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 Alessandro Manzoni 38 – 20121 Milan, Italy
Registered in the Milan Company Register - Taxpayer ID and registration no. 10462810960



Group Financial Report

Q1 - 2026

March 31, 2026

(unaudited)

Financial review

FINANCIAL REVIEW

Introduction

Dear Shareholder,

The unaudited Consolidated Financial Statements as of March 31, 2026 of Flos B&B Italia S.p.A. (together with its subsidiaries hereafter also as "Group") reported an Operating result adjusted of Euro 20.2 million and a Net loss of Euro 7.6 million.

Accounting standards

The unaudited Consolidated Financial Statements of the Group 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.

These unaudited Consolidated Financial Statements of the Group should be read together with the Annual Group Financial Report for the year ended December 31, 2025, which sets out the consolidation principles 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.

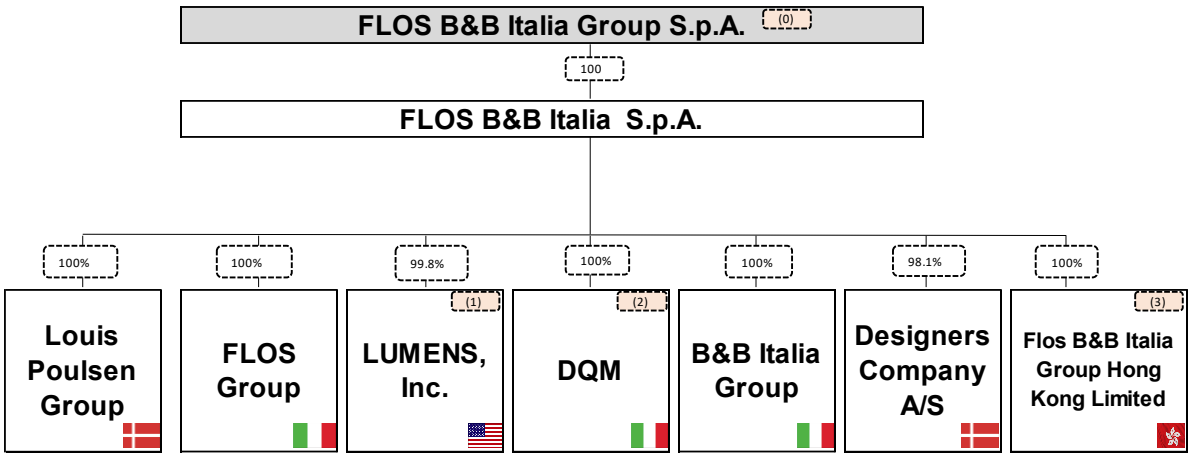
The exchange rates applied in the conversion of the asset and liability balances in currencies other than the Euro at March 31, 2026 and the average exchange rates of the period from January 1, 2026 – March 31, 2026 are as follows:

			March 31, 2026	
Country	**Currency code**	**Currency description**	**Average Exchange rate**	**Exchange rate at the end of the month**
Sweden	SEK	Swedish Krone	10.693	10.943
Norway	NOK	Norwish Krone	11.384	11.213
United Kingdom	GBP	GB Pound	0.868	0.868
USA	USD	US Dollar	1.171	1.150
Canada	CAD	Canadian Dollar	1.605	1.602
Japan	JPY	Japanise Yen	183.596	183.390
Switzerland	CHF	Swiss Franc	0.917	0.919
Hong Kong	HKD	Hong Kong Dollar	9.147	9.014
Rep. Of China	CNY	Chinese Renminbi (Yuan)	8.106	7.934
Denmark	DKK	Danish Krone	7.471	7.473
Singapore	SGD	Singapore Dollar	1.493	1.481
South Korea	KRW	Korean Won	1,715.301	1,753.220

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

GROUP STRUCTURE

The group structure includes the following consolidated subgroups:



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

(1) ***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.*

(2) ***DQM****, Design Quality Manufacturing: as part of the new strategy of focusing on the portfolio of its iconic and historical brands, on June 30, 2025, the Group has closed its partnership with FENDI, marking the end of the FF Design joint venture, transferring the 80% participation held by DQM in FF Design to Fendi S.r.l. - From July 1, 2025, the Group perimeter will include only DQM, which will continue to provide limited support services and manufacturing of existing collections to FF Design for a transitional period.*

(3) ***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: refer to the brands included in the scope of consolidation after the establishment of the Group in 2018. As of the reporting date, these brands include Lumens, Audo (formerly Designers Company), and DQM (Design Quality Manufacturing).

NON-RECURRING COSTS AND REVENUES: positive or negative components connected to transactions whose occurrence is non-recurring, non-operating in nature 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 2026	March 31 2025	Change %
Total REVENUES of the Group	**163.981**	**178.778**	**-8,3%**
Adjusted EBITDA	**31.818**	**37.352**	**-14,8%**
OPERATING RESULT - Adjusted EBIT	**20.215**	**23.305**	**-13,3%**
Profit/(loss) of the period	**(7.555)**	**(8.119)**	**7,0%**
Profit (loss) on total revenues %	*-4,6%*	*-4,5%*	
AVERAGE EMPLOYEES (FTE's)	**2.020**	**2.111**	**-4,3%**

	March 31 2026	December 31 2025	Change %
NET OPERATING WORKING CAPITAL	**41.857**	**33.028**	**26,7%**
NET INVESTED CAPITAL	**2.030.709**	**2.015.853**	**0,7%**
NET FINANCIAL DEBT	**(927.421)**	**(909.740)**	**-1,9%**
GROUP SHAREHOLDERS EQUITY	**925.117**	**927.296**	**-0,2%**

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 2026	March 31 2025
Revenues from contracts with customers	163.827	176.984
Other revenues and income	154	1.795
Total Revenues	**163.981**	**178.778**
Purchases of raw materials, semifinished goods, finished products and changes in inventories	(39.265)	(43.373)
Personnel costs	(41.205)	(43.697)
Service costs	(48.312)	(51.268)
Provisions	(516)	(188)
Other costs and charges	(2.866)	(2.900)
Total Costs	**(132.163)**	**(141.426)**
Non-recurring (costs) / revenues impacting EBITDA	(2.140)	(2.455)
EBITDA	**29.678**	**34.897**
Amortization of intangible assets	(3.808)	(4.892)
Depreciation of tangible assets	(3.513)	(4.281)
Depreciation and impairment of the Right of Use assets	(4.278)	(4.817)
Amortization/Depreciation	**(11.599)**	**(13.989)**
Goodwill impairment	-	-
Intangible assets impairment	-	-
Tangible assets impairment	(11)	(65)
Asset impairment	**(11)**	**(65)**
Total Amortization/depreciation and impairment of assets	**(11.610)**	**(14.054)**
Operating result - EBIT	**18.067**	**20.843**
Financial income	1.438	2.825
Financial charges	(22.405)	(26.445)
Total Financial Expenses	**(20.968)**	**(23.620)**
Profit/(loss) before taxes	**(2.900)**	**(2.777)**
Income Taxes	(4.654)	(5.342)
Profit/(loss) of the period	**(7.555)**	**(8.119)**
Profit/(Loss) for the period, attributable to the Group	(7.545)	(7.884)
Profit/(Loss) for the period, attributable to minority interest	(9)	(235)

