First nine months 2021 financial results

Reggio Emilia - 12 November 2021

Disclaimer

This document has been prepared for preliminary discussions in relation to Cellularline S.p.A. (the "**Company**") and its affiliates (together, the "**Group**"). This document, the information contained herein and any information provided at any presentation in connection herewith (the "**Materials**") are being made available on a strictly confidential basis and all material contained herein and information presented is in summary draft form for discussion purposes only and must not be relied upon for any purpose. The content of this document has a merely informative and provisional nature and is not to be construed as providing investment advice.

This Material is solely for your information on a confidential basis and may not be reproduced or redistributed, in whole or in part, to any other person, including, without limitation, by email or any other means of electronic communication.

The Material includes certain information regarding the Company and the Group that has not been publicly disclosed. You are reminded of your agreement (i) not to disclose such information (or the fact of this presentation and the related discussions) to any person outside your organization or to others within your organization (unless they are also subject to these restrictions), except as may be required by law, regulation or court order, and (ii) to comply with all laws and regulations applicable to the holding of such information.

This presentation has been prepared and issued by, and is the sole responsibility of, the Company. The statements contained herein have not been independently verified. No representation or warranty, express or implied, is given by or on behalf of the Company and any of its directors, officers or employees as to the fairness, accuracy or completeness of the information or opinions given at the presentation or contained in this document and/or related materials and no liability is accepted for any such information or opinions. This document speaks as of November **12th, 2021**. The information set out herein may be subject to revision and may change materially before closing. The Company is not under any obligation to keep current the information contained in this document and any opinions expressed in it are subject to change without notice.

The information contained herein does not purport to be all-inclusive or to contain all of the information a prospective or existing investor may desire. In all cases, interested parties should conduct their own investigation and analysis of the Company and the data set forth in this document.

None of the Company or any of its respective affiliates, employees, officers, advisers or representatives shall have any liability whatsoever for any loss whatsoever arising from any use of this document or its contents, or otherwise arising in connection with this document (whether direct, indirect, consequential or other).

This document does not constitute an offer to sell securities, nor a solicitation to make an offer to purchase or acquire any securities in the Company under Italian law and/or the law of any other jurisdiction. This document does not constitute a prospectus, offering circular or offering memorandum or an offer to acquire any shares and should not be considered as a recommendation to subscribe or purchase shares. Neither this presentation nor any other documentation or information (or any part thereof) delivered shall be deemed to constitute an offer of or an invitation by or on behalf of the Company. The Company has not decided finally whether to proceed with a transaction.

This document and the information contained herein do not constitute an offer of securities for sale in the United States and are not for publication or distribution in the United States or to US persons (within the meaning of Regulation S under the United States Securities Act of 1933, as amended (the "**Securities Act**"). The securities proposed to be offered have not been, and will not be, registered under the Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Neither this document nor any copy of it may be taken, transmitted or distributed, directly or indirectly, in or into Australia, Canada, Japan or the United States or its territories or possessions. Any failure to comply with this restriction may constitute a violation of Australian, Canadian, Japanese or United States securities laws. The distribution of this document in other jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about and observe any such restrictions. This document is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation. The securities referred to herein have not been and will not be registered under the applicable securities laws of Australia, Canada, Japan or the United States and, subject to certain exceptions, may not be offered or sold within Australia, Canada, Japan or the United States or to any national, resident or citizen of Australia, Canada, Japan or the United States.

The information in this document may include forward-looking statements, which are based on current expectations and projections about future events. Forward-looking statements, projections, objectives, estimates and forecasts are generally identifiable by the use of the words "may", "will", "should", "plan", "expect", "anticipate", "estimate", "believe", "intend", "project", "goal" or "target" or the negative of these words or other variations on these words or comparable terminology. These forward-looking statements, as well as those included in any other material forming part of the preliminary discussions, are subject to risks, uncertainties and assumptions about the Company, including, amongst other things, the development of its business, trends in its operating industry and future capital expenditure. In light of these risks, uncertainties and assumptions, the events in the forward-looking statements may not occur. The document may include figures related to past performance or simulated past performance. Past performance and simulated past performance are not a reliable indicator of future performance. No one undertakes to update or revise any such forward-looking statement and no representation or warranty is given as to the achievement or reasonableness of future projections, management targets, estimates, prospect or returns, if any.

