

PRESS RELEASE

CELLULARLINE KICKS OFF ITS EXTERNAL GROWTH STRATEGY AND STRENGTHENS ITS PRESENCE IN THE TELCO CHANNEL ACQUIRING THE CONTROL OF SYSTEMAITALIA

THE ACQUISITION CONSISTS OF THE INITIAL PURCHASE OF 60% OF SYSTEMAITALIA'S CAPITAL WITH THE OPTION TO GO UP TO 100% BY 2021

- *Cellularline - in line with the communication to the market during the IPO process - begins its growth strategy also through external lines.*
- *The transaction speeds up the penetration strategy in the Telco channel - that is expected to grow significantly in Europe - and gives the Group several development opportunities as the respective activities are complementary.*
- *Through the acquisition, Cellularline strengthens its leadership in Italy also in the Telco channel and aims to further increase its market share in the European channel over the next three years.*
- *The founders of Systemaitalia will retain their present role and will strengthen the specific skills of the Group in managing the range of products and services for the operators of this channel.*

Reggio Emilia, 23 February, 2019 – Cellularline Group (hereinafter, the "**Group**" or "**Cellularline**"), leading company in the sector of accessories for smartphones and tablets, announces the signing of a binding agreement for the purchase of control, through Pegaso s.r.l., of Systemaitalia s.r.l. (hereinafter, jointly, "**Systemaitalia**"), a company active in the market of accessories for mobile in the Telco channel. The closing of the transaction is expected by the beginning of the second quarter of 2019.

Founded in Reggio Emilia in 2005, Systemaitalia has been working successfully for over 10 years with leading international telecommunication operators, for the accessory category, in Central and Southern Europe. Systemaitalia will benefit from the expansion of the range of products and services made possible by joining the Group, as well as from the synergies with Cellularline's commercial and distribution network in the European reference markets, creating consequent development opportunities for both companies and their customers, given the full complementarity of their respective activities. With this deal Cellularline strengthens significantly its European positioning also in the Telco channel - where it is already the leader in Italy - in line with the development plans announced during the IPO process on AIM Italia - Alternative Capital Market, organized and managed by Borsa Italiana. The transaction will contribute to the expansion of the Group's offer in the main markets controlled by Systemaitalia and will strengthen specific capabilities in the Telco channel through targeted investments in the range of products and services.

In the financial year of 2018 Systemaitalia achieved an adjusted turnover of approximately Euro 11 million - of which almost 50% from foreign markets - and an adjusted EBITDA of around Euro 1 million. The estimated

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value for the 60% acquisition of the capital is approximately Euro 2.5 million, given an adjusted net financial position at the end of 2018 around zero, and will be paid in cash.

The founders will retain their role in the company and will work alongside with Cellularline's management to achieve their ambitious growth targets. To that extent, Cellularline has agreed to an incentive plan applying incremental values for the three-year period of 2019-2021, in which the parties will have the power to exercise put&call options on the remaining minority interest equal to 40%, divided into three tranches. The amount to be paid for each tranche will be determined by taking into account certain economic and financial parameters recorded by Systemaitalia during the next 3 financial years.

The consideration for the purchase of the second and third minority tranches may be paid, in whole or in part, with Cellularline shares.

Christian Aleotti, CEO of Cellularline, said: "We are very pleased to announce, with in a year since the listing, our first acquisition, which is in line with our growth strategy also through M&A activity, as communicated by the Group in 2018. This agreement allows us to increase Cellularline's presence in a channel with great prospects for further development across Europe. We are certain that this transaction, in addition to the new distribution agreements signed at the end of 2018 and together with other significant projects recently started, represents a further element to guarantee a growing 2019 both at domestic and international level, throughout all channels".

Gianni Pietranera and Pietro Uva, current shareholders of Systemaitalia, declared: "The transaction represents a great opportunity to ensure a continuous development for Systemaitalia. Being part of the Group will allow us to expand the commercial, product and service offering, and to benefit from Cellularline's reputation and expertise in international markets".

*Cellularline S.p.A., founded in Reggio Emilia in 1990, through the **Cellularline**, **AQL** and **Interphone** brands, is a leading company in the sector of accessories for smartphones and tablets. The Group sets the standard for technology and creativity in accessories for multimedia devices, with the goal of offering users accessories that provide excellent performance, ease of use and a unique experience. The Group currently employs approximately 200 employees and Cellularline brand products are sold in over 60 countries.*

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