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 2026	March 31 2025	Change %
EBITDA	**29.678**	**34.897**	**-15,0%**
Non-recurring costs impacting EBITDA - (1)	**2.140**	**2.455**	**-12,8%**
Adjusted EBITDA	**31.818**	**37.352**	**-14,8%**

	March 31 2026	March 31 2025	Change %
Operating result - EBIT	**18.067**	**20.843**	**-13,3%**
Total Non-recurring costs/(revenues) - (1)+(2)	**2.148**	**2.462**	**-12,8%**
Operating result - ADJUSTED EBIT	**20.215**	**23.305**	**-13,3%**

	March 31 2026	March 31 2025
Total Non-recurring costs/(revenues) - (1)+(2)	**2.148**	**2.462**
Non-recurring costs impacting EBITDA - (1)	**2.140**	**2.455**
Management fees vs the parent company	1.566	1.913
Group enhancement projects	-	-
Rebranding	-	160
Severance, termination and recruiting one-off	284	156
Start up and Ramp-up cost - Dos openings and new business	93	83
non-recurring expenses/(income), including provision for Inventory, Trade receivables, risks	198	144
Non-recurring costs impacting EBIT - (2)	**8**	**7**
assets impairment and other	8	7

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 these are recurring costs, however eliminated to report the real business performance of the brands).

Group enhancement projects usually refer to one-off costs aimed at strengthening the Group's organization and procedures. No such projects were recorded in Q1 2026, in line with the comparison period.

Rebranding refers to a few advisory costs relating to the redesign of Lumens website completed in 2025.

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

Start-up, ramp-up costs, including DOS openings, new projects and business initiatives; for Q1 2026 mainly relate to the refurbishment of the main B&B Italia showroom at the Group's headquarters in Italy.

Non-recurring expenses/(income), including provision for Inventory, Trade receivables, risks: for Q1 2026 mainly relates to one-off costs connected with the outsourcing of the former AUDO warehouse operations in Denmark to an external 3PL provider, including temporary overlapping rent and transition costs incurred during the transitional phase.

Q1 2026 Highlights

Below is the table of Revenues from contracts with customers by group of companies, geographic areas and sales channels, based on the current Group perimeter. Statutory figures include DQM, which is reported within Emerging Brands together with Lumens and Audo. Following the termination of the Fendi Casa license agreement in June 2025, DQM is progressively winding down its activities:

STATUTORY FIGURES	Mar 31 2026	Inc % on sales	Mar 31 2025	Inc % on sales	Change	Change %
Revenues by group of companies						
Core brands	131,982	80.6%	138,298	78.1%	(6,316)	-4.6%
Emerging brands	31,845	19.4%	38,784	21.9%	(6,938)	-17.9%
Total	**163,827**	**100%**	**177,082**	**100%**	**(13,254)**	**-7.5%**

	Mar 31 2026	Inc % on sales	Mar 31 2025	Inc % on sales	Change	Change %
Revenues by geographical area						
EMEA	105,932	64.7%	112,485	63.5%	(6,552)	-5.8%
AMERICAS	36,205	22.1%	40,666	23.0%	(4,461)	-11.0%
APAC	21,690	13.2%	23,931	13.5%	(2,241)	-9.4%
Total	**163,827**	**100%**	**177,082**	**100%**	**(13,254)**	**-7.5%**

	Mar 31 2026	Inc % on sales	Mar 31 2025	Inc % on sales	Change	Change %
Revenues by channel						
B2B (Contract)	44,510	27.2%	54,244	30.6%	(9,734)	-17.9%
B2C	119,317	72.8%	122,838	69.4%	(3,521)	-2.9%
Wholesale	*87,566*	*53.5%*	*87,131*	*49.2%*	*435*	*0.5%*
DOS - Directed Operated Stores	*9,276*	*5.7%*	*12,779*	*7.2%*	*(3,503)*	*-27.4%*
E-commerce	*22,475*	*13.7%*	*22,928*	*12.9%*	*(453)*	*-2.0%*
Total	**163,827**	**100%**	**177,082**	**100%**	**(13,254)**	**-7.5%**

In the first quarter of 2026, the Group reported Revenues from contracts with customers, excluding Other income, of approximately Euro 163.8 million, down 7.5% compared to the same period of 2025.

Following the termination of the FF Design joint venture with Fendi on June 30, 2025, the Group's scope of consolidation has significantly changed. As of Q1 2026, the perimeter includes only DQM (Design Quality Manufacturing), an Italy-based company operating exclusively through the wholesale channel and progressively winding down its activities, with completion expected during the year.

Until June 30, 2025, FFD (Fashion Furniture Design) acted as the distribution company for the Fendi Casa business, operating across EMEA, APAC and the Americas through all major commercial channels, including DOS, Contract and Wholesale. As a result, the year-on-year comparison is impacted not only by the reduction in volumes following the progressive termination of the joint venture, but also by a materially different geographical exposure and channel mix versus Q1 2025.

Therefore, in order to provide a clearer and more meaningful representation of the underlying business performance, the following analysis by brand, channel and geography is presented on a pro forma basis, excluding the Fendi Casa perimeter from both reporting periods.

The following table presents the related **pro forma figures**, excluding the Fendi Casa Group in both periods following the termination of the license agreement in June 2025. The Fendi Casa Group comprised both DQM (Design Quality Manufacturing) and the FFD (Fashion Furniture Design) perimeter. Although DQM is still included in the Group perimeter, it is progressively winding down its activities and has therefore been excluded from the pro forma figures to ensure a more meaningful comparison between 2026 and 2025.

PRO FORMA FIGURES	Mar 31 2026	Inc % on sales	Mar 31 2025	Inc % on sales	Change	Change %
Revenues by group of companies						
Core brands	131,982	82.3%	138,298	81.9%	(6,316)	-4.6%
Emerging brands	28,473	17.7%	30,611	18.1%	(2,138)	-7.0%
Total	**160,455**	**100%**	**168,909**	**100%**	**(8,454)**	**-5.0%**

	Mar 31 2026	Inc % on sales	Mar 31 2025	Inc % on sales	Change	Change %
Revenues by geographical area						
EMEA	102,560	63.9%	109,317	64.7%	(6,757)	-6.2%
AMERICAS	36,205	22.6%	38,912	23.0%	(2,707)	-7.0%
APAC	21,690	13.5%	20,680	12.2%	1,011	4.9%
Total	**160,455**	**100%**	**168,909**	**100%**	**(8,454)**	**-5.0%**

	Mar 31 2026	Inc % on sales	Mar 31 2025	Inc % on sales	Change	Change %
Revenues by channel						
B2B (Contract)	44,510	27.7%	52,569	31.1%	(8,059)	-15.3%
B2C	115,945	72.3%	116,340	68.9%	(395)	-0.3%
Wholesale	*84,194*	*52.5%*	*83,425*	*49.4%*	*769*	*0.9%*
DOS - Directed Operated Stores	*9,276*	*5.8%*	*9,986*	*5.9%*	*(711)*	*-7.1%*
E-commerce	*22,475*	*14.0%*	*22,928*	*13.6%*	*(453)*	*-2.0%*
Total	**160,455**	**100%**	**168,909**	**100%**	**(8,454)**	**-5.0%**

On this basis, revenues would have decreased by 5% versus Q1 2025, while the decline would have been 2.5% at constant exchange rates. The following section provides a commentary on all segments based on these pro forma figures.

