DEXELANCE

HALF-YEAR FINANCIAL REPORT

As of 30.06.2024

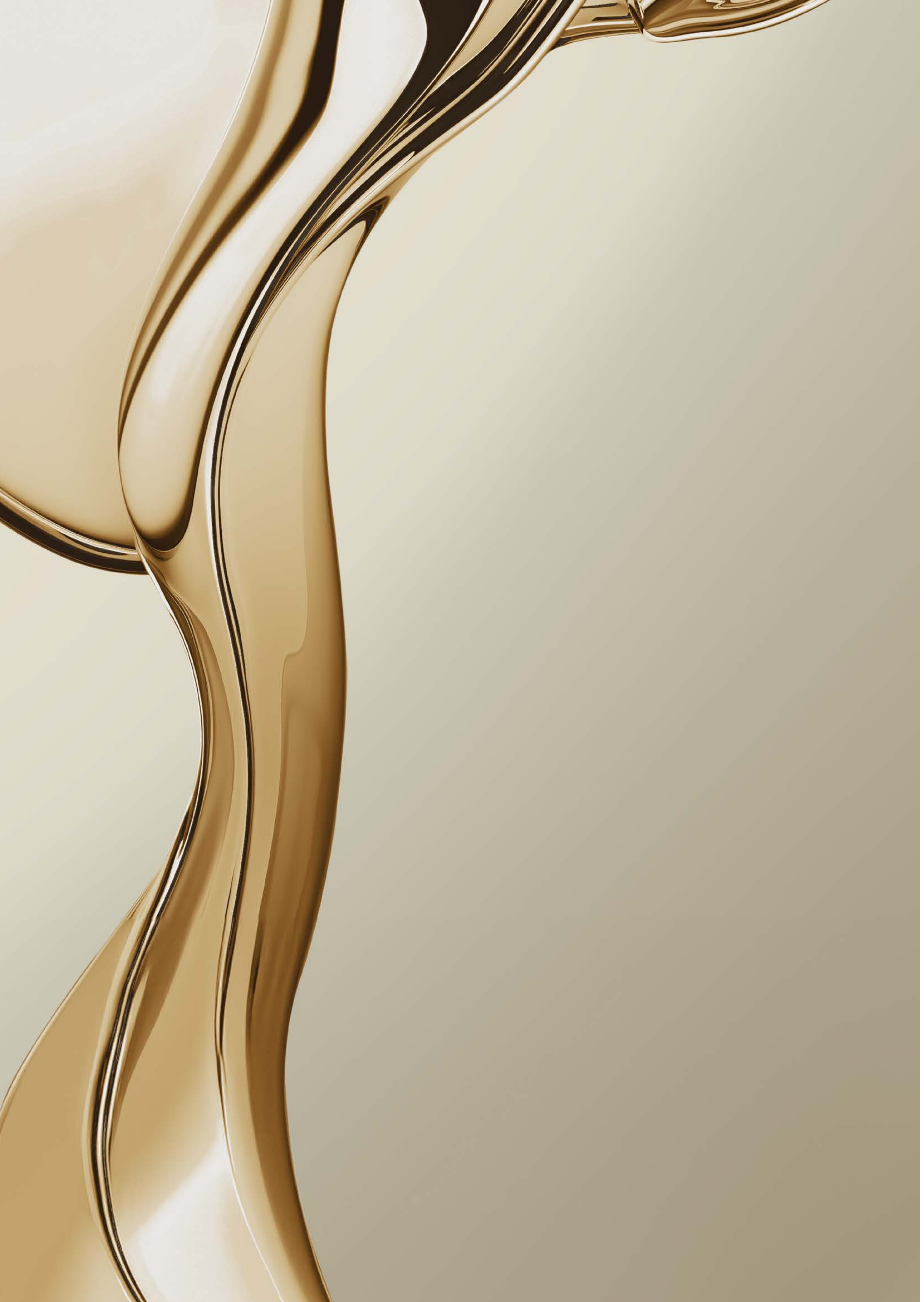
CRAFTING DESIGN FOR EXCELLENCE

TABLE OF CONTENTS

CORPORATE BODIES

BOARD OF DIRECTORS[1]	Fabio Sattin	Honorary Chairman
	Andrea Sasso	Chairman and CEO
	Giorgio Gobbi	Executive Director
	Paolo Colonna	Director
	Giovanni Tamburi (*)	Director
	Alessandra Rollandi	Director
	Piero Generali	Director
	Alessandra Stea	Director
	Giovanni Gervasoni	Director
	Cristina Finocchi Mahne (*) (**)	Independent Director
	Lea Lidia Lavitola (*) (**)	Independent Director and Lead Independent Director
	Paola Mungo (**)	Independent Director
BOARD OF STATUTORY AUDITORS[2]	Filippo Annunziata	Chair and Statutory Auditor
	Marzia Nicelli	Standing Auditor
	Fabio Buttignon	Standing Auditor
INDEPENDENT AUDITORS[3]	EY S.p.A.	

(1) In office until the approval of the financial statements for the year as at 31 December 2025
(2) In office until the approval of the financial statements for the year as at 31 December 2025
(3) In office until the approval of the financial statements for the year as at 31 December 2031
(*) Member of the Hiring, Human Resources, and Remuneration Committee
(**) Member of the Control and Risks, Related-Party Transactions and Sustainability Committee



THE GROUP AND SIGNIFICANT EVENTS DURING THE FIRST HALF OF 2024

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 leber 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 create a new group identity to support and grow towards a renewed and higher positioning in the market.

In addition, an incentive plan based on financial instruments pursuant to Article 114- bis of Legislative Decree 58/1998 known as the "2024-2029 Performance Shares Plan" was approved. It is reserved to the Chairman of the Board of Directors and Chief Executive Officer, the Executive Director, and the key employees of the Company identified in the plan, and it is subject to the achievement of certain performance targets by the end of the five-year vesting period.
Specifically, the plan provides for the assignment of 500,000 shares, equal to approximately 1.86% of the total shares issued by the Company, upon the fulfilment of specific conditions linked to the share's performance on the market and of the performance targets (turnover, adjusted EBITDA, NFP/EBITDA ratio, and ESG).

The information contained in this Directors' Report regards the six-month period ended 30 June 2024, which is compared with the same period in 2023 for the income statement, and with the result achieved at 31 December 2023 for the statement of financial position.

