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, 2021.

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 including Louis Poulsen a/s
- Design Quality Manufacturing and its subsidiaries
- IDG Apollo Parent Inc and its subsidiaries including YDesign Group LLC
- D Studio Copenhagen APS

Comparative figures as of June 30, 2020 are prepared on the basis of the historical financial information.

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.

Unaudited Consolidated Statement of Financial Position as of June 30, 2021 and as of December 31, 2020

€ millions	Notes	As at June 30, 2021	As at December 31, 2020
NON-CURRENT ASSETS:			
Intangible assets:			
- Goodwill	6	1.206,1	1.052,5
- Other intangible assets	7	595,2	588,5
Property, plant and equipment	8	109,4	109,3
Shareholding in affiliated companies		29,7	23,4
Right of use	9	48,4	43,0
Deferred tax assets		19,7	18,1
Non-current financial assets	10	1,6	3,4
Other non-current assets		5,1	3,0
TOTAL NON-CURRENT ASSETS		**2.015,2**	**1.841,0**
CURRENT ASSETS:			
Inventories	11	97,2	100,2
Trade receivables	12	70,8	57,1
Tax assets and other current assets:	13		
- Tax credit and due from tax authorithies	13.1	8,0	7,2
- Other assets	13.2	8,8	5,6
Cash and cash equivalents and deposits	14	113,3	92,7
TOTAL CURRENT ASSETS		**298,2**	**262,9**
Assets held for disposal	15	2,0	2,0
TOTAL ASSETS		**2.315,4**	**2.105,9**
SHAREHOLDERS' EQUITY:	16		
Share capital		5,1	5,1
Other reserves and result		1.057,2	1.002,0
TOTAL GROUP SHAREHOLDERS' EQUITY		**1.062,3**	**1.007,1**
Minority shareholders' equity and result		2,6	4,3
TOTAL SHAREHOLDERS' EQUITY		**1.064,9**	**1.011,4**
NON-CURRENT LIABILITIES:			
Defined benefit plans		7,4	7,5
Provisions for risks and other charges	17	11,6	11,0
Non-current financial liabilities	18	858,7	704,7
Non-current lease financial liabilities	19	43,4	37,6
Deferred tax liabilities		101,2	158,9
Other non-current liabilities		1,5	0,1
TOTAL NON-CURRENT LIABILITIES		**1.023,9**	**919,7**
CURRENT LIABILITIES:			
Current financial liabilities	18	3,8	1,9
Current lease financial liabilities	19	10,1	9,3
Trade payables	20	120,9	80,0
Contract liabilities vs. third parties	20	41,5	43,5
Tax payables and other current liabilities:			
- Tax payables and due to tax authorities	21	19,3	11,4
- Due to social security institutions		5,0	4,9
- Due to personnel and other payables		26,0	23,9
TOTAL CURRENT LIABILITIES		**226,6**	**174,8**
TOTAL LIABILITIES		**1.250,5**	**1.094,5**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**2.315,4**	**2.105,9**

Unaudited Consolidated Income Statement for the six months ended June 30, 2021 and for the three months ended June 30, 2020

€ millions		As at June 30, 2021	As at June 30, 2020
Revenues from contracts with customers	22	317,3	225,4
Other income		2,9	2,7
TOTAL REVENUES		**320,2**	**228,1**
Purchases of raw materials and variation in inventories	23	(93,0)	(66,2)
Personnel costs	24	(63,4)	(54,1)
Service costs	25	(80,5)	(56,2)
Provisions	26	(1,4)	(1,0)
Other costs and charges	27	(5,7)	(4,2)
Business combination costs	28	(8,1)	-
TOTAL COSTS		**(252,1)**	**(181,7)**
Amortization, depreciation and impairment	29	(17,4)	**(16,4)**
OPERATING PROFIT		**50,7**	**29,9**
Financial income		2,0	1,1
Financial charges	30	(38,1)	(29,0)
RESULT BEFORE TAX FROM CONTINUING OPERATIONS		**14,6**	**2,0**
Income taxes	31	40,1	(4,5)
NET RESULT FROM CONTINUING OPERATIONS		**54,7**	**(2,5)**
Net profit of discontinued operations		-	-
PROFIT/(LOSS) FOR THE PERIOD		**54,7**	**(2,5)**
Profit/(Loss) for the period, attributable to minority interest		*0,6*	*0,7*
Profit/(Loss) for the period, attributable to the Group		*54,1*	*(3,2)*

