

PRESS RELEASE

**CELLULARLINE ACQUIRES WORLDCONNECT AG,  
THE WORLD LEADER ON THE PREMIUM TRAVEL ADAPTERS MARKET WITH THE SKROSS BRAND**

**THE ACQUISITION ALLOWS THE CELLULARLINE GROUP TO SIGNIFICANTLY STRENGTHEN THE PRESENCE OF ITS BRANDS AT THE INTERNATIONAL LEVEL AND ITS COVERAGE OF THE STRATEGIC TRAVEL RETAIL CHANNEL**

**AS PART OF THE CELLULARLINE GROUP, SKROSS BRAND PRODUCTS WILL BENEFIT FROM SYNERGIES IN R&D, MARKETING, TRADE MARKETING AND DISTRIBUTION**

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- *Cellularline acquires 80% of the share capital of Worldconnect AG (CH), world leader, through its brands SKROSS and Q2 Power, of the premium travel adapters market.*
- *The consideration for the acquisition is CHF 15.8 million (approx. EUR 14.8 million).*
- *The two Co-CEOs of Worldconnect AG will maintain their role, thereby assuring that the Cellularline Group can continue to benefit from their specific skills and lengthy experience accrued in the Travel Retail channel.*
- *Cellularline continues to pursue its growth strategy, also through acquisition, with the aim of improving the Group's valuation through offering a more extensive product portfolio (including patented products) and complementary trademarks, recognised internationally.*
- *Notwithstanding a temporary setback due to Covid-19, the global Airport Travel Retail market - the main distribution channel for Worldconnect AG - has been growing in the last decade; it is foreseen that the channel will then progressively normalise in 2021, before resuming the growth trend enjoyed in recent years.*

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*Reggio Emilia, 9 July 2020 - Cellularline S.p.A. (hereinafter "Cellularline" or the "Cellularline Group"), European leader in the smartphone and tablet accessories industry and listed on the Italian Stock Exchange (MTA) - STAR Segment, announces the signing of a binding agreement for the purchase of 80% of the share capital of Worldconnect AG (hereinafter "Worldconnect" or the "Company"), world leader in the premium travel adapters market. The transaction is expected to be executed by end of July 2020.*

Founded in 2002 and based in Diepoldsau (Switzerland), 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 (battery chargers, power banks and cables); approximately 80% of the Company's products are developed on the basis of patents with an average extension of around 10 years. SKROSS is a recognised brand in the premium adapters segment, whilst Q2 Power completes the product range with a value for money price positioning. Thanks to the extensive network of contacts and distribution partners, the Company is today a lead player on the Airport Travel Retail channel, present in around 600 point of sales worldwide in the channel.

The SKROSS and Q2 Power brands supplement the range of Cellularline branded products in a channel - which is well monitored by the Cellularline Group on an Italian level, but not yet internationally - hallmarked by a track record of constant growth rates and characterised by high consumer spending. In joining the Cellularline Group, Worldconnect will gain access to a broader market, with an extended product portfolio with "Swiss

quality”, fully exploiting the distribution organisation, Marketing, Trade Marketing and Supply Chain expertise and the methodologies that have propelled the Cellularline Group to become leader in Italy and Europe in the smartphone accessories market.

Thanks to the transaction, Cellularline expects to make the most of the opportunity to increase the sales of its smartphone accessories and audio products - for all Cellularline Group brands - in Travel Retail, as well as to achieve synergies between the two companies’ research and development activities, as well as leveraging on its specialized supply chain in the Far East.

In full year 2019, Worldconnect achieved pro-forma Revenues of CHF 20 million (approx. EUR 18.7 million) - of which more than 95% outside Italy - with an Adjusted Net Result coming to approximately 9% of Revenues. Worldconnect’s Net Financial Debt at closing is estimated as appraisal CHF 4.5 million (approx. EUR 4.2 million). During the year, the Company, in order to reduce the temporary economic impact of Covid-19, took incisive cost-rationalisation measures starting in the second quarter.

The consideration for the acquisition of 80% of the share capital of Worldconnect is CHF 15.8 million (approx. EUR 14.8 million). This consideration – determined in view of both the temporary performance of the Company due to Covid-19 and its medium-term growth prospects - will be financed with Cellularline’s available resources and paid in two instalments: CHF 10 million (approx. EUR 9.3 million) at closing and CHF 5.8 million (approx. EUR 5.4 million) twelve months after closing.

In accordance with the investment agreement, up until the approval of the Financial Statements for the year ended 31 December 2024, Cellularline and the minority shareholders of Worldconnect will have the power to exercise their respective Put & Call options over the remaining minority share, corresponding to 20% of the share capital of Worldconnect, in multiple tranches. The amount to be paid by Cellularline for the purchase of each tranche will be determined on the basis of a multiple of Enterprise Value/EBITDA of 7 times the EBITDA of the reference year. The price for the purchase of the minority shares may be paid, fully or partly, with Cellularline shares.

The acquisition - an integral part of the Group's strategy - confirms both the management's objective of ensuring further growth in channels, geographical areas and products in which the Group has ample room for growth and its acumen in seizing the clear opportunities offered from the market.

**Christian Aleotti and Marco Cagnetta, Co-CEOs** of Cellularline, commented: *"We are pleased to announce the acquisition of Worldconnect which opens the doors to a strategic market for the Group featured by a clear long-term growth trend of travelers all over the world and characterized by high spending capacity. The acquisition also allows us to integrate and expand our offerings with Swiss quality products. Although Covid-19 penalized 2020, we believe that long-term macroeconomic dynamics - population growth, rapid urbanization and the consequent increase in disposable income in many developing areas - will continue down the current path and continue to support growth of the Travel Retail market in the long run".*

**Sam Gerber and Christian Ernst Co-CEOs** of Worldconnect, declared: *"SKROSS, as a brand, with its unique and patented products, has successfully positioned us with major travel retail operators worldwide. Joining forces with Cellularline offers perfect synergies in both accessing new channels and substantially broadening the product offering for both companies. We are extremely excited to team up with a company and its management with whom we share so much in terms of vision and passion".*

# [CELLULARLINEGROUP]



*Founded in Reggio Emilia in 1990, Cellularline S.p.A. has a brand portfolio comprising **Cellularline**, **PLOOS**, **AQL**, **MusicSound** and **Interphone** and is the leading company in the smartphone and tablet accessories sector. The Cellularline Group is at the technological and creative forefront of the multimedia device accessories industry, striving to deliver products synonymous with outstanding performance, ease of use and a unique user experience. The Cellularline Group currently has 220 employees. Cellularline brand products are sold in over 60 countries.*

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