Flos B&B Italia

WITH A SOLE SHAREHOLDER

Company subject to the direction and coordination of Flos B&B Italia Group S.p.A.
Registered Office: Via dei Mercanti 12 – 20121 Milan, Italy
Registered in the Milan Company Register - Taxpayer ID and registration no. 10462810960



Group Financial Report

Q1 - 2025

March 31, 2025
(unaudited)

Financial review

FINANCIAL REVIEW

Introduction

Dear Shareholder,

The Consolidated Financial Statements as of March 31, 2025 (unaudited) of Flos B&B Italia S.p.A. (together with its subsidiaries hereafter also as "Group") reported an operating result adjusted of Euro 23.3 million and a net loss of Euro 8.1 million.

Accounting standards

The Consolidated Financial Statements of the Group (March 31, 2025, unaudited) have been prepared in accordance with IFRS Accounting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), adopted by the European Commission in accordance with the procedure of art. 6 of Regulation (EC) n. 1606/2002 of the European Parliament and of the Council of July 19th, 2002, relating to the application of international accounting standards.

The unaudited Consolidated Financial statement should be read together with the Annual Group financial report 2024 (December 31, 2024), where the consolidation principles have been reported in detail.

Some "non-IFRS measures", explained in the next paragraph, are also used within the Financial Review in order to represent certain economic and financial aspects of the period from a management perspective.

The Consolidated Financial Statements are presented in Euro currency and all values, if not differently indicated, are expressed in thousands of Euro.

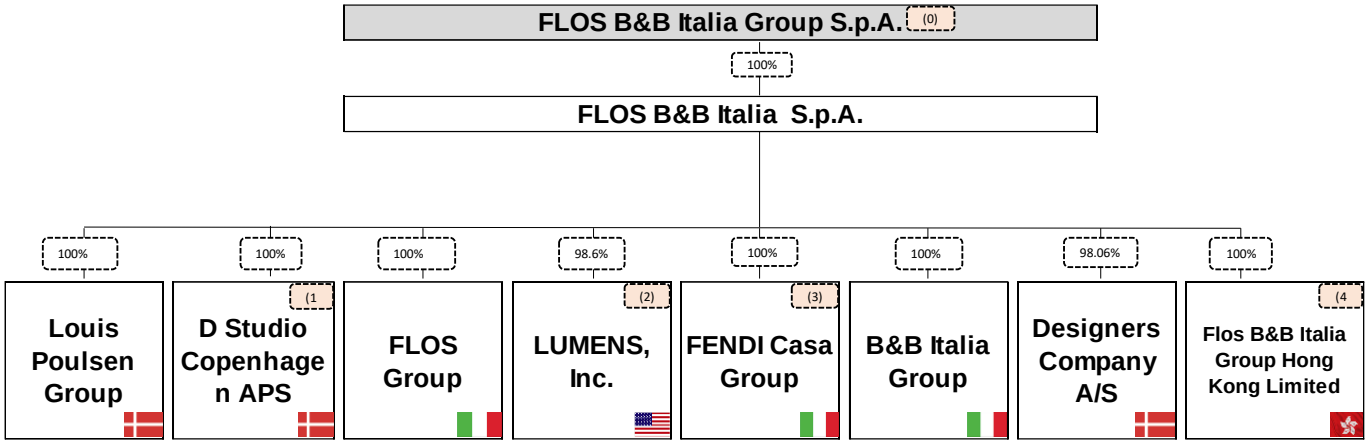
The exchange rates applied in the conversion of the asset and liability balances in currencies other than the Euro at March 31, 2025 and the average exchange rates of the period from January 1, 2025 - March 31, 2025 are as follows:

			March 31, 2025	
Country	**Currency code**	**Currency description**	**Average Exchange rate**	**Exchange rate at the end of the month**
Sweden	SEK	Swedish Krone	10,968	10,849
Norway	NOK	Norwish Krone	11,547	11,413
United Kingdom	GBP	GB Pound	0,837	0,835
USA	USD	US Dollar	1,081	1,082
Canada	CAD	Canadian Dollar	1,552	1,553
Japan	JPY	Japanise Yen	161,167	161,600
Switzerland	CHF	Swiss Franc	0,955	0,953
Hong Kong	HKD	Hong Kong Dollar	8,400	8,413
Rep. Of China	CNY	Chinese Renminbi (Yuan)	7,835	7,844
Denmark	DKK	Danish Krone	7,460	7,461
Singapore	SGD	Singapore Dollar	1,444	1,452
South Korea	KRW	Korean Won	1.576,451	1.594,710

The Group has prepared the financial statements on a going concern basis.

The group structure and includes the following consolidated subgroups:

GROUP STRUCTURE



(0) ***Flos B&B Italia Group S.p.A.****: parent company.*

(1) ***D Studio Copenaghen APS****: following the closure of the store D-Studio Copenhagen, on September 13, 2024 D-Studio Copenhagen Aps, entity fully owned by Flos B&B Italia S.p.A. has initiated a liquidation process, which is still pending as at December 31, 2024.*

(2) ***Lumens Inc.****: on January 1, 2023 Lumens LLC was merged into YDesign Group which in turn merged into IDG Apollo Parent Inc. and at the same time was renamed in Lumens Inc.*

(3) ***Fendi Casa Group*** *is composed of several legal entities. Flos B&B Italia S.p.A. owns 100% of Design Quality Manufacturing S.p.A. ("DQM" - the ownership percentage above reported), while DQM owns 80% of Fashion Furniture Design S.p.A. ("FFD"). 20% of FFD is held by Fendi S.r.l.*

(4) ***Flos B&B Italia Group Hong Kong Limited****: this company, until December 31, 2022 included in the B&B Italia Group, was transferred to Flos B&B Italia S.p.A. in 2023, with direct control (100%). Flos B&B Italia Group Hong Kong Limited controls (100%) the company Design Holding (Shanghai) Co., Ltd.*

NON IFRS MEASURES AND RATIOS

The Group uses certain financial measures ("non-IFRS measures") to assess its business performance and to help readers understand and analyze the results of its operations and its financial position. Although they are used by the Group's management, such measures are not universally or legally defined and are not regulated by the IFRS adopted to prepare these Consolidated Financial Statements.

Other companies operating in the same business sector might use the same measures, but with different calculation criteria. For this reason, non-IFRS measures should always be read in conjunction with the related notes, and may not be directly comparable with those used by other companies.

The main non-IFRS measures used in this document are reported below:

CORE BRANDS: are the historical brands of the Group and part of the Group's perimeter since the establishment of the Group in 2018: FLOS, Louis Poulsen and B&B Italia Group (including B&B Italia, Maxalto, Arclinea and Azucena brands).

EMERGING BRANDS: these are the brands included in the scope of consolidation after the Group was established in 2018 and, at the date of this reporting, are Lumens, FENDI Casa and AUDO (Designers Company).

NON-RECURRING COSTS AND REVENUES: positive or negative components connected to transactions whose occurrence is non-recurring or from those transactions or events that do not occur frequently in the normal course of business.

OPERATING RESULT - EBIT: Earnings before Interest and Taxation, defined as the difference between revenues from sales and services and operating costs, including amortization, depreciation and impairment of tangible/intangible assets and right of use assets.

OPERATING RESULT – ADJUSTED EBIT: Operating result (EBIT) as previously defined, adjusted to excludes the non-recurring costs and revenues.

EBITDA: Earnings before interest, taxation, depreciation and impairment. It can also be defined as the operating result (EBIT, as previously defined) excluding the effects of amortization, depreciation and impairment of tangible/Intangible assets and right of use assets.

Adjusted EBITDA: EBITDA as previously defined, adjusted to exclude the non-recurring and non-operating costs and revenues.

Net financial debt/(surplus): Short-term and long-term financial payables due to third parties and related parties, net of cash and cash equivalents and short-term and long-term financial receivables due from third parties and related parties.

