

PRESS RELEASE

CELLULARLINE HAS FINALIZED CLOSING OF THE CONTROL ACQUISITION OF SYSTEMAITALIA

Reggio Emilia, 3 April 2019 - Cellularline Group (hereinafter referred to as the “Group” or “Cellularline”), leading European company in the sector of accessories for smartphones and tablets, announces closing of the acquisition of control of Systemaitalia s.r.l. (hereinafter “Systemaitalia”), a company active in the market of accessories for mobile in the Telco channel, which has been working with leading international telecommunication operators in Central and Southern Europe for over 10 years. The transaction was carried out through the acquisition of 60% of the share capital of Pegaso s.r.l., the company that holds the entire share capital of Systemaitalia.

Through this transaction, Cellularline strengthens significantly its European positioning also in the Telco channel, in line with the development plans already disclosed to the market. The transaction will contribute to the expansion of the Group’s offer onto the main markets served by Systemaitalia and will strengthen specific capabilities in the Telco channel through targeted investments in products and services.

In 2018 financial year, Systemaitalia achieved adjusted turnover of approximately Euro 11 million - of which just under 50% abroad - adjusted EBITDA of approximately Euro 1 million and closed the year 2018 with an adjusted net financial position close to zero. The price, fully paid in cash, for the acquisition of 60% of the share capital is approximately Euro 2.5 million.

The entrepreneurs-founders will retain their role in the company, working alongside Cellularline’s management team to achieve their ambitious growth targets. To that extent, Cellularline has agreed to an incentive plan applying incremental values over the three-year period 2019-2021, in which the parties will have the right 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.

*Cellularline S.p.A., founded in Reggio Emilia in 1990, with the brands **Cellularline**, **AQL** and **Interphone**, is the leading company in the sector of accessories for smartphones and tablets. The Group is a technological and creative reference point for accessories for multimedia devices and strives to provide users with products which distinguish themselves in virtue of their outstanding performance, ease of use and experiential uniqueness. Today the Group employs approximately 200 members of staff. Cellularline brand products are commercialised in over 60 countries.*

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