Readers are cautioned not to place undue reliance on such forward-looking statements as a prediction of actual results. The Company's ability to achieve its projected objectives or results is dependent on many factors which are outside management's control. Actual results may differ materially from (and be more negative than) those projected or implied in the forward-looking statements. Such forward looking information involves risks and uncertainties that could significantly affect expected results and is based on certain key assumptions.

The information herein may not be reproduced or published in whole or in part, for any purpose, or distributed to any other party.

By attending this presentation you acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and the Group and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Company's and the Group's business.

By attending this presentation you will be taken to have represented, warranted and undertaken that you have read and agree to be bound by and comply with the contents of this notice and the research report guidelines set forth in a separate memorandum.

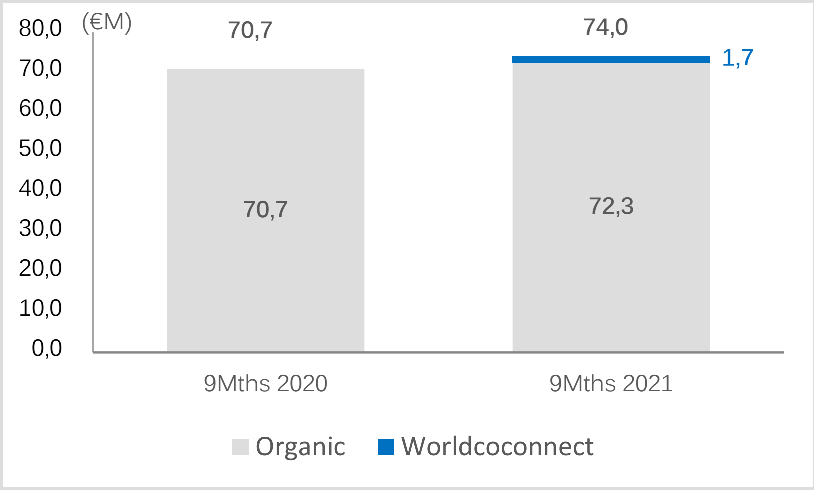
9Mths 2021 highlights

- **Ongoing recovery in Revenues,** backed by **strong performance in profitability in the period.**
- **Revenues +4.7%** in 9Mths 2021 vs 9Mths 2020, mainly driven by the recovery in the **domestic market** and **positive contribution** from **Worldconnect**.
- **EBITDA Adj. +17.6%** in 9Mths 2021 (€9.2M) with **a progression of €1.4M** vs 9Mths 2020.
- **Net Result Adj. recorded a + 53.2%** in the period and turned back positive at €4.2M (€2.7M in 9Mths 2020).
- **Positive Operating Cash-flow for €15.0M**, mainly thanks to the efficient Operating working capital management, **confirming the Group's cash generation capability.**
- **Net Debt of €39.5M, improved by €9.5 million vs FY 2020;** Leverage ratio dropped to 2.4x.
- **Growing contribution from Worldconnect**[1] both to the **top line (€2.6M)** as well as **EBITDA Adj. (€0.6M)**. **Airport Travel Retail channel showed early signs of recovery**, thanks to the reopening of some international hubs.
- Despite **uncertainty** surrounding **the global supply chain**, the Group looks with **optimism at** the high season period with **Black Friday and Christmas.**

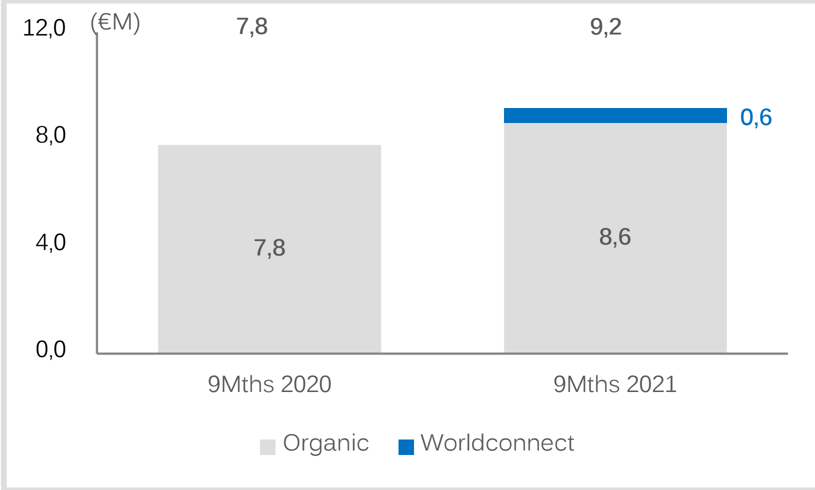
[1] Refer to Worldconnect AG (also "Skross" in the presentation) acquired on 23rd July 2020 and consolidated 100% since 1st August 2020.

