**INTERNATIONAL DESIGN GROUP S.P.A.**
**UNAUDITED CONSOLIDATED FINANCIAL INFORMATION**

The following unaudited consolidated financial information (the "**Unaudited Consolidated Financial Information**") of International Design Group S.p.A. (hereinafter also "***IDG***" or the "***IDG Parent Company***" or ***"Group"*** or **"the Issuer"**) has been prepared for illustrative purposes to provide investors with an update on the Group's results as of June 30, 2020.

*Basis of Preparation*

The **Unaudited Consolidated Financial Information** include the financial statements of

- Flos S.p.A. and its subsidiaries;
- B&B Italia S.p.A. and its subsidiaries;
- Luminous Design Investment Aps and its subsidiaries

Comparative figures as of June 30, 2019 are prepared on the basis of the historical financial information derived from the financial statements of the above entities. The historical financial information of B&B and LP listed have been prepared on the basis of Italian GAAP and Danish GAAP, respectively, and have been converted into IFRS. The conversion of the financial information of B&B and LP into IFRS for the purposes hereof does not imply that B&B and LP have applied IFRS 1 "First Time Adoption of IFRS".

Unless otherwise indicated, all amounts set forth in the Unaudited Consolidated Financial Information are expressed in millions of euro. Accordingly, such amounts have been subject to rounding adjustments and, as a result, the totals of the financial information in the Unaudited Consolidated Financial Information may vary from the actual arithmetic totals of such information.

*Accounting for the Acquisition*

The Issuer from an accounting perspective can be regarded as a joint venture incorporated for the purpose of the consummation of the Transactions. The Acquisition consists of a combination of cash contribution and contribution of investments in Flos, B&B and LP into the Issuer measured at fair value. B&B, Flos and LP are wholly-owned subsidiaries of the Issuer. The Issuer will account for the Acquisition at fair value applying IFRS 2 "Share-based payments" for the cash contribution and IFRS 3 "Business Combination" to the contribution of investments as an accounting policy election applicable to joint ventures upon formation. Under IFRS 3, the cost of an acquisition is measured as the fair value of the assets transferred, liabilities incurred, and the equity interests issued by the acquirer, including the fair value of any asset or liability resulting from a contingent consideration arrangement (purchase price allocation or acquisition accounting). Acquisition-related costs are expensed as incurred.

Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair market values at the acquisition date. The excess of the consideration transferred over the fair value of the acquirer's share of the identifiable net assets acquired is recorded as goodwill.

The valuation studies necessary to determine the fair value of the assets acquired and liabilities assumed as a result of the Transactions and the related allocation of the consideration transferred have been completed. Therefore, the difference between (a) the total consideration expected to be transferred and (b) the net carrying amounts of the identifiable assets acquired and the liabilities assumed by the Issuer on the completion date of the Acquisition has been allocated to trademarks and inventories with the related tax provision and only for the residual part to goodwill in the Unaudited Consolidated Financial Information.

As stated by IFRS 3.49, these adjustments have been calculated upon the acquisition date (November 2018) and the amount of goodwill is now definitive and not provisional.

## Unaudited Consolidated Statement of Financial Position as of June 30, 2020 and as of December 31, 2019

| € millions | Notes | As at June 30, 2020 Issuer Pro Forma | As at December 31, 2019 Issuer Pro Forma |
|---|---|---|---|
| **NON-CURRENT ASSETS:** | | | |
| Intangible fixed assets: | | | |
| - Goodwill | 6 | 1.052,5 | 1052,5 |
| - Other intangible fixed assets | 7 | 588,3 | 587,4 |
| Property, plant and equipment | 8 | 109,7 | 111,7 |
| Shareholding in affiliated companies | | 18,0 | 18,0 |
| Right of use | 9 | 39,5 | 44,5 |
| Deferred tax assets | | 18,3 | 17,1 |
| Non-current financial assets | 10 | 3,4 | 4,5 |
| Other non-current assets | | 3,0 | 2,0 |
| **TOTAL NON-CURRENT ASSETS** | | **1.832,7** | **1.837,8** |
| **CURRENT ASSETS:** | | | |
| Inventories | 11 | 105,9 | 92,2 |
| Trade receivables | 12 | 58,9 | 68,5 |
| Tax assets and other current assets: | 13 | | |
| - Tax credit and due from tax authorithies | 13.1 | 10,5 | 8,7 |
| - Other assets | 13.2 | 6,5 | 7,0 |
| Cash and cash equivalents and deposits | 14 | 146,9 | 63,6 |
| **TOTAL CURRENT ASSETS** | | **328,8** | **239,9** |
| Assets held for disposal | 15 | 2,5 | 2,5 |
| **TOTAL ASSETS** | | **2.164,0** | **2.080,2** |
| **SHAREHOLDERS' EQUITY:** | 16 | | |
| Share capital | | 5,1 | 5,1 |
| Other reserves and result | | 974,3 | 975,6 |
| **TOTAL GROUP SHAREHOLDERS' EQUITY** | | **979,4** | **980,72** |
| Minority shareholders' equity and result | | 3,6 | 2,9 |
| **TOTAL SHAREHOLDERS' EQUITY** | | **982,9** | **983,63** |
| **NON-CURRENT LIABILITIES:** | | | |
| Defined benefit plans | | 7,6 | 7,7 |
| Provisions for risks and other charges | 17 | 11,0 | 10,4 |
| Non-current financial liabilities | 18 | 805,9 | 701,9 |
| Non-current lease financial liabilities | 19 | 33,5 | 39,0 |
| Deferred tax liabilities | | 158,9 | 159,0 |
| Other non-current liabilities | 20 | 1,4 | 0,8 |
| **TOTAL NON-CURRENT LIABILITIES** | | **1.018,2** | **918,7** |
| **CURRENT LIABILITIES:** | | | |
| Current financial liabilities | 19 | 4,3 | 7,5 |
| Current lease financial liabilities | 18 | 9,5 | 8,3 |
| Trade payables | 21 | 69,8 | 93,8 |
| Contract liabilities vs. third parties | | 40,8 | 30,4 |
| Tax payables and other current liabilities: | | | |
| - Tax payables and due to tax authorities | 22 | 13,9 | 11,8 |
| - Due to social security institutions | | 4,6 | 4,6 |
| - Due to personnel and other payables | | 19,9 | 21,5 |
| **TOTAL CURRENT LIABILITIES** | | **162,8** | **177,9** |
| **TOTAL LIABILITIES** | | **1.181,1** | **1.096,6** |
| **TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES** | | **2.164,0** | **2.080,2** |