Net Cash flows from Operating activities: cash generated by the Group in normal business operations. The change in cash of the period is calculated through the indirect method that begins from the net profit or loss of the period, adjusted for the non-cash items.

Key financials and ratios

The following are certain ratios for presenting the performance of the Group:

	March 31 2025	March 31 2024	Change %
Total REVENUES of the Group	**178.778**	**186.735**	**-4,3%**
Adjusted EBITDA	**37.352**	**45.023**	**-17,0%**
OPERATING RESULT - Adjusted EBIT	**23.305**	**31.968**	**-27,1%**
Profit/(loss) of the period	**(8.119)**	**(1.810)**	**348,5%**
Profit (loss) on total revenues %	*-4,5%*	*-1,0%*	
AVERAGE EMPLOYEES (FTE's)	**2.111**	**2.101**	**0,5%**

	March 31 2025	December 31 2024	Change %
NET OPERATING WORKING CAPITAL	**43.984**	**21.328**	**106,2%**
NET INVESTED CAPITAL	**2.118.809**	**2.104.800**	**0,7%**
NET FINANCIAL DEBT	**(964.547)**	**(932.203)**	**-3,5%**
GROUP SHAREHOLDERS EQUITY	**967.685**	**983.718**	**-1,6%**

Consolidated statement of Profit or Loss

The following table summarizes the reclassified Group's Income statement, compared with the same period of the prior year and with a separate indication of non-recurring costs and revenues.

Reclassified Income Statement of the Group	**March 31 2025**	**March 31 2024**
Revenues from contracts with customers	177.082	186.332
Other revenues and income	1.696	403
Total Revenues	**178.778**	**186.735**
Purchases of raw materials, semifinished goods, finished products and changes in inventories	(43.373)	(48.056)
Personnel costs	(43.697)	(41.366)
Service costs	(51.268)	(48.490)
Provisions	(188)	(135)
Other costs and charges	(2.900)	(3.666)
Total Costs	**(141.426)**	**(141.712)**
Non-recurring (costs) / revenues impacting EBITDA	(2.455)	(5.374)
EBITDA	**34.897**	**39.649**
Amortization of intangible assets	(4.892)	(4.826)
Depreciation of tangible assets	(4.281)	(4.002)
Depreciation and impairment of the Right of Use assets	(4.817)	(4.447)
Amortization/Depreciation	**(13.989)**	**(13.275)**
Goodwill impairment	-	-
Intangible assets impairment	-	-
Tangible assets impairment	(65)	24
asset impairment	**(65)**	**24**
Total Amortization/depreciation and impairment of assets	**(14.054)**	**(13.252)**
Operating result - EBIT	**20.843**	**26.397**
Financial income	2.825	1.650
Financial charges	(26.445)	(24.718)
Total Financial Expenses	**(23.620)**	**(23.068)**
Profit/(loss) before taxes	**(2.777)**	**3.330**
Income Taxes	(5.342)	(5.140)
Profit/(loss) of the period	**(8.119)**	**(1.810)**
Profit/(Loss) for the period, attributable to the Group	(7.884)	(1.740)
Profit/(Loss) for the period, attributable to minority interest	(235)	(70)

Reported below is the reconciliation between the EBITDA and the Adjusted EBITDA and between EBIT and the Adjusted EBIT, as well as the list of non-recurring items of the two periods:

	March 31 2025	March 31 2024	Change %
EBITDA	**34.897**	**39.649**	**-12,0%**
Non-recurring costs impacting EBITDA - (1)	**2.455**	**5.374**	**-54,3%**
Adjusted EBITDA	**37.352**	**45.023**	**-17,0%**

	March 31 2025	March 31 2024	Change %
Operating result - EBIT	**20.843**	**26.397**	**-21,0%**
Total Non-recurring costs/(revenues) - (1)+(2)	**2.462**	**5.570**	**-55,8%**
Operating result - ADJUSTED EBIT	**23.305**	**31.968**	**-27,1%**

	March 31 2025	March 31 2024
Total Non-recurring costs/(revenues) - (1)+(2)	**2.462**	**5.570**
Non-recurring costs impacting EBITDA - (1)	**2.455**	**5.374**
Management fees vs the parent company	1.913	2.898
Group enhancement projects	-	276
Rebranding	160	-
Severance, termination and recruiting one-off	156	1.770
Start up and Ramp-up cost - Dos openings and new business	83	153
Provision for Inventory, Trade receivables, risks and other non-recurring expenses	144	277
Non-recurring costs impacting EBIT - (2)	**7**	197
Start-up & Ramp-up cost - DOS (Direct Operated stores) openings and new business	-	136
assets impairment and other	7	61

Comments on Non-recurring expenses

The Management fees vs the parent company are mainly related to the service costs of the parent company, FLOS B&B Italia Group S.p.A.; for their nature are recurring costs, however eliminated to report the real business performance of the Group.

Group enhancement projects are one-off costs to strengthen the Group's organization and system of procedures.

Rebranding refers to a few advisory costs relating to the redesign of Lumens website, visible in the second part of the year.

Severance, termination and recruiting one-off costs relate to some exceptional expenses, such as the payment of staff reorganizations, C-Level executives dismissals and related indemnities and other legal costs.

Start-up, ramp-up costs refer to some expenses related to the procurement project.

Provisions for Inventory, trade receivable, risks and other non-recurring expenses mainly refers to the last part of the costs (incurred in 2025) of the Valencia flooding (Valencia is the city of the Spanish headquarters of FLOS and was seriously damaged by the flooding of October 29, 2024).

2025 Highlights

Below is the table of the revenues from contracts with customers by group of companies, geographic areas and sales channels:

	Mar 31 2025	Inc % on sales	Mar 31 2024	Inc % on sales	Change	Change %
Revenues by group of companies						
Core brands	138.203	78,0%	147.285	79,0%	(9.082)	-6,2%
Emerging brands	38.879	22,0%	39.047	21,0%	(169)	-0,4%
Total	**177.082**	**100%**	**186.332**	**100%**	**(9.250)**	**-5,0%**

	Mar 31 2025	Inc % on sales	Mar 31 2024	Inc % on sales	Change	Change %
Revenues by geographical area						
EMEA	112.485	63,5%	112.593	60,4%	(108)	-0,1%
AMERICAS	40.666	23,0%	46.532	25,0%	(5.867)	-12,6%
APAC	23.931	13,5%	27.207	14,6%	(3.275)	-12,0%
Total	**177.082**	**100%**	**186.332**	**100%**	**(9.250)**	**-5,0%**

	Mar 31 2025	Inc % on sales	Mar 31 2024	Inc % on sales	Change	Change %
Revenues by channel						
Wholesale	87.131	49,2%	93.820	50,4%	(6.689)	-7,1%
Contract	54.244	30,6%	55.809	30,0%	(1.565)	-2,8%
DOS - Directed Operated Stores	12.779	7,2%	13.579	7,3%	(800)	-5,9%
E-commerce	22.928	12,9%	23.124	12,4%	(197)	-0,8%
Total	**177.082**	**100%**	**186.332**	**100%**	**(9.250)**	**-5,0%**

(*) Please note that, starting from the current financial year, we revised the classification of certain business projects and consequently a variation in 2024 revenues by channel and by Geo is visible in the table above (total revenues did not change).

In the period the Group reported revenues (revenues from contracts with customers, excluding other income) for Euro 177.1 million, -5% versus the same period of 2024. In constant currency and considering Lumens GMV sales (Gross Merchandising sales), the revenues of the Group would contract 4.7%.

As mentioned during the 2024 full year bondholder call, the Group is experiencing a slowdown in orders and sales driven by the current macroeconomic turmoil. This is broad across geographies and channels, as visible from the above table, except for EMEA that is a positive territory in terms of sales, while orders are reporting a contraction in line with the other regions. In addition, the current US duties crisis is not helping. Given the uncertain situation, likewise many other businesses, we are still evaluating the full potential impact on our business and mitigating actions.

