans;
- EUR 123 thousand for other interest expense.

## 7.7 Net exchange gains

| *(In thousands of Euro)* | Year ended | | | |
|---|---|---|---|---|
| | **31/12/2024** | **% of revenue** | **31/12/2023** | **% of revenue** |
| Net exchange gains on trading | 195 | 0.1% | 300 | 0.2% |
| Net exchange gains/(losses) on financial transactions | (128) | -0.1% | 374 | 0.3% |
| **Net exchange gains** | **66** | **0.1%** | **674** | **0.5%** |

In FY 2024, the item net exchange gains is mainly influenced by hedging transactions of US Dollar/Euro exchange rate differences.

## 7.8 Current and deferred taxes

The breakdown of income taxes for the years ended 31 December 2024 and 31 December 2023 is shown below:

| *(In thousands of Euro)* | Year ended | |
|---|---|---|
| | **31/12/2024** | **31/12/2023** |
| Current taxes of the year | (2,569) | (953) |
| Current taxes of previous years | (21) | (17) |
| Deferred tax assets/(liabilities) | 2,251 | 332 |
| **Total** | **(339)** | **(638)** |

The item includes the expense for current taxes pertaining to the year, amounting to EUR 2,569 thousand, and for taxes relating to previous years, amounting to EUR 21 thousand.

Deferred taxes of EUR 2,251 thousand mainly refer to:

- income recorded in the Financial Statements in the amount of EUR 1,413 thousand for the release of a deferred tax liability, the allocation of which, made in previous years and up to 31.12.2023, is not appropriate;
- income for the release of a deferred tax liability of EUR 278 thousand on exchange rate differences arising from foreign currency items;
- income due to the recognition of deferred tax assets amounting to EUR 563 thousand on partially-deductible amortisation, like that of the Cellularline and Interphone trademarks, and on the accrual made to the allowance for inventory (direct) write-down;

The main temporary differences that led to the recognition of deferred taxes are shown in the table below, together with their effects (in thousands of Euro):

| Year to 31/12/2024 | | | | | | |
|---|---|---|---|---|---|---|
| **Amounts taken to profit or loss** | **Taxable** | **Tax rate** | **(Expense in profit or loss)** | **Taxable** | **Tax rate** | **Income in profit or loss** |
| - unpaid Directors' fees | - | 24.00% | - | - | 24.00% | - |
| - accrual/(utilisation) of agents' severance indemnity | - | 27.90% | - | - | 24.00% | - |
| - accrual/(utilisation) of taxed loss allowances | - | 24.00% | - | 139 | 24.00% | 33 |
| - direct write-down of inventories | 1,175 | 24.00% | (282) | 672 | 24.00% | 161 |
| - accrual/(utilisation) of allowance for inventory write-down | - | 24.00% | - | 1,780 | 24.00% | 427 |
| - losses from exchange rate fluctuations to customers and suppliers | 25 | 24.00% | (6) | - | 24.00% | - |
| - losses from exchange rate fluctuations on loans to subsidiaries and associates | 3 | 24.00% | (1) | - | 24.00% | - |
| - gains from exchange rate fluctuations to customers and suppliers | - | 24.00% | - | 195 | 24.00% | 47 |
| - gains from exchange rate fluctuations on loans to subsidiaries and associates | - | 24.00% | - | 964 | 24.00% | 231 |
| - amortisation/depreciation and impairment of customer list | - | 27.90% | - | - | 27.90% | - |
| - amortisation of trademarks | - | 27.90% | - | 817 | 27.90% | 228 |
| - changes in the fair value of warrants (IAS 32) | - | 24.00% | - | - | 24.00% | - |
| - valuation differences on post-employment benefits (IAS 19) | - | 24.00% | - | - | 24.00% | - |
| - actuarial differences in the agents' severance indemnity (IAS 37) | - | 24.00% | - | - | 24.00% | - |
| **Total deferred tax assets/liabilities recognised in profit or loss** | **1,202** | | **(289)** | **4,567** | | **1,128** |

The following is a summarised reconciliation of current taxes and theoretical taxes (IRES, IRAP) and the reconciliation of the applicable tax rate and the effective average tax rate (in thousands of Euro):

| RECONCILIATION OF TAXES PRESENTED IN THE FINANCIAL STATEMENTS AND THEORETICAL TAXES | |
|---|---|
| **Profit before taxes:** | 4,360 |
| *Temporary differences:* | |
| Temporary differences taxable in subsequent years (decreases of the year): | (1,175) |
| Temporary differences deductible in subsequent years (increases of the year): | 3,408 |
| Reversal of prior year temporary differences taxed in the year: | - |
| Reversal of prior year temporary differences deducted in the year: | (28) |
| *Permanent differences:* | |
| Impairment of goodwill and other non-current assets | 443 |
| Non-deductible taxes (excluding IRES and IRAP for the year) | 7 |
| Car expenses | 204 |
| Non-deductible amortisation and depreciation | 194 |
| Vocon recognised in OCI | - |
| -Entertainment expenses exceeding the tax limit | 86 |
| valuation of exchange rate differences | 1159 |
| Other non-deductible expenses | 518 |
| IRAP deduction on personnel expense | (76) |
| 10% IRAP deduction | (66) |
| Patent box tax benefit | - |
| Fiscally-driven depreciation and amortisation | (17) |
| Non-taxable tax credits | (91) |

| | |
|---|---|
| **IRES tax base** | **8,925** |
| Gross current income taxes | 2,142 |
| Credit for taxes paid abroad | (455) |
| Deductions for energy rating expense | (14) |
| **Current IRES effectively due on profit before taxes** | **1,673** |
| **Determination of IRAP tax base** | |
| Operating profit | 7,325 |
| Costs considered for IRAP purposes | 17,394 |
| Tax wedge | (15,201) |
| Patent box tax benefit | - |
| **Theoretic tax base** | **9,519** |
| **Current theoretical tax (3.9)** | **371** |
| Directors' and freelancers' fees and related charges | 494 |
| Non-deductible amortisation of trademarks | 817 |
| Other increases in the tax base | 27 |
| Other decreases in the tax base | - |
| Patent box tax benefit | - |
| **IRAP tax base** | **10,857** |
| **Current effective IRAP** | **423** |