Unaudited Consolidated Other Comprehensive Income Statement for the six months ended June 30, 2021 and for the six months ended June 30, 2020

€ millions	June 2021	June 2020
PROFIT/(LOSS) FOR THE PERIOD	**54,7**	**(2,5)**
Other comprehensive income (expense) that may be reclassified in the profit/(loss) for the period:		
Exchange difference on translating foreign financial statements	0,3	0,5
Profit/(Loss) from cash flow hedge	0,1	0,1
TOTAL OTHER COMPREHENSIVE INCOME (EXPENSE) THAT MAY BE RECLASSIFIED IN THE PROFIT/(LOSS) FOR THE PERIOD, NET OF TAX	**0,4**	**0,7**
TOTAL OTHER COMPREHENSIVE INCOME (EXPENSE), NET OF TAX	**0,4**	**0,7**
TOTAL COMPREHENSIVE PROFIT, NET OF TAX	**55,1**	**(1,8)**
Profit/(Loss) for the period, attributable to minority interest	*0,6*	*0,8*
Profit/(Loss) for the period, attributable to the Group	*54,5*	*(2,6)*

Unaudited Consolidated Adjusted Ebitda for the six months ended June 30, 2021 and for the six months ended June 30, 2020

Amount in €/Millions	**HOLDING 30.06.2021**	**B&B 30.06.2021**	**FLOS 30.06.2021**	**LP 30.06.2021**	**DQM 30.06.2021**	**DHD 30.06.2020**	**YDESIGN 30.06.2021**	**Consolidated 30.06.2021**
Ebitda reported from IDG	**(0,3)**	**29,6**	**28,4**	**19,3**	**(0,7)**	**(1,1)**	**(6,8)**	**68,4**
Impairment of fixed assests		-	0,1	-			-	**0,1**
Transaction costs							8,1	**8,1**
Other provisions for risks and charges			0,4	-			-	**0,4**
Non-recurring costs:	**-**	**3,2**	**2,2**	**2,4**	**0,7**	**1,6**	**-**	**10,2**
Other non-recurring costs						*0,2*		0,2
Non recurring consultancy fee		-	-	*0,3*				0,3
Restructuring costs for show room		*1,0*	-	-				1,0
Covid 19 costs		*0,1*	*0,1*	*0,8*				0,9
Start.up costs		-	-	-	*0,7*	*1,4*		2,1
Stock option		*0,2*	*0,3*	*0,2*				0,7
Salary dismissal		-	*0,1*	*0,1*				0,1
Management fee vs DH		*1,9*	*1,8*	*1,1*				4,8
Adj. EBITDA (excl. IFRS 16 adjustments)	**(0,3)**	**32,8**	**31,2**	**21,7**	**-**	**0,5**	**1,3**	**87,2**
IFRS 16 adjustments	-	(3,8)	(1,4)	(1,5)	-	(0,5)	(0,1)	**(7,3)**
Incl. EBITDA (excl. IFRS 16 adjustments)	**(0,3)**	**29,0**	**29,8**	**20,2**	**-**	**0,0**	**1,2**	**79,9**

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**	**20,0**	**11,1**	**46,3**
Other provisions for risks and charges	-	-	1,2	-	**1,2**
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 Cash Flow Statement for the six months ended June 30, 2021 and for the six months ended June 30, 2020

€ millions	June 30, 2021 - 6 months	June 30, 2020 - 6 months
Ebitda reported*	**68,1**	**46,3**
Financial interests paid	(24,7)	(25,0)
Income taxes paid	(4,8)	(6,2)
Other non monetary movement	0,7	1,5
Operating activities:		
Net change in employee severance indemnities and pension funds	(0,1)	(0,1)
Net change in provisions for risks and other charges	0,8	0,6
Net change in working capital	0,1	(17,4)
NET CASH FLOWS FROM OPERATIONS	**40,1**	**(0,3)**
Investing activities:		
Purchases of tangible fixed assets, net	(5,4)	(4,4)
Purchases of intangible fixed assets, net	(8,4)	(5,4)
Acquisition of non-current financial assets	(6,3)	0,0
Exchange difference on translating foreign goodwill	(3,2)	0,0
Acquisition of a subsidiary, net of cash acquired	(134,9)	0,0
NET CASH FLOWS FROM INVESTING ACTIVITIES	**(158,2)**	**(9,8)**
Financing activities:		
(Increase)/decrease of financial receivables	3,3	2,0
Repayment of principal portion of lease liabilities	(5,1)	(5,1)
Increase/(decrease) of financial payables net to charges reimbursed	142,5	96,8
Dividend paid to minority interests	(2,3)	0,0
Exchange difference on translating foreign items	0,4	0,0
CASH FLOW FROM FINANCING ACTIVITIES	**138,8**	**93,7**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**20,6**	**83,6**
Net cash and cash equivalents at the beginning of the period	92,7	63,6
Net cash and cash equivalents at the end of the period	113,3	146,9