## Unaudited Consolidated Income Statement for the six months ended June 30, 2020 and for the six months ended June 30, 2019

| € millions | | As at June 30, 2020 Issuer Pro Forma | As at June 30, 2019 Issuer Pro Forma |
|---|---|---|---|
| Revenues from contracts with customers | 23 | 225,4 | 261,9 |
| Other revenues and income | | 2,7 | 3,3 |
| **TOTAL REVENUES** | | **228,1** | **265,2** |
| Purchases of raw materials and variation in inventories | 24 | (66,2) | (79,2) |
| Personnel costs | 25 | (52,7) | (55,9) |
| Service costs | 26 | (57,6) | (70,4) |
| Provisions | 27 | (1,0) | (1,1) |
| Other costs and charges | 28 | (4,2) | (7,0) |
| **TOTAL COSTS** | | **(181,7)** | **(213,6)** |
| Amortization, depreciation and impairment | 29 | (16,4) | (15,1) |
| **OPERATING PROFIT** | | **29,9** | **36,5** |
| Financial income | 30 | 1,1 | 0,4 |
| Financial charges | 31 | (29,0) | (28,4) |
| **RESULT BEFORE TAX FROM CONTINUING OPERATIONS** | | **2,0** | **8,50** |
| Income taxes | | (4,5) | (9,3) |
| **NET RESULT FROM CONTINUING OPERATIONS** | | **(2,5)** | **(0,8)** |
| Net profit of discontinued operations | | - | |
| **PROFIT/(LOSS) FOR THE PERIOD** | | **(2,5)** | **(0,8)** |
| Profit/(Loss) for the period, attributable to minority interest | | 0,7 | 0,8 |
| Profit/(Loss) for the period, attributable to the Group | | (3,2) | (1,6) |

## Unaudited Consolidated Other Comprehensive Income Statement for six months ended June 30, 2020 and for the six months ended June 30, 2019

| € millions | June 2020 | June 2019 |
|---|---|---|
| **PROFIT/(LOSS) FOR THE PERIOD** | **(2,5)** | **(0,8)** |
| **Other comprehensive income (expense) that may be restated in the profit/(loss) for the period:** | | |
| Exchange difference on translating foreign financial statements | 0,5 | (0,0) |
| (Loss)/Net profit from cash flow hedge | 0,1 | (0,0) |
| **TOTAL OTHER COMPREHENSIVE INCOME (EXPENSE) THAT MAY BE RESTATED IN THE PROFIT/(LOSS) FOR THE PERIOD, NET OF TAX** | **0,7** | **0,0** |
| **TOTAL OTHER COMPREHENSIVE INCOME (EXPENSE), NET OF TAX** | **0,7** | **0,0** |
| **TOTAL COMPREHENSIVE PROFIT, NET OF TAX** | **(1,8)** | **0,8** |
| Profit/(Loss) for the period, attributable to minority interest | 0,8 | 0,8 |
| Profit/(Loss) for the period, attributable to the Group | (2,6) | (1,6) |

## Unaudited Consolidated Adjusted Ebitda for the six months ended June 30, 2020.

| *Amount in €/Millions* | IDG 30.06.2020 | B&B 30.06.2020 | FLOS 30.06.2020 | LP 30.06.2020 | Consolidated 30.06.2020 |
|---|---|---|---|---|---|
| **Ebitda reported from IDG** | **(0,2)** | **15,4** | **20,1** | **11,1** | **46,4** |
| Impairment of fixed assests | - | - | - | - | **-** |
| Other provisions for risks and charges | - | - | 1,1 | - | **1,1** |
| **Non-recurring costs:** | **-** | **2,2** | **2,2** | **1,2** | **5,6** |
| *Other non-recurring costs* | - | - | 0,2 | - | 0,2 |
| *Non recurring consultancy fee* | - | 0,2 | 0,1 | 0,2 | 0,4 |
| *Agent extraordinary costs* | - | 0,2 | 0,2 | - | 0,4 |
| *Covid 19 costs* | - | 0,5 | 0,3 | 0,6 | 1,4 |
| *Stock option costs* | - | 0,7 | 0,6 | - | 1,2 |
| *Salary Dismissal* | - | - | - | 0,0 | 0,0 |
| *Management fee vs DH* | - | 0,7 | 0,8 | 0,4 | 1,9 |
| **Adj. EBITDA (excl. IFRS 16 adjustments)** | **(0,2)** | **17,5** | **23,4** | **12,4** | **53,1** |
| IFRS 16 adjustments | **-** | (4,0) | (1,2) | (1,7) | **(6,9)** |
| **Incl. EBITDA (excl. IFRS 16 adjustments)** | **(0,2)** | **13,5** | **22,2** | **10,7** | **46,2** |

## Unaudited Consolidated Adjusted Ebitda for the six months ended June 30, 2019.

| *Amount in €/Millions* | IDG 30.06.2019 | B&B 30.06.2019 | FLOS 30.06.2019 | LP 30.06.2019 | Consolidated 30.06.2019 |
|---|---|---|---|---|---|
| **Ebitda reported from IDG** | **(0,2)** | **16,6** | **27,5** | **7,8** | **51,6** |
| Transaction adjustments | - | - | - | 1,1 | **1,1** |
| Allowance for bad debts | - | 0,1 | 0,1 | - | **0,2** |
| Impairment of fixed assests | - | - | - | - | **-** |
| Other provisions for risks and charges | - | - | 0,6 | - | **0,6** |
| Reversal of PPA's inventories | - | - | - | - | **-** |
| **Non-recurring costs:** | **0,2** | **1,2** | **0,8** | **0,9** | **3,1** |
| *Other non-recurring costs* | 0,2 | 0,5 | - | 0,7 | 1,4 |
| *Restructuring costs* | - | - | 0,6 | 0,2 | 0,8 |
| *CEO recruitment & research* | - | - | 0,2 | - | 0,2 |
| *Advertisement campaign* | - | 0,7 | - | - | 0,7 |
| **Adj. EBITDA (excl. IFRS 16 adjustments)** | **(0,0)** | **17,9** | **29,1** | **9,8** | **56,7** |
| IFRS 16 adjustments | **-** | (3,9) | (1,2) | (1,9) | **(7,0)** |
| **Incl. EBITDA (excl. IFRS 16 adjustments)** | **(0,0)** | **14,0** | **27,9** | **7,9** | **49,8** |