The Core Brands reported a single digit sales' contraction (-6.2%), however Louis Poulsen and Flos were positive, while B&B was double digit down due to a slowdown in orders in the first months of 2025. Emerging brands were slightly negative (-0.4%) versus the same period of last year, with a different brands' contribution: Fendi Casa and Lumens were single digit down, while Audo was positive.

In terms of geographical areas, EMEA was flat (-0.1%), while APAC and AMERICAS were down double digit (-12% and -12.6% respectively) due to the macro-economic uncertainty and influenced by the low consumer spending. EMEA performed well in a few of our key regions, such as Italy, Nordics, France, Spain and Germany, while UK and Middle East were below previous period due to a high comparison basis (especially Middle east). It is worth mentioning that the orders remain soft in all the three regions and closed the first quarter 2025 below previous period: we still see difficult market conditions in China, that reported a double digit order's contraction, and in the Nordics, due to low footfall in the stores.

Among channels, all the Brands are reporting a negative trend similar to what commented for the geographical area.

Under still tough market conditions and the consequent decrease in sales, the Group remained focused on its strategy: to be the global leader in high-end design. The Group continues to enhance the desirability of its brands, by partnering with world class designers and constantly investing in R&D in order to create durable, beautiful and sustainable products. Moreover, the Group continues to pursue the direct-to-consumer journey, placing consumers at the center of all our touchpoints, including DOS,

Monobrand, e-commerce websites, expanding our international reach with a focus on North America, China and the Middle East.

Moreover, the Group is managing its financial resources cautiously, limiting all discretionary costs, prioritizing resources allocation to its growth areas. As a consequence of the sales contraction of the first quarter 2025, the adjusted EBITDA was Euro 37.4 million, down -17% versus the same period of last year, (adjusted EBITDA margin on total sales 21.1% vs 24.2% of last year), mainly due to costs seasonality.

The management continues to closely monitor the evolution of the macroeconomic scenario. Over the last few months, we have observed a contraction of the order-in-take trend, across regions and channels. The Group can still benefit from the strong order backlog and the positive development of the Contract business whose pipeline and related conversion remain strong, however the macro-economic condition and the Us tariffs could impact the orders and sales in the remaining part of the year.

Net invested Capital

The following table summarizes the balance sheet of the Group according to the reclassified balance sheet presentation:

Net Invested Capital	Notes	March 31 2025	December 31 2024
Goodwill		1.197.705	1.202.638
Brands and other intangible assets		656.759	659.733
Property, plant and machinery		110.935	114.829
Right of use assets		67.505	63.539
Net Technical Fixed Assets	**1)**	**2.032.904**	**2.040.739**
Deferred tax assets		30.109	30.328
Investments in parent company		27.749	27.749
Other non-current assets		11.636	11.725
Net Financial Fixed Assets	**2)**	**69.494**	**69.802**
Total non current assets	**3) = (1+2)**	**2.102.398**	**2.110.541**
Trade Receivables		86.072	82.753
Inventories		160.089	152.510
Trade Payables, advances and supplier finance arrangements		(202.178)	(213.935)
Net operating working capital	**4)**	**43.984**	**21.328**
Other current assets (excluding items of financial position)		29.424	26.800
Other current liabilities (excluding items of financial position)		(56.997)	(53.869)
Total current assets / liabilites	**5)**	**(27.573)**	**(27.069)**
Operating Working Capital	**6) = (4+5)**	**16.411**	**(5.741)**
Net Invested Capital	**7) = (3+6)**	**2.118.809**	**2.104.800**
Total Shareholders equity	**8)**	**(966.405)**	**(982.648)**
Total non-current liabilities (excluding items of NFP)	**9)**	**(187.857)**	**(189.949)**
Cash and cash equivalents		63.325	98.992
Current and non-current financial liabilities		(948.925)	(956.006)
Current and non-current lease liabilities		(78.947)	(75.190)
Total Net Financial deficit	**10)**	**(964.547)**	**(932.203)**
Total Medium/Long Term Finance Sources	**11) = (8+9+10)**	**(2.118.809)**	**(2.104.800)**

Main Investments of the period

As of March 31, 2025, investments amounted to approximately Euro 5.4 million. Below is a list of the main investments of the period:

- FLOS Group invested approximately Euro 2.4 million. Investments in tangible assets in the first quarter of 2025 amounted to Euro 0.6 million and were mainly related to new molds and residually investments in Flos Design Space Projects. Investments in intangible assets amounted to Euro 1.9 million and are mainly refer to SAP, the control tower platform and capitalization of R&D.
- B&B Italia Group invested approximately Euro 1.6 million mainly dedicated to the plants of Novedrate, Misinto and Caldogno, as well as to the development of new products (new molds) and leasehold improvements for the DOS, especially in US. The intangible assets refer to software (ERP) and R&D capitalization.
- Louis Poulsen Group invested approximately Euro 0.9 million, mainly dedicated to development of new products (Euro 0.4 million) for research and development activities involving company's staff and numerous international designers. Regarding the supply chain, Euro 0.2 million was invested, mainly in production equipments.
- The other investments were mainly related to the LUMENS website (front end and back-end system) and the new ERP (SAP) implementation in AUDO (whose go live will be the beginning of 2025), as well as a few other R&D costs capitalized.

Net Financial Position

	March 31 2025	December 31 2024
Cash and short term deposit	**(63.325)**	**(98.992)**
Short-Term Bond	-	42.500
Short-Term bank loan	57.826	13.806
Interest on financial liabilities	14.586	6.479
Short-Term payables to other lenders	-	18.102
Short-term amortized costs	(3.196)	(3.822)
Current financial liabilities	**69.216**	**77.065**
Long-Term Bond	890.000	890.000
Long-Term bank loan	1.057	1.111
Long-Term payables to other lenders	1.200	1.200
Long-term amortized costs	(12.548)	(13.371)
Non-current financial liabilities	**879.709**	**878.940**
Net financial debt, excluding lease liabilities (IFRS16)	**885.600**	**857.014**
Current lease liabilities	18.253	15.364
Non Current lease liabilities	60.694	59.825
Total lease liabilities (IFRS16)	**78.947**	**75.190**
Net Financial Debt, including lease liabilities (IFRS16)	**964.547**	**932.203**

The total net financial debt, including lease liability, increase from Euro 932.2 million at December 31, 2024 to Euro 964.5 million at March 31, 2025.

The significant cash-out of the period are reported below:

- On January 2025 the Group paid Euro 18.1 million as the last vendor loan amount related to the AUDO acquisition (made in 2022).
- On February 2025, the Group proceeded with a further redemption of a portion of the Fixed Rate Notes for a principal amount of Euro 42.5 million, reducing the relevant outstanding principal amount to Euro 340 million. In conjunction with the repayment, the Group drawn down the RCF (Revolving Credit Facility) for Euro 35 million and consequently the short term bank loans increased from Euro 13.8 million at December 31, 2024, to Euro 57.8 million at March 31, 2025. At the date of the approval of this Q1 2025 report, the RCF was still available for Euro 106 million.

The Lease Liabilities increased from Euro 75.2 million at December 31, 2024 to Euro 78.9 million, due to certain few important renewals, mainly in EMEA.

Finally, during the period the Group paid interests on loans, mainly related to the bonds, for approximately Euro 12 million, while in the corresponding period paid approximately Euro 11 million.

Main risks and uncertainties

Please refer to the section on risk management in the Notes to the Consolidated Financial Statements.

Human resources

As of March 31, 2025, the average Group's staff (full time equivalent) for the period amounted to 2.111 units, of which 601 in Flos, 415 in Louis Poulsen, 700 in B&B Italia Group, 188 in Lumens, 108 in Designers Company Group (AUDO), 64 in Fendi Casa Group and 35 in the Flos B&B Italia Group Hong Kong Group [BU Greater China]).

Transactions with subsidiary and parent companies and companies under the control of the latter

Transactions between the Group companies i) are fully eliminated in the presentation of the consolidated financial statements, ii) mainly concerned financing transactions iii) took place at market conditions.