*Ebitda reported calculated as Net result + Income taxes + Financial charges -Financial Income + Amortization, depreciation and impairment

Notes to IDG Interim Consolidated Financial Statements as of and for the six months ended June 30, 2021

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 Alessandro Manzoni, 38 – 20121 Milano 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, 2020. 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 Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

• Land and Buildings 2 to 24 years

• Plant and machinery 2 to 8 years

• Industrial and commercial equipment 2 to 5 years

• Other Assets 2 to 5 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section Impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

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, the only exception applies to Y Design where some transactions the company is acting as an agent and revenue are accounted for net of costs of the performance obligation arranged from third parties involved in the transactions.

The revenue from the sale of goods is recognized at a point in time when the company has transferred the control of the goods and services, generally on the date of delivery of the goods.

The revenue is measured 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.

2.2.1.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.

2.3. 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, 2021;
- B&B Italia S.p.A. and its subsidiaries as at June 30, 2021;
- Luminous Design Investment Aps and its subsidiaries including Louis Poulsen a/s as June 30, 2021;
- Design Quality Manufacturing S.p.A and its subsidiaries as June 30,2021;
- D Studio Copenhagen APS as June 30,2021.
- IDG Apollo Parent Inc and its subsidiaries including YDesign Group LLC as June 30, 2021;

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, 2021 are listed below:

Name of shareholding	Currency	Share capital as at June 30, 2021	Shareholding as at June 30, 2021
D Studio Copenhagen APS	DKK	40.000	100%
Luminous Design Investment ApS*	DKK	1.260.101	100%
Louis Poulsen Sweden AB	SEK	600.000	100%
Louis Poulsen Norge AS	NOK	1.500.000	100%
Louis Poulsen Finland OY	EUR	100.000	100%
Louis Poulsen UK Ltd.	GBP	100.000	100%
Louis Poulsen German GmbH	EUR	1.122.583	100%
Louis Poulsen US Inc.	USD	1.000	100%
Louis Poulsen Holland B.V	EUR	300.001	100%
Louis Poulsen Japan Ltd.	JPY	38.500.000	100%
Louis Poulsen Switzerland AG	CHF	500.000	100%
Louis Poulsen Asia Ltd.	EUR	2.459	100%
Design Quality Manufacturing S.p.A.	EUR	40.000	100%
Fashion Forniture Design S.p.A.******	EUR	50.000	80%
Flos S.p.A.**	EUR	1.875.000	100%
Antares Iluminacion S.A.U.	EUR	401.000	100%
Flos Illuminacion Shanghai Co. Ltd	CNY	4.000.000	100%
Antares Iluminacion Pte Ltd	SGD	100	100%
Ares S.r.l.	EUR	78.000	100%
Flos Benelux NV	EUR	100.000	100%
Flos B.V.	EUR	931.000	100%
Flos GmbH	EUR	300.000	100%
Flos Japan Co. Ltd	JPY	40.000.000	100%
Flos Bespoke S.r.l***.	EUR	13.000	100%
Flos Norge AS	NOK	1.500.000	55%
Flos France S.a.s	EUR	61.000	100%
Flos Scandinavia A/S	DKK	1.429.000	65%
Flos Sverige AB	SEK	100.000	65%
Flos Usa Inc.	USD	390.000	100%
Flos UK Ltd	GBP	136.000	100%
B&B Italia S.p.A.	EUR	1.000.000	100%
B&B Italia Usa Inc.- New York	USD	10.000	100%
B&B Italia Munchen Gmbh -Monaco	EUR	150.000	100%
B&B London LTD	GBP	500.000	100%
B&B Asia Pacific Limited	USD	1.000	100%