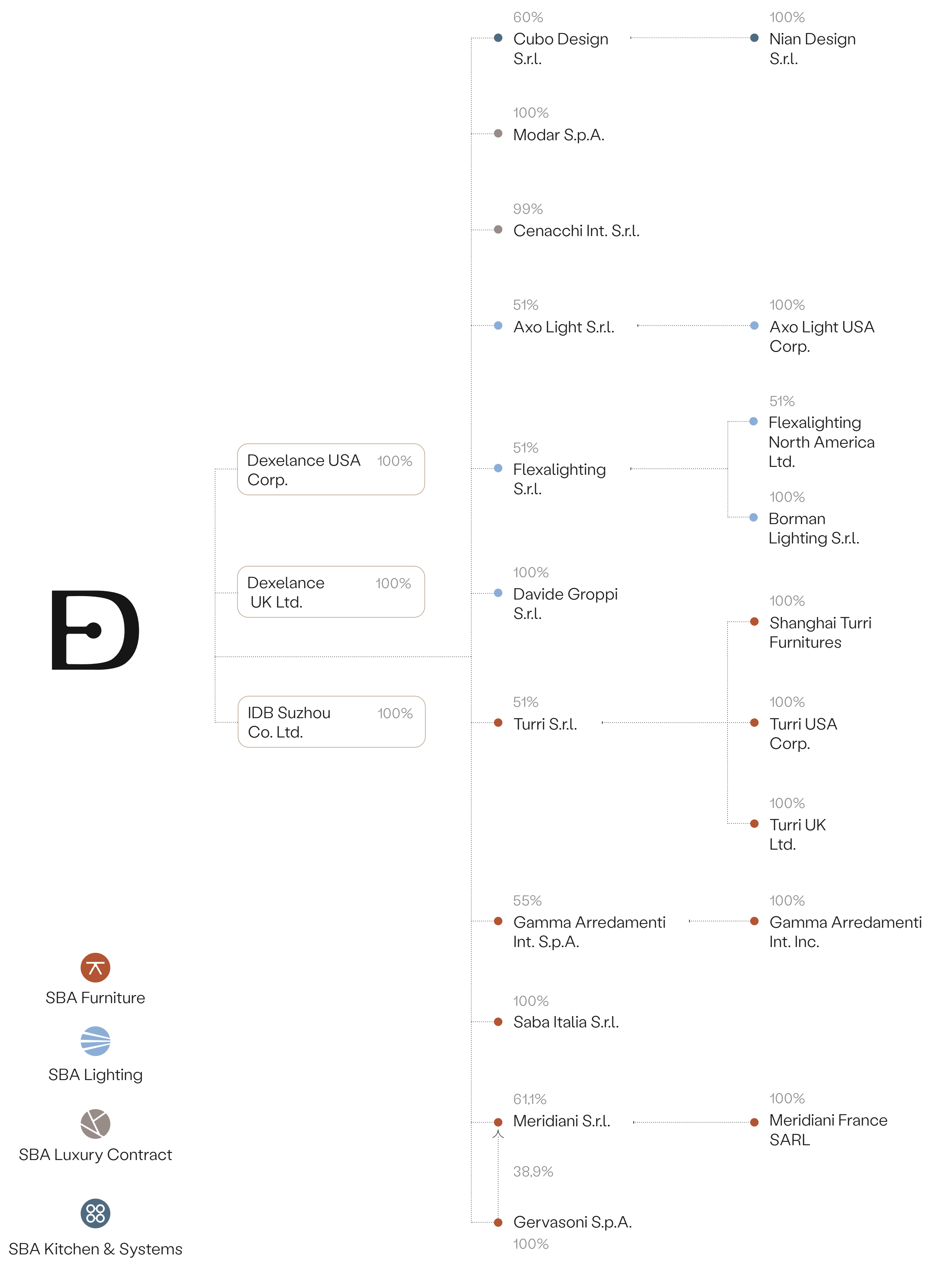
The abbreviated consolidated half-year financial statements have been drawn up in accordance with IAS 34 Interim financial statements and include the financial statements of the Parent Company, Dexelance S.p.A., and the companies over which the Parent Company has the right to exercise control, determining their financial and management decisions and obtaining the related benefits.
It should be noted that the scope of consolidation has not changed since 31 December 2023.

The companies included by means of the full consolidation method as at 30 June 2024, in accordance with the provisions of IFRS 10, are listed below..

Company name	Registered Office	Share capital	Strategic Business Area	% 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	Paris (FR)	100,000	furniture	0%	100%
Dexelance UK Ltd.	London (UK)	GBP 446,500	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.	Barlassina (MB)	500,000	luxury contract	100%	0%
IDB Suzhou Co. Ltd.	Suzhou (Cina)	CNY 11,296,107	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%
Dexelance USA Corp.	New York (USA)	USD 10,000	furniture	100%	0%
Flexalighting North America Ltd. (*)	Surrey (CAD)	CAD 103	lighting	0%	26%
Gamma Arredamenti S.p.A. (*)	Forlì (FC)	2,000,000	furniture	55%	0%
Gamma Arredamenti Inc. (*)	High Point (USA)	USD 5,000	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)	USD 100,000	lighting	0%	51%
Turri S.r.l. (*)	Carugo (CO)	1,000,000	furniture	51%	0%
Turri UK Ltd. (*)	London (UK)	GBP 10,000	furniture	0%	51%
Turri USA Corp. (*)	Miami (USA)	USD 100	furniture	0%	51%
Shanghai Turri Furnitures (*)	Shanghai (Cina)	CNY 8,576,479	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 (see Note 17). 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.

The structure of the Dexelance Group as at 30 June 2024 is provided below:



SUMMARY DATA OF THE MAIN ECONOMIC, FINANCIAL AND CAPITAL RESULTS

This financial information as at 30 June 2024 was approved by the Company's Board of Directors on 9 September 2024, and this report on operations should be read in conjunction with the interim consolidated financial statements as at 30 June 2024, which are set out below.

To gain the best understanding of the Group's situation and operating performance, the tables below show a brief analysis of the abbreviated consolidated half-year financial statements, made up of the reclassified income statement and the reclassified statement of financial position.