## Unaudited Consolidated Cash Flow Statement for the six months ended June 30, 2020

| € millions | June 30, 2020 - 6 months |
|---|---|
| **PROFIT FROM OPERATIONS AFTER TAX** | **(2,5)** |
| Depreciation and impairment of tangible fixed assets | 6,4 |
| Amortisation and impairment of intangible fixed assets | 4,6 |
| Amortisation and impairment of Right of use | 5,4 |
| Financial income | (1,1) |
| Financial charges | 29,0 |
| Income taxes | 4,5 |
| Financial interests paid | (25,0) |
| Income taxes paid | (6,2) |
| Other non monetary movement | 1,5 |
| **Operating activities:** | |
| Net change in employee severance indemnities and pension funds | (0,1) |
| Net change in provisions for risks and other charges | 0,6 |
| Net change in deferred tax assets and liabilities | (1,3) |
| Net change in working capital | (16,1) |
| **NET CASH FLOWS FROM OPERATIONS** | **(0,2)** |
| **Investing activities:** | |
| Purchases of tangible fixed assets, net | (4,4) |
| Purchases of intangible fixed assets, net | (5,4) |
| **NET CASH FLOWS FROM INVESTING ACTIVITIES** | **(9,9)** |
| **Financing activities:** | |
| (Increase)/decrease of financial receivables | 1,2 |
| Repayment of principal portion of lease liabilities | (5,1) |
| Increase/(decrease) of financial payables | 96,8 |
| **CASH FLOW FROM FINANCING ACTIVITIES** | **93,7** |
| **NET CHANGE IN CASH AND CASH EQUIVALENTS** | **83,7** |
| Net cash and cash equivalents at the beginning of the period | 63,6 |
| Net cash and cash equivalents at the end of the period | 146,9 |

**Notes to IDG Interim Consolidated Financial Statements as of and for the six months ended June 30, 2020.**

## 1. COMPANY INFORMATION

International Design Group S.p.A. (hereinafter also "***IDG***" or the "***IDG Parent Company***" or ***"Group"***) is a company, established and domiciled in Italy, with registered office in Via Manzoni 38 – 20121 Milan (MI).

IDG was established on September 10, 2018 and it is controlled by Design Holding S.p.A. that exercises management and coordination activities.

## 2. BASIS OF PREPARATION

The Interim Consolidated Financial Statements are presented in Euro and all amounts are expressed in millions of Euro, unless otherwise specified.

The interim consolidated financial statements have been drawn up with the expectation that the business is a going concern.

The accounting principles used to draw up the interim consolidated financial statements are consistent with those used for the consolidated financial statements as at December 31, 2019. IDG Group has not early adopted any new principles, interpretations or amendments issued but not yet in force.

The nature and effects of the main accounting standards are described below.

### 2.1. IFRS 16 leases

The standard IFRS 16 Leases issued by the IASB on January 13, 2016 and approved by the European Union in November 2017 fully replaces all the previous IFRS accounting requirements for the accounting of leases (IAS 17 and IFRIC 4). The standard applies to all contracts concerning the right to use an asset for a certain period of time in exchange for a specific fee. IFRS 16 sets, for lessees, a single accounting model for all leases (with specific cases of exclusion and exemption), eliminating the distinction between operating and financial leasing. The accounting for lessors remains substantially unchanged compared to the previous provisions.

The initial recognition, for the lessee, involves the recording of an asset equal to the right to use the underlying asset and a lease liability corresponding to the present value of the future lease payments. The subsequent measurement involves the amortization of the right-of-use asset and an interest expense on the lease liability created during initial recognition using a discount rate defined in the leasing contract. Interest expense and depreciation/amortization are recognized separately in the income statement.

The new standard is in force for the financial years beginning on or after January 1, 2020, with early application permitted on condition that the new IFRS 15 is already adopted or is applied on the same date as the first application of the IFRS 16 in question.

The adoption of this new standard has changed the Group's Financial Statements and financial position. All IFRS 16 effects have been mapped into specific account of the Financial Statements. In notes 9 are included all the effects.

### 2.2. Revenue recognition

Revenue from contracts with customers is recognized when control of the goods and services is transferred to the customer for an amount that reflects the price the Group expects to receive in exchange for such goods or services.

Revenue is recognised to the extent to which it is probable that the economic benefits are achieved by the Group and the related amount can be determined reliably, regardless of the date of collection. Revenue is measured at the fair value of the price received or to be received, taking into account the contractually defined payment terms and excluding taxes and duties. The Group concluded that it is operating on its own behalf in all sales contracts since it is the primary debtor, it has discretionary power on the price policy and it is also exposed to inventory and credit risk.

#### 2.2.1. Sale of Goods

The revenue is recognized when the company has transferred all significant risks and benefits connected to the ownership of the asset to the purchaser, generally on the date of delivery of the goods.

The revenue is valued at the fair value of the consideration received or to be received, net of returns and rebates, commercial discounts and volume reductions. Subsidiaries provide a two-year warranty on repair, in line with industry practice. Customers are not provided with additional guarantees and maintenance contracts.

#### 2.2.2. Dividends

Dividends are recognized when the right to receive payment is established, which generally corresponds to the time when the Shareholders' Meeting approves their distribution.

#### 2.2.3. Rental Revenue

Rents deriving from property investments are recognized on a straight-line basis over the duration of the existing lease contracts at the balance sheet date and are classified as revenue, considering their operational nature.

### 2.3. Financial Liabilities

**Recognition and initial measurement**

Financial liabilities are classified, at the time of the initial recognition, among financial liabilities at fair value recognised in the income statement, among mortgages and loans, or among derivatives designated as hedging instruments.

All financial liabilities are initially recognised at fair value to which are added, in the cases of mortgages, loans and payables, the transaction costs directly attributable thereto.

The financial liabilities of the Group comprise trade payables and other payables, mortgages and loans, including current account overdrafts and derivative financial instruments.

**Subsequent measurement**

The assessment of financial liabilities depends on their classification, as described above:

Financial liabilities at fair value recognised in the income statement

Financial liabilities recognised at fair value with changes recognised in the income statement comprise liabilities held for trading and financial liabilities initially recognised at fair value with changes recognised in the income statement.