Name of shareholding	Currency	Share capital as at June 30, 2021	Shareholding as at June 30, 2021
B&B Contract France Sas	EUR	30.000	100%
B&B Italia Paris Sarl	EUR	50.000	100%
Arclinea Spa	EUR	240.000	100%
B&B Furniture (Shanghai) Co., Ltd	CNY	1.000	100%
IDG Apolo Parent INC	USD	10	100%
YDesign Group LLC*******	USD	525,00	100%

* Note 1: Luminous Design Denmark ApS is merged into Luminous Design Investment ApS at 01.01.2020
** Note 2: Flos Milano S.r.l. closed following merger in Flos spa at 01.07.2020 (accounting and fiscal effect from 01.01.2020). Flos Roma S.r.l closed following merger in Flos spa at 01.07.2020 (accounting and fiscal effect from 01.01.2020)
*** Note 3: Euroformat S.r.l. was merged in Flos Bespoke as at 01.10.2020 (accounting and fiscal effect from 01.01.2020).
**** Note 4: B&B Italia Contract Projects Srl was closed by liquidation.
***** Note 5: Louis Poulsen Italy Sarl was closed by liquidation at 29.12.2020
****** Note 6: On March 4, 2021, Design Holding, through its subsidiaries, and Fendi announced the launch of the joint venture Fashion Forniture Design to develop the Fendi Casa business. The new company is controlled by Design Quality Manufacturing through a majority stakes (80%), this latter company was founded and totally controlled by IDG during the first months of 2021
******* Note 7: On June 1st 2021, Design Holding, obtains the control of YDesign Group LLC, through the establishment of acquisition vehicle IDG Apollo Parent INC.

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.

Pledge over the shares of International Design Group S.p.A, granted pursuant to a deed of pledge entered into on November 22, 2018 between, inter alios, Design Holding S.p.A. as pledgor, and Unicredit S.p.A., as security agent and representative (*mandatario con rappresentanza*).

Pledge over balance on bank accounts of International Design Group S.p.A., granted pursuant to a deed of pledge entered into on November 22, 2018 between, inter alios, International Design Group S.p.A. as pledgor, and Unicredit S.p.A., as security agent and representative (*mandatario con rappresentanza*).

Assignment by way of security of the intercompany receivables arising under certain proceeds loan agreements of International Design Group S.p.A., vis-à-vis, respectively, Flos S.p.A., B&B Italia S.p.A. and Luminous Design Investments ApS, granted pursuant to an agreement for the assignment by way of security of receivables entered into on December 17,2018 between, inter alios, International Design Group S.p.A,, as assignor and Unicredit S.p.A., as security agent and representative (*mandatario con rappresentanza*).

Pledge over the shares of Flos S.p.A. granted pursuant to a deed of pledge entered into on November 22, 2018 between, inter alios, International Design Group S.p.A, Cocoon S.r.l. and Fiore S.r.l (Cocoon S.r.l. and Fiore S.r.l now merged by way of incorporation into Flos S.p.A.), as assignor and Unicredit S.p.A., as security agent and representative (*mandatario con rappresentanza*).

Pledge over the shares of B&B Italia S.p.A. granted pursuant to a deed of pledge entered into on December 17, 2018 between, inter alios, International Design Group S.p.A, as pledgor, and Unicredit S.p.A., as security agent and representative (*mandatario con rappresentanza*).

Pledge over the shares of Luminous Design Investments ApS. granted pursuant to a share pledge agreement entered into on December 17, 2018 between, inter alios, International Design Group S.p.A, as pledgor, and Unicredit S.p.A., as security agent and representative (*mandatario con rappresentanza*).

Pledge over the shares of Louis Poulsen A/S. granted pursuant to a share pledge agreement entered into a February 19, 2018 between, inter alios, Luminous Design Investments ApS, as pledgor, and Unicredit S.p.A., as security agent and representative (*mandatario con rappresentanza*).

Pledge over the shares of Antares Iluminacion S.A.U. granted pursuant to a deed of pledge entered into a February 19, 2018 between, inter alios, Flos S.p.A, as pledgor, Antares Illuminacion S.A.U, as company, and Unicredit S.p.A., as security agent and representative (*mandatario con rappresentanza*).