Key financials (€M)

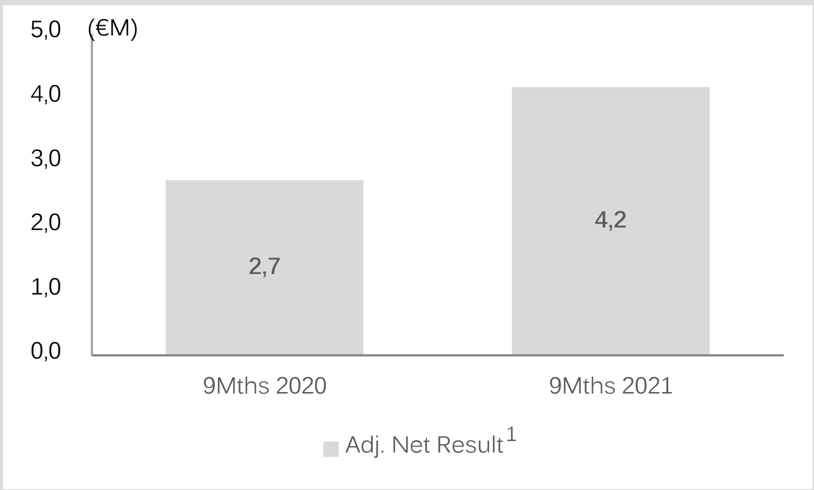
Revenues



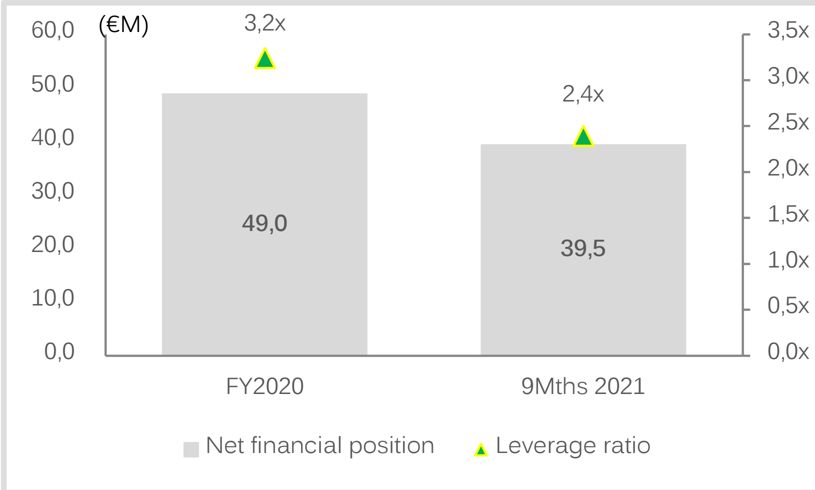
EBITDA Adj.



Net Result Adj. [(1)]