## 7.9 Statement of Cash Flows

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

### Net cash flows generated by operating activities

| | Year ended | |
|---|---|---|
| *(In thousands of Euro)* | **31 December 2024** | **31 December 2023** |
| **Cash flows from operating activities** | | |
| Profit for the year | 4,021 | 1,136 |
| *Adjustments for:* | | |
| - Current and deferred taxes | 339 | 638 |
| - Net impairment losses and accruals | 1,937 | 1,203 |
| (Income)/expenses from investments and (Gains)/losses on foreign exchange | 2,556 | 2,875 |
| (Gains)/losses on equity investments | 410 | - |
| - Amortisation, depreciation and impairment losses | 11,044 | 10,842 |
| - Other non-monetary changes | - | - |
| *Changes in:* | | |
| - Inventories | 4,587 | (2,866) |
| - Trade receivables | (6,646) | (374) |
| - Trade payables | (151) | 8,415 |
| - Other changes in operating assets and liabilities | 2,721 | (6,469) |
| - Payment of employee benefits and change in provisions | (201) | (18) |
| Taxes paid/offset | (740) | (933) |
| **Cash flows generated by operating activities** | **19,876** | **14,448** |

| | | |
|---|---|---|
| Interest and other net charges paid | (2,556) | (2,901) |
| **Cash flows generated by operating activities** | **17,320** | **11,547** |

## Cash flows used in investing activities

| *(In thousands of Euro)* | Year ended | |
|---|---|---|
| | **31 December 2024** | **31 December 2023** |
| **Cash flow from investing activities** | | |
| Acquisition of subsidiary, net of cash acquired and other costs | - | (2,945) |
| (Purchase)/sale of property, plant and equipment and intangible assets | (2,187) | (3,977) |
| **Cash flows used in investing activities** | **(2,187)** | **(6,922)** |

## Cash flows used in financing activities

| *(In thousands of Euro)* | Year ended | |
|---|---|---|
| | **31 December 2024** | **31 December 2023** |
| **Cash flows from financing activities** | | |
| (Dividend distribution) | (1,824) | - |
| Increase/(Decrease) in other financial liabilities | (1,894) | (1,761) |
| Disbursed bank loans and borrowings and loans and borrowings from other financial backers [1] (*) | 25,000 | 10,000 |
| Repaid bank loans and borrowings and loans and borrowings from other financial backers (*) | (27,881) | (10,749) |
| Other changes in equity | (1,875) | (508) |
| Other non-monetary changes in equity | 892 | (71) |
| **Net cash flows used by financing activities** | **(7,582)** | **(3,088)** |

## 7 Transactions with related parties

The Company has carried out, and continues to carry out, various types of transactions with related parties, most of which are of a commercial nature. These parties are identified as required by IAS 24. Transactions with related parties are neither atypical nor unusual and fall within the ordinary course of Company business. 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 no. 17221 of 12 March 2010 (and subsequent amendments), implemented by the Company as at 31 December 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 FY 2024, indicating the type of relationship:

| Related parties | Type and main relationship |
|---|---|
| Cellular Swiss S.A. | Associate of Cellularline S.p.A. having a 50% investment (measured using the equity method); the remaining shareholders are: Maria Luisa Urso (25%) and Antonio Miscioscia (25%) |
| Cellular Spain S.L.U. | 100% holding in the company |
| Systema S.r.l. | 100% holding in the company |
| Cellular Inmobiliaria Italiana S.L.U. | 100% holding in the company |
| Cellular Immobiliare Helvetica S.A. | 100% holding in the company |
| WorldConnect AG | A 90% owned company (consolidated on a line-by-line basis); the remaining shareholders are Samuel Gerber |
| Coverlab S.r.l. | A 55% owned company; the remaining shareholders are Andrea Fabbri (38%) and Marco Diotallevi (7%). |
| Cellular USA Inc. | 100% holding in the company |
| Subliros S.L. | An 80% owned company; the remaining shareholders are Oscar Luque (6%) and Pol Ros (14%) |
| Peter Jäckel GmbH | A 60% owned company; the remaining shareholders are Peter Jäckel Immobilien (20.4%) and Kerstin Jäckel (19.6%) |
| Cellularline Middle East FZE | Company incorporated in April 2023, full subsidiary. |
| Christian Aleotti | Shareholder of Cellularline S.p.A. |

The table below shows the balances of transactions with related parties carried out by Cellularline and recognised in the statement of financial position as at 31 December 2024:

| *(In thousands of Euro)* | Current trade receivables | Non-current financial assets | (Current trade payables) | Receivables/(Payables) from tax consolidation |
|---|---|---|---|---|
| Cellular Spain S.L.U. | 11,200 | - | - | - |
| Cellular Swiss S.A. | 3,316 | - | (34) | - |
| Middle East | 2,853 | - | (182) | - |
| Systema S.r.l. | 1,736 | - | (792) | 294 |
| Peter Jäckel GmbH | 623 | - | (8) | - |
| Worldconnect AG | 150 | 708 | (46) | - |
| Cellular Inmobiliaria Italiana S.L.U. | 21 | 334 | - | - |
| Cellular Immobiliare Helvetica S.A. | 55 | 817 | - | - |
| Coverlab | 37 | 534 | - | (179) |
| Cellular USA Inc. | 34 | 106 | (229) | - |
| Subliros S.L. | 11 | - | - | - |
| **Total** | **20,038** | **2,498** | **(1,291)** | **115** |
| *Impact on the financial statements item* | *36.2%* | *99.1%* | *4.8%* | *1.0%* |

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

The table below shows the income statement balances of Cellularline's transactions with related parties until 31 December 2024:

| | Revenue from sales | (Cost of sales) | (General and administrative costs) | Other non-operating (expense)/revenue | Financial income |
|---|---|---|---|---|---|
| Cellular Spain S.L.U. | 9,411 | - | - | - | - |
| Cellular Swiss S.A. | 5,262 | - | (2) | - | - |
| Systema S.r.l. | 5,474 | (1,465) | - | 238 | - |
| Peter Jäckel GmbH | 1,150 | (118) | - | 20 | 6 |
| Middle East | 1,628 | - | - | 47 | 9 |
| Worldconnect A.G. | 68 | (180) | - | 103 | 169 |
| Coverlab | - | - | - | 8 | 21 |
| Cellular USA Inc. | 12 | (229) | - | - | 55 |
| Subliros S.L. | - | - | - | - | 17 |
| Christian Aleotti | - | - | (11) | - | - |
| **Total** | **23,005** | **(1,993)** | **(13)** | **415** | **278** |
| *Impact on the financial statements item* | *17.6%* | *2.4%* | *0.1%* | *20.7%* | *38.6%* |

The main related parties with which Cellularline carried out transactions in the year ended 31 December 2024 are as follows:

- Cellular Swiss S.A.: commercial relationship relating to the transfer of goods for sale by Cellularline to Cellular Swiss S.A., with the latter recharging a portion of the contributions of a commercial nature incurred for the acquisition of new customers and/or the development of existing customers;
- Cellular Spain SLU: commercial relationship relating to the transfer of goods for sale by Cellularline to Cellular Spain S.L.U., with the latter recharging a portion of the contributions of a commercial nature incurred for the acquisition of new customers and/or the development of existing customers;
- Systema S.r.l.: commercial relationship relating to the transfer of goods for sale by Cellularline to Systema S.r.l.;
- Worldconnect A.G.: commercial relationship relating to the transfer of goods for sale by Cellularline to Worldconnect A.G.;
- Coverlab S.r.l.: commercial relationship relating to the transfer of goods for sale by Cellularline to Coverlab S.r.l.;
- Cellular USA Inc.: relationship in the nature of provision of services by Cellularline to Cellular USA Inc.;
- Subliros S.L.: commercial relationship relating to the transfer of goods for sale by Cellularline to Subliros S.L.;
- Peter Jäckel GmbH: commercial relationship relating to the supply of goods for sale by Cellularline to Peter Jäckel GmbH;

- Cellularline Middle East FZE: commercial relationship relating to the transfer of goods for sale by Cellularline to Middle East FZE;
- Christian Aleotti: two leases to which Cellularline is a party, as tenant, entered into on 1 September 2017 and 16 October 2017.

## 8 Other information

**Highlights of the Financial Statements of the Company that manages and coordinates Cellularline**

The Company is not managed and coordinated by another company.

**Contingent liabilities**

On the basis of the information available to date, the Company's Directors believe that, at the date of approval of these separate Financial Statements, the accrued provisions are sufficient to ensure the correct presentation of financial information.

**Risks**

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

**Guarantees granted in favour of third parties**

There are no guarantees in favour of third parties.

**Number of employees**

The average number of employees for the year, broken down by category, was as follows:

| AVERAGE NUMBER OF EMPLOYEES | | |
|---|---|---|
| **HEADCOUNT** | **Average 2024** | **Average 2023** |
| Managers | 11 | 12 |
| Junior managers | 36 | 40 |
| Clerical staff | 148 | 143 |
| Blue collar workers | 1 | 1 |
| Apprentices | 15 | 11 |
| **TOTAL** | **211** | **207** |

### Remuneration of Executive Directors and Key Managers

The following table shows the fees:

| Category | 2024 | 2023 |
|---|---|---|
| *(In thousands of Euro)* | | |
| Executive Directors | 998 | 995 |
| Other key managers | 235 | 242 |
| **Total remuneration** | **1,233** | **1,237** |

The remuneration of the Executive Officers includes both the emolument for this office and the remuneration as Executives.

### Directors' and Statutory Auditors' fees

The Directors' fees for 2024 amounted to approximately EUR 310 thousand.

The Board of Auditors' fees for 2024 amounts to approximately EUR 77 thousand.

### Independent Auditors' fees

By resolution of the Shareholders' Meeting of 16 April 2019, the Company appointed KPMG S.p.A. as Independent Auditor until the approval of the 2027 Financial Statements. Fees for the statutory audit of the Parent's and the Group's separate and consolidated Financial Statements (annual and half-yearly) amounted to a total of EUR 148 thousand, in addition to EUR 63 thousand for other appointments for the issue of an attestation and EUR 8 thousand for other accounting services as shown in the following table:

*(In thousands of Euro)*

| Type of services | Recipient | KPMG Network | 2024 |
|---|---|---|---|
| A) Audit services | Parent | KPMG S.p.A. | 148 |
| | | KPMG Network | - |
| B) Attestation services | Parent | KPMG S.p.A. | 63 |
| | | KPMG Network | - |
| C) Other services | Parent | KPMG S.p.A. | 8 |
| | | KPMG Network | - |
| **Total - Parent** | | | **219** |

## KEY EVENTS AFTER THE REPORTING DATE

- From the beginning of FY 2025 until today, Cellularline S.p.A., within the scope of the authorisation to repurchase treasury shares resolved by the Issuer's Shareholders' Meeting on 22 November 2023, purchased 242,390 ordinary treasury shares for a total value of EUR 634 thousand. As of today, Cellularline directly holds 811,171 treasury shares, equal to 3.71% of the share capital with voting rights.
- On 26 February 2025, the Board of Directors approved the 2025-2028 Business Plan.
- From March 2025, the liquidation proceedings of the company Subliros S.L. is underway as part of the Group's e-commerce streamlining efforts, concentrating business operations on its subsidiary, Coverlab S.r.l.

Reggio Emilia, 10 March 2025

Chair of the Board of Directors

________________________

Antonio Luigi Tazartes

## APPROVAL OF THE FINANCIAL STATEMENTS AND RELATED RESOLUTIONS

Shareholders,

In inviting you to approve the Draft Financial Statements of your Company for the year ended 31 December 2024, we propose that you allocate the profit for the period, amounting to EUR 4,020,864, to the distribution of dividends as follows:

- Distribution of a cash dividend in the amount of EUR 0.093 per eligible ordinary share;
- And a dividend through free assignment to shareholders of a maximum of 345,197 ordinary treasury shares, in the amount of 1 ordinary treasury share for every 61 ordinary shares held, excluding treasury shares held on the day prior to the ex-dividend date.
- Allocation of residual profit to the "Retained earnings".

Chair of the Board of Directors

______________________

Antonio Luigi Tazartes

**ATTESTATION OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023 PURSUANT TO ART. 81-*TER* OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999, AS AMENDED AND SUPPLEMENTED**

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

- that the Financial Statements are consistent with the characteristics of the business;
- that the administrative and accounting procedures for the preparation of the Financial Statements as at and for the year ended 31 December 2024 have been effectively applied.

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

3. We also attest that:

3.1. The Annual Financial Statements as at and for the year ended 31 December 2024 of Cellularline S.p.A.:

- have 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;
- correspond with the entries in the ledgers and the accounting records;
- give a true and fair view of the performance and financial position of the issuer.

3.2. The Directors' Report includes a reliable analysis of the performance and results of operations as well as of the issuer's position, together with a description of the main risks and uncertainties to which it is exposed.

Reggio Emilia, 10 March 2025

| Christian Aleotti | Mauro Borgogno |
| --- | --- |
| ______________________ | ______________________ |
| Chief Executive Officer | Manager responsible for preparing the financial information |

KPMG

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

# Cellularline S.p.A.

**Consolidated and separate financial statements as at and for the year ended 31 December 2024**

(with independent auditors' report thereon)

KPMG S.p.A.

