

A close-up, artistic photograph of a golden liquid, likely honey or oil, flowing through a glass tube. The liquid is captured in mid-motion, creating a series of elegant, curved shapes that suggest movement and precision. The lighting is soft and warm, highlighting the liquid's viscosity and the smooth curves of the glass.

# DEXELANCE

## INTERIM FINANCIAL INFORMATION

As at 31.03.2024

— CRAFTING DESIGN  
FOR EXCELLENCE

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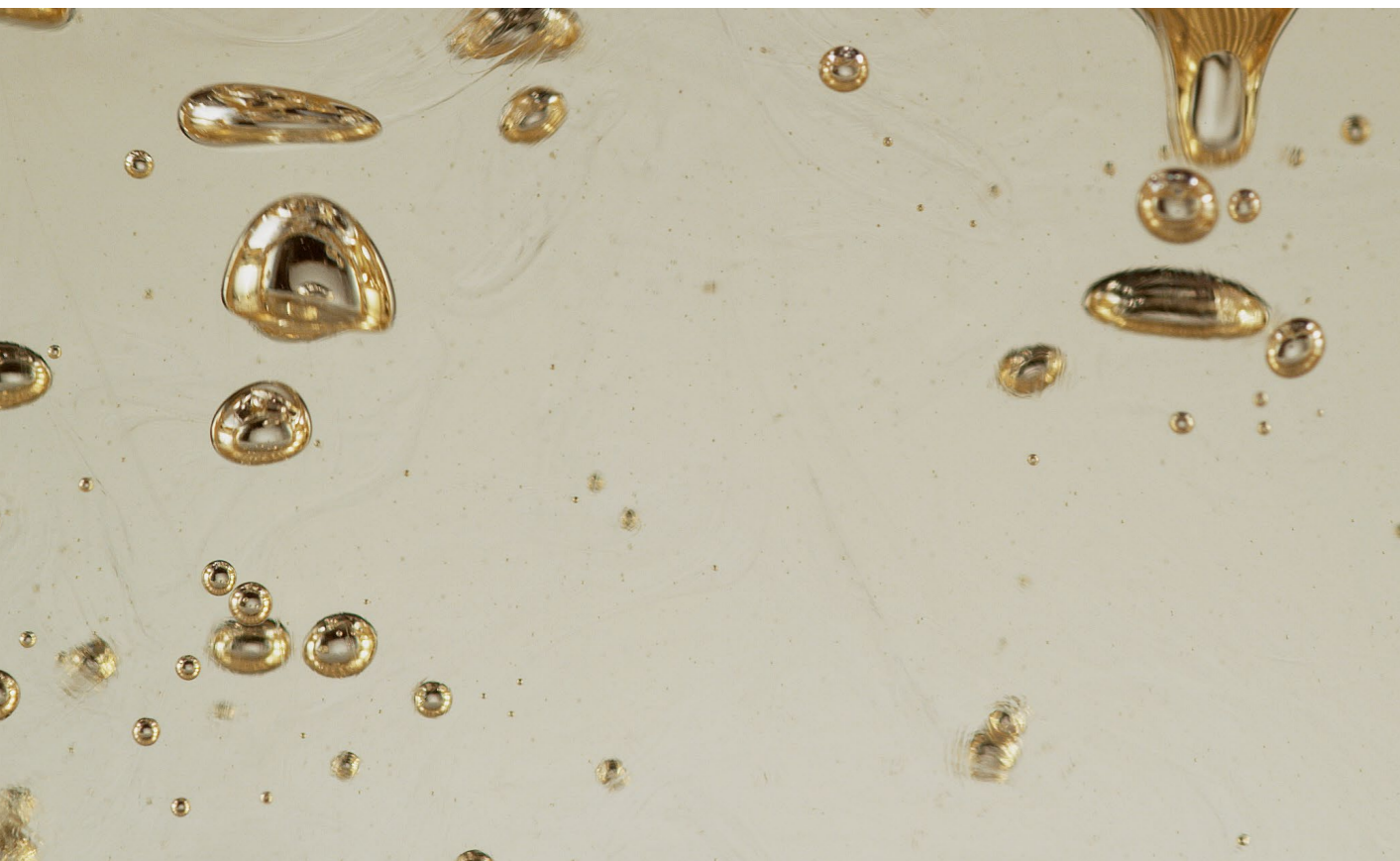
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# GENERAL INFORMATION