Number and nominal value of treasury shares and shares or units of controlling companies held by the company also through trusts or nominee with indication of the correspondent capital.

As at March 31, 2025, Flos B&B Italia S.p.A. owns shares in the parent Flos B&B Italia Group S.p.A., representing 2.43% of the share capital, that was purchased in the past years against a consideration which, subject to yearly update of the relevant fair value, corresponds as of March 31, 2025 to approximately Euro 27.8 million.

Number and nominal value of treasury shares and shares or units of parent companies purchased or sold by the company during the year, also through a trust or a nominee indicating the corresponding part of capital.

Please refer to the previous point.

Events occurred after the reporting period

During the first months of 2025, Flos B&B Italia S.p.A. and Fendi S.r.l., started informal discussions regarding the company Fashion Furniture Design S.p.A. (controlled by Design Quality Manufacturing S.p.A., "DQM"), with a view to reviewing the existing agreements.
Based on such agreement, Flos B&B Italia S.p.A. and Fendi S.r.l. have established DQM, 100% owned by Flos B&B Italia S.p.A. and Fashion Furniture Design S.p.A., 80% owned by DQM and 20% by Fendi S.r.l.
As of the date of this financial statement, these negotiations are still ongoing, and no binding agreement has been signed between the parties.

Business Outlook

The complex and uncertain macroeconomic scenario could continue to impact the global economy in 2025. In such an uncertain situation, the management is not in a position to issue a guidance for the coming months.

Consolidated Financial Statements

Consolidated Statement of Financial Position

Balance Sheet	March 31 2025	December 31 2024
Cash and Short-Term deposits	63.325	98.992
Trade Receivables	86.072	82.753
Inventories	160.089	152.510
Tax current asset	15.842	17.074
Other current assets	13.582	9.726
Current Assets	**338.910**	**361.055**
Goodwill	1.197.705	1.202.638
Brands and other intangible assets	656.759	659.733
Property, plant and equipment	110.935	114.829
Right-of-use assets	67.505	63.539
Investments in parent company	27.749	27.749
Deferred tax assets	30.109	30.328
Other non-current assets	11.636	11.725
Non-Current Assets	**2.102.398**	**2.110.541**
Assets held for disposal	-	-
Total Assets	**2.441.308**	**2.471.596**
Share capital	5.102	5.102
Share premium reserve and other reserves	970.467	1.115.496
Profit/(loss) of the period	(7.884)	(136.881)
Group Shareholders' Equity	**967.685**	**983.718**
Minority shareholders' equity	(1.045)	2.163
Profit/(loss) of the period attributable to minority interests	(235)	(3.233)
Equity attributable to non-controlling interests	**(1.280)**	**(1.070)**
Total Equity	**966.405**	**982.648**
Current financial liabilities	69.216	77.065
Current lease liabilities	18.253	15.364
Trade payables	133.612	150.009
Advance from Customers	63.074	58.022
Supplier Finance Arrangements	5.491	5.905
Current Tax liabilities	18.010	16.509
Other Current Liabilities	38.987	37.360
Current Liabilities	**346.643**	**360.233**
Non-current financial liabilities	879.709	878.940
Non-current lease liabilities	60.694	59.825
Defined benefit plans	5.879	5.910
Provisions for risks and charges	10.221	11.222
Deferred tax liabilities	168.080	168.365
Other non-current liabilities	3.676	4.452
Non-Current Liabilities	**1.128.260**	**1.128.715**
Total Liabilities	**1.474.902**	**1.488.948**
Liabilities and Shareholders' Equity	**2.441.308**	**2.471.596**
Net Current Assets	**(7.733)**	**821**
Total Assets less current Liabilities	**2.094.665**	**2.111.362**

Consolidated statement of profit or Loss of the period

Profit & Loss	March 31 2025	March 31 2024
Revenues from contracts with customers	177.082	186.340
Other revenues and income	1.985	888
Total revenues	**179.067**	**187.228**
Purchases of raw materials, semifinished goods, finished products and changes in inventories	(43.373)	(48.170)
Personnel costs	(43.739)	(42.970)
Service costs	(53.538)	(52.310)
Provisions - (accruals)/reversal	(188)	(310)
Other costs and charges	(3.331)	(3.819)
Total costs	**(144.170)**	**(147.579)**
EBITDA	**34.897**	**39.649**
Amortization of intangible assets	(4.892)	(4.826)
Depreciation of tangible assets	(4.281)	(4.002)
Depreciation and impairment of the Right of Use assets	(4.817)	(4.447)
Amortization/Depreciation	**(13.989)**	**(13.275)**
Goodwill impairment	-	-
Intangible assets impairment	-	-
Tangible assets impairment	(65)	24
asset impairment	**(65)**	**24**
Total Amortization/depreciation and impairment of assets	**(14.054)**	**(13.252)**
Operating result - EBIT	**20.843**	**26.397**
Financial income	2.825	1.650
Financial charges	(26.445)	(24.718)
Total Financial Expenses	**(23.620)**	**(23.068)**
Profit/(loss) before taxes	**(2.777)**	**3.330**
Income Taxes	(5.342)	(5.140)
Profit/(loss) of the period	**(8.119)**	**(1.810)**
Profit/(Loss) for the period, attributable to the Group	(7.884)	(1.740)
Profit/(Loss) for the period, attributable to minority interest	(235)	(70)

Consolidated statement of other comprehensive income (OCI)

	March 31 2025	March 31 2024
Profit/(Loss) of the period	**(8.119)**	**(1.810)**
A) Items recyclable to P&L:		
Exchange difference on translating foreign currency financial statements and other income/(expenses)	(7.690)	3.203
Total recyclable items	**(7.690)**	**3.203**
B) Items not recyclable to P&L:		
Gain/(Loss) from revaluation on defined benefit plans	(10)	-
Total not recyclable items	**(10)**	**-**
TOTAL COMPREHENSIVE INCOME/(EXPENSE), NET OF TAX	**(15.819)**	**1.393**
Profit/(loss) of the period, attributable to the Group	(15.584)	1.463
Profit/(loss) of the period, attributable to minority interest	(235)	(70)

Statement of changes in consolidated shareholders' equity

	Share Capital	Share premium reserve and other reserve of parent company	Other reserves	Profit or (loss) for the period	Total Group share= holders Equity	Minority share= holders equity	Minority Net Profit or (loss) attribut. to minority interests	Total Minority share= holders equity	TOTAL Share= holders' equity
December 31, 2023	**5.102**	**1.005.411**	**98.685**	**15.210**	**1.124.408**	**2.963**	**(1.157)**	**1.805**	**1.126.214**
Allocation of previous period result			15.210	(15.210)	-	(1.157)	1.157	-	-
Result for the period				(136.881)	(136.881)		(3.233)	(3.233)	**(140.113)**
Fair value through OCI of investments in equity instruments			(14.809)		(14.809)			-	**(14.809)**
Translation gains/(losses) and other income/(expenses)			12.257		12.257			-	**12.257**
Actuarial gains and losses			25		25				**25**
Total comprehensive profit for the period			**12.682**	**(152.090)**	**(139.408)**	**(1.157)**	**(2.075)**	**(3.233)**	**(142.641)**
Share Capital Increase					-	600		600	**600**
Stock option reserve			(881)		(881)			-	**(881)**
Other movements			(401)		(401)	(243)		(243)	**(644)**
Total variations for the period			**(1.282)**		**(1.282)**	**357**		**357**	**(925)**
December 31, 2024	**5.102**	**1.005.411**	**110.085**	**(136.881)**	**983.718**	**2.163**	**(3.233)**	**(1.070)**	**982.648**
Allocation of previous period result			(136.881)	136.881	-	(3.233)	3.233	-	-
Result for the period				(7.884)	(7.884)		(235)	(235)	**(8.119)**
Translation gains/(losses) and other income/(expenses)			(7.690)		(7.690)			-	**(7.690)**
Actuarial gains and losses			(10)		(10)				**(10)**
Total comprehensive profit for the period			**(144.580)**	**128.996**	**(15.584)**	**(3.233)**	**2.998**	**(235)**	**(15.819)**
Other movements			(449)		(449)	25		25	**(424)**
Total variations for the period			**(449)**		**(449)**	**25**		**25**	**(424)**
March 31, 2025	**5.102**	**1.005.411**	**(34.944)**	**(7.884)**	**967.685**	**(1.045)**	**(235)**	**(1.280)**	**966.405**