Q1 2026 was characterized by a still cautious demand environment, particularly in contract business, however impacted by the phasing of projects. Order intake in the quarter was down single digit compared to Q1 2025, although showing some improvement in B2C channels, especially wholesale, which had been the most depressed channel in the prior year. The B2B channel (Contract) declined double digit, as mentioned, due to the phasing of projects.

From a geographical perspective, EMEA recorded a mid single-digit decline, with negative performance across the main core regions in both B2B and B2C channels.
The Americas, still impacted by currency fluctuations, inflation and weaker consumer confidence following the introduction of US tariffs, declined by 7%. However, at constant exchange rates, the region improved by 1.8%, also supported by an easier comparison base versus Q1 2025 due to the weakness of the US dollar in the current quarter.
Conversely, APAC grew by 4.9% in Q1 (+10% at constant exchange rates), driven by Greater China and Japan, also benefiting from a low comparison base in the early months of 2025.

Core Brands (Flos, Louis Poulsen and B&B Italia) reported an overall decline versus prior year (-4.6%). The solid progression of Louis Poulsen was more than offset by Flos, which was impacted by a tough comparison base, as Q1 2025 benefited from postponed orders following the Valencia flooding, and by temporary disruptions related to the go-live of the new ERP system, with part of the revenues expected to be recovered in the coming months. B&B Italia Group was slightly below last year, still affected by softer B2C demand, particularly in wholesale-related channels, while Arclinea continued to show strong momentum.

Emerging Brands, now including only Lumens and Audo (as mentioned above, excluding DQM in order to provide a more meaningful view of the business trend following the termination of the Fendi Casa license agreement), declined by 7% compared to Q1 2025. The performance mainly reflected a soft start to the year at Audo, driven by a lower conversion rate of the commercial pipeline, particularly in the US market.

Lumens also reported a mid-single-digit decline at current exchange rates, heavily impacted by unfavorable currency movements. However, at GMV and constant exchange rates, Lumens delivered a strong performance (+8%), also benefiting from a softer comparison base in Q1 2025, as the positive impact of the website redesign materialized mainly in H2 2025, while the first half of last year remained weaker.

Across channels, performance differed between the two main segments:

- B2B (Contract) declined compared to Q1 2025, reflecting the timing and phasing of project deliveries, which typically depend on the evolution of ongoing projects. As of the present reporting date, the channel is progressing positively on a QTD basis and is expected to progressively reduce the gap versus prior year to a mid-single digit decline by the half year.
- B2C remained broadly stable overall, with a slight decline versus Q1 2025. Performance was mixed across channels: wholesale was broadly in line year over year, although conservative inventory management by dealers continued to weigh on order volumes; DOS recorded a 7.1% decline, particularly in the US, while E-commerce remained overall stable.

As a consequence of the sales contraction in the first quarter of 2026, Adjusted EBITDA amounted to Euro 31.8 million, down 14.8% year over year, with a margin of 19.4% on total revenues, compared to 20.9% in Q1 2025. Reported EBITDA showed a similar trend, reaching Euro 29.7 million versus Euro 34.9 million in Q1 2025, down 15.0% year over year.
Adjusted EBIT for the first quarter of 2026 amounted to Euro 20.2 million, compared to Euro 23.3 million in the same period of the previous year, representing a decrease of 13.3%.
Despite a still challenging macroeconomic environment and weaker order intake in Q1 2026, the Group remains confident about a recovery in the second half of the year, supported by its solid backlog and ongoing commercial initiatives.
Although sales declined, the Group continued to execute its strategy to strengthen its leadership in the high-end design segment, while reported EBITDA and EBIT were supported by the strict cost-control measures implemented in 2025. The Group also continues to enhance brand desirability through collaborations with leading designers and ongoing R&D investments focused on durable, high-quality and sustainable products.
While closely monitoring international developments that may affect near-term performance, including persistent macroeconomic pressures, weaker consumer confidence in certain regions such as China, and the ongoing uncertainties related to the US tariff regime, the Group remains committed to expanding in markets with strong long-term potential, including North America, China and the Middle East. However, certain Contract projects in the Middle East may experience delays due to the current geopolitical tensions in the region.

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 2026	December 31 2025
Goodwill		1.146.898	1.144.742
Brands and other intangible assets		650.642	650.464
Property, plant and machinery		106.442	106.122
Right of use assets		59.983	57.705
Net Technical Fixed Assets	**1)**	**1.963.965**	**1.959.033**
Deferred tax assets		29.684	29.230
Investments in parent company		24.723	24.617
Other non-current assets		6.290	6.227
Net Financial Fixed Assets	**2)**	**60.697**	**60.074**
Total non current assets	**3) = (1+2)**	**2.024.663**	**2.019.107**
Trade Receivables		80.816	82.040
Inventories		150.766	143.710
Trade Payables, advances and supplier finance arrangements		(189.725)	(192.722)
Net operating working capital	**4)**	**41.857**	**33.028**
Other current assets (excluding items of financial position)		24.165	18.544
Other current liabilities (excluding items of financial position)		(59.977)	(54.826)
Total current assets / liabilites	**5)**	**(35.811)**	**(36.282)**
Operating Working Capital	**6) = (4+5)**	**6.046**	**(3.254)**
Net Invested Capital	**7) = (3+6)**	**2.030.709**	**2.015.853**
Total Shareholders equity	**8)**	**(918.929)**	**(922.442)**
Total non-current liabilities (excluding items of NFP)	**9)**	**(184.359)**	**(183.671)**
Cash and cash equivalents		68.836	73.565
Current and non-current financial liabilities		(926.309)	(916.006)
Current and non-current lease liabilities		(69.949)	(67.299)
Total Net Financial deficit	**10)**	**(927.421)**	**(909.740)**
Total Medium/Long Term Finance Sources	**11) = (8+9+10)**	**(2.030.709)**	**(2.015.853)**

Main Investments of the period

As of March 31, 2026, investments amounted to Euro 6.4 million. Below is a list of the main investments of the period:

- The FLOS Group invested approximately Euro 2 million in the first quarter of 2026. Investments in tangible assets amounted to Euro 0.5 million and were mainly related to expansion initiatives, including new tooling, vehicles and machinery refurbishment, with a residual portion allocated to Flos Design Space projects. Investments in intangible assets amounted to Euro 1.4 million and were primarily related to SAP-related developments, mainly driven by the go-live of Antares, the Spain-based company within the Group producing architectural lighting, which completed its SAP implementation in February 2026, in addition to ongoing investments in R&D activities.
- The B&B Italia Group invested approximately Euro 3 million in the first quarter of 2026. Investments in tangible assets were mainly related to operational upgrades across the

production plants and maintenance activities, as well as to the development of new products. Investments in intangible assets were primarily focused on IT projects, including ERP-related developments, and on the capitalization of R&D activities.

- Louis Poulsen invested approximately Euro 1 million, mainly focused on product development and R&D activities with internal teams and international designers. Additional investments supported the expansion of shop in shop facilities to strengthen premium distribution, together with targeted spending in supply chain and production equipment. Further investments were allocated to IT, software and hardware, including development of a new digital brand and e commerce platform.
- The remaining portion of the Group's 2025 investments was mainly absorbed by Lumens, primarily focused on the development and significant enhancement of its digital platforms, including front end and back end systems, together with the renovation of the San Francisco Design Gallery.