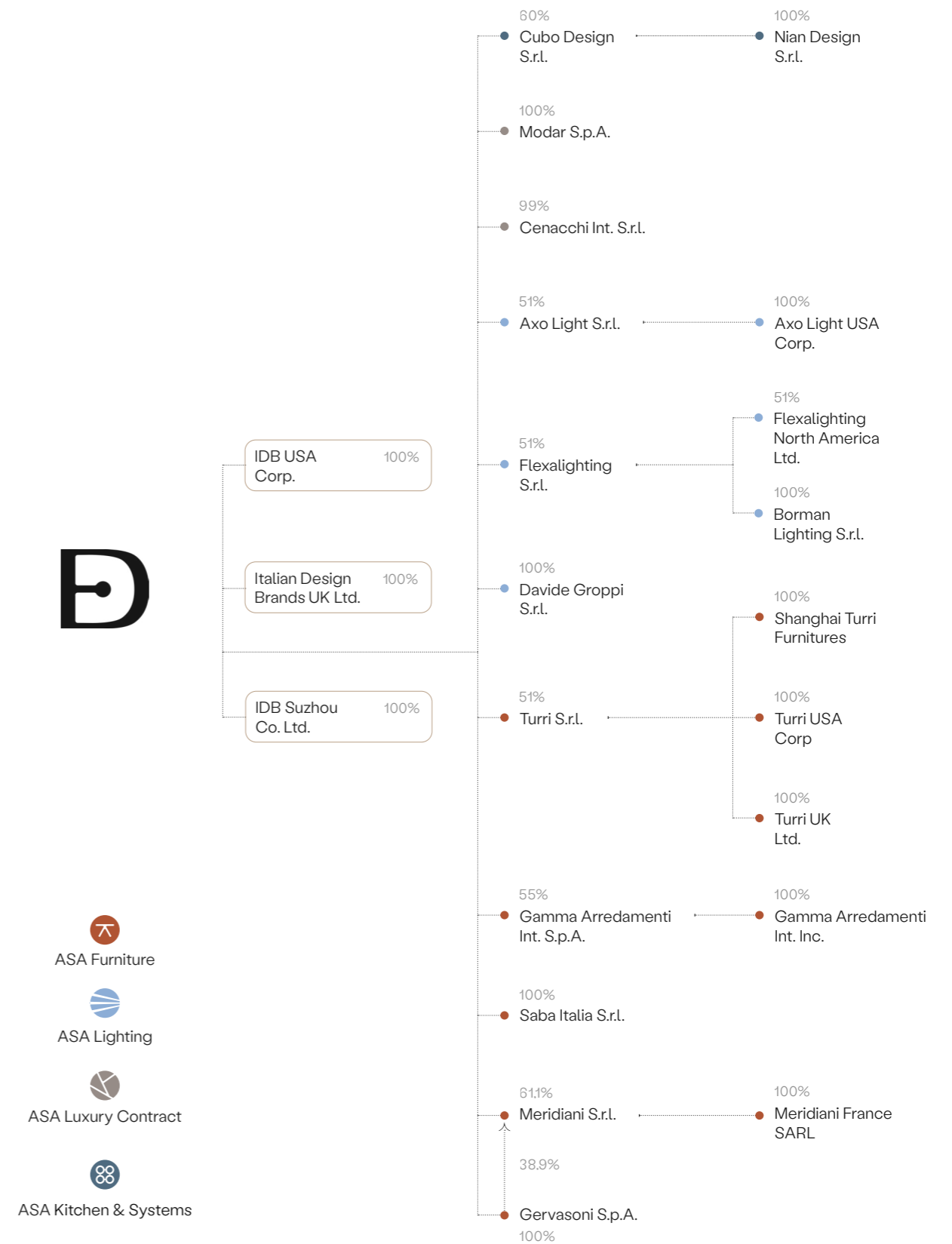
## THE GROUP

Dexelance S.p.A. is based in Milan and since 18 May 2023 is listed on the Italian Stock Exchange. It was established on 10 March 2015 with the aim of promoting an Italian design hub in the furniture and lighting segment. Since 2023, its scope has also included high-end modular kitchen solutions and systems that can implement dimensional, organisational, managerial, strategic and distribution synergies, which allow Dexelance to compete internationally in a segment where Italy has a competitive advantage and excellent creative and product skills.

On 22 April 2024, the Extraordinary Shareholders' Meeting of the Parent Company resolved to amend Article 1.1 letter T and Article 2.1 of the By-laws, approving the proposal to change the company name to "Dexelance S.p.A.", in order to seize the opportunity to create a new group identity to support and grow towards a renewed and higher positioning. An incentive plan based on financial instruments was also approved pursuant to Article 114-*bis* of Legislative Decree No. 58/1998 called the "2024-2029 Performance Shares Plan".



The structure of the Dexelance Group as at 31 March 2024 is provided below:



The quarterly financial report includes the financial statements of the Parent Company, Dexelance S.p.A., and the companies over which the Parent Company has the right to exercise control, determining their financial and management choices and obtaining the related benefits. The fully consolidated companies as at 31 March 2024 are listed below.

Company name	Registered Office	Share capital	Activity	% direct ownership	% indirect ownership
Gervasoni S.p.A.	Pavia di Udine (UD)	1.000.000	furniture	100%	0%
Meridiani S.r.l.	Misinto (MB)	120.000	furniture	61,11%	38,89%
Meridiani France SARL	Parigi (FR)	100.000	furniture	0%	100%
IDB UK Ltd.	Londra (UK)	446.500 GBP	furniture	100%	0%
Cenacchi International S.r.l. (*)	Ozzano dell'Emilia (BO)	10.000	luxury contract	99%	0%
Davide Groppi S.r.l.	Piacenza	20.000	lighting	100%	0%
Saba Italia S.r.l.	S.Martino di Lupari (PD)	50.000	furniture	100%	0%
Modar S.p.A.	Bartassina (MB)	500.000	luxury contract	100%	0%
IDB Suzhou Co. Ltd.	Suzhou (Cina)	9.158.495 CNY	furniture	100%	0%
Flexalighting S.r.l. (*)	Pontassieve (FI)	10.000	lighting	51%	0%
Borman Lighting S.r.l. (*)	Pontassieve (FI)	10.000	lighting	0%	51%
IDB USA Corp.	New York (USA)	10.000 USD	furniture	100%	0%
Flexalighting North America Ltd. (*)	Surrey (CAD)	105 CAD	lighting	0%	26%
Gamma Arredamenti S.p.A. (*)	Forlì (FC)	2.000.000	furniture	55%	0%
Gamma Arredamenti Inc. (*)	High Point (USA)	5.000 USD	furniture	0%	55%
Cubo Design S.r.l. (*)	Notaresco (TE)	84.000	Kitchen & systems	60%	0%
Nian Design S.r.l.	Giulianova (TE)	30.000	Kitchen & systems	0%	60%
Axo Light S.r.l. (*)	Scorzè (VE)	119.000	lighting	51%	0%
Axo Light USA Corp. (*)	New York (USA)	100.000 USD	lighting	0%	51%
Turri S.r.l. (*)	Carugo (CO)	1.000.000	furniture	51%	0%
Turri UK Ltd. (*)	Londra (UK)	10.000 GBP	furniture	0%	51%
Turri USA Corp. (*)	Miami (USA)	100 USD	furniture	0%	51%
Shanghai Turri Furnitures (*)	Shanghai (Cina)	8.576.479 CNY	furniture	0%	51%

(\*) Fully consolidated companies due to the put and call agreement with minority shareholders, the residual amount of which is recognised under Other current and non-current financial liabilities. The Parent Company currently holds the majority of the shares, but based on the agreements signed with the minority shareholders and the put option that they may exercise, it has the obligation to repurchase the remaining shares held under predefined contractual conditions.

It should be noted that the scope of consolidation has not changed since 31 December 2023.

The Group has drawn up its quarterly interim financial statements in compliance with the recognition and measurement principles of IFRS and in accordance with the principles applied in the preparation of the annual consolidated financial statements as at 31 December 2023. The information contained in this management report concerns 31 March 2024, 31 December 2023 and 31 March 2023. The values shown in the accounting statements are in thousands of euros.

## INFORMATION ON OPERATIONS

This financial information as at 31 March 2024 was approved by the Company's Board of Directors on 13 May 2024 and has not been audited, as this is not required by current legislation. This report on operating performance should be read in conjunction with the consolidated summary financial statements as at 31 March 2024, which are recorded below. To gain the best understanding of the Group's situation and operating performance, the tables below show a brief analysis of the consolidated financial statements for the period ending 31 March 2024, made up of the reclassified income statement and the reclassified statement of financial position.

To enable a better assessment of its operating performance, the Dexelance Group uses certain alternative performance indicators. The indicators represented are not identified as accounting measures under IFRSs and should therefore not be considered as alternative measures to those provided in the model financial statements for assessing the performance of the Group and its financial position. The Group considers that the financial information set out below is an additional important benchmark for assessing the Group's performance, as it allows for more analytical monitoring of the Group's economic and financial performance. Since such financial information is not a measure that can be determined by the underlying accounting standards for the drawing up of consolidated financial statements, the criterion applied for its determination may not be consistent with that adopted by other groups and therefore such data may not be comparable with any data presented by such groups. The definition of these alternative performance indicators is as follows.

**Added value** is defined as the sum of sales revenue for goods and services and other revenue and income less the sum of costs for the purchases of raw materials, changes in inventories, costs for services and use of third-party goods and other operating costs.

**EBITDA** is defined as the sum of the net profit for the year, plus the profit (loss) of discontinued assets, plus income taxes, financial income and charges, plus amortisation, depreciation and write-downs of fixed assets.