Consolidated Statement of Cash Flows

	March 31 2025	March 31 2024
Profit/(Loss) of the period	**(8.119)**	**(1.810)**
Depreciation and impairment of property plant and equipment	4.346	3.978
Amortisation and impairment of intangible assets	4.892	4.826
Depreciation and impairment of right of use assets	4.817	4.447
Financial income	(2.825)	(1.650)
Financial charges	26.445	24.718
Income taxes	5.342	5.140
EBITDA	**34.897**	**39.649**
Financial interests paid	(12.840)	(12.368)
Income taxes paid	(1.747)	(1.556)
Net change in provisions for risks and other charges	(978)	-
Net foreign exchange differences and other non cash items	1.928	(2.420)
Change in other assets / liabilities current and non-current	**(4.261)**	**(3.544)**
(Increase)/decrease in other non-financial assets	(4.078)	(3.417)
Increase/(decrease) in tax payables	(1.076)	(74)
Increase/(decrease) in other non financial liabilities	893	(53)
Changes in net working capital:	**(22.830)**	**(6.653)**
(Increase)/decrease in inventories	(9.224)	(3.192)
(Increase)/decrease in trade receivables	(3.540)	(8.549)
Increase/(decrease) in trade payables	(9.653)	5.088
Increase/(decrease) in supplier finance arrangements	(413)	-
NET CASH FLOWS FROM OPERATIONS	**(5.831)**	**13.107**
Investing activities:		
Acquisition of tangible assets net of disposals	(1.862)	(3.948)
Net investments in intangible assets	(3.558)	(3.887)
Acquisition of a subsidiary, net of cash acquired	(18.102)	-
NET CASH FLOWS FROM INVESTING ACTIVITIES	**(23.522)**	**(7.835)**
Financing activities:		
Increase/(decrease) in financial payables	(1.519)	2.445
Payment of principal portion of lease liability	(4.795)	(3.641)
CASH FLOW FROM FINANCING ACTIVITIES	**(6.314)**	**(1.196)**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(35.667)**	**4.076**
Net cash and cash equivalents at the beginning of the period	98.992	75.952
Net cash and cash equivalents at the end of the period	63.325	80.034

Notes to the Consolidated Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CURRENT ASSETS

1 CASH AND SHORT-TERM DEPOSITS

Cash and Short-Term deposits are detailed as follow:

Cash and cash equivalents	March 31 2025	December 31 2024
Bank and postal accounts	63.139	96.203
Cheques	-	10
Cash and cash equivalents in hand	157	1.251
Restricted bank deposits	29	1.527
Total	**63.325**	**98.992**

For a detailed breakdown of the Group's cash and cash equivalents, please refer to Consolidated Cash Flow statement.

2 TRADE RECEIVABLES

Trade receivables, net and the allowance for bad and doubtful debts are reported below:

Trade Receivables	March 31 2025	December 31 2024
Trade receivables - Third parties	90.873	87.493
Trade receivables - Related parties	265	275
Allowance for bad and doubtful debts	(5.066)	(5.015)
Total	**86.072**	**82.753**

Allowance for bad and doubtful debts	March 31 2025
Opening balance	**(5.015)**
Utilized	40
Reversal	135
Increases	(245)
Exchange differences	19
Closing balance	**(5.066)**

3 INVENTORIES

Inventories can be broken down as follows:

Inventories	March 31 2025	December 31 2024
Materials, auxiliaries and consumables	66.675	65.811
Work in progress and semi-finished goods	38.259	36.028
Finished products	78.039	73.317
Allowance for obsolete and slow-moving inventories	(22.884)	(22.646)
Total	**160.089**	**152.510**

Allowance for obsolete and slow-moving inventories	March 31 2025
Opening balance	**(22.646)**
Utilization	211
Increase, net reversal	(491)
Exchange rate difference	42
Closing balance	**(22.884)**

4 TAX CURRENT ASSETS

Tax current assets	March 31 2025	December 31 2024
Receivables for paid tax advances	2.146	3.761
VAT receivable	6.562	7.776
Receivables for withholding taxes	11	8
Tax receivables for fiscal consolidation and other	7.123	5.529
Total	**15.842**	**17.074**

The VAT receivable is mainly related to Fendi Casa, whose business is predominantly export, as such not generating VAT payable balances to offset VAT receivables.

5 OTHER CURRENT ASSETS

The other current assets amounted to Euro 13.6 million, down of Euro 3.9 million compared to last year (Euro 9.7 million at December 31, 2024). This category mainly includes the advances payments to suppliers and other prepayments (maintenance fees, software's utilization, services for IP deposit).

NON-CURRENT ASSETS

6 GOODWILL

The breakdown of goodwill is shown below:

	FLOS Group	B&B Italia Group	Louis Poulsen Group	LUMENS	Designers Company Group	**Total**
Opening Balance	**413.015**	**375.313**	**201.954**	**118.467**	**93.889**	**1.202.638**
Exchange differences	0	(0)	(95)	(4.779)	(59)	**(4.933)**
Closing Balance	**413.015**	**375.313**	**201.859**	**113.688**	**93.830**	**1.197.705**

No additional goodwill has been allocated in the period.

The changes compared to December 31, 2024 are only related to the exchange rates, since the goodwill on Louis Poulsen, Designers Company (AUDO) and Lumens were recognized, for the purposes of the PPA, in their local currency (DKK and USD) and this implies that goodwill fluctuates based on exchange rates with Euro. In accordance with IAS 36, Goodwill is not subject to amortization and it's tested for impairment at least once a year and the last impairment test was made on December 31, 2024. No trigger events have been identified in the period.

7 BRANDS AND OTHER INTANGIBLE ASSETS

Brands and other intangible assets are broken down as follows:

	TRADEMARK	DEVELOPMENT COSTS	PATENTS AND INTELLECTUAL PROPERTY RIGHTS	CONCESSIONS, LICENSES AND OTHER INTANGIBLE ASSETS	**TOTAL BRANDS AND OTHER INTANGIBLE ASSETS**
Historical costs	636.172	64.364	45.835	72.409	**818.779**
Accumulated depreciation	(24.217)	(51.532)	(31.604)	(51.694)	**(159.046)**
Net book value December 31 2024	**611.955**	**12.832**	**14.231**	**20.715**	**659.733**
Historical costs	634.474	64.195	50.448	69.394	**818.510**
Accumulated depreciation	(24.436)	(51.277)	(35.306)	(50.733)	**(161.751)**
Net book value March 31 2025	**610.038**	**12.918**	**15.142**	**18.661**	**656.759**

Changes in Net Book value for the year are as follows:

	TRADEMARK	DEVELOPMENT COSTS	PATENTS AND INTELLECTUAL PROPERTY RIGHTS	CONCESSIONS, LICENSES AND OTHER INTANGIBLE ASSETS	**TOTAL BRANDS AND OTHER INTANGIBLE ASSETS**
Opening balance	**611.955**	**12.832**	**14.231**	**20.715**	**659.733**
Change in consolidation area	-	-	-	-	**-**
Additions	17	1.252	956	1.333	**3.558**
Disposal	(0)	13	0	0	**13**
Depreciations & write-off	(168)	(1.510)	(1.622)	(1.592)	**(4.892)**
Exchange differences	(2.094)	(3)	(6)	(344)	**(2.447)**
Other movements	329	335	1.583	(1.451)	**795**
Closing Balance	**610.038**	**12.918**	**15.142**	**18.661**	**656.759**

Trademark refers to the following brands:

- “FLOS”, equal to approximately Euro 236 million;
- “B&B”, "Maxalto” and “Arclinea” equal to approximately Euro 201 million;
- “Louis Poulsen”, equal to approximately Euro 123 million;
- “Lumens” (YDesign Group) equal to approximately Euro 50 million (Euro 52 million at December 31, 2024).