5. BUSINESS COMBINATION

During the first half of 2021, the Group through an acquisition vehicle (IDG Apollo Parent Inc), obtained control of YDesign Group LLC.

The net assets recognized at the acquisition were based on provisional valuations of their fair value as well as purchase price is subject to further adjustment.

The provisional fair value of assets and liabilities of the YDesign Group LLC acquired, as of June 1st, 2021 (the closing date) is shown below:

Fair value of YDesign Group recognised upon acquisition *(Eur/million)*	***June 1st, 2021***
Assets	
Property, plant and equipment	0,8
Goodwill	14,7
Other intangible assets	4,2
Cash and cash equivalents	13,6
Trade receivables and other receivables	0,9
Inventories	2,2
Other current assets	1,8
Total Assets	**38,3**
Liabilities	
Trade payables and other payables	(12,8)
Other current liabilities	(13,7)
Total Liabilities	**(26,5)**
Total net assets identifiable at fair value	**11,8**
Reversal of pre-existing goodwill	(14,7)
Goodwill deriving from the acquisition	151,5
Consideration of the acquisition/transfer	**148,6**

6. GOODWILL

The total value of Goodwill amount to Eur 1.206,1 million broken down as follows:

	June 30, 2021	Dec 31, 2020
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
Goodwill from acquisition of YDesign	153,6	-
TOTAL ASSETS WITH AN INDEFINITE USEFUL LIFE	**1.206,1**	**1.052,5**

Goodwill related to the YDesign acquisition is subject to exchange rate differences.

7. OTHER INTANGIBLE ASSETS

Other Intangible Assets amount to Eur 595,2 million as at June 30, 2020 compared to Eur 588,4 million as of December 31, 2020 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, 2021	**10,0**	**2,3**	**7,4**	**568,8**	**588,5**
HISTORICAL COST as of January 1, 2021	**38,5**	**26,6**	**25,2**	**568,9**	**659,2**
Business Combination- YDesign	**4,3**	**-**	**-**	**-**	**4,3**
Increases (Capex)	3,4	0,9	4,1	-	8,4
Decreases (Disposal)	-	(0,1)	(1,1)	-	(1,2)
Exchange rate difference	0,0	0,0	0,0	-	0,1
HISTORICAL COST as of June 30, 2021	**46,2**	**27,4**	**28,4**	**568,9**	**671,0**
ACCUMULATED DEPRECIATION as of January 1, 2021	**28,6**	**24,3**	**17,8**	**0,1**	**70,8**
Increases (Amortisation of the period)	3,1	0,9	1,2	0,3	5,5
Decreases	-	(0,1)	(0,4)	-	(0,5)
Exchange rate difference	0,0	0,0	0,0	0,0	0,0
ACCUMULATED DEPRECIATION as of June 30, 2021	**31,6**	**25,1**	**18,6**	**0,4**	**75,8**
NET BOOK VALUE as of June 30, 2021	**14,6**	**2,3**	**9,8**	**568,5**	**595,2**

- **Development costs** for Eur 14,6 million include the costs of personnel dedicated to product development carried out within the controlled companies and the costs of development of new fixture. These costs are amortised over three years.
- The item **Patents and intellectual property rights** for Eur 2,3 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 9,8 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 568,5 million mainly refers to the trademarks:
    - "FLOS", equal to Euro 244,1 million;
    - "B&B", "Maxalto" and "Azucena" equal to Euro 201,3 million;
    - "Louis Poulsen", equal to Euro 123,1 million.