26 March 2025

KPMG S.p.A.
Revisione e organizzazione contabile
Viale Giovanni Falcone, 30/A
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**(The accompanying translated consolidated financial statements of the Cellularline Group constitute a non-official version which is not compliant with the provisions of Commission Delegated Regulation (EU) 2019/815. This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)**

# Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

*To the shareholders of*
*Cellularline S.p.A.*

## Report on the audit of the consolidated financial statements

### *Opinion*

We have audited the consolidated financial statements of the Cellularline Group (the "group"), which comprise the statement of financial position as at 31 December 2024, the income statement and statements of comprehensive income, cash flows and changes in equity for the year then ended and notes thereto, which include material information on the accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Cellularline Group as at 31 December 2024 and of its financial performance and cash flows for the year then ended in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union, as well as the Italian regulations implementing article 9 of Legislative decree no. 38/05.

### *Basis for opinion*

We conducted our audit in accordance with the International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the consolidated financial statements*" section of our report. We are independent of Cellularline S.p.A. (the "parent") in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

***Recoverability of goodwill***

*Notes to the consolidated financial statements: note 2.3 – Use of estimates and judgements in the preparation of the consolidated financial statements; note 4.2 – Goodwill; note 4.2.1 – Impairment test on goodwill*

| **Key audit matter** | **Audit procedures addressing the key audit matter** |
|---|---|
| The group's consolidated financial statements at 31 December 2024 include goodwill of €38.2 million.<br>The directors determine the recoverable amount of goodwill by calculating its value in use. This method, by its very nature, requires a high level of directors' judgement about the projected operating cash flows and the discount and growth rates of those cash flows.<br>For impairment testing purposes, the directors used the expected operating cash flows estimated on the basis of the group's 2025-2028 business plan (the "plan"), approved by the parent's board of directors on 26 February 2025. The parent's board of directors approved the impairment test on 5 March 2025.<br>The operating cash flow estimate reflects the potential impact of the market performance and, in general, of the current macroeconomic scenario.<br>Considering the above, we believe that the recoverability of goodwill is a key audit matter. | Our audit procedures, which also involved our own specialists, included:<br>• understanding and analysing the processes adopted for impairment testing and the preparation of the plan;<br>• analysing the reasonableness of the key assumptions used by the directors to determine the operating cash flows. Our analyses included comparing the key assumptions used to the group's historical data and external information, where available;<br>• analysing the valuation models adopted by the directors for reasonableness and consistency with professional practice;<br>• checking the directors' sensitivity analysis described in the notes in relation to the key assumptions used for impairment testing;<br>• assessing the appropriateness of the disclosures provided in the notes about goodwill and the related impairment test. |

## *Responsibilities of the parent's directors and board of statutory auditors ("Collegio Sindacale") for the consolidated financial statements*

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the parent or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the group's financial reporting process.

## *Auditors' responsibilities for the audit of the consolidated financial statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the measures taken to eliminate those threats or the safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

### *Other information required by article 10 of Regulation (EU) no. 537/14*

On 16 April 2019, the parent's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2019 to 31 December 2027.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the parent in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

## Report on other legal and regulatory requirements

### *Opinion on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815*

The parent's directors are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF) to the consolidated financial statements at 31 December 2024 to be included in the annual financial report.

We have performed the procedures required by Standard on Auditing (SA Italia) 700B in order to express an opinion on the compliance of the consolidated financial statements with Commission Delegated Regulation (EU) 2019/815.

In our opinion, the consolidated financial statements at 31 December 2024 have been prepared in XHTML format and have been marked up, in all material respects, in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815.

Due to certain technical limitations, some information included in the notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML format.

### *Opinion and statement pursuant to article 14.2.e)/e-bis)/e-ter) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98*

The parent's directors are responsible for the preparation of the group's directors' report and report on corporate governance and ownership structure at 31 December 2024 and for the consistency of such reports with the related consolidated financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to:

- express an opinion on the consistency of the directors' report and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 with the consolidated financial statements;

- express an opinion on the consistency of the directors' report and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 with the applicable law;
- issue a statement of any material misstatements in the directors' report and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98.

In our opinion, the directors' report and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 are consistent with the group's consolidated financial statements at 31 December 2024.

Moreover, in our opinion, the directors' report and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 have been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e-ter) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Parma, 26 March 2025

KPMG S.p.A.

(signed on the original)

Federico Superchi
Director of Audit

KPMG

KPMG S.p.A.
Revisione e organizzazione contabile
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43121 PARMA PR
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**(The accompanying translated separate financial statements of Cellularline S.p.A. constitute a non-official version which is not compliant with the provisions of Commission Delegated Regulation (EU) 2019/815. This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)**

# Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

*To the shareholders of*
*Cellularline S.p.A.*

## Report on the audit of the separate financial statements

### *Opinion*

We have audited the separate financial statements of Cellularline S.p.A. (the "company"), which comprise the statement of financial position as at 31 December 2024, the income statement and the statements of comprehensive income, cash flows and changes in equity for the year then ended and notes thereto, which include material information on the accounting policies.

In our opinion, the separate financial statements give a true and fair view of the financial position of Cellularline S.p.A. as at 31 December 2024 and of its financial performance and cash flows for the year then ended in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union, as well as the Italian regulations implementing article 9 of Legislative decree no. 38/05.

### *Basis for opinion*

We conducted our audit in accordance with the International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the separate financial statements*" section of our report. We are independent of the company in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the separate financial statements of the current year. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

***Recoverability of goodwill***

*Notes to the separate financial statements: note 2.2 – Use of estimates and judgements in the preparation of the separate financial statements, note 6.2 – Goodwill and note 6.2.1 – Impairment test on goodwill*

| Key audit matter | Audit procedures addressing the key audit matter |
|---|---|
| The company's separate financial statements at 31 December 2024 include goodwill of €18.4 million.<br>The directors determine the recoverable amount of goodwill by calculating its value in use. This method, by its very nature, requires a high level of directors' judgement about the projected operating cash flows and the discount and growth rates of those cash flows.<br>For impairment testing purposes, the directors used the expected operating cash flows estimated on the basis of the company's 2025-2028 business plan (the "plan"), approved by the company's board of directors on 26 February 2025. The company's board of directors approved the impairment test on 5 March 2025.<br>The operating cash flow estimate reflects the potential impact of the market performance and, in general, of the current macroeconomic scenario.<br>Considering the above, we believe that the recoverability of goodwill is a key audit matter. | Our audit procedures, which also involved our own specialists, included:<br>• understanding and analysing the processes adopted for impairment testing and the preparation of the plan;<br>• analysing the reasonableness of the key assumptions used by the directors to determine the operating cash flows. Our analyses included comparing the key assumptions used to the company's and group's historical data and external information, where available;<br>• analysing the valuation models adopted by the directors for reasonableness and consistency with professional practice;<br>• checking the directors' sensitivity analysis described in the notes in relation to the key assumptions used for impairment testing;<br>• assessing the appropriateness of the disclosures provided in the notes about goodwill and the related impairment test. |

## *Responsibilities of the company's directors and board of statutory auditors ("Collegio Sindacale") for the separate financial statements*

The directors are responsible for the preparation of separate financial statements that give a true and fair view in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union, as well as the Italian regulations implementing article 9 of Legislative decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the company's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the separate financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the company or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the company's financial reporting process.