Trademarks are considered with an indefinite useful life and therefore subject to annual (or less) impairment test. No trigger events have been identified in the period.

Development costs include the costs for the personnel dedicated to product development work carried out within the Group. These costs are amortized in three years. The investments of the period were related to the reinforcement of IT and digital platforms.

Industrial patents and intellectual property rights comprises mainly costs incurred for depositing patents, producing software and build e-commerce websites.

Concessions, licences and trademarks and other intangible assets comprise mainly investments made by a few companies, to complete the transition of their ERP’s.

8 PROPERTY, PLANT AND EQUIPMENT

Property, Plant and equipment are broken down as follows:

	LAND AND BUILDINGS	PLANT AND MACHINERY	LEASEHOLD IMPROVEMENTS	INDUSTRIAL AND COMMERCIAL EQUIPMENT	OTHER ASSETS	WORK IN PROGRESS AND ADVANCES	**TOTAL PROPERTY, PLANT AND EQUIP.**
Historical costs	120.840	78.906	44.380	73.189	27.568	1.459	**346.343**
Accumulated depreciation	(50.528)	(65.287)	(27.276)	(66.578)	(21.845)	-	**(231.514)**
Net book value December 31 2024	**70.311**	**13.619**	**17.105**	**6.612**	**5.723**	**1.459**	**114.829**
Historical costs	117.254	80.063	47.009	73.620	22.361	843	**341.152**
Accumulated depreciation	(47.718)	(66.232)	(31.324)	(67.256)	(17.686)	-	**(230.216)**
Net book value March 31 2025	**69.536**	**13.831**	**15.685**	**6.365**	**4.675**	**843**	**110.935**

Changes in Net Book value for the year are as follows:

	LAND AND BUILDINGS	PLANT AND MACHINERY	LEASEHOLD IMPROVEMENTS	INDUSTRIAL AND COMMERCIAL EQUIPMENT	OTHER ASSETS	WORK IN PROGRESS AND ADVANCES	**TOTAL PROPERTY, PLANT AND EQUIP.**
Opening balance	**70.311**	**13.619**	**17.105**	**6.612**	**5.723**	**1.459**	**114.829**
Additions	18	571	205	256	104	707	**1.862**
Depreciations & write-off	(699)	(1.003)	(1.178)	(968)	(497)	-	**(4.346)**
Exchange differences	8	(10)	(478)	(14)	(101)	(11)	**(606)**
Other movements	(102)	654	31	479	(555)	(1.312)	**(804)**
Closing Balance	**69.536**	**13.831**	**15.685**	**6.365**	**4.675**	**843**	**110.935**

For the main investments of the period please refer to the financial review, that reports a split by groups.

The other movements relate to a reclassification between intangible and tangible assets, in order to properly report the classification of the assets.

9 RIGHT OF USE ASSETS AND LEASE LIABILITIES

The Group has existing leases covering land and buildings, plants and machinery, vehicles and other equipment that are used in operational activities. Land and construction leases generally last between 2 and 24 years, plant and machinery leases generally last between 2 and 8 years, while those for vehicles and other equipment generally last between 2 and 5 years.

The Group's liabilities relating to these leasing agreements are guaranteed by the title of the landlord's property on the leased assets. Generally, the Group may not in turn lease the leased assets to third parties and certain contracts require the group to comply with certain liquidity indices. There are many leasing agreements that include options for renewal and cancellation and variable payments that are best described below.

The Group also has certain leases for machinery whose lifespan is 12 months or less and office equipment whose value is modest. The group has chosen for these contracts to apply the exemptions provided by IFRS16 for short-term or low-value assets.

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the period:

	LAND AND BUILDINGS	PLANT AND MACHINERY	INDUSTRIAL & COMMERCIAL EQUIPEMENT	OTHER ASSETS	**TOTAL RIGHT OF USE ASSET**
Historical costs	140.684	3.568	1.760	4.793	**150.805**
Accumulated depreciation	(79.539)	(3.281)	(1.319)	(3.127)	**(87.266)**
Net book value December 31 2024	**61.145**	**287**	**441**	**1.666**	**63.539**
Historical costs	147.963	3.487	1.954	4.991	**158.395**
Accumulated depreciation	(82.696)	(3.343)	(1.420)	(3.432)	**(90.890)**
Net book value March 31 2025	**65.267**	**144**	**535**	**1.558**	**67.505**

Changes in Net Book value for the year are as follows:

	LAND AND BUILDINGS	PLANT AND MACHINERY	INDUSTRIAL & COMMERCIAL EQUIPEMENT	OTHER ASSETS	**TOTAL RIGHT OF USE ASSET**
Opening balance	**61.145**	**287**	**441**	**1.666**	**63.539**
Additions	9.396	-	196	(45)	**9.546**
Depreciations	(4.306)	(135)	(100)	(275)	**(4.817)**
Exchange differences	(988)	(0)	(2)	(18)	**(1.008)**
Other movements	21	(7)	-	231	**244**
Closing Balance	**65.267**	**144**	**535**	**1.558**	**67.505**

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

Current and Non-current Lease Liability	March 31 2025
Opening balance	**75.190**
Increases, including renewals (leases modification)	9.790
Interests	1.178
Payments	(5.967)
Exchange rate difference	(1.245)
Closing balance	**78.947**
Current Lease Liability	18.253
Non-current Lease Liability	60.694

10 INVESTMENTS IN PARENT COMPANY

As of March 31, 2025, Flos B&B Italia S.p.A. owns shares in the parent Flos B&B Italia Group S.p.A., representing 2.43% of the share capital, purchased in the past years against a consideration which, subject to yearly update of the relevant fair value amounting to approximately Euro 27.8 million.

11 DEFERRED TAX ASSETS

The breakdown and related changes in deferred tax assets are as follows:

	March 31 2025	Taxes to Income Statement	Exchange rates differences and other minor movements	December 31 2024
Reversal of related expenses for the purchase of equity investments	6.246	(0)	(83)	6.329
Inventory margin	3.264	156	(0)	3.108
Tax losses carried forward	1.733	-	(66)	1.799
Non-deductible financial charges	4.897	-	(126)	5.022
Depreciation of tangible assets and amortization of intangible assets	2.394	183	(49)	2.259
Provisions for stock obsolescence	3.742	52	(13)	3.702
Allowance for doubtful debts	581	2	(4)	583
Provisions for employee severance indemnities	1.265	(183)	(8)	1.457
Allocations to risk provision	2.025	(124)	(42)	2.191
Remuneration not yet paid	186	44	-	142
Other changes	3.777	104	(62)	3.735
Total	**30.109**	**234**	**(453)**	**30.328**

12 OTHER NON-CURRENT ASSETS

The other non-current assets amount to Euro 11.6 million at December 31, 2024 (Euro 11.7 million at December 2024) and mainly include Euro 8.1 million of deposits on rents paid by the Group companies and Euro 2.8 million as non-current prepayments.