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

8. PROPERTY, PLANT AND MACHINERY

Property, plant and machinery amount to Eur 109,4 (Eur 109,3 as at December 31, 2020) 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, 2021	**84,1**	**12,6**	**7,5**	**3,8**	**1,4**	**109,3**
HISTORICAL COST as of January 1, 2021	**129,7**	**68,1**	**68,1**	**23,4**	**1,4**	**290,6**
Business Combination-Ydesign	0,6	-	-	0,2	-	0,8
Increases (Capex)	0,5	2,3	1,6	0,4	0,9	**5,6**
Decreases (Disposal)	-	(1,6)	(0,2)	(1,1)	(0,1)	**(2,8)**
Exchange rate difference	0,2	0,0	0,0	0,1	(0,0)	**0,3**
Other variations	0,0	0,0	0,1	(0,1)	(0,2)	**(0,2)**
HISTORICAL COST as of June 30, 2021	**131,0**	**68,9**	**69,6**	**22,9**	**2,1**	**294,4**
ACCUMULATED DEPRECIATION as of January 1, 2021	**45,5**	**55,6**	**60,6**	**19,7**	**-**	**181,3**
Increases (Amortisation of the period)	2,1	1,9	1,6	0,7	-	**6,3**
Decreases	-	(1,6)	(0,2)	(0,5)	-	**(2,2)**
Exchange rate difference	0,2	0,0	(0,0)	0,0	-	**0,2**
Other variations	-	(0,1)	-	(0,5)	-	**(0,6)**
ACCUMULATED DEPRECIATION as of June 30, 2021	**47,8**	**55,8**	**62,0**	**19,4**	**-**	**185,0**
NET BOOK VALUE as of June 30, 2021	**83,2**	**13,2**	**7,6**	**3,5**	**2,1**	**109,4**

9. 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 quarter of 2021 can be summarized as follows:

	RoU	**Lease liability**
On January 1, 2021	**43,0**	**46,9**
Additions related to the Business combination	2,1	2,1
Additions	8,7	8,7
Depreciation expense	(5,5)	-
Interest Expense	-	1,9
Payments	-	(6,3)
Fx Gain/loss	0,1	0,1
On June 30, 2021	**48,4**	**53,5**

10. NON-CURRENT FINANCIAL ASSETS

Non-current financial assets amount to Eur 1,6 million (Eur 3,4 million as of December 31, 2020) mainly comprises the deposits on rentals paid by the Group companies.

11. INVENTORIES

Inventories are broken down in the following table:

	June 30, 2021	**December 31, 2020**
Raw materials and consumables	46,6	47,3
Raw materials and consumables impairment provision	(8,3)	(7,3)
Work in progress and semifinished products	27,8	40,4
Provision for write-down on work in progress and semi-finished goods	(4,0)	(3,8)
Finished products	37,5	27,6
Finished products impairment provision	(7,1)	(6,4)
Deposits	1,4	0,9
Goods in transit	3,3	1,6
TOTAL INVENTORIES	**97,2**	**100,2**

Inventories on hand are shown net of the provision for inventory impairment for Eur 19,5 million (Eur 17,5 as at December 31, 2020)

12. TRADE RECEIVABLES

As at June 30, 2021 trade receivables amount to Eur 70,8 million (Eur 57,1 million as at December 31, 2020), net of the bad debt provision which amounts to Eur 5,8 million (Eur 5,7 as at December 31, 2020).

13. TAX ASSETS AND OTHER CURRENT ASSETS

13.1. Tax credit and due from tax authorities

Current tax credit and due from tax authorities amount to Eur 8,0 million compared to Eur 7,2 million as at December 31, 2020 and are mainly composed by:

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

13.2. Other assets

Other assets amounting to Eur 8,8 (Eur 5,6 as at December 31, 2020) refer mainly to advances paid to suppliers and to amounts already paid for maintenance fees, utilisation of software and services for IP deposits.

14. CASH AND CASH EQUIVALENTS AND DEPOSITS

Cash and cash equivalents amount to Eur 113,3 million with an increase of Eur 20,6 million compared to December 31, 2020.

15. ASSETS HELD FOR DISPOSAL

Assets held for disposal, amounting to Eur 2,0 million, include buildings and land with the related generic facilities belonging to the Ascoli plant of the B&B Group, currently unused.

16. SHAREHOLDERS' EQUITY

The Shareholders' equity as of June 30, 2021 amount to Eur 1.064,9 million (Eur 1.011,4 as at December 31, 2020) 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, 2020	**5,1**	**1.005,4**	**(24,6)**	**21,2**	**1007,1**	**2,9**	**1,4**	**1.011,4**
Allocation of previous period result	-	-	21,2	(21,2)	-	1,4	(1,4)	-
Result for the period	-	-	-	54,1	54,1	-	0,6	54,7
Other comprehensive income	-	-	0,4	-	0,4	(0,0)	-	0,4
Total comprehensive profit for the period	**-**	**-**	**21,6**	**32,9**	**54,5**	**1,4**	**(0,8)**	**55,1**
Dividends toward minorities	-	-	-	-	-	(2,3)	-	(2,3)
Stock option	-	-	0,7	-	0,7	-	-	0,7
Balance as of 30 June, 2021	**5,1**	**1.005,4**	**(2,3)**	**54,1**	**1.062**	**1,9**	**0,6**	**1.064,9**