**Adjusted EBITDA** is defined as the sum of net profit for the year, plus the profit (loss) of discontinued assets; income taxes; financial income and expenses; amortisation, depreciation and write-downs of fixed assets and excluding non-recurring costs/revenue.

**EBIT** is defined as the sum of net profit for the year, plus the profit (loss) of discontinued assets, plus income taxes, financial income and charges.

**Adjusted EBIT** is defined as the sum of net profit for the year, plus the profit (loss) of discontinued assets, plus income taxes, financial income and charges, excluding Special Items and the amortisation and depreciation of intangible assets with a finite useful life, models, order book and customer relations, recorded during the Purchase Price Allocation (PPA), and which are due to terminate at the end of the relevant amortisation and depreciation process.

The **Adjusted Net Result from Operating Assets** is defined as the net result from operating assets, excluding (i) non-recurring costs/revenue, (ii) amortisation and depreciation of intangible assets with a finite useful life, models and customer relations, recorded during the Purchase Price Allocation (PPA), and which are due to terminate at the end of the relevant amortisation process, (iii) the effects of the restatements of put and call options and earn-outs, and (iv) the related tax effect.

**Working capital** is calculated as the net balance of customer relationships, supplier relationships, inventories and assets and liabilities arising from contracts, customer advances, while net working capital is calculated by adding to operating working capital income taxes credits and other current assets and liabilities.

**Invested capital** is calculated as the balance between net working capital, non-current assets, liabilities for employee benefits, and provisions for risks and charges and other non-current liabilities.

The **net financial position** is represented by financial debts, net of cash and other cash equivalents.

#### Reclassified income statement

The income statement is reclassified in multiple-step format to show the gross operating profit (EBITDA) generated by the Group, namely the difference between revenues and costs associated with the purchase/transformation/sales cycle, regardless of amortisation, depreciation and write-downs, the financing methods adopted and the level of taxation.

RECLASSIFIED INCOME STATEMENT	Three months 2023(**)		Three months 2024		Change	
	amount	%	amount	%	amount	%
<i>Amounts are shown in €/1,000</i>						
Revenue	62.945	100.0%	72.743	100.0%	9.798	15.6%
Other income	964	1.5%	1.012	1.4%	48	5.0%
Total revenue and income	63.910	101.5%	73.755	101.4%	9.846	15.4%
External operating costs (*)	(45.419)	-72.2%	(51.335)	-70.6%	(5.916)	13.0%
Added value	18.491	29.4%	22.420	30.8%	3.929	21.3%
Staff costs	(9.781)	-15.5%	(13.264)	-18.2%	(3.484)	35.6%
Provisions and write-downs	(57)	-0.1%	(237)	-0.3%	(180)	318.6%
Gross operating profit (EBITDA)	8.654	13.7%	8.919	12.3%	265	3.1%
Amortisation, depreciation and write-downs of fixed assets	(3.460)	-5.5%	(5.089)	-7.0%	(1.629)	47.1%
Operating profit (EBIT)	5.194	8.3%	3.830	5.3%	(1.364)	-26.3%
Financial result	(2.532)	-4.0%	(2.432)	-3.3%	100	-3.9%
Gross result	2.662	4.2%	1.398	1.9%	(1.264)	-47.5%
Income tax	(1.272)	-2.0%	(1.085)	-1.5%	187	-14.7%
Group consolidated net result	1.391	2.2%	313	0.4%	(1,077)	-77.5%

(\*) includes the following income statement items: materials consumption, costs for services and leased assets and other operating costs;  
 (\*\*) financial information for the first quarter of 2023 has been restated from the previously approved report as at 31 March 2023.  
 Please refer to the section "Business combinations".

Revenue increased substantially in the first three months of 2024 compared with the same period during the previous year, from EUR 62.9 million to EUR 72.7 million. This represents an increase of EUR 9.8 million, of around 15.6%, which includes EUR 0.4 million in organic growth and EUR 9.4 million due to the acquisitions completed during the 2023 financial year.

The Group's revenue by operating segment or strategic business area (SBA) and by geographic area in the first three months of 2024 and in the previous financial year are broken down as follows, and they reveal:

- growth in the "Furniture" segment of 13%, which was significantly influenced by the acquisition of the company Turri, completed in September 2023;
- an increase of 15% in the "Lighting" segment, mainly due to the aggregation of and Axo Light (and its subsidiary, Axo Light USA) in July 2023;
- an increase in the "Luxury Contract" segment of 8% over the last period, which is entirely organic;
- growth in the "Kitchen & Systems" segment of 42%, which was significantly influenced by the acquisition of Cubo Design on 31 January 2023, and which therefore had a positive impact throughout the first three months of 2024, compared with just two months in 2023.

<i>Amounts are shown in €/1,000</i>	Three months 2023	Three months 2024
Furniture	27.315	30.890
Lighting	6.728	7.715
Luxury Contract	19.886	21.396
Kitchen & Systems	9.000	12.743
Other	17	-
<b>Total</b>	<b>62.945</b>	<b>72.743</b>

<i>Amounts are shown in €/1,000</i>	Three months 2023	Three months 2024
Italy	15.435	16.640
EU	18.090	16.773
Non-EU	29.420	39.331
<b>Total</b>	<b>62.945</b>	<b>72.743</b>

Considering the importance of some non-recurring economic components on the result for the period, also related to M&A activities that characterise the Dexelance Group, the management also wishes to highlight the following economic values: Adjusted EBITDA, Adjusted EBIT and Adjusted Net Result.

Specifically, the Adjusted EBITDA is determined without the non-recurring costs and revenues, essentially considering the costs related to the IPO process for the portion charged to the income statement, the costs related to the acquisition of the new companies, and other non-recurring costs and revenues.

Adjusted EBIT was calculated gross of both non-recurring costs and the amortisation and depreciation of intangible assets with a finite useful life (models, order book and customer relations) recorded during the Purchase Price Allocation (PPA) and which will terminate at the end of the relevant amortisation process.

Finally, the Adjusted Net Result is calculated excluding non-recurring costs/revenues and of the aforementioned amortisation of certain intangible assets with a finite useful life and without taking into account the positive and negative economic effects resulting from the restatement of "figurative" financial charges for put and call options and earn-outs of minority shareholders.