## *Auditors' responsibilities for the audit of the separate financial statements*

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the measures taken to eliminate those threats or the safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

### *Other information required by article 10 of Regulation (EU) no. 537/14*

On 16 April 2019, the company's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2019 to 31 December 2027.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the company in conducting the statutory audit.

We confirm that the opinion on the separate financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

## Report on other legal and regulatory requirements

### *Opinion on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815*

The company's directors are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF) to the separate financial statements at 31 December 2024 to be included in the annual financial report.

We have performed the procedures required by Standard on Auditing (SA Italia) 700B in order to express an opinion on the compliance of the separate financial statements with Commission Delegated Regulation (EU) 2019/815.

In our opinion, the separate financial statements at 31 December 2024 have been prepared in XHTML format in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815.

### *Opinion and statement pursuant to article 14.2.e)/e-bis)/e-ter) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98*

The company's directors are responsible for the preparation of a directors' report and a report on corporate governance and ownership structure at 31 December 2024 and for the consistency of such reports with the related separate financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to:

- express an opinion on the consistency of the directors' report and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 with the separate financial statements;
- express an opinion on the consistency of the directors' report and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 with the applicable law;
- issue a statement of any material misstatements in the directors' report and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98.

In our opinion, the directors' report and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 are consistent with the company's separate financial statements at 31 December 2024.

Moreover, in our opinion, the directors' report and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 have been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e-ter) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Parma, 26 March 2025

KPMG S.p.A.

(signed on the original)

Federico Superchi
Director of Audit

**Cellularline S.p.A**
**Headquarters in Reggio Emilia - Via Grigoris Lambrakis 1/a**
**Share Capital €21,343,189 fully paid**
**Registered with the Reggio Emilia Business Register and Tax Code 09800730963**
**REA of Reggio Emilia No. 315329**

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# Report of the Board of Statutory Auditors to the Shareholders' Meeting Pursuant to Article 153 of Legislative Decree No. 58/1998 and Article 2429 of the Civil Code.

Dear Shareholders,

This report, prepared pursuant to Article 153 of Legislative Decree No. 58/1998 (TUF) and Article 2429 of the Civil Code, discusses the supervisory activities carried out by the Board of Statutory Auditors of Cellularline S.p.A. (hereinafter also referred to as the "Company") during the fiscal year ended December 31, 2024. It adheres to the "Principles of Conduct for the Board of Statutory Auditors of Listed Companies" set forth by the National Council of Chartered Accountants and Accounting Experts, the recommendations of Consob regarding corporate controls and the activities of the Board of Statutory Auditors, and the guidelines of the Corporate Governance Code drafted by the Committee for Corporate Governance of Borsa Italiana and adopted by the Company.

The Board of Statutory Auditors has also performed its supervisory functions in its role as the Internal Control and Audit Committee.

The Board of Statutory Auditors, composed of Lorenzo Rutigliano (Chairman), Daniela Bainotti, and Paolo Chiussi (statutory auditors), was appointed by the shareholders' meeting on April 28, 2023, and will conclude its mandate with the shareholders' meeting approving the financial statements for the year ending December 31, 2025.

The Board of Statutory Auditors has verified, at the time of accepting the appointment and subsequently throughout its term, that its members possess the integrity and professionalism requirements established by Ministerial Decree No. 162 of March 30, 2000, the absence of grounds for disqualification and ineligibility, and the independence requirements set forth in Article 2399 of the Civil Code and Article 148, paragraph 3, of Legislative Decree No. 58 of February 24, 1998, as well as those in the Corporate Governance Code. All members also declare that they do not hold administrative and control positions that meet or exceed the limits established by current legal and regulatory provisions.

The performance of accounting control and legal audit activities has been entrusted to the auditing firm KPMG S.p.A., which has been assigned the legal audit mandate for the years 2019 - 2027.

In carrying out its institutional activities, the Board of Statutory Auditors acknowledges having:

- Monitored compliance with the Law and the Statute;
- Oversaw compliance with information obligations regarding regulated and privileged information;
- Participated, in its collective capacity, in all meetings of the Assembly, the meetings of the Board of Directors, and the meetings of the established and operating Board Committees, and has continuously received information from the directors and company management regarding the activities carried out, the general progress of management, its expected evolution, as well as the transactions of significant economic, equity, and financial relevance undertaken during the fiscal year;
- Acknowledged the statements made by the Directors and the evaluations expressed by the Board of Directors, and verified the correct application of the assessment procedures adopted to evaluate the independence of the Board members, regarding which the Board of Statutory Auditors has not identified any elements to report in this report;
- Assessed the adequacy of the composition and functioning of the Board of Directors, particularly with reference to the formulation of the Company's strategic guidelines, the evaluation of results in formation, the analysis of the Company's risk profile, and the definition of the organizational structure;
- Gained knowledge and monitored, within its competence, the adequacy of the Company's organizational structure and compliance with principles of proper administration, the adequacy of the administrative and accounting system, and the reliability of this system in accurately representing management facts, through the collection of data and information from the heads of key functions and the Audit Firm;
- Evaluated and monitored the adequacy of the directives given to subsidiaries, pursuant to Article 114, paragraph 2, of Legislative Decree 58/1998;
- Obtained information on organizational and procedural activities implemented under Legislative Decree 231/2001, including meetings with the Company's Surveillance Body and exchanging information with internal control functions, finding no elements to report in this report;
- Monitored, as the Internal Control and Audit Committee pursuant to Article 19 of Legislative Decree 39/2010, regarding (i) the financial reporting process, (ii) the effectiveness of the internal control and risk management system, (iii) the legal audit of the annual financial statements and

consolidated financial statements, and (iv) the independence of the entity appointed for the legal audit;