Net Financial Position

	March 31 2026	December 31 2025
Cash and short term deposit	**(68.836)**	**(73.565)**
Short-Term bank loan	31.860	30.685
Interest on financial liabilities	14.371	5.901
Short-term amortized costs	(3.422)	(3.356)
Current financial liabilities	**42.809**	**33.230**
Long-Term Bond	890.000	890.000
Long-Term bank loan	1.192	1.335
Long-Term payables to other lenders	1.200	1.200
Long-term amortized costs	(8.893)	(9.759)
Non-current financial liabilities	**883.500**	**882.776**
Net financial debt, excluding lease liabilities (IFRS16)	**857.473**	**842.441**
Current lease liabilities	18.245	17.579
Non Current lease liabilities	51.703	49.721
Total lease liabilities (IFRS16)	**69.949**	**67.299**
Net Financial Debt, including lease liabilities (IFRS16)	**927.421**	**909.740**

The total Net financial debt, including Lease liability, increase from Euro 909.7 million at December 31, 2025 to Euro 927.4 million at March 31, 2026.

The Net Financial Position contracted at the end of the first quarter, in line with the typical seasonality of the business and the usual working capital absorption in the period, also impacted by the accrual of interest expenses to be paid in the following months. As reported in the Consolidated Statement of Cash Flows, net cash flows from operations were positive in the quarter (Euro 5.9 million), compared to a negative result in the same period last year (Euro -5.8 million). Operating cash flow also benefited from advances received in the contract channel, related to projects whose revenues are expected to materialize in the coming months.

The Lease Liabilities increased from Euro 67.3 million at December 31, 2025 to Euro 69.9 million, due to certain renewals, mainly in EMEA.

Finally, during the period the Group paid interests on loans, mainly related to the bonds, for approximately Euro 9 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, 2026, the average Group's staff (full time equivalent) for the period amounted to 2.020 units, of which 599 in Flos, 409 in Louis Poulsen, 689 in B&B Italia Group, 180 in Lumens, 90 in Designers Company Group (AUDO), 17 in DQM, and 36 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, 2026, 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, 2026 to approximately Euro 24.7 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.

Relevant events occurred after the reporting period

No significant events have occurred after the reporting date that would require adjustment to or disclosure in these financial statements.

Business Outlook

Following the partial recovery in order intake observed in the second half of 2025, the Group notes that early trends in Q1 2026 remain soft and market signals are still highly uncertain. Combined with ongoing macro-political tensions, Middle East conflict, volatility across key markets, and specific instability in certain real estate sectors globally, the Group may face some challenges in achieving its short-term objectives, while its medium- to long-term ambitions remain unchanged.

Nevertheless, the Group remains vigilant and continues to apply strict control over costs and margins, maintaining a disciplined focus on operational excellence and long-term value creation through continued investments in brand equity, innovation, and distribution capabilities.

The complex and uncertain macroeconomic scenario, marked by persistent geopolitical tensions, inflationary pressures, and fluctuating consumer confidence, could continue to affect the global economy throughout 2026. In a sector such as high-end design, which is inherently sensitive to shifts in discretionary spending and project postponements, these external factors may pose additional challenges across key markets.

Given the high level of uncertainty and limited market visibility, management is not in a position to provide reliable forward-looking guidance for the coming months.

Consolidated Financial Statements

Consolidated Statement of Financial Position

Balance Sheet		March 31 2026	December 31 2025
Cash and Short-Term deposits	7	68.836	73.565
Trade Receivables	8	80.816	82.040
Inventories	9	150.766	143.710
Tax current asset	10	10.930	9.317
Other current assets	11	13.235	9.228
Current Assets		**324.583**	**317.859**
Goodwill	12	1.146.898	1.144.742
Brands and other intangible assets	13	650.642	650.464
Property, plant and equipment	14	106.442	106.122
Right-of-use assets	15	59.983	57.705
Investments in parent company	16	24.723	24.617
Deferred tax assets	17	29.684	29.230
Other non-current assets	18	6.290	6.227
Non-Current Assets		**2.024.663**	**2.019.107**
Total Assets		**2.349.246**	**2.336.967**
Share capital		5.102	5.102
Share premium reserve and other reserves		927.560	955.021
Profit/(loss) of the period		(7.545)	(32.827)
Group Shareholders' Equity		**925.117**	**927.296**
Minority shareholders' equity		(6.179)	(4.701)
Profit/(loss) of the period attributable to minority interests		(9)	(153)
Equity attributable to non-controlling interests		**(6.188)**	**(4.854)**
Total Equity	19	**918.929**	**922.442**
Current financial liabilities	20	42.809	33.230
Current lease liabilities	20	18.245	17.579
Trade payables	21	122.864	135.622
Advance from Customers	21	58.695	50.473
Supplier Finance Arrangements	22	8.166	6.627
Current Tax liabilities	23	21.810	18.014
Other Current Liabilities	24	38.166	36.812
Current Liabilities		**310.756**	**298.357**
Non-current financial liabilities	20	883.500	882.776
Non-current lease liabilities	20	51.703	49.721
Defined benefit plans	25	5.160	5.375
Provisions for risks and charges	26	10.126	9.647
Deferred tax liabilities	27	168.856	168.425
Other non-current liabilities	28	216	224
Non-Current Liabilities		**1.119.562**	**1.116.168**
Total Liabilities		**1.430.317**	**1.414.524**
Liabilities and Shareholders' Equity		**2.349.246**	**2.336.967**
Net Current Assets		**13.828**	**19.503**
Total Assets less current Liabilities		**2.038.491**	**2.038.610**

Consolidated statement of profit or Loss of the period

Profit & Loss	Notes	March 31 2026	March 31 2025
Revenues from contracts with customers		163.827	177.082
Other revenues and income		154	1.985
Total revenues	*29*	**163.981**	**179.067**
Purchases of raw materials, semifinished goods, finished products and changes in inventories	*30*	(39.266)	(43.373)
Personnel costs	*31*	(40.698)	(43.739)
Service costs	*32*	(50.816)	(53.538)
Provisions - (accruals)/reversal	*33*	(516)	(188)
Other costs and charges	*34*	(3.008)	(3.331)
Total costs		**(134.303)**	**(144.170)**
EBITDA		**29.678**	**34.897**
Amortization of intangible assets		(3.808)	(4.892)
Depreciation of tangible assets		(3.513)	(4.281)
Depreciation and impairment of the Right of Use assets		(4.278)	(4.817)
Amortization/Depreciation	*35*	**(11.599)**	**(13.989)**
Tangible assets impairment		(11)	(65)
asset impairment	*35*	**(11)**	**(65)**
Total Amortization/depreciation and impairment of assets	*35*	**(11.610)**	**(14.054)**
Operating result - EBIT		**18.067**	**20.843**
Financial income		1.438	2.825
Financial charges		(22.405)	(26.445)
Total Financial Expenses	*36*	**(20.968)**	**(23.620)**
Profit/(loss) before taxes		**(2.900)**	**(2.777)**
Income Taxes	*37*	(4.654)	(5.342)
Profit/(loss) of the period		**(7.555)**	**(8.119)**
Profit/(Loss) for the period, attributable to the Group		(7.545)	(7.884)
Profit/(Loss) for the period, attributable to minority interest		(9)	(235)