SHAREHOLDERS' EQUITY

13 TOTAL SHAREHOLDERS' EQUITY

The equity attributable to the owners of the Group and to non-controlling interests is set forth below:

Equity	March 31 2025	December 31 2024
Share capital	**5.102**	**5.102**
Share premium reserve	978.848	978.848
Legal reserve Flos B&B Italia S.p.A	1.020	1.020
Reserve for shares of the parent company	25.543	25.543
Share premium reserve and other reserve of parent company	**1.005.411**	**1.005.411**
Fair value reserve	2.141	2.141
Translation reserve	13.219	20.909
Cash Flow Hedge Reserve	(500)	228
Actuarial gain/(loss) reserve	(1.318)	(1.308)
Other reserves	(48.487)	88.114
Total Other reserves	**(34.944)**	**110.085**
Profit/(Loss) of the period	**(7.884)**	**(136.881)**
Group shareholders' equity	**967.685**	**983.718**
Equity reserves of non-controlling interests	(1.045)	2.163
Minority Interest Income/(loss)	(235)	(3.233)
Equity attributable to non-controlling interests	**(1.280)**	**(1.070)**
Total Shareholders' equity	**966.405**	**982.648**

CURRENT AND NON CURRENT LIABILITIES

14 CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

Current and non-current financial liabilities are as follows:

	March 31 2025	December 31 2024
Short-Term Bond	-	42.500
Short-Term bank loan	57.826	13.806
Interest on financial liabilities	14.586	6.479
Short-Term payables to other lenders	-	18.102
Short-term amortized costs	(3.196)	(3.822)
Current financial liabilities	**69.216**	**77.065**
Long-Term Bond	890.000	890.000
Long-Term bank loan	1.057	1.111
Long-Term payables to other lenders	1.200	1.200
Long-term amortized costs	(12.548)	(13.371)
Non-current financial liabilities	**879.709**	**878.940**
Financial liabilities, excluding lease liabilities	**948.925**	**956.006**
Current lease liabilities	18.253	15.364
Non-current lease liabilities	60.694	59.825
Lease liabilities (IFRS16)	**78.947**	**75.190**
Total financial liabilities, including lease liabilities	**1.027.871**	**1.031.195**

The total financial liabilities, including lease liabilities, reduced of Euro 3.3 million compared to December 31, 2024 and the significant events of the period are reported below:

- On January 2025 the Group paid Euro 18.1 million as the last vendor loan amount related to the AUDO acquisition made in 2022.
- On February 2025, the Group proceeded with a further redemption of a portion of the Fixed Rate Notes for a principal amount of Euro 42.5 million, reducing the relevant outstanding principal amount to Euro 340 million. In conjunction with the repayment, the Group drawn down the RCF (Revolving Credit Facility) for Euro 35 million (this is the main reason of the increase in the short term bank loans that increased from Euro 13.8 million at December 31, 2024, to Euro 57.8 million at March 31, 2025).
  At the date of the approval of this Q1 2025 report, the RCF was still available for Euro 106 million.

The Lease Liabilities increase from Euro 75.2 million at December 31, 2024 to Euro 78.9 million, due to certain few important renewals, mainly in EMEA.

Finally, during the period the Group paid interests on loans, mainly related to the bonds, for approximately Euro 12 million, while in the corresponding period paid approximately Euro 11 million.

The composition of the financial liabilities is here reported:

Group's company	Current financial Liabilities	Non-current financial Liabilities	Total financial debt	Type of Loan	Cur-rency	Exipiry Date	Interest rate (Euribor + spread)
Flos SpA	2.000	-	2.000	term loan	Eur	04/2025	Eur. 3m + 0.3%
Flos SpA	2.000	-	2.000	term loan	Eur	06/2025	Eur. 3m + 0.3%
Flos SpA	1.500	-	1.500	term loan	Eur	06/2025	Eur. 3m + 0.3%
Louis Poulsen A/S	3.198	-	3.198	term loan	DKK	09/2025	4,7%
Arclinea S.p.A.	1.054	-	1.054	term loan	Eur	06/2025	5,0%
Arclinea S.p.A.	1.479	-	1.479	term loan	Eur	06/2025	5,0%
Arclinea S.p.A.	-	1.057	1.057	term loan	Eur	07/2029	Eur. 3m + 1.3%
Arclinea S.p.A.	500	-	500	term loan	Eur	05/2025	4,7%
Arclinea S.p.A.	700	-	700	term loan	Eur	05/2025	5,0%
B&B Italia S.p.A.	4.000	-	4.000	term loan	Eur	06/2025	Eur. 3m + 0.9%
B&B Italia S.p.A.	500	-	500	term loan	Eur	06/2025	Eur. 1m + 0.1%
Designers Company A/S	5.930	-	5.930	term loan	DKK	08/2025	5,0%
Flos B&B Italia S.p.A.	12.669	340.000	352.669	Fixed Notes	Eur	11/2028	10,0%
Flos B&B Italia S.p.A.	1.537	550.000	551.537	Floating Notes	Eur	12/2029	Eur. 3m+3,875%
Flos B&B Italia S.p.A.	35.344	-	35.344	RCF, interests (*)	Eur	05/2028	Eur. 3m+3%
Flos B&B Italia S.p.A.	(3.196)	(12.548)	(15.744)	Amortized costs	-	-	-
Payables to banks and bonds	**69.216**	**878.509**	**947.725**				
Flos B&B Italia S.p.A.	-	1.200	1.200	Other lenders	Eur	na	na
Payables to other lenders	**-**	**1.200**	**1.200**				
Financial liabilities, excl. lease liabilities	**69.216**	**879.709**	**948.925**				
Lease liabilities	**18.253**	**60.694**	**78.947**				
Total Financial Payables, including lease liabilities	**87.468**	**940.403**	**1.027.871**				

(*) = at the reporting date, the Revolving Credit Facilities was available for Euro 106 million (of total Euro 145 million)

15 TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

Trade payables and advance from customers	March 31 2025	December 31 2024
Trade payables - third parties	121.416	139.585
Trade payables - related	12.196	10.424
Total Trade payables	**133.612**	**150.009**
Advances from customers	63.074	58.022
Total	**196.686**	**208.030**

The item includes both trade payables to suppliers (including allocations for invoices to be received), advances from customers and trade payables toward the ultimate parent company.

16 SUPPLIER FINANCE ARRANGEMENTS

At March 31, 2025, the supplier finance arrangements amount to Euro 5.5 million, down from Euro 5.9 million in December 31, 2024, and include the reverse factoring and the confirming instruments.

17 CURRENT TAX LIABILITIES

The current tax liabilities have the following composition:

Current Tax liabilities	March 31 2025	December 31 2024
Corporate Taxes Payables	4.477	3.634
VAT and indirect taxes	2.021	2.010
Withholding tax	56	72
Tax payables for fiscal consolidation	9.207	7.969
Other taxes	2.248	2.823
Total	**18.010**	**16.509**

18 OTHER CURRENT LIABILITIES

Other current liabilities are mainly related to payables to social security agency and other payables to personnel:

Other current liabilities	March 31 2025	December 31 2024
Payables to social security agency	5.320	5.907
Payables to Employees and Directors	20.429	17.725
Payables for royalties	2.301	1.837
Other payables	10.937	11.891
TOTAL	**38.987**	**37.360**

19 DEFINED BENEFIT PLANS

Defined benefit plans represent the use and allocations within the year for the Parent Company and by the Italian subsidiaries. The amount of the provision for Employee severance indemnities is net of the amounts allocated to the Complementary Treasury Provision. The changes are as follows:

	Defined benefit plans
Opening balance	**5.910**
Increase	196
Reversal	(205)
Utilization	(24)
Exchange rate difference	3
Closing balance	**5.879**

The measurement of the employee severance indemnity for IAS purposes follows the method of the projection of the present value of the defined benefits obligation with the estimate of the benefits accrued by employees.

20 PROVISIONS FOR RISKS AND CHARGES

The changes in the Provisions for risks and charges are detailed as follows:

	Provisions for pension liabilities and the like	Provision for products warranty	Other provision for risk and charges	Total provisions for risks and charges
Opening balance	**5.834**	**4.169**	**1.219**	**11.222**
Usage	(694)	(27)	(164)	(884)
Increases, net of reversal	61	(25)	42	79
Reclassification	-	(172)	-	(172)
Exchange rate difference	-	(14)	(8)	(23)
Closing balance	**5.201**	**3.931**	**1.090**	**10.221**

The provisions for pension liabilities is subject to annual actuarial calculation and amounted to Euro 5.2 million at March 31, 2025. It includes the supplementary customer indemnity accrued towards agents, in accordance with the current agents' national collective agreement. The amount reflects the prudent appreciation of the risk connected with any interruption of the mandate conferred to agents in the cases prescribed by law.