Amounts are shown in €/1,000	Three months 2023		Three months 2024	
	Effective data	Adjusted data	Effective data	Adjusted data
Revenue	62.945	62.945	72.743	72.743
Other income	964	964	1.012	1.012
Total revenue and income	63.910	63.910	73.755	73.755
External operating costs	(45.419)	(43.453)	(51.335)	(50.755)
Added value	18.491	20.457	22.420	23.000
Staff costs	(9.781)	(9.781)	(13.264)	(13.247)
Provisions and write-downs	(57)	(57)	(237)	(237)
Gross operating profit (EBITDA)	8.654	10.620	8.919	9.516
Amortisation, depreciation and write-downs of fixed assets	(1.978)	(1.978)	(3.376)	(3.376)
Amortisation, depreciation and write-downs of fixed assets arising from the PPA process	(1.482)	-	(1.713)	-
Operating profit (EBIT)	5.194	8.642	3.830	6.139
Financial result	(2.532)	(1.183)	(2.432)	(1.208)
Gross result	2.662	7.458	1.398	4.931
Income tax	(1.272)	(2.098)	(1.085)	(1.596)
Group consolidated net result	1.391	5.360	313	3.335

The reconciliation of the above values is shown below. Starting with the actual amounts, the components taken into account to calculate the adjusted values as at 31 March 2023 and 31 March 2024 are listed below:

Amounts are shown in €/1,000	Actual data, three months 2023	Non- Recurring costs	PPA depreciation, amortisation and write-downs	Remeasurement of put and call options and earnouts	Adjusted data, three months 2023
Revenue	62.945				62.945
Other income	964				964
Total revenue and income	63.910	-	-	-	63.910
External operating costs	(45.419)	1.966			(43.453)
Added value	18.491	1.966	-	-	20.457
Staff costs	(9.781)				(9.781)
Provisions and write-downs	(57)				(57)
Gross operating profit (EBITDA)	8.654	1.966	-	-	10.620
Amortisation, depreciation and write-downs of fixed assets	(1.978)				(1.978)
Amortisation, depreciation and write-downs of fixed assets arising from the PPA process	(1.482)		1.482		-
Operating profit (EBIT)	5.194	1.966	1.482	-	8.642
Financial result	(2.532)			1.348	(1.183)
Gross result	2.662	1.966	1.482	1.348	7.458
Income tax	(1.272)	(457)	(370)		(2.098)
Group consolidated net result	1.391	1.509	1.112	1.348	5.360

Amounts are shown in €/1,000	Actual data, three months 2024	Non-recurring costs/revenues	PPA depreciation, amortisation and write-downs	Remeasurement of put and call options and earnouts	Adjusted data, three months 2024
Revenue	72.743				72.743
Other income	1.012				1.012
Total revenue and income	73.755	-	-	-	73.755
External operating costs	(51.335)	580			(50.755)
Added value	22.420	580	-	-	23.000
Staff costs	(13.264)	17			(13.247)
Provisions and write-downs	(237)				(237)
Gross operating profit (EBITDA)	8.919	597	-	-	9.516
Amortisation, depreciation and write-downs of fixed assets	(3.376)				(3.376)
Amortisation, depreciation and write-downs of fixed assets arising from the PPA process	(1.713)		1.713		-
Operating profit (EBIT)	3.830	597	1.713	-	6.139
Financial result	(2.432)	(369)		1.592	(1.208)
Gross result	1.398	228	1.713	1.592	4.931
Income tax	(1.085)	(77)	(434)		(1.596)
Group consolidated net result	313	151	1.279	1.592	3.335

In order to capture the Group's growth by external lines, a full-year income statement is presented, which was prepared assuming that the acquisition of Cubo Design S.r.l. and its subsidiary Nian Design S.r.l. had occurred on 1 January 2023, but without considering the possible effects on the transaction's financial charges. It is specified that the consolidation of Axo Light S.r.l. and its subsidiary Axo Light USA Corp. and the acquisition of Turri S.r.l., with the subsidiaries Turri UK Ltd, USA Corp. and Shanghai Turri Furnitures, are not included, as these occurred after that date.

FULL INCOME STATEMENT	Three months 2023		Three months 2024		Change		Change	
	3M full	3M full adjusted	3M full	3M full adjusted	3M full	%	3M full adjusted	%
<i>Amounts are shown in €/'1,000</i>								
Revenue	65.912	65.912	72.743	72.743	6.831	10.4%	6.831	10.4%
Other income	1.033	1.033	1.012	1.012	(21)	-2.0%	(21)	-2.0%
Total revenue and income	66.945	66.945	73.755	73.755	6.810	10.2%	6.810	10.2%
External operating costs	(47.555)	(45.589)	(51.335)	(50.755)	(3.780)	7.9%	(5.166)	11.3%
Added value	19.390	21.356	22.420	23.000	3.030	15.6%	1.644	7.7%
Staff costs	(10.307)	(10.307)	(13.264)	(13.247)	(2.958)	28.7%	(2.941)	28.5%
Provisions and write-downs	(57)	(57)	(237)	(237)	(180)	318.6%	(180)	318.6%
Gross operating profit (EBITDA)	9.027	10.993	8.919	9.516	(108)	-1.2%	(1.477)	-13.4%
Amortisation, depreciation and write-downs of fixed assets	(2.307)	(2.307)	(3.376)	(3.376)	(1.069)	46.3%	(1.069)	46.3%
Amortisation, depreciation and write-downs of fixed assets arising from the PPA process	(1.482)	-	(1.713)	-	(231)	15.6%	-	
Operating profit (EBIT)	5.238	8.686	3.830	6.139	(1.408)	-26.9%	(2.547)	-29.3%
Financial result	(2.562)	(1.214)	(2.432)	(1.208)	130	-5.1%	5	-0.4%
Gross result	2.676	7.472	1.398	4.931	(1.278)	-47.8%	(2.541)	-34.0%
Income tax	(1.284)	(2.111)	(1.085)	(1.596)	200	-15.6%	515	-24.4%
Group consolidated net result	1.391	5.361	313	3.335	(1.078)	-77.5%	(2.026)	-37.8%

### Reclassified statement of financial position

The statement of financial position is reclassified in order to highlight the investment structure and the composition of the financing sources.

RECLASSIFIED STATEMENT OF FINANCIAL POSITION	31.12.2023		31.03.2024	
<i>Amounts are shown in €/'1,000</i>	amount	%	amount	%
Intangible assets	243.635	88.5%	241.750	85.4%
Right of use	32.910	12.0%	32.946	11.6%
Property, plant and equipment	28.631	10.4%	29.486	10.4%
Holdings and other non-current assets	8.543	3.1%	8.767	3.1%
Non-current assets (A)	313.719	113.9%	312.949	110.6%
Inventories	41.646	15.1%	42.017	14.8%
Trade receivables	38.961	14.2%	42.524	15.0%
Other current assets	11.059	4.0%	11.447	4.0%
Current assets (B)	91.665	33.3%	95.987	33.9%
Trade payables	(51.271)	-18.6%	(43.966)	-15.5%
Other current liabilities	(40.293)	-14.6%	(43.692)	-15.4%
Current liabilities (C)	(91.564)	-33.3%	(87.657)	-31.0%
Net working capital (D = B - C)	102	0.0%	8.330	2.9%
Provisions for risk and severance pay	(11.944)	-4.3%	(12.163)	-4.3%
Other non-current liabilities	(26.551)	-9.6%	(26.081)	-9.2%
Medium-/long-term assets (liabilities) (E)	(38.495)	-14.0%	(38.245)	-13.5%
Net invested capital (A + D + E)	275.326	100.0%	283.034	100.0%
Shareholders' equity	154.378	56.1%	154.222	54.5%
Net financial position, banks	14.197	5.2%	20.472	7.2%
Net financial position, others	106.751	38.8%	108.340	38.3%
Net financial position	120.948	43.9%	128.813	45.5%
Equity and debt	275.326	100.0%	283.034	100.0%

**Net financial position**

The net financial position, as defined and monitored by the Company's and the Group's management, breaks down as follows:

<i>Amounts are shown in € /1,000</i>	Balance 31/03/2023	Balance 31/12/2023	Balance 31/03/2024	Changes Mar 23 – Mar 24	Changes Dec 23 – Dec 24
Short-term bank loans	18.793	20.422	20.912	2.118	489
Medium-/long-term bank loans	60.563	63.852	61.002	439	(2.850)
Cash	(45.480)	(41.457)	(42.475)	3.004	(1.019)
Other current financial assets	-	(28.621)	(18.966)	(18.966)	9.655
NFP, banks	33.877	14.197	20.472	(13.404)	6.276
Current earnout payable	6.274	7.560	6.967	692	(593)
Non-current earn-out payable	8.451	10.821	11.096	2.645	275
Current payable for purchase of minority shares through the exercise of the put option	34.145	-	-	(34.145)	-
Non-current payable for purchase of minority shares through the exercise of the put option	54.029	54.556	55.487	1.457	931
NFP, Other financial liabilities	102.899	72.937	73.550	(29.350)	613
Current financial payables to lessors	4.098	5.671	5.988	1.890	317
Non-current financial payables to lessors	27.157	28.030	27.921	764	(109)
NFP, payables to lessors	31.255	33.700	33.909	2.654	208
Other non-current financial liabilities	108	114	882	774	768
<b>NFP, total</b>	<b>168.139</b>	<b>120.948</b>	<b>128.813</b>	<b>(39.326)</b>	<b>7.865</b>

Debt to banks as at 31 March 2024 amounted to €81,913,000, and the decrease compared to the previous period was due to the repayment of loans in the amount of €3,454,000 under the plan; net indebtedness is calculated by subtracting cash and cash equivalents in the amount of €42,475,000 and restricted cash in the amount of €18,966,000 from the debt. In particular, please note the maturity of several time deposits and other current financial assets at 31 March 2024, which were reinvested at the beginning of the second quarter.

The earn-out payable of EUR 18,063,000 recognised at 31 March 2024 refers to the debt owed to the sellers of SUR (merged into Gervasoni during the 2022 financial year), Cubo Design and Turri. It represents the update of the best possible estimate of the earn-out, which was determined at the time of acquisition and accounted for at fair value at 31 March 2024. The earnout is directly linked to the performance of the acquired companies, usually the EBITDA and net financial position as contractually defined between the parties. It should be noted that, in the first three months of 2024, the earn-out payment related to the acquisition of Cubo Design totalled EUR 973,000.

Payables for put options amounted to EUR 55,487,000 at 31 March 2024 and concern the fair value of the liability for the exercise of the put option (in favour of the seller) and the call option (in favour of the Group) for the acquisition of the residual stake of 1% in Cenacchi International, 49% of Flexalighting and Flexalighting North America, 45% of Gamma Arredamenti International, 40% of Cubo Design, 49% of Axo Light, and 49% of Turri. The acquisition value of the minority stake through the put option was also subject to a contractual definition that links its value to actual company performance and, for this reason, is periodically reassessed based on a contractually predefined calculation between the parties (usually EBITDA and net financial position).

The change in payables to banks is reported below:

<i>Amounts are shown in € /1,000</i>	Balance 31/12/2023	Business combinations	Loans taken out	Repayments/ Payments	Other changes	Balance 31/03/2024
Bank loans:						
Loans for acquisitions	61.429	-	-	(1.715)	1.140	60.854
Liquidity Decree loans	5.100	-	-	(558)	51	4.593
Other financing	17.745	-	-	(1.180)	(98)	16.467
<b>Total</b>	<b>84.274</b>	<b>-</b>	<b>-</b>	<b>(3.454)</b>	<b>1.093</b>	<b>81.913</b>

The decrease in debt of EUR 2,361,000 is due to the repayment of loans under the plan. The Dexelance Group's financial debt according to the format adopted by CONSOB is as follows:

<i>Amounts are shown in € /1,000</i>	Balance 31.12.2023	Balance 31.03.2024	Change
A Cash	41.457	42.475	1.019
B Cash equivalents	-	-	-
C Other current financial assets	28.621	18.966	(9.655)
<b>D Cash and cash equivalents (A + B + C)</b>	<b>70.078</b>	<b>61.441</b>	<b>(8.637)</b>
E Current financial debt (including debt instruments but excluding the current portion of current financial debt)	(13.231)	(13.836)	(605)
F Current portion of current financial debt	(20.422)	(20.912)	(489)
<b>G Current financial indebtedness (E + F)</b>	<b>(33.653)</b>	<b>(34.747)</b>	<b>(1.094)</b>
<b>H Net current financial indebtedness (G - D)</b>	<b>36.424</b>	<b>26.694</b>	<b>(9.730)</b>
I Non-current financial debt (excluding the current portion and debt instruments)	(157.372)	(155.506)	1.866
J Debt instruments	-	-	-
K Non-current trade and other payables	-	-	-
<b>L Non-current financial indebtedness (I + J + K)</b>	<b>(157.372)</b>	<b>(155.506)</b>	<b>1.866</b>
<b>M Total financial indebtedness (H + L)</b>	<b>(120.948)</b>	<b>(128.813)</b>	<b>(7.865)</b>



## BUSINESS COMBINATIONS

The comparative information as at 31 March 2023 has been restated to reflect the adjustment from the provisional allocation regarding the acquisition of Cubo Design S.r.l. This resulted in an increase in deferred tax liabilities of EUR 12,305,000, an increase in trademarks of EUR 20,550,000, the recognition of the item Customer Relations of EUR 23,555,000, and a corresponding reduction in goodwill of EUR 32,004,000, resulting in the recognition of the of the total goodwill arising from the acquisition at EUR 30,483,000. The increase in amortisation of intangible assets from the date of acquisition to 31 March 2023 was EUR 284,000, gross of the tax effect of EUR 79,000.

## SHAREHOLDERS' EQUITY

Please see the statement of changes in shareholders' equity for a description of the change in shareholders' equity at 31 March 2024. The share capital is fully paid up and subscribed at EUR 26,926,000, divided into 26,926,298 ordinary shares with no par value. The share capital remained unchanged over the period.

In other equity components, the translation difference reserve shows a total change of EUR 23,000 over the period, while the negative cash flow hedge reserve of EUR 364,000, which is recognised as an offset of the recognition of the mark-to-market, net of its tax effect, refers to the contracts entered into to hedge risks from interest rate changes on outstanding loans.

In addition, in relation to the guidance provided by IAS 19, the actuarial (losses)/gains on severance pay are also included under other equity components. As at 31 March 2024, there were 79,171 own shares held, equal to 0.294% of the share capital, for a total amount of EUR 740,000.