Liabilities held for trading are all those assumed with the intention of extinguishing them or transferring them in the short term. This category also includes the derivative financial instruments entered into by the Group which are not designated as hedging instruments in a hedging relationship defined by IFRS 9. Embedded derivatives, separated from the main contract, are classified as financial instruments held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit/(loss) for the year.

Financial liabilities are designated at fair value with changes recognised in the income statement from the date of initial recognition, only if the criteria of IFRS 9 are met. At the time of the initial recognition, the Group did not designate financial liabilities at fair value with changes recognised in the income statement.

**Loans and receivables**

This category is the most significant for the Group. After the initial recognition, loans are measured with the amortized cost criterion using the effective interest rate method. Gains and losses are recognised in the income statement when the liability is extinguished, as well as through the amortization process.

The amortized cost is calculated noting the discount or the bonus on the acquisition and the fees or costs that are an integral part of the effective interest rate. Amortization at the effective interest rate is included among financial expenses in the statement of profit/(loss). This category generally includes interest-bearing receivables and loans.

**Write-off**

A financial liability is written off when the obligation underlying the liability is extinguished, voided or fulfilled. If an existing financial liability is replaced by another one of the same lender, at substantially different conditions, or the conditions of an existing liability are substantially amended, this exchange or amendment is treated as an accounting write-off the original liability, accompanied by the recognition of a new liability, with recognition in the statement of profit/(liability) of the year of any differences between the carrying amounts.

**Offsetting of financial instruments**

A financial asset and liability can be offset, and the net balance exposed in the statement of financial position, if there is a current legal right to offset the amounts recognised in the financial accounts and there is the intention of extinguishing the net residue, or realising the asset and concurrently extinguishing the liability.

**Derivative financial instruments and hedge accounting**

**Initial recognition and subsequent measurement**

The Group uses derivative financial instruments such as: forward foreign exchange contracts, interest rate swaps and forward commodity acquisition contracts to cover respectively, its own currency exchange rate risks, the interest rate risks and the commodity price risks. These derivative financial instruments are initially recognised at fair value at the date on which the derivative contract is entered into and, subsequently, they are again measured at fair value. Derivatives are recorded as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For hedge accounting purposes, there are three types of hedges:

• fair value hedging in case of hedge of the exposure against changes of the fair value of the asset or liability recognised or unrecorded irrevocable commitment;

• cash flow hedging in case of hedge of the exposure against the variability of the cash flows attributable to a particular risk associated with all assets or liabilities recognised or to a highly probable planned transaction or the foreign currency risk on unrecorded irrevocable commitment;

• hedge of a net investment in a foreign management.

## 3. CONSOLIDATION PRINCIPLES

The Interim Consolidated Financial Statements include the financial statements of :

- Flos S.p.A. and its subsidiaries as at June 30, 2020;
- B&B Italia S.p.A. and its subsidiaries as at June 30, 2020;
- Luminous Design Investment Aps and its subsidiaries as June 30, 2020

Control is obtained when the IDG Group is exposed or is entitled to variable returns arising from its relationship with the investee entity and, at the same time, is able to affect these returns by exercising its power on said entity.

More specifically, the IDG Group controls an investee if - and only if - the IDG Group has:

- power over the investee entity (or has valid rights that give it the current ability to direct the relevant activities of the investee entity);
- exposure or rights to variable returns from its involvement with the investee entity;
- the ability to exercise its power over the investee entity to affect the amount of its returns.

When the IDG Group owns less than the majority of the voting rights (or similar rights), it has to consider all the significant events and circumstances in order to determine whether or not to control the investee entity, including:

- Contractual agreements with other owners of voting rights;
- Rights arising from contractual agreements;
- Voting rights and potential voting rights of the IDG Group.

The IDG Group re-assesses whether or not it has control of an investee if the events and circumstances indicate that there have been changes in one or more of the three significant elements defining control. The consolidation of a subsidiary starts when the IDG Group obtains its control and ends when the IDG Group loses that same control. The assets, liabilities, revenues and costs of the acquired or transferred subsidiary during the period are included in the comprehensive income statement starting from the date when the IDG Group obtains control and stops when the Group no longer exercises control over the company.

The profit (loss) for the period and each of the other comprehensive income (expense) are attributed to the shareholders of the parent company and to the minority interests, even if this implies that the minority interests have a negative balance. Whenever necessary, the financial statements of the subsidiaries are appropriately adjusted in order to ensure conformity with the accounting policies of the Group. All intercompany assets and liabilities, the shareholders' equity, revenues, costs and cash flows regarding transactions between Group entities are totally eliminated during consolidation.

The changes in the shareholdings in a subsidiary that do not entail loss of control are recorded under shareholders' equity.

If the Group loses the control of a subsidiary, it has to eliminate its assets (including goodwill), liabilities, minority interests and the other shareholders' equity components, while any profit or loss is recorded on the income statement. The shareholding kept, if any, has to be recognised at fair value.

The companies of IDG Group included in the scope of consolidation as at June 30, 2020 are listed below, compared with the consolidation perimeter as at December 31, 2019:

| Name of shareholding | Currency | Share capital as at June 30, 2020 | Shareholding as at June 30, 2020 | Share capital as at December 31, 2019 | Shareholding as at December 31, 2019 |
|---|---|---|---|---|---|
| Luminous Design Investment ApS | DKK | 1.260.101 | 100% | 1,260,101 | 100% |
| Luminous Design Denmark ApS | DKK | 100.000 | 100% | 100.000 | 100% |
| P-LP 2014 A/S | DKK | 10.000 | 100% | 10.000 | 100% |
| Louis Poulsen Sweden AB | SEK | 600.000 | 100% | 600.000 | 100% |
| Louis Poulsen Norge AS | NOK | 1.500.000 | 100% | 1.500.000 | 100% |
| Louis Poulsen Finland OY | EUR | 100.000 | 100% | 100.000 | 100% |
| Louis Poulsen UK Ltd. | GBP | 100.000 | 100% | 100.000 | 100% |
| Louis Poulsen German GmbH | EUR | 1.122.583 | 100% | 1.122.583 | 100% |
| Louis Poulsen US Inc. | USD | 1.000 | 100% | 1.000 | 100% |
| Louis Poulsen Holland B.V | EUR | 300.001 | 100% | 300.001 | 100% |
| Louis Poulsen Japan Ltd. | JPY | 38.500.000 | 100% | 38.500.000 | 100% |
| Louis Poulsen Switzerland AG | CHF | 500.000 | 100% | 500.000 | 100% |
| Louis Poulsen Italy Sarl. | EUR | 10.000 | 100% | 10.000 | 100% |
| Louis Poulsen Asia Ltd. | EUR | 2.459 | 100% | 2.459 | 100% |
| Flos S.p.A. | EUR | 1.875.000 | 100% | 1.875.000 | 100% |
| Antares Iluminacion S.A.U. | EUR | 401.000 | 100% | 401.000 | 100% |
| Flos Illuminacion Shanghai Co. Ltd* | CNY | 4.000.000 | 100% | 4.000.000 | 100% |
| Antares Iluminacion Pte Ltd* | SGD | 100 | 100% | 100 | 100% |
| Ares S.r.l. | EUR | 78.000 | 100% | 78.000 | 100% |
| Flos Benelux NV | EUR | 100.000 | 100% | 100.000 | 100% |
| Flos B.V. | EUR | 931.000 | 100% | 931.000 | 100% |
| Euroformat S.r.l. | EUR | 75.000 | 100% | 75.000 | 100% |
| Flos GmbH | EUR | 300.000 | 100% | 300.000 | 100% |
| Flos Japan Co. Ltd | JPY | 40.000.000 | 100% | 40.000.000 | 100% |
| Flos Bespoke (ex Light Contract) S.r.l. | EUR | 13.000 | 100% | 13.000 | 100% |
| Flos Milano S.r.l | EUR | 100.000 | 100% | 100.000 | 100% |
| Flos Norge AS | NOK | 1.500.000 | 55% | 1.500.000 | 55% |
| Flos Roma S.r.l | EUR | 31.000 | 100% | 31.000 | 100% |
| Flos France S.a.s | EUR | 61.000 | 100% | 61.000 | 100% |
| Flos Projets S.ar.l.*** | EUR | 124.000 | 100% | 124.000 | 100% |
| Flos Scandinavia A/S | DKK | 1.429.000 | 65% | 1.429.000 | 65% |
| Flos Sverige AB**** | SEK | 100.000 | 65% | 100.000 | 65% |
| Flos Usa Inc. | USD | 390.000 | 100% | 390.000 | 100% |
| Flos UK Ltd | GBP | 136.000 | 100% | 136.000 | 100% |
| B&B Italia S.p.A. | EUR | 1.000.000 | 100% | 1.000.000 | 100% |
| B&B Italia Usa Inc.- New York | USD | 10.000 | 100% | 10.000 | 100% |
| B&B Italia Munchen Gmbh -Munich | EUR | 150.000 | 100% | 150.000 | 100% |
| B&B London LTD | GBP | 500.000 | 100% | 500.000 | 100% |
| B&B Asia Pacific Limited | USD | 1.000 | 100% | 1.000 | 100% |
| B&B Contract France Sas | EUR | 30.000 | 100% | 30.000 | 100% |
| B&B Italia Contract Projects Srl | EUR | 10.000 | 100% | 10.000 | 100% |
| B&B Italia Paris Sarl | EUR | 50.000 | 100% | 50.000 | 100% |
| Arclinea Spa | EUR | 240.000 | 100% | 240.000 | 100% |
| B&B Furniture (Shanghai) Co., Ltd | CNY | 1.000 | 100% | 1.000 | 100% |

* Note 1: 100% of the shareholdings in Flos Iluminacion Shanghai Co. Ltd and in Antares Iluminacion Pte Ltd (Singapur) are held by Antares Iluminacion S.A.U. (ES), consequently the indirect shareholding of the Group is equal to 100%

** Note 2: For Flos Lighting Design (Beijing) Co. Ltd, the liquidation process was completed during the year

*** Note 3: Flos Projets Sàrl was incorporated into Flos France S.a.s in 2019

## 4. ASSESSMENTS AND SIGNIFICANT ACCOUNTING ESTIMATES

In applying Group accounting standards, the directors made decisions based on the following discretionary valuations (excluding those entailing estimates) with a significant effect on the values recorded in the financial statements.

### 4.1. Use of estimates

Illustrated below are the assumptions pertaining to the future and the other main causes of uncertainty in the estimates that, as at the end of the financial year, present the relevant risk of giving rise to significant adjustments of the accounting values of the assets and liabilities within the following year. The Group based its estimates and assumptions on parameters available at the time of preparation of the consolidated financial statements. However, the current circumstances and assumptions on future development could be modified because of changes in the market or of events outside the Group's control. If these changes take place, they will be reflected in the assumptions.

### 4.2. Commitments and risks

#### 4.2.1. Financial leases and surrender commitments

Following the subscription of the Bond, the following real guarantees summarized below have been subscribed.

Act of pledge on current accounts of International Design Group SpA, signed on November 22, 2018, established by International Design Group SpA, to guarantee, inter alia, the loan agreement for Euro 100 million subscribed on November 9, 2018 and the issue bond of International Design Group SpA of Euro 720 million in favour of, inter alias, UniCredit SpA, as representative of the secured creditors envisaged therein;

Act of transfer under guarantee, signed on December 17, 2018, of intra-group receivables deriving from, inter alia, Proceeds Loan Agreements claimed by International Design Group S.p.A. towards Flos S.p.A., B&B Italia S.p.A. and Luminous Designs Investments ApS, as a guarantee, inter alia, of the loan agreement of Euro 100 million subscribed on November 9, 2018 and the bond issue of International Design Group S.p.A. of Euro 720 million in favour of, inter alias, UniCredit SpA, as representative of the secured creditors envisaged therein;

Act of pledge on shares of Flos S.p.A. signed on December 17, 2018 consisting of International Design Group S.p.A., Cocoon S.r.l. and Fiore S.r.l. to guarantee, inter alia, the loan agreement for Euro 100 million signed on November 9, 2018 and the bond issue of International Design Group S.p.A. of Euro 720 million in favour of, inter alias, UniCredit SpA, as representative of the secured creditors envisaged therein;

Act of pledge on shares of B&B Italia S.p.A. signed on 17 December 2019 consisting of International Design Group S.p.A., to guarantee, inter alia, the loan agreement for Euro 100 million subscribed on 9 November 2018 and the bond issue of International Design Group S.p.A. of Euro 720 million in favour of, inter alias, UniCredit SpA, as representative of the secured creditors envisaged therein;

Pledge on Luminous Designs Investments ApS shares subscribed on December 17, 2018 by International Design Group SpA, to guarantee, inter alia, the loan agreement for Euro 100 million signed on November 9, 2018 and the International Design bond issue Group SpA of Euro 720 million in favour of, inter alias, UniCredit SpA, as representative of secured creditors provided for therein.