The other provision for risk and charges represents the best estimate of the maximum outflow of resources needed to settle liabilities deemed to be probable. Based on the information available at the reporting date, the management accrued the costs considered adequate in respect of the liabilities that could arise from them.

21 DEFERRED TAX LIABILITIES

The breakdown and related changes in deferred tax liabilities are as follows:

Deferred Taxes on:	March 31 2025	Change in consolidation area	Taxes to Income Statement	Exchange rate	other movements	December 31 2024
trademark for PPA	162.772	-	(32)	(356)	-	163.160
R&D	2.399	-	(4)	(1)	-	2.404
Other	2.909	-	125	(17)	-	2.801
Total	**168.080**	**-**	**89**	**(374)**	**-**	**21.365**

22 OTHER NON-CURRENT LIABILITIES

Other non-current liabilities are equal to Euro 3.7 million at March 31, 2025 (Euro 4.5 million at December 31, 2024). This amount is for the main part related to the signing of a license agreement to develop the FENDI Casa business.

Consolidated Profit or Loss statement

23 REVENUES

Details about Other revenues and income are provided in the following table.

	March 31 2025	March 31 2024
Revenues from contracts with customers	177.082	186.340
Other revenues	1.985	888
Total revenues	**179.067**	**187.228**

The Financial Review describes the Revenues from contracts with customers by group of companies, by brand, geographical area and distribution channel.

24 PURCHASES OF RAW MATERIALS AND CHANGES IN INVENTORIES

The details of Purchases of raw materials and changes in inventories are as follows:

Cost of Sales	March 31 2025	March 31 2024
Purchases of raw materials, semifinished goods, finished products	(49.968)	(39.284)
Purchase of various other materials	(1.237)	(1.161)
Variation in stocks	8.323	(7.723)
Write-down/Reversal of inventories	(491)	(2)
Total	**(43.373)**	**(48.170)**

25 PERSONNEL COSTS

Details about Personnel costs and the average number of Group employees (FTE – full time equivalent) are broken down as follows:

	March 31 2025	March 31 2024
Salaries and wages	(33.866)	(33.902)
Stock options plans	-	-
Social security contributions	(4.891)	(4.946)
Employee severance indemnities and pension charges	(2.090)	(1.866)
Other personnel costs, including bonus & sales commission	(2.892)	(2.257)
Total	**(43.739)**	**(42.970)**

	March 31 2025	March 31 2024
Executives	623	623
White-collar	1.417	1.404
Blue-collar	71	74
Total	**2.111**	**2.101**

26 SERVICE COSTS

The details of Service costs are as follows:

	March 31 2025	March 31 2024
Contractor work and outsourced production work	(9.443)	(8.685)
Fees, royalties, expenses for advertising and communication	(19.071)	(18.322)
Transport and customs expenses	(8.362)	(8.011)
Utilities, Maintenance and IT expenses	(6.248)	(5.733)
Advisory services	(2.517)	(2.221)
Statutory Auditors & External Auditors	(623)	(632)
Travel and lodging expenses	(2.029)	(2.133)
Exp. for training, 3rd party personnel, banking and sundry admin. services	(2.055)	(2.308)
Insurances, patents and trademark, telephone and mail expenses	(1.096)	(1.078)
Consultant costs related to business combination	(177)	(344)
Management Fees	(1.917)	(2.844)
Total	**(53.538)**	**(52.310)**

27 PROVISIONS

The (Accruals)/reversals for the period are below reported:

	March 31 2025	March 31 2024
Provisions for pension liabilities and the like	(61)	(90)
Provision for product warranty	25	47
Provision for risk and charges	(42)	(95)
Allowance for bad and doubtful debt	(110)	(172)
Total	**(188)**	**(310)**

28 OTHER COSTS AND CHARGES

The Other costs and charges comprise the following:

	March 31 2025	March 31 2024
Property services	(737)	(1.195)
Other services and EDP license fees	(198)	(228)
Other taxes and duties	(645)	(448)
Membership and subscriptions included internet	(185)	(230)
Gifts and charitable donations	(139)	(151)
Purchase of office supplies and consumables	(230)	(259)
Other income / expenses	(524)	(825)
Cleaning, security and other operating costs	(673)	(483)
Total	**(3.331)**	**(3.819)**

29 AMORTIZATION, DEPRECIATION AND IMPAIRMENT

The details of Amortization, depreciation and impairment are provided in the following table:

	March 31 2025	March 31 2024
Amortization of intangible assets	(4.892)	(4.826)
Depreciation of tangible assets	(4.281)	(4.002)
Depreciation and impairment of the Right of Use assets	(4.817)	(4.447)
Amortization/Depreciation	**(13.989)**	**(13.275)**
Tangible assets impairment	(65)	24
Asset impairment	**(65)**	**24**
Total Amortization, depreciation and impairment	**(14.054)**	**(13.252)**

30 FINANCIAL INCOME AND EXPENSES

	March 31 2025	March 31 2024
Interest income	1.259	602
Exchange gains realized and unrealized	1.566	1.049
Financial income	**2.825**	**1.650**
Interest Expense	(23.525)	(22.519)
Interest Expense on lease Liabilities (IFRS16)	(1.178)	(1.377)
Exchange loss realized and unrealized	(1.741)	(823)
Financial expenses	**(26.445)**	**(24.718)**
Total Financial income/(expenses)	**(23.620)**	**(23.068)**

Financial income amounts to Euro 2.8 million, above last due to year by approximately Euro 1.2 million, benefitting from higher interest income, as well as from a positive contribution of the exchange gains.

Financial expenses amount to Euro 26.4 million, higher compared the same period of last year (Euro 24.7 million) and below is reported the main items:

- Euro 23.5 million of interest expenses, of which:
  - Euro 18 million related to the accrued interest charges on bonds (fixed and floating),
  - Euro 4.1 million of interest expense on revolving credit facilities and other loans, including the fees related to the repayment of the Euro 42.5 million of Senior Secured fixed notes, made in February 2025.
  - Euro 1.4 million as release of amortized costs on bonds;
- Euro 1.2 million of interest expenses on lease liabilities (for the application of IFRS 16).
- Euro 1.7 million of exchange loss, realized and unrealized;

31 TAXATION

	March 31 2025	March 31 2024
Current Taxes	(5.525)	(5.791)
Deferred Taxes	184	651
Total	**(5.342)**	**(5.140)**

Taxation was impacted by the growing non-deductibility of the interest expense due to the increase in the absolute value of interests and a reduction in the gross operating income of Italian companies.

32 EVENTS AFTER THE REPORTING PERIOD

During the first months of 2025, Flos B&B Italia S.p.A. and Fendi S.r.l., started informal discussions regarding the company Fashion Furniture Design S.p.A. (controlled by Design Quality Manufacturing S.p.A., "DQM"), with a view to reviewing the existing agreements.

Based on such agreement, Flos B&B Italia S.p.A. and Fendi S.r.l. have established DQM, 100% owned by Flos B&B Italia S.p.A. and Fashion Furniture Design S.p.A., 80% owned by DQM and 20% by Fendi S.r.l.

As of the date of this financial statement, these negotiations are still ongoing, and no binding agreement has been signed between the parties.

OULOOK

The complex and uncertain macroeconomic scenario could continue to impact the global economy in 2025.

In such an uncertain situation, the management is not in a position to issue a guidance for the coming months.

These Consolidated Financial Statements, consisting of the Statement of Financial Position, Statement of Profit/Loss for the period, Statement of Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Explanatory Notes, provide a true and fair representation of the Group’s consolidated financial position and the consolidated income for the period, in accordance with the results of the accounting records.

Milan, May 27, 2025

On behalf of the Board of Directors

The Chairman of the Board of Directors

Piero Canzani