17. PROVISIONS FOR RISKS AND OTHER CHARGES

The Provisions for risks and other charges, amounting to Eur 11,6 million (Eur 11,0 as at December 31, 2020), include the following:

- **Provisions for pensions and similar obligations**, amounting to Eur 4,8 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

18. CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

Financial liabilities are broken down as follows:

	June 30, 2021	December 31, 2020
Current financial liabilities:		
Payables to other lenders	0,6	0,8
Payables to banks	0,3	1,2
Liabilities for leases ST	10,1	9,3
Total current financial liabilities	**11,0**	**11,3**
Non-current financial liabilities:		
Payables to other lenders	3,2	2,8
Bond loan	858,4	701,9
Liabilities for leases LT	43,3	37,6
Total non-current financial liabilities	**905,0**	**742,3**
TOTAL FINANCIAL LIABILITIES	**916,0**	**753,5**

The reconciliation between the nominal value of Shareholder Loan and amount accounted for is as follows:

	June 30, 2021	December 31, 2020
Bond Loan	870,0	720,0
Amortised cost	(17,1)	(23,7)
Matured interest	5,5	5,7
Liabilities for Shareholder Loan	**858,4**	**701,9**

On the date of this note, the Shareholder Loan comprises two bonds with the following characteristics:

	Nominal value	Due	Nominal rate
Bond 1	400,000	Bullet 15/11/2025	6.5%
Bond 2	470,000	Bullet 15/06/2026	Euribor 3m + 4,25%

In the last quarter the Group subscribed a new Bond for 470 million, and a portion of the cash proceeds from this refinancing was used by the Group to pay off a previous second tranche of the Bond issued on November 2018.

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.

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

19. 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 53,5 million divided into current liability for Eur 10,1 million and non-current for Eur 43,4 million.

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

20. TRADE PAYABLES AND CONTRACT LIABILITIES

Trade payables and contract liabilities can be split as follow:

	June 30, 2021	December 31, 2020
Italy	66,4	53,5
EEC	44,5	52,3
Non-EEC	51,5	17,7
TOTAL TRADE PAYABLES and contract liabilities	**162,4**	**123,5**

21. TAX PAYABLES AND OTHER CURRENT LIABILITIES

This category includes amounts due:

- to tax authorities, amounting to Eur 19,3 million;
- to social security institutions, amounting to Eur 5,0 million;
- to personnel and others, amounting to Eur 26,0 million.

22. REVENUE

Total Revenue, for the three months period ended June 30, 2021 amounted to Eur 317,3 million (Eur 225,4 as of June 30, 2020) refer to the sale of products and services.

Revenues as of December 31, 2020 amount to Euro 520.561 thousand and relate to the sale of products and services.

DISAGGREGATED REVENUES

Set out below is the disaggregation of the Group's revenues from contracts with customers by geographical markets:

	Six months ended June 30, 2021	Six months ended June 30, 2020
Europe	219,6	155,1
Americas	47,7	32,5
APAC	43,5	34,5
MENA and other	6,5	3,3
TOTAL REVENUES	**317,3**	**225,4**

Set out below is the disaggregation of the Group's revenues from contracts with customers by type of goods or service:

	Six months ended June 30, 2021	Six months ended June 30, 2020
Lighting	188,4	144,2
Upholstery	39,8	21,4
Kitchen	14,7	11,7
Other*	71,7	46,1
Spare parts and accessories	2,8	2,0
TOTAL REVENUES	**317,3**	**225,3**

**Includes revenues from the sale of* Outdoor Furniture, Tables, Beds complementary furniture.

Set out below is the disaggregation of the Group's revenues from contracts with customers by channel:

	Six months ended June 30, 2021	Six months ended June 30, 2020
Wholesale	242,7	157,1
Contract	46,9	53,1
Retail	19,8	13,6
Direct online	7,9	1,6
TOTAL REVENUES	**317,3**	**225,3**

Total revenues include YDesign Group's drop-ship sales as agent for Eur 5,9 million which corresponding a gross merchandise value of Eur 14,3 million starting from June 1^{s,t} 2021.

23. PURCHASES OF RAW MATERIALS AND VARIATION IN INVENTORIES

Purchases of raw materials and variation in inventories amount to Eur 93,0 million compared to Euro 66,2 for the same period of previous year.