The Group has entered into a financial lease agreement with ING Leasing of Madrid (ES) as a result of the acquisition of the industrial building by the subsidiary Antares Iluminacion S.A.U. and related take-over of

the underlying lease agreement. Of this commitment, equal to Eur 4,023 thousand (Eur 695 thousand with expiry date within 12 months and Eur 3,328 thousand after 12 months) and will expire on 2022.

## 5. GOODWILL

The total value of Goodwill amount to Eur 1.052,5 million broken down as follows:

| | June 30, 2020 | Dec 31, 2019 |
|---|---|---|
| Goodwill from acquisition of Flos S.p.A. Group | 478,3 | 478,3 |
| Goodwill from acquisition of B&B Group | 372,4 | 372,4 |
| Goodwill from acquisition of Louis Poulsen Group | 201,8 | 201,8 |
| **TOTAL ASSETS WITH AN INDEFINITE USEFUL LIFE** | **1.052,5** | **1.052,5** |

The goodwill reflects the value emerging from the appraisal of a third independent expert after having determined the fair value of assets and liabilities upon the acquisition date.

## 6. OTHER INTANGIBLE ASSETS

Other Intangible Assets amount to Eur 588,3 million as at June 30, 2020 compared to Eur 587,5 million as of December 31, 2019 and include the following:

| | DEVELOPMENT COSTS | PATENTS AND INTELLECTUAL PROPERTY RIGHTS | CONCESSIONS, LICENSES AND TRADEMARKS AND OTHER INTANGIBLE FIXED ASSETS | TRADEMARK | TOTAL INTANGIBLE ASSETS, EXCLUDING GOODWILL |
|---|---|---|---|---|---|
| **NET BOOK VALUE as of January 1, 2020** | **9,0** | **2,7** | **7,0** | **568,8** | **587,5** |
| | | | | | |
| **HISTORICAL COST as of January 1, 2020** | **32,2** | **24,9** | **23,4** | **573,5** | **654,0** |
| Increases (Capex) | 1,9 | 0,7 | 2,0 | 0,0 | 4,8 |
| Decreases (Disposal) | - | - | (0,0) | - | (0,0) |
| Exchange rate difference | 0,0 | 0,0 | 0,0 | 0,0 | 0,1 |
| Other variations | - | 0,0 | (0,0) | - | 0,0 |
| **HISTORICAL COST as of June 30, 2020** | **34,1** | **25,7** | **25,4** | **573,6** | **658,9** |
| | | | | | |
| **ACCUMULATED DEPRECIATION as of January 1, 2020** | **23,2** | **22,2** | **16,4** | **4,7** | **66,5** |
| Increases (Amortisation of the period) | 2,5 | 0,8 | 0,7 | 0,0 | 4,0 |
| Decreases | - | - | - | - | - |
| Exchange rate difference | 0,0 | 0,0 | 0,0 | 0,0 | 0,1 |
| Other variations | - | 0,0 | (0,0) | - | (0,0) |
| **ACCUMULATED DEPRECIATION as of June 30, 2020** | **25,7** | **23,1** | **17,1** | **4,8** | **70,6** |
| | | | | | |
| **NET BOOK VALUE as of June 30, 2020** | **8,5** | **2,6** | **8,4** | **568,9** | **588,3** |

- **Development costs** for Eur 8,5 million include the costs of personnel dedicated to product development carried out within the controlled companies. These costs are amortised over three years.
- The item **Patents and intellectual property rights** for Eur 2,6 million comprises mainly costs incurred for depositing patents, producing software and build e-commerce websites.

- The item **Concessions, licenses and trademarks and other intangible fixed assets** for Eur 8,4 million comprises mainly assets of the Parent Company referred to the production licences relating to specific product lines, costs for software licenses, costs for projects in progress and customer relationships.

- The item **Trademarks**, equal to Eur 568,9 million mainly refers to the trademarks:
  - "FLOS", equal to Euro 244,1 million;
  - "B&B", "Maxalto" and "Azucena" equal to Euro 200,8 million;
  - "Louis Poulsen", equal to Euro 123,1 million.

Trademarks are considered with an indefinite useful life and therefore subject to annual impairment test.

## 7. PROPERTY, PLANT AND MACHINERY

Property, plant and machinery amount to Eur 109,7 (Eur 111,7 as at December 31, 2019) and include the following:

| | LAND AND BUILDINGS | PLANT AND MACHINERY | INDUSTRIAL AND COMMERCIAL EQUIPMENT | OTHER ASSETS | ASSETS UNDER CONSTRUCTION AND ADVANCES | TOTAL TANGIBLE ASSETS |
|---|---|---|---|---|---|---|
| **NET BOOK VALUE as of January 1, 2020** | **87,1** | **11,2** | **7,1** | **4,9** | **1,3** | **111,7** |
| | | | | | | |
| **HISTORICAL COST as of January 1, 2020** | **129,3** | **66,2** | **65,0** | **23,1** | **1,3** | **284,9** |
| Increases (Capex) | 0,2 | 1,3 | 1,1 | 0,4 | 2,4 | **5,4** |
| Decreases (Disposal) | (0,7) | (0,4) | (0,0) | (0,1) | (1,1) | **(2,4)** |
| Exchange rate difference | (0,0) | 0,1 | (0,0) | (0,0) | - | **0,0** |
| Other variations | 0,3 | - | 0,5 | (0,0) | - | **0,7** |
| **HISTORICAL COST as of June 30, 2020** | **129,0** | **67,1** | **66,6** | **23,3** | **2,6** | **288,6** |
| | | | | | | |
| **ACCUMULATED DEPRECIATION as of January 1, 2020** | **42,2** | **54,9** | **57,9** | **18,2** | **-** | **173,2** |
| Increases (Amortisation of the period) | 2,1 | 1,7 | 1,6 | 1,1 | - | **6,5** |
| Decreases | (0,7) | (0,0) | (0,0) | (0,1) | - | **(0,9)** |
| Exchange rate difference | 0,0 | 0,0 | 0,0 | 0,0 | - | **0,1** |
| Other variations | 0,0 | 0,0 | (0,0) | (0,0) | - | **(0,0)** |
| **ACCUMULATED DEPRECIATION as of June 30, 2020** | **43,6** | **56,6** | **59,5** | **19,1** | **-** | **178,8** |
| | | | | | | |
| **NET BOOK VALUE as of June 30, 2020** | **85,4** | **10,5** | **7,1** | **4,2** | **2,6** | **109,7** |