- Oversaw compliance with the procedures concerning Related Party Transactions that the Company has established, finding no atypical and/or unusual intergroup transactions conducted with related parties and/or capable of significantly affecting the Company’s economic, equity, and financial situation. No elements were highlighted in this report regarding the appropriateness and alignment with the Company's interests of Related Party Transactions; the information on such transactions reported in the notes to the financial statements and in the management report was deemed adequate;
- Verified that the Corporate Governance and Ownership Structure Report was prepared in accordance with Article 123-bis of the TUF (Consolidated Law on Finance) and that it provides a detailed illustration of the actual implementation of the corporate governance rules set out in the Corporate Governance Code to which the Company adheres; where necessary, in the limited cases where the Company deemed it appropriate to deviate from the provisions of the Code, it provided explanations;
- Verified the contents of the Remuneration Report prepared pursuant to Article 123-ter of the TUF (Consolidated Law on Finance) and made available on the Company’s website, which provides a detailed illustration of the actual implementation of the remuneration policies. The Board of Statutory Auditors has assessed the application of the Company’s remuneration policies, particularly concerning the Chief Executive Officer, the General Manager of Sales & Marketing, and the Chief Financial Officer. The Board of Directors acknowledged the failure to achieve the performance objectives related to the MBO plan for Directors holding specific positions and for Executives with Strategic Responsibilities;
- Periodically met with the Audit Firm to exchange relevant information and data and to oversee the financial reporting process, its adequacy and integrity, as well as compliance with legal provisions related to the preparation of the financial statements and their structure and format;
- Received from the audit firm the "Additional Report for the Internal Control and Audit Committee" required by Article 11 of Regulation 537/UE/2014, which (i) includes the independence declaration of the audit firm, (ii) outlines the timing and scope of the audit, describes the methodology used, the effects on the audit plan of the main impacts related to the macroeconomic context, and indicates the overall quantitative significance level, (iii) specifies the valuation methods applied to the different items of the annual and consolidated financial statements and the related risks, without highlighting any critical issues or significant aspects to

report, (iv) does not indicate significant deficiencies in the internal control system concerning the financial reporting process, (v) does not report any significant issues in verifying the proper maintenance of the company's accounting records and the accurate recording of management facts in the accounting entries, and (vi) does not report significant issues in verifying the compliance of the financial statements with regulatory provisions regarding the single electronic reporting format (ESEF); no critical issues deemed significant emerged from this report, and therefore, none warrant bringing to your attention;

- Verified the appointment of the Impact Manager, who has been assigned functions and tasks aimed at pursuing the common benefit in accordance with and within the framework of the regulations governing Benefit Corporations. Assessed the adequacy of the individual appointed to fulfill the role as per Article 1, paragraph 380 of Law 208/2015, as well as the preparation of the Impact Report pursuant to Article 1, paragraph 382 of Law 208/2015.

Considering the information acquired, the Board of Statutory Auditors believes that the activities were carried out in compliance with the principles of proper administration and that both the organizational, administrative, and accounting structure guiding the financial reporting process, as well as the internal control and risk management system, are overall adequate to meet the current business needs.

In accordance with the guidelines provided by Consob in communication DEM/1025564 of April 6, 2001, the following information is provided:

1. <u>Considerations on significant economic, financial, and equity transactions carried out by the Company and their compliance with the law and the Articles of Association</u>

   We have received information from the directors, at least on a quarterly basis, regarding the activities undertaken and the significant economic, financial, and equity transactions carried out by the Company and its subsidiaries, as well as the expected evolution of management. We can reasonably assure you that the actions approved by the Company and implemented are in compliance with the Law and the Company's By-Laws, are not manifestly imprudent, risky, or in conflict with the resolutions adopted by the shareholders' meeting, and do not compromise the integrity of the corporate assets.

   The significant transactions carried out in the fiscal year 2024 that the Board of Statutory Auditors believes should be highlighted are described belowe:

   - Purchase during the fiscal year of 708,666 ordinary treasury shares, within the framework of the authorization for the purchase of treasury shares approved by the shareholders' meeting on November 22, 2023, for a total consideration of €1.875 million;

- Distribution of a cash dividend, partially ordinary amounting to €0.054 per share and partially extraordinary, drawn from available reserves, in cash for an amount of €0.033 per share, along with a free allocation of treasury shares at a ratio of 1 share for every 64 ordinary shares held;
- Acquisition of 10% of the share capital of Worldconnect AG, following the exercise by the shareholders of their Put option, resulting in a controlling stake of 90% of the share capital, with a consideration paid partly in cash, totaling CHF 621,628, and partly through treasury shares of Cellularline for a total of 339,459 shares, corresponding to 1.55% of the share capital;
- Signing of a new financing agreement for €35 million to support medium- to long-term growth plans, concurrently fully reimbursing existing medium- to long-term lines of credit, of which €25 million represents a restructuring of the originally existing medium- to long-term financial sources, extending the financial debt maturities by about 2 years (amortization period ending in 2028), and €10 million aimed at supporting the growth strategy;
- Appointment of Dr. Mauro Borgogno as an executive member of the Board of Directors of the Company following the resignation of Director Davide Danieli;
- Amendment of Articles 3, 15, and 21 of the Company's By-Laws to acquire the legal status of "Benefit Corporation," in accordance with the provisions of Article 1 of Law No. 208 of December 28, 2015, paragraphs 376-384 ("Benefit Regulation").

2. <u>Indication of the potential existence of atypical and/or unusual transactions, including those intra-group or with related parties.</u>

   The intra-group transactions or those with related parties are found to be compliant with the law, the by-laws, and the procedure on related party transactions adopted by the Company. They do not raise doubts regarding the correctness and completeness of the related financial reporting, the existence of conflicts of interest, or the safeguarding of corporate assets.

   Based on the information available to the Board of Statutory Auditors, no atypical and/or unusual transactions have emerged, according to the definition provided in Note 2 of CONSOB Communication No. DEM/1025564 of April 6, 2001.

3. Evaluation regarding the adequacy of the information provided in the management report by the directors concerning atypical and/or unusual transactions, including intra-group transactions and those with related parties.

   The directors have adequately reported and illustrated specific explanatory notes accompanying both the separate financial statements and the consolidated financial statements, detailing the main intra-group transactions or transactions with related parties, describing their characteristics.

4. Activities of Supervision on the Legal Audit

   In accordance with what is provided by Article 19 of Legislative Decree No. 39/2010, the Board of Statutory Auditors has carried out the prescribed supervisory activities on the operations of the auditing firm. In this regard, the Board of Statutory Auditors has met several times with the auditing firm KPMG S.p.A. also pursuant to Article 150 of the TUF, among other things, regarding: the examination of the Additional Report pursuant to Article 11 of EU Regulation 537/2014; the limited review of the Company's Semi-Annual Report as of June 30, 2024; the planning of audit activities for the annual financial statements as of December 31, 2024; the status of progress of the audit activities on the annual financial statements as of December 31, 2024; and the outcomes of the audit activities on the annual financial statements as of December 31, 2024. In these meetings, the auditing firm has never highlighted facts deemed objectionable or irregularities that would require reporting pursuant to Article 155, paragraph 2 of the TUF.