Consolidated statement of other comprehensive income (OCI)

	March 31 2026	March 31 2025
Profit/(Loss) of the period	**(7.555)**	**(8.119)**
A) Items recyclable to P&L:		
Exchange difference on translating foreign currency financial statements and other income/(expenses)	5.213	(7.690)
Total recyclable items	**5.213**	**(7.690)**
B) Items not recyclable to P&L:		
Gain/(Loss) from revaluation on defined benefit plans	1	(10)
Total not recyclable items	**1**	**(10)**
TOTAL COMPREHENSIVE INCOME/(EXPENSE), NET OF TAX	**(2.340)**	**(15.819)**
Profit/(loss) of the period, attributable to the Group	(2.331)	(15.584)
Profit/(loss) of the period, attributable to minority interest	(9)	(235)

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, 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				(32.827)	(32.827)		(153)	(153)	**(32.980)**
Fair value through OCI of investments in equity instruments			(3.131)		(3.131)			-	**(3.131)**
Translation gains/(losses) and other income/(expenses)			(25.873)		(25.873)			-	**(25.873)**
Actuarial gains and losses			27		27				**27**
Total comprehensive profit for the period			**(165.857)**	**104.053**	**(61.804)**	**(3.233)**	**3.080**	**(153)**	**(61.957)**
Stock option reserve			(338)		(338)			-	**(338)**
Changes in ownership interest in subsidiaries			6.161		6.161	(6.161)		(6.161)	-
Change in consolidation area (FFD)			(648)		(648)	2.356		2.356	**1.708**
Other movements			209		209	173		173	**382**
Total variations for the period			**5.383**		**5.383**	**(3.632)**		**(3.632)**	**1.751**
December 31, 2025	**5.102**	**1.005.411**	**(50.390)**	**(32.827)**	**927.296**	**(4.701)**	**(153)**	**(4.854)**	**922.442**
Allocation of previous period result			(32.827)	32.827	-	(153)	153	-	-
Result for the period				(7.545)	(7.545)		(9)	(9)	**(7.555)**
Translation gains/(losses) and other income/(expenses)			5.213		5.213			-	**5.213**
Actuarial gains and losses			1		1				**1**
Total comprehensive profit for the period			**(27.613)**	**25.282**	**(2.331)**	**(153)**	**143**	**(9)**	**(2.340)**
Dividends					-	(1.332)		(1.332)	**(1.332)**
Other movements			151		151	7		7	**159**
Total variations for the period			**151**		**151**	**(1.325)**		**(1.325)**	**(1.173)**
March 31, 2026	**5.102**	**1.005.411**	**(77.852)**	**(7.545)**	**925.117**	**(6.179)**	**(9)**	**(6.188)**	**918.929**

Consolidated Statement of Cash Flows

	March 31 2026	March 31 2025
Profit/(Loss) of the period	**(7.555)**	**(8.119)**
Depreciation and impairment of property plant and equipment	3.524	4.346
Amortisation and impairment of intangible assets	3.808	4.892
Depreciation and impairment of right of use assets	4.278	4.817
Financial income	(1.438)	(2.825)
Financial charges	22.405	26.445
Income taxes	4.654	5.342
EBITDA	**29.678**	**34.897**
Financial interests paid	(9.772)	(12.840)
Income taxes paid	(1.727)	(1.747)
Net change in provisions for risks and other charges	468	(978)
Net foreign exchange differences and other non cash items	(57)	1.928
Change in other assets / liabilities current and non-current	**(4.035)**	**(4.261)**
(Increase)/decrease in other non-financial assets	(4.129)	(4.078)
Increase/(decrease) in tax payables	(1.008)	(1.076)
Increase/(decrease) in other non financial liabilities	1.103	893
Changes in net working capital:	**(8.616)**	**(22.830)**
(Increase)/decrease in inventories	(6.099)	(9.224)
(Increase)/decrease in trade receivables	1.303	(3.540)
Increase/(decrease) in trade payables	(5.358)	(9.653)
Increase/(decrease) in supplier finance arrangements	1.539	(413)
NET CASH FLOWS FROM OPERATIONS	**5.940**	**(5.831)**
Investing activities:		
Acquisition of tangible assets net of disposals	(3.039)	(1.862)
Net investments in intangible assets	(3.311)	(3.558)
Acquisition of a subsidiary, net of cash acquired	-	(18.102)
NET CASH FLOWS FROM INVESTING ACTIVITIES	**(6.350)**	**(23.522)**
Financing activities:		
Increase/(decrease) in financial payables	1.032	(1.519)
Payment of principal portion of lease liability	(4.019)	(4.795)
Dividends paid to minority interests	(1.332)	-
CASH FLOW FROM FINANCING ACTIVITIES	**(4.319)**	**(6.314)**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(4.729)**	**(35.667)**
Net cash and cash equivalents at the beginning of the period	73.565	98.992
Net cash and cash equivalents at the end of the period	68.836	63.325

Notes to the Consolidated Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CURRENT ASSETS

7 CASH AND SHORT-TERM DEPOSITS

Cash and Short-Term deposits are detailed as follow:

Cash and cash equivalents	March 31 2026	December 31 2025
Bank and postal accounts	66.891	71.728
Cash and cash equivalents in hand	137	87
Restricted bank deposits	1.808	1.751
Total	**68.836**	**73.565**

For a comprehensive overview of the Group's cash inflows and outflows during the period, please refer to the Consolidated Cash Flow Statement.

8 TRADE RECEIVABLES

Trade receivables, net and the breakdown by geographic areas are reported below:

Trade Receivables	March 31 2026	December 31 2025
Trade receivables - Third parties	86.601	87.708
Trade receivables - Related parties	106	149
Allowance for bad and doubtful debts	(5.892)	(5.817)
Total	**80.816**	**82.040**

Allowance for bad and doubtful debts	March 31 2026
Opening balance	**(5.817)**
Utilized	485
Reversal	130
Increases	(631)
Exchange differences	(13)
Closing balance	**(5.892)**

Trade receivables remained broadly stable compared to year-end 2025, amounting to Euro 80.8 million at March 2026 versus Euro 82 million at December 31, 2025. The bad debt provision was slightly updated (Euro 5.9 million compared to Euro 5.8 million at year-end 2025), confirming an unchanged overall risk profile for the Group, with no other significant credit risk issues emerging during the quarter.

9 INVENTORIES

Inventories can be broken down as follows:

Inventories	March 31 2026	December 31 2025
Materials, auxiliaries and consumables	67.879	62.876
Work in progress and semi-finished goods	34.855	37.019
Finished products	71.658	67.619
Allowance for obsolete and slow-moving inventories	(23.626)	(23.804)
Total	**150.766**	**143.710**

Allowance for obsolete and slow-moving inventories	March 31 2026
Opening balance	**(23.804)**
Utilization	532
Increase, net reversal	(282)
Exchange rate difference	(72)
Closing balance	**(23.626)**

Inventories amounted to Euro 150.8 million as of March 31, 2026, compared to Euro 143.8 million as of December 31, 2025. The increase reflects the typical seasonality of the business, with inventory levels building up in the first months of the year and progressively unwinding in the second part of the year.