### Strategic business areas

The Dexelance Group is divided into four operating segments or strategic business areas (SBAs), as defined by management at the operational management level, and one other, residual segment (mainly attributable to the Parent Company, which exercises a holding company function):

- Furniture: design, production (both in-house and through third-party manufacturers) and marketing of indoor and outdoor furniture products, mainly dedicated to the living area. At the reference date of the financial statements, this segment was made up of the companies Gervasoni S.p.A., Meridiani S.r.l., Saba Italia S.r.l., Gamma Arredamenti International S.p.A. and Turri S.r.l.;
- Lighting: design, production (both in-house and through third-party manufacturers) and marketing of high-quality designer lighting products. At the reference date of the financial statements, this segment was made up of the companies Davide Groppi S.r.l., Flexalighting S.r.l., Flexalighting North America Ltd. and Axo Light S.r.l.;
- Luxury Contract: design and installation of bespoke and commissioned fittings for luxury brand shops and high-end hotels and homes, commissioned and in collaboration with well-known architects and designers. At the reference date of the financial statements, this segment was made up of the companies Cenacchi International S.r.l. and Modar S.p.A.;

- Kitchens & Systems: design, production, and sale of modular kitchen solutions and systems. At this interim reporting date, this segment was made up of the companies Cubo Design S.r.l. and its subsidiary Nian Design S.r.l.;
- Other: this consists of the parent company Dexelance S.p.A.

The strategic business area is typically the reference unit by means of which the Group monitors the performance of its business and is characterised by the homogeneity of the core markets, without however having an independent organisation.

### Income statement by strategic business area

The breakdown of the income statement by operating segment as at 31 March 2023 and 31 March 2024 is provided below:

Amounts are shown in €/'1,000	Furniture	Lighting	Luxury Contract	Kitchen & Systems	Other	Three months 2023
Revenue (*)	27.315	6.728	19.886	9.000	17	62.945
Other income	513	65	42	342	3	964
<b>Total revenue and income</b>	<b>27.827</b>	<b>6.793</b>	<b>19.928</b>	<b>9.342</b>	<b>20</b>	<b>63.910</b>
Purchases of raw materials	(10.908)	(2.196)	(6.338)	(4.331)	(8)	(23.781)
Costs for services and use of third-party assets	(8.367)	(1.636)	(6.798)	(2.346)	(2.490)	(21.637)
Staff costs	(4.240)	(1.102)	(2.969)	(970)	(500)	(9.781)
Provisions and write-downs	(11)	-	-	(45)	-	(57)
<b>Gross operating profit (EBITDA)</b>	<b>4.301</b>	<b>1.859</b>	<b>3.823</b>	<b>1.649</b>	<b>(2.978)</b>	<b>8.654</b>
Amortisation, depreciation and write-downs of fixed assets	(1.164)	(192)	(1.087)	(947)	(70)	(3.460)
<b>Operating profit/(loss) (EBIT)</b>	<b>3.138</b>	<b>1.667</b>	<b>2.735</b>	<b>702</b>	<b>(3.048)</b>	<b>5.194</b>
Financial income						212
Financial expenses						(2.744)
<b>Gross result</b>						<b>2.662</b>
Income tax						(1.272)
<b>Net profit/(loss)</b>						<b>1.391</b>

Amounts are shown in €/'1,000	Furniture	Lighting	Luxury Contract	Kitchen & Systems	Other	Three months 2024
Revenue(*)	30.890	7.715	21.396	12.743	-	72.743
Other income	499	101	46	366	-	1.012
<b>Total revenue and income</b>	<b>31.388</b>	<b>7.816</b>	<b>21.442</b>	<b>13.109</b>	<b>-</b>	<b>73.755</b>
Purchases of raw materials	(11.272)	(2.547)	(8.081)	(6.006)	(6)	(27.912)
Costs for services and use of third-party assets	(10.325)	(2.430)	(6.069)	(3.225)	(1.375)	(23.424)
Staff costs	(6.456)	(1.682)	(3.020)	(1.737)	(370)	(13.264)
Provisions and write-downs	(52)	(39)	-	(146)	-	(237)
<b>Gross operating profit (EBITDA)</b>	<b>3.284</b>	<b>1.119</b>	<b>4.272</b>	<b>1.995</b>	<b>(1.751)</b>	<b>8.919</b>
Amortisation, depreciation and write-downs of fixed assets	(2.051)	(364)	(1.112)	(1.506)	(56)	(5.089)
<b>Operating profit/(loss) (EBIT)</b>	<b>1.232</b>	<b>754</b>	<b>3.160</b>	<b>489</b>	<b>(1.806)</b>	<b>3.830</b>
Financial income						962
Financial expenses						(3.394)
<b>Gross result</b>						<b>1.398</b>
Income tax						(1.085)
<b>Net profit/(loss)</b>						<b>313</b>

(\*) The revenue for each segment include both revenues realised in respect of third parties and revenues realised in respect of other Group operating segments. The figure for the latter was not material: it was therefore not deemed necessary to provide a breakdown in table format.

Revenue from the "Furniture" and "Lighting" operating segments in the first three months of 2024 increased compared with the same period in 2023 (by +13% and +15% respectively). It should be noted that this change in the "Furniture" segment is mainly due to the acquisition of Turri, which took place in September 2023 and, in the "Lighting" segment, to the aggregation of Axo Light (and its subsidiary Axo Light USA) in July 2023.

The "Luxury Contract" operating segment recorded an entirely organic increase of 8%.

The "Kitchens & Systems" strategic business area recognised a growth of 42%, which is significantly influenced by the acquisition of Cubo Design on 31 January 2023, and which therefore had a positive impact for the entire first three months of 2024 compared to only two months in 2023.

The increase in revenue is reflected in EBITDA, which is also influenced by costs related to strengthening the organisational structure. Please note the negative contribution to EBITDA of the strategic business area "Other", due mainly to the parent company's structural costs.

## RELATED PARTIES

<i>Amounts are shown in €/1,000</i>	Related party of	rental costs without the application of IFRS 16	costs for services
Il Castello S.p.A.	Gervasoni S.p.A.	125	
AGP 2 S.r.l.	Cubo Design S.r.l.	158	
T Group S.r.l.	Turri S.r.l.	280	
Directors	Gruppo Dexelance		1.431
<b>Total</b>		<b>563</b>	<b>1.431</b>

<i>Amounts are shown in €/1,000</i>	Related party of	credits	other payables
Giario Componenti S.r.l.	Cubo Design S.r.l.		(453)
T.M.R. S.r.l.	Cubo Design S.r.l.		(129)
Olimpia S.r.l.	Turri S.r.l.		(97)
Sanfrancesco S.r.l.	Turri S.r.l.	158	
T Group S.r.l.	Turri S.r.l.		(108)
Directors	Gruppo Dexelance		(1.619)
<b>Total</b>		<b>158</b>	<b>(2.406)</b>

The Group companies have leases in place with related parties with rental instalments paid in advance, the cost of which amounted to EUR 563,000 in the first three months of 2024. The "Directors" item includes the remuneration and the share of the long-term incentive plan for the period.

# CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2024

The Group has drawn up its interim financial statements in compliance with the recognition and measurement principles of IFRS and in accordance with the principles applied in the preparation of the annual consolidated financial statements as at 31 December 2023.