24. PERSONNEL COSTS

Personnel costs include wages and salaries, stock option costs, social security contributions, employees' severance indemnities and pensions and amount to Eur 63,4 million (Eur 54,1 as of June 30, 2020).

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, 2021	Six months ended June 30, 2020
Subcontract work and services for production	21,4	12,6
Fees, royalties, advertising and communications	29,1	15,7
Transport and customs costs	9,5	6,4
Utilities, ancillary services, EDP fees, maintenance and repairs	6,4	10,4
Costs for technical, artistic, tax, legal and various advice	5,2	4,1
Remunerations for statutory auditors and audit	0,2	0,6
Transfers and entertainment	1,7	1,8
Cost of training, subcontract personnel, banking and other miscellaneous services	5,4	3,3
Insurance, patents and trademarks, post and telegraphic	1,6	1,3
TOTAL SERVICES COSTS	**80,5**	**56,2**

The item "Fees, royalties, advertising and communications" includes the management fees towards the ultimate parent company.

26. PROVISIONS

Allocations to provisions were:

	Six months ended June 30, 2020	Six months ended June 30, 2020
Provisions for pension liabilities	0,2	0,1
Provisions for other risks	0,5	0,6
Provisions for other charges	0,7	0,3
TOTAL ALLOCATIONS TO PROVISIONS	**1,4**	**1,0**

27. OTHER COSTS AND CHARGES

Other costs and charges amounting to Eur 5,7 million (Eur 4,2 million as of June 30, 2020) 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, other taxes and duties, purchase of stationery and consumables for offices.

28. BUSINESS COMBINATION COSTS

This item includes the non-recurring costs of consultancy fee, notary fee and other service fee incurred for the acquisition of YDesign Group LLC.

29. AMORTISATION, DEPRECIATION AND IMPAIRMENT

The item Amortisation, depreciation and impairment amounting to Eur 17,4 million (Eur 16,4 million as of June 30, 2020) and it includes the amortization of right-of-use assets accounted for in the balance sheet for IFRS 16 purposes.

30. FINANCIAL CHARGES

Financial charges amount to Eur 38,1 million and are mainly composed by interest on Bond Loan and lease agreements. The item includes also the reversal of residual amount amortised cost (euro 9,8) related to the Bond reimbursed before the natural due date.

31. INCOME TAXES

Income taxes as at June 30, 2021 shows a positive amount of Euro Eur 40,1 million. The caption is composed of:

- income taxes for Eur 10,6 million.Tax realignement of trademarks for 6,1 million
- reversal of deferred taxes liabilities on the trademarks for Euro 55 million

Italian law (Law Decree n 104/2020) give the opportunity to align the tax basis of some assets to the accounting value paying a substitute tax. B&B and Flos decided to take this opportunity to aligning some of their trademarks.

Unaudited Conslidated Income Statement for the three months ended June 30, 2021 and for the three months ended June 30, 2020

	Three months ended June 30, 2021	Three months ended June 30, 2020
€ millions		
Revenues from contracts with customers	173,2	105,4
Other revenues and income	1,7	1,7
TOTAL REVENUES	**174,9**	**106,1**
Purchases of raw materials and variation in inventories	(53,1)	(30,7)
Personnel costs	(33,4)	(24,2)
Service costs	(44,0)	(25,2)
Provisions	(0,6)	(0,5)
Other costs and charges	(3,2)	(1,9)
Business combination costs	(8,1)	-
TOTAL COSTS	**(142,5)**	**(82,6)**
Amortization, depreciation and impairment	(9,2)	(8,4)
OPERATING PROFIT	**23,2**	**15,2**
Financial income	0,9	0,7
Financial charges	(23,9)	(14,6)
RESULT BEFORE TAX FROM CONTINUING OPERATIONS	**0,9**	**(1,3)**
Income taxes	46.1	(1,9)
NET RESULT FROM CONTINUING OPERATIONS	**46,2**	**(0,6)**
Net profit of discontinued operations	-	(0,0)
PROFIT/(LOSS) FOR THE PERIOD	**46,2**	**(0,6)**
Profit/(Loss) for the period, attributable to minority interest	*0,3*	*0,2*
Profit/(Loss) for the period, attributable to the Group	*45,9*	*(0,8)*