10 TAX CURRENT ASSETS

Tax current assets	March 31 2026	December 31 2025
Receivables for paid tax advances	1.706	1.496
VAT receivable	5.197	3.794
Receivables for withholding taxes	5	(0)
Tax receivables for fiscal consolidation and other	4.022	4.027
Total	**10.930**	**9.317**

11 OTHER CURRENT ASSETS

Other current assets amounted to Euro 13.2 million, representing a decrease of Euro 4 million compared to the end of previous year (Euro 9.2 million as of December 31, 2025). This item primarily includes advance payments to suppliers and other prepayments, such as maintenance fees, software usage fees, and services related to intellectual property registrations.

NON-CURRENT ASSETS

12 GOODWILL

The breakdown of goodwill is shown below:

	FLOS Group	B&B Italia Group	Louis Poulsen Group	LUMENS	Designers Company Group	**Total**
Opening Balance	**369.641**	**374.981**	**201.654**	**104.745**	**93.722**	**1.144.742**
Exchange differences	-	-	(111)	2.352	(85)	**2.155**
Closing Balance	**369.641**	**374.980**	**201.543**	**107.097**	**93.636**	**1.146.898**

No additional goodwill has been allocated during the period.

Changes compared to December 31, 2025 are solely related to exchange rate movements, as goodwill relating to Louis Poulsen, Designers Company (AUDO), and Lumens was recognized, for PPA purposes, in their respective local currencies (DKK and USD). As a result, goodwill fluctuates in line with exchange rate variations against the Euro.

In accordance with IAS 36, goodwill is not amortized and is tested for impairment at least annually. The most recent impairment test was performed as of December 31, 2025, and no trigger events have been identified during the period.

13 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	630.995	68.260	55.655	68.880	**823.789**
Accumulated depreciation	(27.175)	(52.743)	(41.444)	(51.963)	**(173.325)**
Net book value December 31 2025	**603.820**	**15.516**	**14.211**	**16.917**	**650.464**
Historical costs	631.970	69.525	60.541	63.371	**825.408**
Accumulated depreciation	(27.372)	(53.961)	(44.229)	(49.205)	**(174.766)**
Net book value March 31 2026	**604.599**	**15.565**	**16.312**	**14.167**	**650.642**

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	**603.820**	**15.516**	**14.211**	**16.917**	**650.464**
Additions	41	1.313	1.542	415	**3.311**
Depreciations & write-off	(197)	(1.261)	(1.008)	(1.342)	**(3.808)**
Exchange differences	935	(4)	18	182	**1.131**
Other movements	-	-	1.549	(2.006)	**(457)**
Closing Balance	**604.599**	**15.565**	**16.312**	**14.167**	**650.642**

Trademark refers to the following brands:

- "FLOS", equal to approximately Euro 234 million (Euro 234 million at December 31, 2025);
- "B&B", "Maxalto" and "Arclinea" equal to approximately Euro 201 million (Euro 201 million at December 31, 2025);
- "Louis Poulsen", equal to approximately Euro 123 million (Euro 123 million at December 31, 2025);
- "Lumens" (YDesign Group) equal to approximately Euro 47 million (Euro 46 million at December 31, 2025).

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.

Other intangible assets

Development costs mainly include personnel expenses related to product development activities carried out within the Group. These costs are amortized over three years. Investments in the period were primarily related to the enhancement of IT systems and digital channels, including the e-commerce platform.

Patents and intellectual property rights mainly comprise costs incurred for patent registrations, software development, and the creation of e-commerce websites.

Concessions, licences, trademarks and other intangible assets mainly include investments made by the brands to upgrade and implementation of their ERP systems.

14 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	117.548	78.934	41.572	73.944	21.780	1.796	**335.574**
Accumulated depreciation	(49.597)	(66.785)	(27.807)	(67.491)	(17.774)	-	**(229.453)**
Net book value December 31 2025	**67.951**	**12.149**	**13.765**	**6.453**	**4.007**	**1.796**	**106.122**
Historical costs	117.314	77.861	42.475	75.463	22.755	2.703	**338.571**
Accumulated depreciation	(49.757)	(66.495)	(28.768)	(69.179)	(17.929)	-	**(232.128)**
Net book value March 31 2026	**67.557**	**11.366**	**13.707**	**6.284**	**4.825**	**2.703**	**106.442**

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	**67.951**	**12.149**	**13.765**	**6.453**	**4.007**	**1.796**	**106.122**
Additions	223	572	481	234	565	963	**3.039**
Disposal	-	(30)	(5)	(40)	(2)	(6)	**(83)**
Depreciations & write-off	(642)	(965)	(857)	(627)	(434)	-	**(3.524)**
Exchange differences	25	7	161	6	48	-	**247**
Other movements	-	(367)	162	257	641	(50)	**643**
Closing Balance	**67.557**	**11.366**	**13.707**	**6.284**	**4.825**	**2.703**	**106.442**

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

15 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	127.592	5.434	2.296	6.375	**141.697**
Accumulated depreciation	(74.289)	(3.787)	(1.739)	(4.177)	**(83.992)**
Net book value December 31 2025	**53.302**	**1.647**	**558**	**2.198**	**57.705**
Historical costs	128.223	5.700	-	6.373	**140.296**
Accumulated depreciation	(71.936)	(3.942)	-	(4.434)	**(80.313)**
Net book value March 31 2026	**56.286**	**1.758**	**-**	**1.939**	**59.983**

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	**53.302**	**1.647**	**558**	**2.198**	**57.705**
Additions	5.963	269	(556)	490	**6.166**
Depreciations	(3.371)	(157)	-	(749)	**(4.278)**
Exchange differences	392	(1)	(2)	-	**390**
Closing Balance	**56.286**	**1.758**	**-**	**1.939**	**59.983**

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.

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 2026
Opening balance	**67.299**
Increases, including renewals (leases modification)	6.166
Interests	1.140
Payments	(5.159)
Exchange rate difference	502
Closing balance	**69.949**
Current Lease Liability	18.245
Non-current Lease Liability	51.703

The lease liabilities increased from Euro 67.3 million at December 31, 2025, to Euro 69.9 million at March 31, 2026 due to certain renewals, mainly in EMEA.

16 INVESTMENTS IN PARENT COMPANY

As of March 31, 2026, 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 24.7 million.

17 DEFERRED TAX ASSETS

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

	March 31 2026	Taxes to Income Statement	Exchange rates differences and other minor movements	December 31 2025
Reversal of related expenses for the purchase of equity investments	6.125	-	41	6.084
Inventory margin	2.532	71	-	2.461
Tax losses carried forward	2.512	-	51	2.461
Non-deductible financial charges	4.234	-	55	4.180
Depreciation of tangible assets and amortization of intangible assets	1.819	(8)	22	1.805
Provisions for stock obsolescence	3.674	(68)	5	3.737
Allowance for doubtful debts	945	(1)	1	945
Provisions for employee severance indemnities	1.214	8	7	1.199
Allocations to risk provision	2.414	-	31	2.382
Remuneration not yet paid	124	(79)	-	203
Other changes	4.090	276	43	3.771
Total	**29.684**	**200**	**255**	**29.230**

18 OTHER NON-CURRENT ASSETS

Other non-current assets amounted to Euro 6.3 million as of March 31, 2026 (compared to Euro 6.2 million as of December 31, 2025) and mainly include approximately Euro 5.9 million of rental deposits paid by Group companies.