## Consolidated statement and financial position

<i>(amounts in thousands of euros)</i>	31/03/2024	31/12/2023
<b>NON-CURRENT ASSETS</b>		
Intangible assets	241.750	243.635
<i>Goodwill</i>	134.910	134.919
<i>Brands</i>	57.461	57.461
<i>Models</i>	7.070	7.393
<i>Customer relations and order book</i>	40.716	42.236
<i>Other intangible assets</i>	1.592	1.626
Right of use	32.946	32.910
Property, plant and equipment	29.486	28.631
Deferred tax assets	3.957	3.648
Equity investments	6	6
Other non-current assets	4.803	4.888
<b>Total non-current assets</b>	<b>312.949</b>	<b>313.719</b>
<b>CURRENT ASSETS</b>		
Inventories	39.221	36.867
Contract assets	2.795	4.779
Trade receivables	42.524	38.961
Income tax credits	2.000	4.135
Other current assets	9.447	6.924
Other current financial assets	18.966	28.621
Cash and cash equivalents	42.475	41.457
<b>Total current assets</b>	<b>157.428</b>	<b>161.743</b>
<b>TOTAL ASSETS</b>	<b>470.377</b>	<b>475.462</b>

<i>(amounts in thousands of euros)</i>	31/03/2024	31/12/2023
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	26.926	26.926
Other reserves and retained earnings, including profit (loss) for the period	127.295	127.452
Total Group shareholders' equity	154.222	154.378
Shareholders' equity – minority interests	-	-
Total shareholders' equity	154.222	154.378
<b>NON-CURRENT LIABILITIES</b>		
Post-employment benefits	6.861	7.027
Provisions for risks and charges	5.303	4.917
Medium-/long-term bank loans	61.002	63.852
Other non-current financial liabilities	66.583	65.377
Other medium-/long-term loans	882	114
Non-current financial payables to lessors	27.921	28.030
Other non-current liabilities	825	839
Deferred taxes	25.256	25.712
Total non-current liabilities	194.632	195.867
<b>CURRENT LIABILITIES</b>		
Short-term bank loans	20.912	20.422
Other current financial liabilities	6.967	7.560
Other short-term loans	-	-
Current financial payables to lessors	5.988	5.671
Trade payables	43.966	51.271
Income tax payables	1.524	1.262
Other current liabilities	42.168	39.031
<i>Payables to staff and social security organisations</i>	<i>10.122</i>	<i>10.136</i>
<i>Contract liabilities</i>	<i>16.972</i>	<i>14.432</i>
<i>Other payables</i>	<i>15.074</i>	<i>14.463</i>
Total current liabilities	121.523	125.217
<b>TOTAL LIABILITIES</b>	<b>316.156</b>	<b>321.084</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>470.377</b>	<b>475.462</b>

## Consolidated income statement

<i>(amounts in thousands of euros)</i>	Three months 2024	Three months 2023 <sup>1</sup>
Revenue	72.743	62.945
Other income	1.012	964
Total revenue and income	73.755	63.910
Purchases of raw materials	(29.194)	(26.343)
Change in inventories	1.283	2.562
Staff costs	(13.264)	(9.781)
Costs for services and use of third-party assets	(22.812)	(21.213)
Other operating costs	(612)	(424)
Provisions and write-downs	(237)	(57)
Amortisation, depreciation and write-downs of fixed assets	(5.089)	(3.460)
Operating profit/(loss)	3.830	5.194
Financial income	962	212
Financial expenses	(3.394)	(2.744)
Profit/(loss) before taxes resulting from continuing operations	1.398	2.662
Income tax	(1.085)	(1.272)
Net profit/(loss)	313	1.391
Attributable to:		
Profit/(loss) pertaining to the Group	313	1.363
Profit/(loss) pertaining to third parties	-	28
Basic earnings per share	0,01	0,07
Diluted earnings per share	0,01	0,07

<sup>1</sup>(\*\*) Financial information for the first quarter of 2023 has been restated from the previously approved report as at 31 March 2023. Please refer to the section "Business combinations".

## Consolidated statement of comprehensive income

<i>(amounts in thousands of euros)</i>	Three months 2024	Three months 2023
Net profit/(loss) for the year	313	1.391
Profit/(loss) from cash flow hedge	206	(429)
Tax effects	(49)	103
Total profit/(loss) from cash flow hedges, net of tax	156	(326)
Foreign currency translation differences	23	(127)
Other movements	43	134
Total comprehensive income items that will subsequently be reclassified to profit/(loss) for the year	222	(319)
Actuarial profits/(losses)	-	-
Tax effects	-	-
Total actuarial profit/(loss), net of taxes	-	-
Comprehensive income items that will not subsequently be reclassified to profit/(loss) for the year	-	-
Comprehensive income statement net of taxes	222	(319)
Total comprehensive net profit/(loss) for the period	535	1.072
Attributable to:		
Shareholders of the parent company	535	1.044
Minority shareholders	-	28

## Consolidated Statement of changes in shareholders' equity

<i>(amounts in thousands of euros)</i>	Share capital	Share premium reserve	Cash flow hedging reserve	Actuarial gains/(losses)	Other reserves	Retained earnings	Profit/(loss) for the period	Total Group shareholders' equity	Capital and reserves – minority interests	Profit – minority interests	Shareholders' equity – minority interests	Total shareholders' equity
Balance at 1 January 2023	20.217	3.563	174	425	(358)	40.692	(5.932)	58.780	-	-	-	58.780
Allocation of result for the year						(5.932)	5.932	-			-	-
Other income statement items			(326)		(20)			(346)			-	(346)
Dividends						(700)		(700)			-	(700)
Business combination								-	26		26	26
Profit for the period							1.363	1.363		28	28	1.391
Balance at 31 March 2023	20.217	3.563	(152)	425	(378)	34.060	1.363	59.097	26	28	54	59.151

<i>(amounts in thousands of euros)</i>	Share capital	Share premium reserve	Cash flow hedging reserve	Actuarial gains/(losses)	Other reserves	Retained earnings	Profit/(loss) for the period	Total Group shareholders' equity	Capital and reserves – minority interests	Profit – minority interests	Shareholders' equity – minority interests	Total shareholders' equity
Balance at 1 January 2024	26.926	66.971	(520)	183	(709)	33.521	28.007	154.378	-	-	-	154.378
Allocation of result for the year						28.007	(28.007)	-			-	-
Other income statement items			156		66			222			-	222
Purchase of treasury shares					(692)			(692)			-	(692)
Profit for the period							313	313			-	313
Balance at 31 March 2024	26.926	66.971	(364)	183	(1.336)	61.528	313	154.222	-	-	-	154.222