5. Observations and Proposals Regarding the Remarks and Information Requests in the Auditing Firm's Report

   The auditing firm issued, on March 26, 2025, the report on the audit of the annual financial statements as of December 31, 2024, and the report on the audit of the consolidated financial statements as of December 31, 2024, highlighting the key aspects of the audit, which included the recoverability of goodwill. The auditing firm expressed (i) an opinion indicating that the annual financial statements and the consolidated financial statements of Cellularline S.p.A. provide a true and fair view of the financial position and performance of Cellularline S.p.A. and the Group as of December 31, 2024, as well as the economic result and cash flows for the fiscal year ended on that date, in accordance with the IAS/IFRS principles adopted by the European Union and the provisions issued in implementation of Article 9 of Legislative Decree 38/05; (ii) an opinion on the appropriateness of the Board of Directors' use of the going concern assumption; (iii) a consistency opinion indicating that the Management Reports accompanying the annual and consolidated financial statements as of December 31, 2024, and certain specific information contained in the "Corporate Governance and Ownership Structure Report" referred to in Article 123-bis, paragraph 4, of the TUF, for which the responsibility lies with the Company's Directors, are prepared in accordance with legal requirements; (iv) a statement indicating that there were no significant errors to report regarding the Management Reports, based on the knowledge and understanding of the business and its context.

On March 26, 2025, the auditing firm presented to the Board of Statutory Auditors, in its capacity as the Internal Control and Audit Committee, the Additional Report required under Article 11 of European Regulation 537/2014. Today, as stipulated by Article 19 of Legislative Decree 39/2010, the Board has examined the document and transmitted it to the Board of Directors along with its observations.

6. Indication of Any Complaints Filed Pursuant to Article 2408 of the Civil Code and Related Initiatives and Outcomes

   During the fiscal year ended December 31, 2024, the Board of Statutory Auditors did not receive any complaints or reports pursuant to Article 2408 of the Civil Code.

7. Indication of Any Complaints Filed, Related Initiatives, and Outcomes

   No complaints were received by the Board of Statutory Auditors.

8. Indication of Any Additional Assignments Given to the Auditing Firm and Related Costs

   Details regarding any additional assignments given to the auditing firm and the associated costs will be provided as necessary.

   During the fiscal year 2024, the Company assigned KPMG S.p.A. the following non-audit tasks that do not fall within those prohibited by EU Regulation 537/2014:

   (i) "Specific verification procedures of the Financial Covenants as per Article 14 of the Financing Agreement, particularly regarding the ratio of Consolidated Net Financial Debt to Consolidated EBITDA ('Leverage Ratio'), for a fee of €5,000;

   (ii) "Limited assurance of the Sustainability Report of Cellularline S.p.A. for the fiscal year ending December 31, 2023," for a fee of €43,000. The Auditor also reissued the certification of the statement of expenses incurred for research and development, technological innovation, and design activities of the Company for the fiscal years ending December 31, 2020, 2021, and 2022, following the review of credits, for a fee of €15,000, issued compliance certifications for a fee of €5,000, and signed tax forms for a fee of €3,000. The permitted services other than auditing, where not required by law, were pre-approved by the Board of Statutory Auditors, which evaluated their adequacy in light of the criteria set forth by EU Regulation 537/2014. The fees have been charged to the income statement and are reported in the annex to the annual financial statements as required by Article 149-duodecies of the Issuers' Regulation.

   On March 28, 2024, the auditing firm issued the annual confirmation letter of independence, as required by Article 6, paragraph 2, letter a) of Regulation (EU) 537/2014, from which no situations compromising independence were identified. The

Board of Statutory Auditors acknowledged the 2024 Transparency Report prepared by the auditing firm pursuant to Article 13 of European Regulation 537/2014, which was published on its website.

Considering the assignments given by Cellularline S.p.A. and the companies belonging to the Group to KPMG and its network, the Board of Statutory Auditors does not believe that there are any critical aspects regarding the independence of KPMG S.p.A.

9. <u>Indication of Any Assignments Given to Individuals Linked to the Auditing Firm and Related Costs</u>

   During the fiscal year 2024, the Company did not assign any tasks to other individuals linked to the auditing firm.

10. <u>Indication of the Existence of Opinions Issued Pursuant to Law During the Fiscal Year</u>

    Throughout the fiscal year, the Board of Statutory Auditors issued, as required by current regulations, the Corporate Governance Code, and the policies and procedures adopted by the Company, the following opinions:

    (i) Opinion regarding the assignment of tasks to KPMG for specific verification procedures of the Financial Covenants outlined in the Financing Agreement;

    (ii) Opinion regarding the assignment of tasks to KPMG for the limited assurance of the Sustainability Report;

    (iii) Opinion regarding the co-optation of Dr. Mauro Borgogno as a member of the Board of Directors following the resignation of Director Davide Danieli;

    (iv) Opinion concerning the determination of the compensation assigned to Director Mauro Borgogno within the total amount allocated to the entire Board of Directors, which was pre-determined by the shareholders' meeting in accordance with Article 2389, paragraph 3 of the Civil Code;

    (v) Opinion regarding the appointment of Dr. Alessandro Cencioni, Managing Director of Protiviti Italia, as the Company's Internal Auditor;

    (vi) Opinions as required by the corporate governance rules contained in the Corporate Governance Code to which the Company adheres.

11. <u>Indication of the Frequency and Number of Meetings of the Board of Directors and the Board of Statutory Auditors</u>

    During the fiscal year, the following meetings were held, to which the Board of Statutory Auditors participated in its collective capacity:

    - 2 Shareholders' Meetings,
    - 10 meetings of the Board of Directors,
    - 10 meetings of the Control, Risks, and Sustainability Committee,

- 5 meetings of the Nomination and Remuneration Committee.

During the fiscal year, the Board of Statutory Auditors met 23 times.

12. Observations on Compliance with Principles of Proper Administration

The Board of Statutory Auditors has no observations to raise regarding compliance with principles of proper administration, which appear to have been consistently observed.

13. Observations on the Adequacy of the Organizational Structure

The Board of Statutory Auditors has monitored the adequacy of the organizational structure and has no observations to report regarding the Shareholders' Meeting.