SHAREHOLDERS' EQUITY

19 TOTAL SHAREHOLDERS' EQUITY

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

Equity	March 31 2026	December 31 2025
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	(990)	(990)
Translation reserve	249	(4.964)
Cash Flow Hedge Reserve	376	331
Actuarial gain/(loss) reserve	(1.280)	(1.281)
Other reserves	(76.207)	(43.486)
Total Other reserves	**(77.852)**	**(50.390)**
Profit/(Loss) of the period	**(7.545)**	**(32.827)**
Group shareholders' equity	**925.117**	**927.296**
Equity reserves of non-controlling interests	(6.179)	(4.701)
Minority Interest Income/(loss)	(9)	(153)
Equity attributable to non-controlling interests	**(6.188)**	**(4.854)**
Total Shareholders' equity	**918.929**	**922.442**

For further details on the equity flow, please refer to the aforementioned statement.

CURRENT AND NON CURRENT LIABILITIES

20 CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

Current and non-current financial liabilities are as follows:

	March 31 2026	December 31 2025
Short-Term bank loan	31.813	30.685
Interest on financial liabilities	14.371	5.901
Short-term amortized costs	(3.422)	(3.356)
Current financial liabilities	**42.809**	**33.230**
Long-Term Bond	890.000	890.000
Long-Term bank loan	1.192	1.335
Long-Term payables to other lenders	1.200	1.200
Long-term amortized costs	(8.893)	(9.759)
Non-current financial liabilities	**883.500**	**882.776**
Financial liabilities, excluding lease liabilities	**926.309**	**916.006**
Current lease liabilities	18.245	17.579
Non-current lease liabilities	51.703	49.721
Lease liabilities (IFRS16)	**69.949**	**67.299**
Total financial liabilities, including lease liabilities	**996.257**	**983.305**

As of March 31, 2026, the Group's total financial liabilities, including IFRS 16 lease liabilities, amounted to Euro 996.3 million, broadly stable compared to the previous period.

Current financial liabilities increased to Euro 42.8 million, mainly driven by accrued interest, primarily on bonds. Non-current financial liabilities remained substantially stable at Euro 883.5 million, with no significant changes in loan composition versus year end 2025.

In the next page the table provides a breakdown of short and long-term loans.

Lease liabilities increased to Euro 69.9 million, reflecting renewals mainly in the EMEA region.

During the period, the Group paid approximately Euro 9 million in interest on loans, mainly related to bonds, compared to Euro 11 million in the corresponding period.

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 S.p.A.	2.000	-	2.000	term loan	Eur	04/26	Eur. 3m + 0,35%
Louis Poulsen A/S	374	-	374	term loan	Dkk	09/26	4,7%
Arclinea S.p.A.	1.559	-	1.559	term loan	Eur	04/26	Eur. 3m + 4%
Arclinea S.p.A.	1.627	-	1.627	term loan	Eur	04/26	Eur. 3m + 2.25%
Arclinea S.p.A.	235	597	833	term loan	Eur	07/29	Eur. 3m + 1.3%
Arclinea S.p.A.	325	595	920	term loan	Eur	12/28	Eur. 3m + 1.25%
Arclinea S.p.A.	500	-	500	term loan	Eur	04/26	3,6%
Arclinea S.p.A.	700	-	700	term loan	Eur	04/26	Eur. 3m + 2.55%
B&B Italia S.p.A.	3.500	-	3.500	term loan	Eur	05/26	2,9%
B&B Italia S.p.A.	1.000	-	1.000	term loan	Eur	05/26	3,4%
Designers Company A/S	39	-	39	term loan	Dkk	12/26	4,6%
Flos B&B Italia S.p.A.	12.668	340.000	352.668	Fixed Notes	Eur	11/28	10,0%
Flos B&B Italia S.p.A.	1.453	550.000	551.453	Floating Notes	Eur	12/29	Eur. 3m+3,875%
Flos B&B Italia S.p.A.	20.250	-	20.250	RCF, interests (*)	Eur	05/28	Eur. 3m+3,25%
Flos B&B Italia S.p.A.	(3.422)	(8.893)	(12.314)	Amortized costs	Eur	-	-
Payables to banks and bonds	**42.809**	**882.300**	**925.109**				
Flos B&B Italia S.p.A.	-	1.200	1.200	Other lenders	Eur	-	-
Payables to other lenders	**-**	**1.200**	**1.200**				
Financial liabilities, excl. lease liabilities	**42.809**	**883.500**	**926.309**				
Lease liabilities	**18.245**	**51.703**	**69.949**				
Total Financial Payables, including lease liabilities	**61.055**	**935.203**	**996.257**				

(*) = as of March 31, 2026, the Revolving Credit Facility (RCF) was drawn for €20 million. As of the same date, €125 million remained undrawn out of the total available facility of €145 million.

21 TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

Trade payables and advance from customers	March 31 2026	December 31 2025
Trade payables - third parties	114.706	129.014
Trade payables - related	8.158	6.608
Total Trade payables	**122.864**	**135.622**
Advances from customers	58.695	50.473
Total	**181.559**	**186.095**

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.

22 SUPPLIER FINANCE ARRANGEMENTS

As of March 31, 2026, supplier finance arrangements totaled Euro 8.2 million, representing an increase from Euro 6.6 million as of December 31, 2025. These arrangements encompass both reverse factoring and confirming instruments, reflecting the Group's ongoing efforts to optimize working capital management and strengthen supplier relationships through diversified financing solutions.

23 CURRENT TAX LIABILITIES

The current tax liabilities have the following composition:

Current Tax liabilities	March 31 2026	December 31 2025
Corporate Taxes Payables	8.111	6.598
VAT and indirect taxes	4.183	3.143
Withholding tax	155	56
Tax payables for fiscal consolidation	7.688	6.089
Other taxes	1.673	2.128
Total	**21.810**	**18.014**

24 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 2026	December 31 2025
Payables to social security agency	5.433	5.915
Payables to Employees and Directors	21.569	19.636
Payables for royalties	2.380	1.966
Other payables	8.784	9.295
TOTAL	**38.166**	**36.812**

25 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	**5.375**
Increase	410
Utilization	(627)
Exchange rate difference	2
Closing balance	**5.160**

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.

26 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	**4.848**	**4.149**	**649**	**9.647**
Usage	(22)	(65)	144	57
Increases, net of reversal	61	-	279	340
Reclassification	-	72	-	72
Exchange rate difference	-	7	4	11
Closing balance	**4.887**	**4.163**	**1.076**	**10.126**

The provision for pension liabilities amounted to Euro 4.9 million as of March 31, 2026, based on the annual actuarial assessment. It also includes supplementary customer indemnities accrued for agents in accordance with applicable national labour agreements and reflects a prudent assessment of the related obligations.

Other provisions for risks and charges reflect management's best estimate of probable liabilities, based on information available at the reporting date, and are considered adequate to cover the related expected costs.

27 DEFERRED TAX LIABILITIES

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

Deferred Taxes on:	March 31 2026	Taxes to Income Statement	Exchange rate	December 31 2025
trademark for PPA	164.500	(38)	280	164.258
R&D	2.432	30	-	2.402
Other	1.924	160	(1)	1.765
Total	**168.856**	**152**	**279**	**168.425**

28 OTHER NON-CURRENT LIABILITIES

Other non-current liabilities amounted to Euro 0.2 million as of March 31, 2026, stable compared December 31, 2025.