## Consolidated statement of cash flows

<i>(amounts in thousands of euros)</i>	Three months 2024	Three months 2023
<b>A. Cash flows from operating activities (indirect method)</b>		
Profit/(loss) for the period	313	1.391
Income tax	1.085	1.272
Interest expense/(interest income)	2.446	2.385
Other non-monetary income and expenses	38	147
Capital (gains)/losses on disposals	3	-
1. Profit/(loss) before income taxes, interest, dividends and capital gains/losses from transfer	3.884	5.194
Severance Indemnity Provision	549	406
Provisions	237	41
Depreciation and amortisation of fixed assets	5.089	3.460
Impairment losses	(55)	-
Other adjustments for non-monetary items	193	654
2. Cash flow before changes in net working capital	9.898	9.755
Decrease/(Increase) in inventories	(2.354)	(2.591)
Decrease/(Increase) in contract assets	1.983	581
Decrease/(Increase) in trade receivables	(3.520)	(2.454)
Increase/(Decrease) in trade payables	(7.306)	(5.952)
Increase/(Decrease) in contract liabilities	2.540	(2.475)
Decrease/(Increase) in other changes in net working capital	(1.083)	776
Interest received/paid on loans	133	(80)
Disbursement of severance payments and other provisions	(715)	(186)
3. Cash flow after other adjustments	(10.320)	(12.382)
Cash flow of operating activities (A = 1 + 2 + 3)	(422)	(2.627)
<b>B. Cash flows from investment activities</b>		
Investments in tangible fixed assets, net of divestments	(2.315)	(1.026)
Investments in intangible assets, net of divestments	(78)	(139)
Investments in financial fixed assets	-	(968)
Investments in other financial assets	9.655	-
Acquisition or sale of subsidiaries or business units, net of cash	-	(23.969)
Exercise of options and earn-out	(973)	(455)
Cash flow of investment activities (B)	6.290	(26.558)
<b>C. Cash flows from financing activities</b>		
<i>Third-party financing</i>		
Increase (decrease) in short-term payables to banks	(217)	(610)
Loans taken out	643	37.800
Loan repayment	(2.669)	(4.413)
Payments for lease liabilities	(1.914)	(1.091)
<i>Equity</i>		
Purchase of treasury shares	(692)	-
Cash flow of financing activities (C)	(4.849)	31.686
Increase (decrease) in cash (A ± B ± C)	1.019	2.502
Cash at 1 January	41.457	42.978
Cash and cash equivalents at 31 March	42.475	45.480
Change in cash	1.019	2.502

# MAIN RISKS AND UNCERTAINTIES TO WHICH THE GROUP IS EXPOSED

## Credit risk

Credit risk is connected to the inability of counterparties to meet their obligations and essentially relates to sales. Given the business segment, the customer portfolio of the Group companies is divided into many, often small, entities, and exposure is therefore limited. Regarding the subsidiaries Cenacchi International S.r.l., Modar S.p.A. and Turri S.r.l., it should be noted that clients are particularly concentrated. However, the concentration refers to renowned international clients with whom the company management's relationships are very well established.

Credit risk is managed through the close and timely monitoring of customers and by assigning an exposure level to each of them, over which supply may be suspended. However, the risk is limited; for many EU customers and all non-EU customers, the Group companies normally require advance payment or guarantees.

## Liquidity risk

Liquidity risk may arise when it is not possible to obtain, under favourable economic conditions, the financial resources necessary for the operation of the Group companies. Liquidity risk relates to the cash flows generated and absorbed by day-to-day operations and the resulting need to access financing to support business expansion. The evolution of cash flows and the use of credit facilities are closely monitored by the Group Finance Department and the directors in order to ensure that financial resources are used efficiently and effectively, including in terms of expenses and interest.

## Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of an exposure will change due to fluctuations in exchange rates. The Group has a limited exposure to the risks arising from exchange rate fluctuations, which may affect profit or loss and shareholders' equity as the main transactions are in euros and because the Group's net investments in foreign entities (currency translation risk) are limited. Since receipts and payments in US dollars are partly offset, currency risks are contained and therefore the provision of foreign exchange hedges was not considered necessary. The use of currencies beyond the euro, US dollar and British pound in commercial transactions is almost zero.

### Interest rate risk

Interest rate risk can be defined as the risk that changes in market interest rates will result in a decrease in business profitability. The Group makes use of external financial resources in the form of debt. Changes in market interest rates influence the cost and return of various forms of financing by affecting financial expenses. Interest rate risk is partially managed through the use of derivative financial instruments in the form of interest rate swaps.

As at 31 March 2024, the Group had financial exposure to banks for financing in various technical forms for a total amount of EUR 81,913,000 on which variable interest rates accrue ranging from 4.8% to 8.0% in the first three months of 2024, as well as cash and cash equivalents totalling EUR 61,441,000.

Interest rate swap contracts are in place to cover this exposure, with a total notional residual amount of EUR 28,516,000.

### Financial liability restatement risk for earn-outs, put and call options and the long-term incentive plan

Liabilities include the best estimate of the present value of the earnouts and put and call options entered into with the minority shareholders of the acquired companies, as well as the long-term incentive plan of the company's CEO and Managing Director. The earn-out and put and call option values are directly linked to the achievement of certain economic and financial targets by the companies acquired in the periods following the taking over of control. The value of the long-term incentive plan, on the other hand, is linked to the appreciation of the Company's share price.

These financial liabilities are remeasured at every period-end, if impairment indicators arise or when the liquidation event occurs and its related effects are then reflected under financial income or expenses in the income statement, together with the estimated cost of discounting the financial liabilities.

## SUBSEQUENT EVENTS

On 22 April 2024, the Extraordinary Shareholders' Meeting of the Parent Company resolved to amend Article 1.1 letter T and Article 2.1 of the By-laws, approving the proposal to change the company name to "Dixelance S.p.A.", in order to create a new group identity to support and grow towards a renewed and higher positioning.



# BUSINESS OUTLOOK

The Group continuously monitors both the trends of the relevant markets and developments in the conflict between Ukraine and Russia, Israel and Palestine, and in other regions in turmoil, which call for continued caution regarding macroeconomic forecasts in terms of the repercussions on price trends of raw materials, the trend of the financial markets, and demand for goods in general. It should be noted that the Group's exposure in terms of turnover in relation to countries involved in the conflict is not significant.

The reference market is expected to remain largely stable. In particular, there has been a normalisation in the dynamics of energy, raw material, and semi-finished costs; however, the Group maintains a proactive and constant focus on cost control and the identification of initiatives that can ensure expected revenues, profitability, and cash flows.

No significant price changes are expected; a limited inflationary phenomenon and a moderate reduction in interest rates are expected in the second half of the year.

It should be noted, finally, that the Group is pursuing its growth strategy through external lines and negotiations are under way that could materialise over the next few months.

Milan, 13 May 2024

On behalf of the Board of Directors  
The Chief Executive Officer

*Andrea Sasso*



# DECLARATION OF THE FINANCIAL REPORTING MANAGER PURSUANT TO ARTICLE 154-BIS, PARAGRAPH 2 OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998

I, the undersigned, Alberto Bortolin, Chief Financial Officer of the Dexelance Group, in my capacity as Financial Reporting Manager, hereby declare that the Interim Financial Information as at 31 March 2024 corresponds to the company documents, books and accounting records.

Milan, 13 May 2024

Chief Financial Officer and  
Financial Reporting Manager

*Alberto Bortolin*



DEXELANCE S.p.A.

Registered Office in Milan (MI) - Corso Venezia, 29

Share Capital EUR 26,926,298

Milan Economic and Administrative Index No. 2062252

Tax code and registration no. in the Milan Business and Trade Registry: 09008930969





[WWW.DEXELANCE.COM](http://WWW.DEXELANCE.COM)