14. Observations on the Adequacy of the Internal Control System, Particularly Regarding the Activities of Those Responsible for Internal Control, and Highlighting Any Corrective Actions Taken and/or Yet to Be Taken

The Board has monitored the adequacy of the Internal Control and Risk Management System, conducting evaluations through joint meetings with the Control, Risks, and Sustainability Committee, as well as meetings with the Head of the Internal Audit Function to receive information regarding the results of the audit activities. The Board has had periodic exchanges of information with representatives of the Compliance Function and the Internal Audit Function, as well as with the Surveillance Body concerning the analysis and monitoring of the main business risks. In particular, regarding the risks deemed most relevant, meetings were held with management focused on the methods of identifying the countermeasures adopted and their implementation following the analysis of the results from the Risk Assessment activities conducted by the Company.

The Board, pursuant to Legislative Decree No. 39/2010, conducted specific analyses on the activities and checks performed by the Finance Function, also with the support of the Internal Audit Function concerning financial reporting processes.

15. Observations on the Adequacy of the Administrative and Accounting System and Its Reliability in Accurately Representing Management Facts

The Board has monitored the adequacy of the internal control system and the administrative and accounting system, as well as the reliability of the latter in accurately representing management facts, by obtaining information from the Officer Responsible for the Preparation of Accounting and Corporate Documents and from the heads of the respective functions, as well as through examination of company documents.

In particular, the Officer Responsible for the Preparation of Accounting and Corporate Documents, utilizing the relevant company structures, conducted a monitoring plan that involved key controls of processes relevant to financial reporting. The results from the activities conducted do not indicate any critical issues regarding compliance with Law 262/2005.

The Board paid attention to:

(i) the process of constant updating of internal procedures related to the main business cycles, as well as the verification activities implemented within the internal control system;
(ii) the adoption of administrative procedures aimed at providing the necessary information on management and the economic, equity, and financial data of companies established and regulated by the laws of non-European Union countries that are of significant relevance;
(iii) verifying that the information flows provided by non-EU subsidiaries were adequate to conduct the oversight of annual and interim accounts as required by Article 15 of the Markets Regulation adopted by CONSOB Resolution No. 20249 of December 28, 2017.

Regarding the preparation of the financial statements, the Board notes that the Board of Directors has approved the compliance of the impairment test methodology with the provisions of the international accounting standard IAS 36. The notes to the financial statements include both the assumptions used for the impairment test and the outcomes of the evaluation process conducted. The Board has no observations regarding the impairment test procedure adopted.

16. Observations on the Adequacy of the Provisions Issued by the Company to Its Subsidiaries Pursuant to Article 114, Paragraph 2 of Legislative Decree No. 58/1998

The Board of Statutory Auditors has obtained knowledge and monitored, among other things, through:

(i) information acquired from the Chief Financial Officer and company representatives;
(ii) the acquisition of information from the heads of business functions;
(iii) meetings with the auditing firm, regarding the adequacy of the provisions issued by the Company to its subsidiaries pursuant to Article 114, paragraph 2 of Legislative Decree No. 58/1998.

The Board of Statutory Auditors has no observations to make regarding the adequacy of the information flows provided by the subsidiaries to the Parent Company aimed at ensuring timely compliance with the communication obligations required by law.

17. Observations on Any Relevant Aspects Emerged During Meetings Held with Auditors Pursuant to Article 150, Paragraph 2 of Legislative Decree No. 58/1998

During the periodic exchanges of data and information between the Board of Statutory Auditors and the firm responsible for the legal audit of the accounts, pursuant also to Article 150, paragraph 3 of Legislative Decree No. 58/1998, no aspects have emerged that need to be highlighted in this report.

18. Indication of the Company's Adherence to the Corporate Governance Code of the Committee for Corporate Governance of Listed Companies

    The Company has adopted the Corporate Governance Code for Listed Companies promoted by Borsa Italiana; within its specific competence, the Board of Statutory Auditors has monitored the implementation of the corporate governance rules to which the Company has declared adherence. In particular, concerning the Corporate Governance Code, the Board of Statutory Auditors has monitored (i) the methods of implementing the corporate governance rules, as reported in the Corporate Governance and Ownership Structure Report, without raising any issues; (ii) the correct application of the criteria and procedures adopted by the Board of Directors to assess the independence of its members;

19. Conclusive Assessments Regarding the Supervisory Activities Carried Out and Any Omissions, Objectionable Facts, or Irregularities Detected During the Same

    The supervisory activities of the Board of Statutory Auditors were conducted normally during the fiscal year 2024, and no omissions, objectionable facts, or irregularities have emerged that need to be reported.

20. Indication of Any Proposals to be Presented to the Shareholders' Meeting Pursuant to Article 153, Paragraph 2 of Legislative Decree No. 58/1998

    As a summary of the supervisory activities carried out during the fiscal year, the Board of Statutory Auditors has no proposals to formulate pursuant to Article 153, paragraph 2 of Legislative Decree No. 58/1998 regarding the separate financial statements as of December 31, 2024, of Cellularline S.p.A., their approval, and the matters within its competence.

**Conclusions**

The annual financial statements as of December 31, 2024, of Cellularline S.p.A. and the consolidated financial statements as of the same date have been prepared in accordance with the International Financial Reporting Standards (IAS/IFRS) issued by the International Accounting Standards Board (IASB), in compliance with the provisions of Legislative Decree No. 38 of February 28, 2005, implementing EU Regulation No. 1606/2002 of the European Parliament and Council of July 19, 2002.

The Board of Statutory Auditors has reviewed the criteria adopted in the preparation of the aforementioned financial statements, with particular reference to the content and structure, the consolidation area, the uniform application of accounting principles, the existence of adequate disclosures regarding business performance, the assessments made for the impairment test, and the continuity of the going concern assumption. The auditing firm did not raise any observations regarding the provided disclosures.

Since the Board of Statutory Auditors is not tasked with performing a detailed control of the content of the financial statements, it has supervised the overall setup of the annual and consolidated financial statements, their general compliance with the law regarding their formation and structure, and has no particular observations to report in this regard.

To the best of the Board's knowledge, the Directors, in preparing the annual financial statements, did not deviate from the legal provisions as per Article 2423, paragraph 4, of the Civil Code.

The Board of Statutory Auditors has verified the alignment of the financial statements and the management report with the facts and information it has come to know in the course of fulfilling its duties, and has no observations in this regard.

The statutory financial statements and the consolidated financial statements of Cellularline S.p.A. are accompanied by the required report from the auditing firm, to which reference is made.

In light of all the above, the Board does not find any reasons that would impede the approval of the financial statements as of December 31, 2024, and the resolutions proposed by the Board of Directors.

Modena, March 26, 2025

*(signed on the original)*

The Board of Statutory Auditors

dott. Lorenzo Rutigliano

dott.ssa Daniela Bainotti

dott. Paolo Chiussi