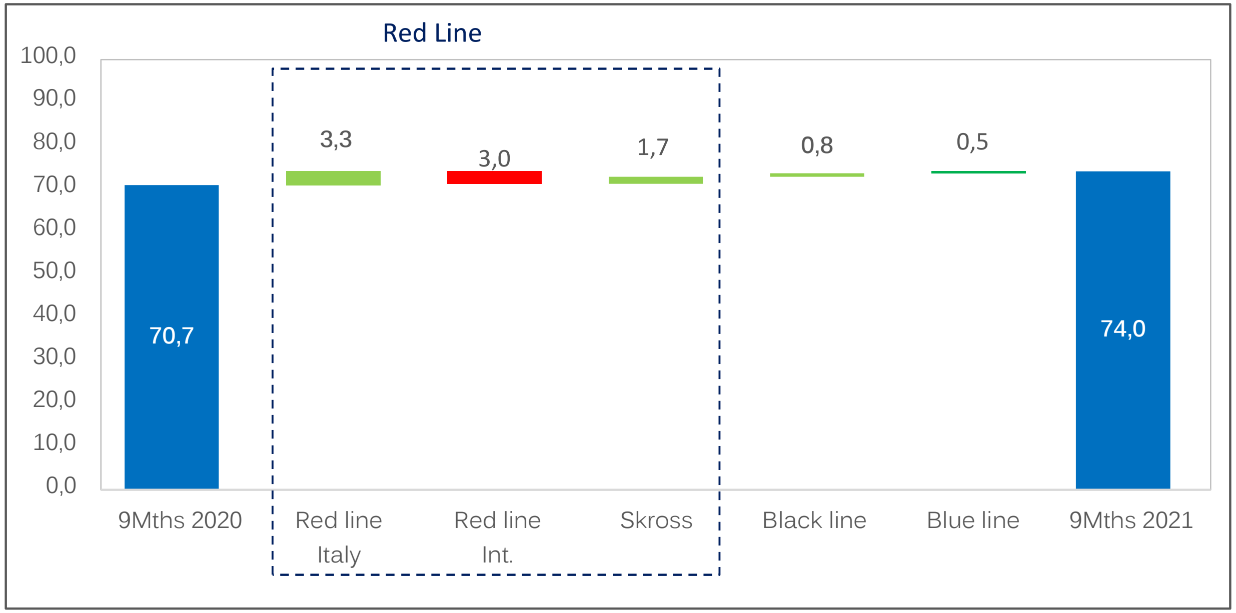
Net Debt

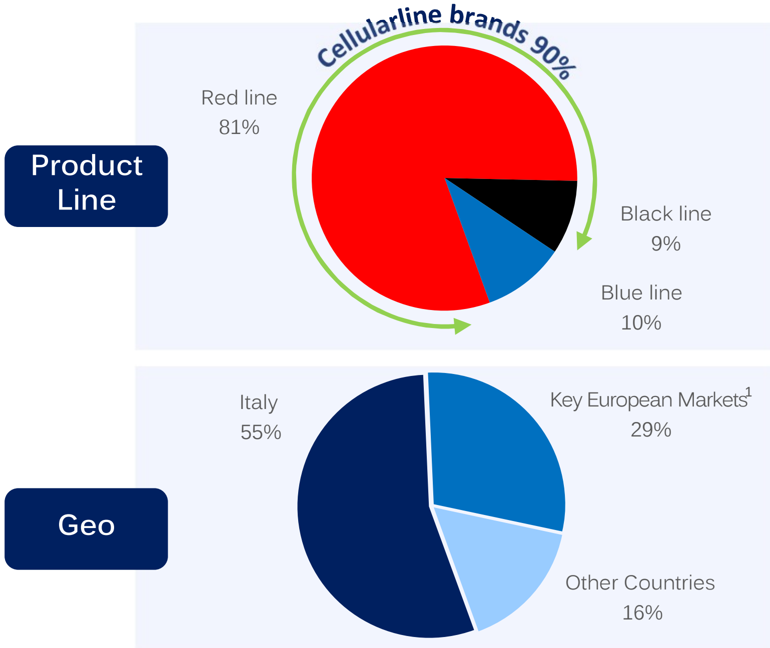


(1) Worldconnect impact was not material in 9Mths 2021.