## 8. RIGHT OF USE

Starting from January 1, 2019 the new lease standard application is mandatory. The Group decided to adopt the new standard according to the modified approach. The right of use refers to the following categories:

- Offices and buildings
- Shops
- Company cars
- Equipment used in the production process
- Office equipment

As a result of the initially applying IFRS 16, in the movement of right of use assets and related lease liabilities for the first half of 2020 can be summarized as follows:

| | **RoU** | **Lease liability** |
|---|---|---|
| **On January 1, 2019** | **44,5** | **47,3** |
| Additions | 0,5 | 0,5 |
| Depreciation expense | (5,4) | - |
| Interest Expense | - | 0,9 |
| Payments | - | (6,6) |
| **On June 30, 2020** | **39,6** | **43,0** |

## 9. NON-CURRENT FINANCIAL ASSETS

Non-current financial assets amount to Eur 3,4 million (Eur 4,5 million as of December 31, 2019) mainly comprises the deposits on rentals paid by the Group companies.

## 10. INVENTORIES

Inventories are broken down in the following table:

| | **June 30, 2020** | **December 31, 2019** |
|---|---|---|
| Raw materials and consumables | 49,1 | 44,8 |
| Raw materials and consumables impairment provision | (6,0) | (5,4) |
| Work in progress and semifinished products | 20,6 | 19,4 |
| Work in progress and semifinished products impairment provision | (3,2) | (3,0) |
| Custom work in progress | 16,8 | 11,4 |
| Custom work in progress impairment provision | 0,0 | 0,0 |
| Finished products | 32,0 | 27,8 |
| Finished products impairment provision | (7,0) | (6,7) |
| Deposits | 1,1 | 1,8 |
| Goods in transit | 2,5 | 2,0 |
| **TOTAL INVENTORIES** | **105,9** | **92,2** |

Inventories on hand are shown net of the provision for inventory impairment for Eur 16,2 million (Eur 15,1 as at December 31, 2019)

## 11. TRADE RECEIVABLES

As at June 30, 2020 trade receivables amount to Eur 58,9 million (Eur 68,5 million as at December 31, 2019), net of the bad debt provision which amounts to Eur 5,9 million (Eur 5,8 as at December 31, 2019).

## 12. TAX ASSETS AND OTHER CURRENT ASSETS

### 12.1. Tax credit and due from tax authorities

Current tax credit and due from tax authorities amount to Eur 10,5 million compared to Eur 8,7 million as at December 31, 2019 and are mainly composed by:

- VAT receivables
- Receivables for tax advances paid
- Other tax receivables

### 12.2. Other assets

Other assets amounting to Eur 6,5 (Eur 7,0 as at December 31, 2019) mainly includes payments in advance to suppliers, for insurance policies and for maintenance expenses, utilisation of software, services for IP deposit.

## 13. CASH AND CASH EQUIVALENTS AND DEPOSITS

Cash and cash equivalents amount to Eur 146,9 million with an increase of Eur 83,3 million compared to December 31, 2019. Please refer to the Statement of Cash Flow for a more detailed explanation of the investments made by the Group during the period.

## 14. ASSETS HELD FOR DISPOSAL

Assets held for disposal, amounting to Eur 2,5 million, include buildings and land with the related generic facilities belonging to the Ascoli plant of the B&B Group, currently unused.

## 15. SHAREHOLDERS' EQUITY

The Shareholders' equity as of June 30, 2020 amount to Eur 982,9 million (Eur 983,6 as at December 31, 2019) and the variation is mainly due to the result of the period and minor movements indicated in the Statement of changes in consolidated shareholders' equity shown below:

| | Share Capital | Share premium reserve | Other reserves | Profit for the period | Total Group Shareholders' Equity | Minority shareholders' equity | Net profit attributable to minority interests | Total shareholders' equity |
|---|---|---|---|---|---|---|---|---|
| **Balance as of January 1, 2019** | **5,1** | **1.005,4** | **(19,3)** | **(10,5)** | **980,7** | **2,0** | **0,9** | **983,6** |
| Allocation of previous period result | - | - | (10,5) | 10,5 | - | 0,9 | (0,9) | - |
| Result for the period | - | - | - | (3,2) | (3,2) | - | 0,7 | (2,5) |
| Other comprehensive income | - | - | 0,6 | - | 0,6 | 0,1 | - | 0,7 |
| **Total comprehensive profit for the period** | **-** | **-** | **(9,9)** | **7,3** | **(2,6)** | **1,0** | **(0,2)** | **(1,8)** |
| Stock option's reserve | - | - | 1,2 | - | 1,2 | - | - | 1,2 |
| Other movements | - | - | 0,0 | - | 0,0 | (0,2) | - | (0,2) |
| Total movement of the period | - | - | 1,2 | - | 1,2 | (0,2) | - | 1,1 |
| **Balance as of 30 June, 2020** | **5,1** | **1.005,4** | **(28,0)** | **(3,2)** | **979,4** | **2,8** | **0,7** | **982,9** |

## 16. PROVISIONS FOR RISKS AND OTHER CHARGES

The Provisions for risks and other charges, amounting to Eur 11,0 million (Eur 10,4 as at December 31, 2019), include the following:

- **Provisions for pensions and similar obligations**, amounting to Eur 4,2 million;
- **Other provisions**, amounting to Eur 6,8 million.

The Provision for pensions and similar obligations comprises the amount for agents' termination indemnity accrued in compliance with collective labour agreements applicable to agents presently in force. The amount reflects a prudent acknowledgement of the risk related to termination of agent mandates in the instances envisaged by law.

The Provision for pensions and similar obligations is subject to actuarial calculation.