Consolidated Profit or Loss statement

29 REVENUES

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

	March 31 2026	March 31 2025
Revenues from contracts with customers	163.827	177.082
Other revenues	154	1.985
Total revenues	**163.981**	**179.067**

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

30 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 2026	March 31 2025
Purchases of raw materials, semifinished goods, finished products	(45.246)	(49.968)
Purchase of various other materials	(851)	(1.237)
Variation in stocks	7.113	8.323
Write-down/Reversal of inventories	(282)	(491)
Total	**(39.266)**	**(43.373)**

31 PERSONNEL COSTS

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

	March 31 2026	March 31 2025
Salaries and wages	(30.950)	(34.474)
Stock options plans	652	-
Social security contributions	(5.189)	(4.891)
Employee severance indemnities and pension charges	(2.034)	(2.090)
Other personnel costs, including bonus & sales commission	(3.176)	(2.284)
Total	**(40.698)**	**(43.739)**

average number of Group employees (FTE – full time equivalent)	March 31 2026	March 31 2025
Executives	71	71
White-collar	1.346	1.417
Blue-collar	603	623
Total	**2.020**	**2.111**

32 SERVICE COSTS

The details of Service costs are as follows:

	March 31 2026	March 31 2025
Contractor work and outsourced production work	(9.841)	(9.443)
Fees, royalties, expenses for advertiving and communication	(16.857)	(19.071)
Transport and customs expenses	(8.720)	(8.362)
Utilities, Maintenance and IT expenses	(5.743)	(6.248)
Advisory services	(2.551)	(2.517)
Statutory Auditors & External Auditors	(371)	(623)
Travel and lodging expenses	(1.969)	(2.029)
Exp. for training, 3rd party personnel, banking and sundry admin. services	(1.951)	(2.055)
Insurances, patents and trademark, telephone and mail expenses	(1.227)	(1.096)
Consultant costs related to business combination	-	(177)
Management Fees	(1.586)	(1.917)
Total	**(50.816)**	**(53.538)**

33 PROVISIONS

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

	March 31 2026	March 31 2025
Provisions for pension liabilities and the like	(61)	(61)
Provision for product warranty	-	25
Provision for risk and charges	(279)	(42)
Allowance for bad and doubtful debt	(176)	(110)
Total	**(516)**	**(188)**

34 OTHER COSTS AND CHARGES

The Other costs and charges comprise the following:

	March 31 2026	March 31 2025
Property services	(629)	(737)
Other services and EDP licence fees	(27)	(198)
Other taxes and duties	(547)	(645)
Membership and subscriptions included internet	(264)	(185)
Gifts and charitable donations	(112)	(139)
Purchase of office supplies and consumables	(152)	(230)
Other income / expenses	(557)	(524)
Cleaning, security and other operating costs	(719)	(673)
Total	**(3.008)**	**(3.331)**

35 AMORTIZATION, DEPRECIATION AND IMPAIRMENT

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

	March 31 2026	March 31 2025
Amortization of intangible assets	(3.808)	(4.892)
Depreciation of tangible assets	(3.513)	(4.281)
Depreciation and impairment of the Right of Use assets	(4.278)	(4.817)
Amortization/Depreciation	**(11.599)**	**(13.989)**
Tangible assets impairment	(11)	(65)
Asset impairment	**(11)**	**(65)**
Total Amortization, depreciation and impairment	**(11.610)**	**(14.054)**

Amortization and depreciation amounted to Euro 11.6 million, compared to Euro 14 million in the same period of the previous year. The decrease of approximately Euro 2.4 million is mainly attributable to the change in the consolidation scope following the termination of the Fendi Casa license agreement, as well as to the revision of the useful lives of tangible and intangible assets carried out by the Group in H2 2025, aimed at harmonizing the approach across all brands in line with the Group's accounting policies.

36 FINANCIAL INCOME AND EXPENSES

	March 31 2026	March 31 2025
Interest income	1.273	1.259
Exchange gains realized and unrealized	164	1.566
Financial income	**1.438**	**2.825**
Interest Expense	(19.616)	(23.525)
Interest Expense on lease Liabilities (IFRS16)	(1.140)	(1.178)
Exchange loss realized and unrealized	(1.443)	(1.767)
Financial expenses	**(22.199)**	**(26.470)**
Total Financial income/(expenses)	**(20.968)**	**(23.620)**

Financial income amounts to Euro 1.4 million, down compared to Euro 2.8 million of the same quarter of last year that benefitted from the positive contribution of the exchange exchange gains.

Financial expenses amount to Euro 22.2 million, lower than in the same period last year (Euro 26.5 million), and the main components are detailed below:

- Euro 19.6 million of interest expenses (Euro 23.5 million in the same period of 2025), including:
  - Euro 16.5 million related to accrued interest on both fixed and floating rate bonds (Euro 18 million in Q1 2025)
  - Euro 2.3 million in interest on revolving credit facilities and other loans, (Euro 4.1 million in Q1 2025)
  - Euro 0.8 million related to the amortization of bond issuance costs
- Euro 1.1 million of interest expenses on lease liabilities (IFRS 16 application; Euro 1.2 million in Q1 2025)
- Euro 1.4 million of realized and unrealized exchange losses (Euro 1.8 million in Q1 2025)

37 TAXATION

	March 31 2026	March 31 2025
Current Taxes	(4.668)	(5.525)
Deferred Taxes	14	184
Total	**(4.654)**	**(5.342)**

Despite the Group reporting a negative result before taxes, income taxes of Euro 4.6 million were recognized in the period. Taxation continued to be affected by the non-deductibility of interest expenses, driven both by their higher absolute value and by the reduction in the gross operating income of Italian companies. In addition, the Group prudently decided not to recognize deferred tax assets on carry-forward tax losses of certain foreign subsidiaries.

38 EVENTS AFTER THE REPORTING PERIOD AND BUSINESS OUTLOOK

Relevant events occurred after the reporting period

No significant events have occurred after the reporting date that would require adjustment to or disclosure in these financial statements.

Business Outlook

Following the partial recovery in order intake observed in the second half of 2025, the Group notes that early trends in Q1 2026 remain soft and market signals are still highly uncertain. Combined with ongoing macro-political tensions, Middle East conflict, volatility across key markets, and specific instability in certain real estate sectors globally, the Group may face some challenges in achieving its short-term objectives, while its medium- to long-term ambitions remain unchanged.

Nevertheless, the Group remains vigilant and continues to apply strict control over costs and margins, maintaining a disciplined focus on operational excellence and long-term value creation through continued investments in brand equity, innovation, and distribution capabilities.

The complex and uncertain macroeconomic scenario, marked by persistent geopolitical tensions, inflationary pressures, and fluctuating consumer confidence, could continue to affect the global economy throughout 2026. In a sector such as high-end design, which is inherently sensitive to shifts in discretionary spending and project postponements, these external factors may pose additional challenges across key markets.

Given the high level of uncertainty and limited market visibility, management is not in a position to provide reliable forward-looking guidance for the coming months.

Milan, May 28, 2026

On behalf of the Board of Directors

The Chairman of the Board of Directors

Piero Canzani