Focus on Revenues

Revenues bridge



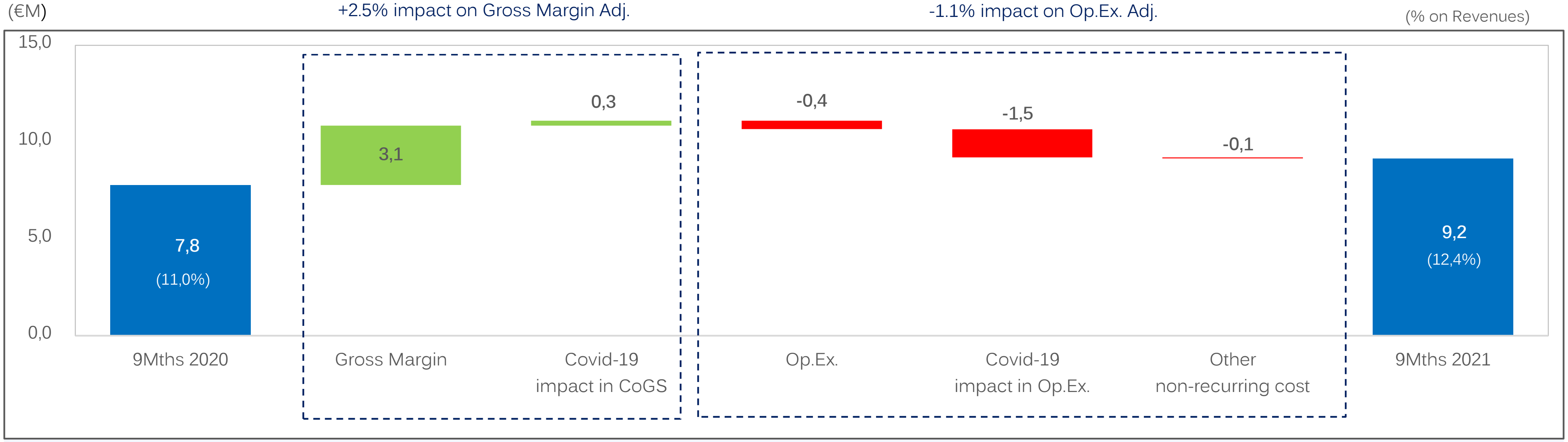


- Revenues in 9Mths 2021 were €74.0 M, of which €1.7M attributable to the change in the scope of consolidation.
- Red line (81% of Revenues) showed:
  - positive contribution from the domestic market (+11.9%), following the progressive pick-up in demand through the period;
  - negative performance in foreign markets due to both the persistence of Covid-19 restrictions in some countries (Germany and Benelux in particular) and the difficulties encountered in implementing the new route-to-market for the German market;
  - positive contribution from Worldconnect, which began to benefit from the first signs of recovery in the Airport Travel Retail channel, thanks to the reopening of some international hubs.
- Overall Italy revealed a positive performance for the third quarter in a row and now weight 55% of total Revenues;
- International markets showed different trends in the period: Germany and Benelux were negative, on the contrary, Spain and East European Countries were the best performers.

[1]Germany/Austria, France, Spain,/Portugal, Benelux, Switzerland.

Focus on EBITDA Adj.