The item Other provisions includes the following:

- a *Provision for Product Warranties* to cover the request for warranty extensions on LED products
- a *Provision for General Liabilities* allocated to cover possible liabilities due to legal disputes

## 17. CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

Financial liabilities are broken down as follows:

| | June 30, 2020 | December 31, 2019 |
|---|---|---|
| ***Current financial liabilities:*** | | |
| Payables to other lenders | 1,7 | 3,0 |
| Payables to banks | 2,6 | 4,5 |
| Liabilities for leases ST | 9,5 | 8,3 |
| **Total current financial liabilities** | **13,8** | **15,8** |
| ***Non-current financial liabilities:*** | | |
| Payables to other lenders | 5,9 | 3,8 |
| Bond loan | 700,0 | 698,1 |
| Bank loan | 100,0 | - |
| Liabilities for leases LT | 33,5 | 39,0 |
| **Total non-current financial liabilities** | **839,4** | **740,9** |
| **TOTAL FINANCIAL LIABILITIES** | **853,2** | **756,7** |

The reconciliation of the payable for Shareholder Loan is as follows:

| | June 30, 2020 | December 31, 2019 |
|---|---|---|
| Bond Loan | 720,0 | 720,0 |
| Amortised cost | (25,7) | (27,6) |
| Matured interest | 5,7 | 5,7 |
| **Liabilities for Shareholder Loan** | **700,0** | **698,1** |

The Shareholder Loan comprises two bonds issued on November 16, 2018 with the following characteristics:

| | Nominal value | Due | Nominal rate |
|---|---|---|---|
| Bond 1 | 400,000 | Bullet 15/11/2025 | 6.5% |
| Bond 2 | 320,000 | Bullet 17/11/2025 | Euribor 3m + 6% |

The item *Bank Loan* refers to revolving loan agreement subscribed on November 9, 2018 in favour of, inter alias, UniCredit S.p.A. and drawn down in June 2020.

The item *Due to other lenders* refers mainly to a deferred payment of the industrial building in Spain and to a deferred payment for the acquisition of minority interests (see § 5).

The item *Payables to bank* refers to a bank loan held by Arclinea S.p.A. controlled by B&B Italia S.p.A.

## 18. CURRENT AND NON-CURRENT FINANCIAL LEASE LIABILITIES

The item includes the financial liabilities accounted for in accordance with the lease standard IFRS 16 and they amount to Eur 43,0 million divided into current liability for Eur 9,5 million and non-current for Eur 33,5 million.

As indicated in §9 the lease financial liability is the counterpart of the right of use accounted for in the balance sheet.

## 19. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities amounting to Eur 1,4 million (Euro 0,8 million as at December 31, 2019) refer mainly to payables for rent tied to stores and offices of the Group.

## 20. TRADE PAYABLES

Trade payables include:

| | June 30, 2020 | December 31, 2019 |
|---|---|---|
| Italy | 46,1 | 74,8 |
| EEC | 45,7 | 34,3 |
| Non-EEC | 18,9 | 15,2 |
| **TOTAL TRADE PAYABLES** | **110,6** | **124,2** |

The item Trade payables includes also the advances from customers for an amount equal to Eur 40,8 million (Euro 30,4 million as at December 31, 2019).

## 21. TAX PAYABLES AND OTHER CURRENT LIABILITIES

This category includes amounts due:

- to tax authorities, amounting to Eur 13,9 million;
- to social security institutions, amounting to Eur 4,6 million;
- to personnel and others, amounting to Eur 19,9 million.

## 22. REVENUE

Total Revenue, for the three months period ended June 30, 2020 amounted to Eur 225,4 million (Eur 261,9 as of June 30, 2019) refer to the sale of products and services.

The following table shows the breakdown by geographical area:

| | Six months ended June 30, 2020 | Six months ended June 30, 2019 |
|---|---|---|
| Europe | 155,2 | 175,1 |
| Americas | 32,6 | 45,3 |
| APAC | 34,4 | 35,8 |
| MENA and other | 3,2 | 5,7 |
| **TOTAL REVENUES** | **225,4** | **261,9** |

## 23. PURCHASES OF RAW MATERIALS AND VARIATION IN INVENTORIES

Purchases of raw materials and variation in inventories amount to Eur 66,2 million compared to Euro 79,2 for the same period of previous year.

## 24. PERSONNEL COSTS

Personnel costs include wages and salaries, social security contributions, employees' severance indemnities and pensions and amount to Eur 52,7 million (Eur 55,9 as of June 30, 2019).

## 25. SERVICE COSTS

Service costs are broken down as follows and are in line with the same period of previous year:

| | Six months ended June 30, 2020 | Six months ended June 30, 2019 |
|---|---|---|
| Subcontract work and services for production | 12,6 | 9,0 |
| Fees, royalties, advertising and communications | 15,7 | 17,8 |
| Transport and customs costs | 6,4 | 15,1 |
| Utilities, ancillary services, EDP fees, maintenance and repairs | 10,4 | 11,5 |
| Costs for technical, artistic, tax, legal and various advice | 4,1 | 4,7 |
| Remunerations for directors, statutory auditors and audit | 2,0 | 2,9 |
| Transfers and entertainment | 1,8 | 2,7 |
| Cost of training, subcontract personnel, banking and other miscellaneous services | 3,3 | 4,2 |
| Insurance, patents and trademarks, post and telegraphic | 1,3 | 2,5 |
| **TOTAL SERVICES COSTS** | **57,6** | **70,4** |

## 26. PROVISIONS

Allocations to provisions were:

| | Six months ended June 30, 2020 | Six months ended June 30, 2019 |
|---|---|---|
| Provisions for pension fund | 0,1 | 0,1 |
| Provisions for risks | 0,6 | 0,6 |
| Provisions for other charges | 0,3 | 0,3 |
| **TOTAL PROVISIONS** | **1,0** | **1,1** |

## 27. OTHER COSTS AND CHARGES

Other costs and charges amounting to Eur 4,2 million (Eur 7 million as of June 30, 2019) include rental and leasing fees for contract out of scope under IFRS 16 (i.e. low value assets), membership and subscriptions included internet, gifts and charity, purchase of stationery and consumables for offices.

## 28. AMORTISATION, DEPRECIATION AND IMPAIRMENT

The item Amortisation, depreciation and impairment amounting to Eur 16,4 million (Eur 15,1 million as of June 30, 2019) and it includes the amortization of right-of-use assets accounted for in the balance sheet for IFRS 16 purposes.

## 29. FINANCIAL CHARGES

Financial charges amount to Eur 29 million and are mainly composed by interest on Bond Loan and lease agreements.