EBITDA Adj. bridge



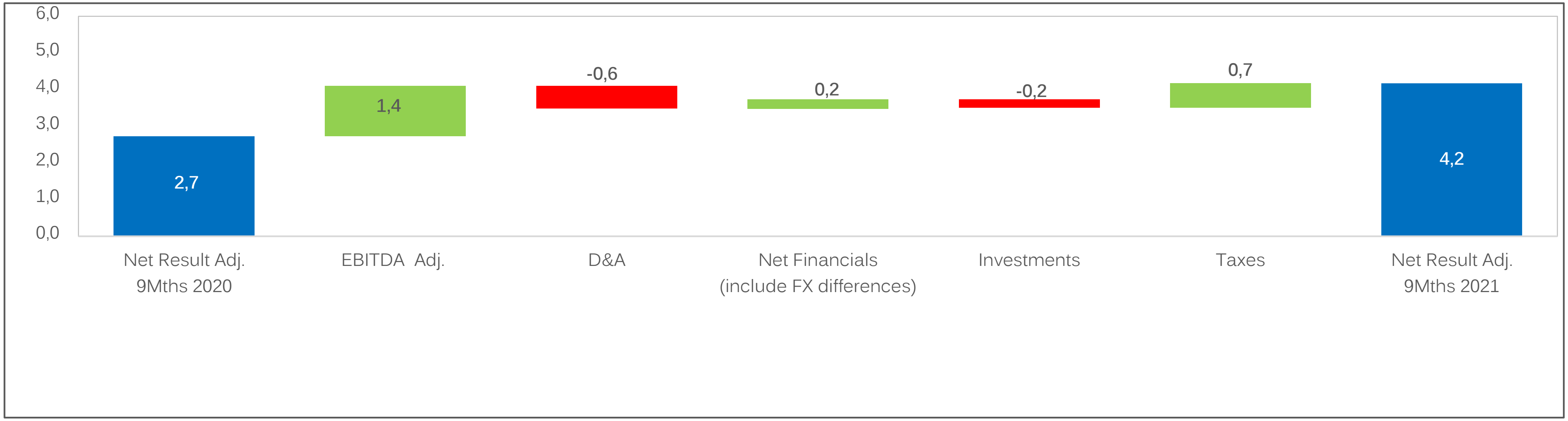
- EBITDA Adj. recorded a +17.6% in the period, reaching €9.2M with a margin of 12.4% on Revenues. Worldconnect contribution was €0.6M.
- EBITDA Adj. margin increased to 1.4% in the period, mainly as a direct consequence of:
  - 2.5% improvement in the Gross Margin Adj. due to:
    - positive products mix;
    - higher absorption of fixed costs related to Logistics;
    - trend of the USD dollar, which had a positive impact on the value of the goods purchased;
    - positive non-recurring effect relating to Covid-19 (€ 1.5M in 9Mths 2021 vs €1.2M in 9Mths 2020).
  - 1.1% higher incidence of Operating Expenses Adj. on Revenues linked to:
    - personnel cost, both for Worldconnect consolidation and lack of temporary lay-off compared to 9Mths 2020;
    - agent commission, due to the higher incidence of the domestic sales in 9Mths 2021 vs 9Mths 2020;
    - increase in transport costs, due to supply chain bottlenecks;
    - one-off contribution received in 9Mths 2021 from Worldconnect by Swiss government to compensate Covid-19 effects.

cellularline

Focus on Net Result Adj.

Net Result Adj. bridge

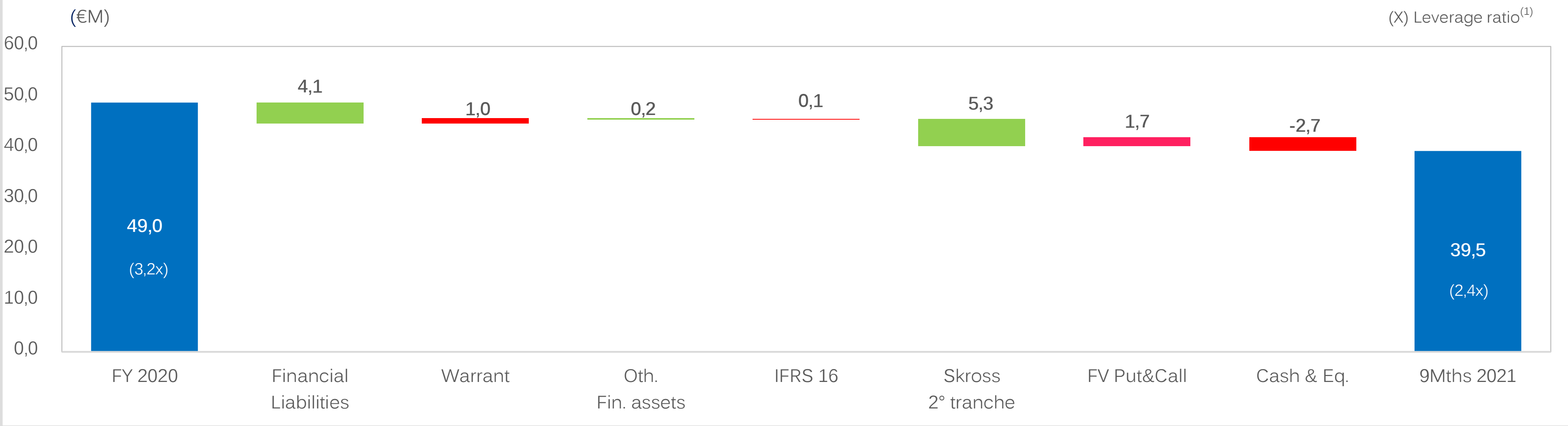
(€M)



- Net Result Adj. grew 53.2% in 9Mths 2021 or €1.4M vs LY as a consequences of :
    - positive contribution from EBITDA Adj., thanks to higher margin in 9Mths 2021 vs 9Mths 2020;
    - negative impact from D&A, mainly from the consolidation of Worldconnect (acquired in July 2020);
    - lower interest on financing versus the same period of last year;
    - negligible delta in the evaluation of associated company;
    - benefit from Taxes items, mainly related to the deferred tax assets on taxable losses (higher than 9Mths 2020).

Focus on Net Debt

Net Debt bridge



Net Debt

(€m)	FY 2020	9M 2021	Delta
Financial Liabilities	45,1	41,0	-4,1
Warrant	0,7	1,7	1,0
Oth. Fin. assets	-0,1	-0,4	-0,2
IFRS 16	1,8	2,0	0,1
Skross 2° tranche	5,3	0,0	-5,3
Fair Value Put & Call[2]	4,8	6,5	1,7
Cash & Equivalents	-8,6	-11,3	-2,7
Net Debt	**49,0**	**39,5**	**-9,5**

- Net Debt as of 30 September 2021 (€39.5M) decreased €9.5M compared to FY2020, thanks to the strong Operating cash flow generation of the period (€15.0M), mainly related to the efficient Operating Working Capital management.
- In July 2021, paid the deferred consideration related to the Skross acquisition for €5.3M.
- Net Debt included Coverlab acquisition effects of: *i)* cash out of €0.2M paid at closing for the 55% of the Share Capital and *ii)* debt for €1.7M related to the Put & Call agreement for the remaining 45%.
- Cap.Ex. of €2.9M in the period were aligned with the historical trends.
- Cash & Equivalents, together with the committed credit line for Acquisition (€20.0M) and undrawn commercial credit line facilities (€19.2M), guarantees financial flexibility for further M&A activities.

[1]Leverage ratio: Net Debt/ EBITDA Adj..
[2]Fair Value Put & Call refers to: Systema €0,6M; Worldconnect €4,2M and Coverlab €1,7M.

cellularline

Overview on FY 2021

- **Optimism going into the high season period with Black Friday and Christmas.**
- However, **uncertainty** surrounding **in the global supply chain** is increasing.
- **Management**, despite the current complex economic context, is fully **focused on**:
  - the **developments of the core business**, such as product innovation / expansion, new commercial and trade marketing initiatives;
  - the **strengthening of the brand awareness** of the Group in international market with **focus in Germany;**
  - the process of continuous **integration of the subsidiaries**;
  - the evolution of the **ESG project**, as an integral part of the Group's long-term strategy;
  - the deployment of the **new E-Commerce business model that** will be **operational by the end of 2021**;
  - scouting for **further potential M&A** transactions.
- Based on the first nine month of 2021 data, in light of the initiatives undertaken by the Group and the confidence in the fundamentals of its business, **the Group expects a better IVQ 2021 both in terms of Revenues and profitability compared to the previous year**.

Appendix

1. ESG Report

Steps towards a sustainable future

2020

- **Cellularline turns 30, (R)EVOLUTION project launched.**
  - Cellularline presents its **100% compostable smartphone covers**.
  - **Remove the outer plastic bag.**
  - **Use of** Forest Stewardship Council (FSC) **certified paper**.
  - Use of **100% soy-based** inks for pack printing.
  - **Reduction of package size**.

- **Partnership with Nativa**, first B Corp in Europe,
  with the aim of **accelerating the transition to a long-term sustainable business model**.

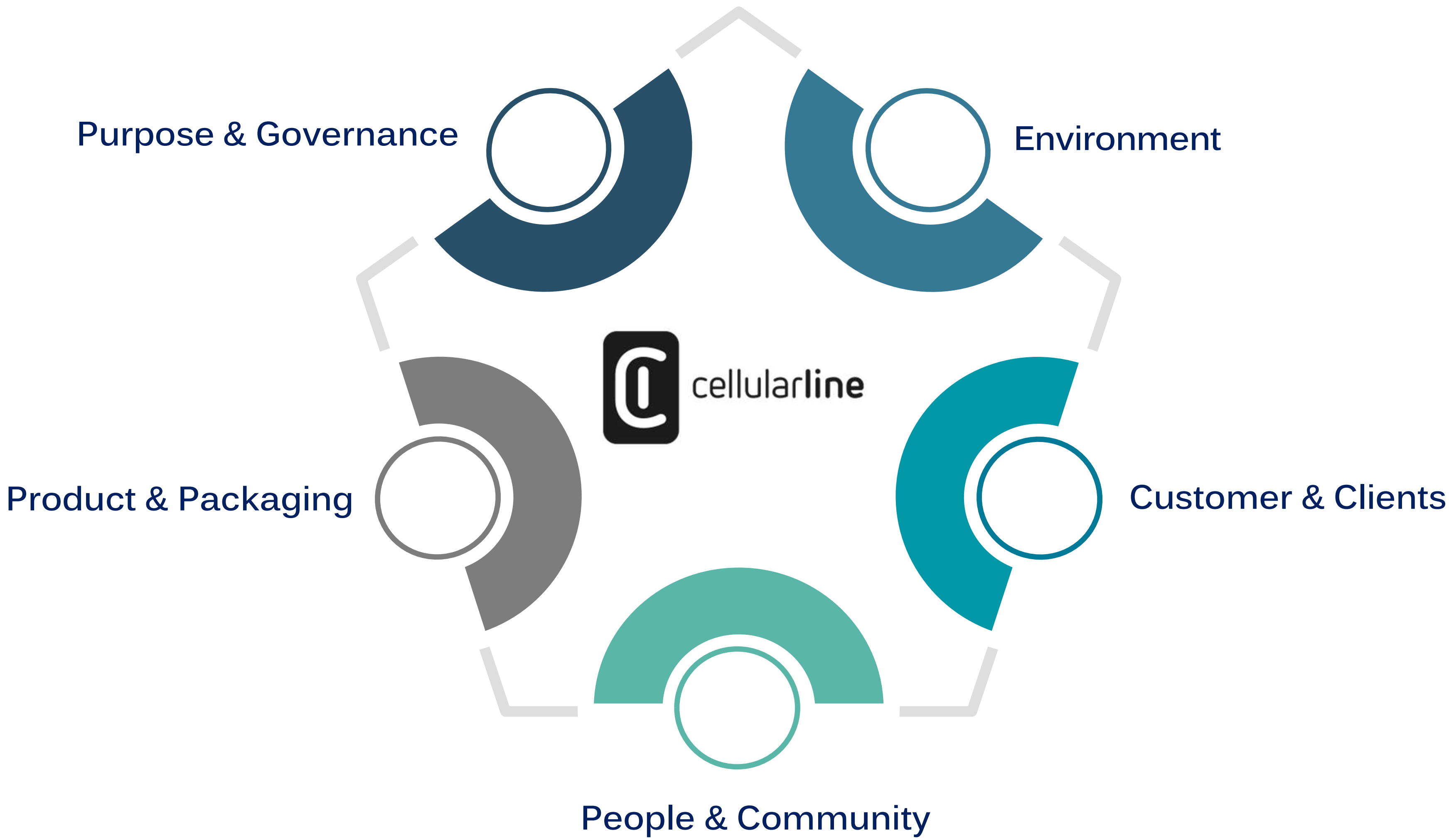
2021

  - Cellularline announces the launch of **new eco-friendly accessories**.
  - Celebrate the **Earth day** having achieved the milestone of **1.000 trees planted with Treedom**.
  - **1% for The Planet**: Cellularline will donate 1% of the proceeds from the BECOME line to WWF.
  - **RiciclIAMO project**: the importance of proper recycling and waste disposal among our employees.
  - Establishment of the ESG Committee to supervise and evaluate projects.

- First ESG report: **OUR COMMITMENT TO A SUSTAINABLE FUTURE** in partnership with Nativa.

Charting the path for a sustainable future

- Well identified the guidelines of our long term ESG commitment



Q&A session

IR contacts

Davide Danieli
Group Corporate & Financial Officer

Alessandro Brizzi
IR

ir@cellularlinegroup.com

www.cellularlinegroup.com

Ph: +39 0522 33 40 02

cellularline