To enable a better assessment of operating performance, the Dexelance Group uses and monitors some 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 revenues 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 writedowns 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 writedowns of fixed assets and excluding non-recurring costs/revenues.

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 non- recurring costs/revenues and amortisation and depreciation of intangible assets with a finite useful life, models and customer lists, recorded during Purchase Price Allocation (PPA), and which are due to terminate at the end of the relevant depreciation process..

The **net result from adjusted operating assets** is defined as the net result from operating assets, excluding (i) non-recurring costs/revenues, (ii) amortisation and depreciation of intangible assets with a finite useful life, models and customer lists, recorded during purchase price allocation (PPA), and which are due to terminate at the end of the relevant depreciation process, (iii) the effects of the remeasurements of put and call options and earn-out and (iv) the related tax effect.

Operating 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/or income tax payables 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 writedowns, the financing methods adopted and the level of taxation.

RECLASSIFIED INCOME STATEMENT *Amounts are shown in €/1,000*	1H 2023		1H 2024		Variation	
	Amount	%	Amount	%	Amount	%
Revenues	135,394	100.0%	151,028	100.0%	15,635	11.5%
Other income	2,290	1.7%	2,630	1.7%	340	14.9%
Total revenues and income	137,684	101.7%	153,659	101.7%	15,975	11.6%
External operating costs (*)	(94,705)	-69.9%	(107,457)	-71.1%	(12,751)	13.5%
Added value	42,978	31.7%	46,202	30.6%	3,224	7.5%
Staff costs	(21,151)	-15.6%	(27,485)	-18.2%	(6,334)	29.9%
Provisions and write-downs	(195)	-0.1%	(238)	-0.2%	(43)	21.9%
Gross operating profit (EBITDA)	21,632	16.0%	18,479	12.2%	(3,154)	-14.6%
Amortisation, depreciation and write-downs of fixed assets	(7,622)	-5.6%	(10,475)	-6.9%	(2,853)	37.4%
Operating profit (EBIT)	14,010	10.3%	8,004	5.3%	(6,007)	-42.9%
Financial result	(4,639)	-3.4%	(5,043)	-3.3%	(404)	8.7%
Gross result	9,371	6.9%	2,961	2.0%	(6,411)	-68.4%
Income tax	(3,547)	-2.6%	(1,933)	-1.3%	1,614	-45.5%
Group consolidated net result	5,824	4.3%	1,028	0.7%	(4,797)	-82.4%

(*) includes the following income statement items: materials consumption, costs for services and leased assets and other operating costs.

Revenues for the six months ended 30 June 2024 increased from EUR 135.4 million to EUR 151 million, an increase of EUR 15.6 million, or 11.5%, compared to the same period of the previous year:

- growth by external lines, totalling EUR 21.6 million, due to the acquisition of Cubo Design S.r.l. (and its subsidiary Nian Design S.r.l.) on 31 January 2023, of the merger of Axo Light S.r.l. (and its subsidiary Axo Light USA Corp.), which took place in July 2023, and the acquisition of Turri S.r.l. (and its subsidiaries Turri UK Ltd., Turri USA Corp. and Shanghai Turri Furnitures), completed in September 2023;
- the reduction in revenues of the companies already included within the scope of the consolidation as at 30 June 2023, totalling EUR 6 million.

The Group's revenues by type of activity or strategic business area (SBA) and by geographic area in the first six months of 2024 and in the previous six months are broken down as follows:

- a 23% growth in the "Furniture" segment, which was significantly influenced by the acquisition of Turri, which also contributed positively to turnover growth in non-EU markets;

- an increase of 14% in the "Lighting" segment, due also to the aggregation of Axo Light (and its subsidiary, Axo Light USA);
- a decrease in the "Luxury Contract" segment of about 9% compared to the previous period, due to the postponement of some projects to the end of the financial year 2024;
- a growth in the "Kitchens and Systems" segment of 19%, partly due to organic growth and partly to the acquisition of Cubo Design on 31 January 2023.

Amounts are shown in €/1,000	1H 2023	1H 2024
Furniture	56,265	69,238
Lighting	14,110	16,070
Luxury Contract	40,113	36,460
Kitchen & Systems	24,511	29,261
Other	394	–
Total	135,394	151,028

Amounts are shown in €/1,000	1H 2023	1H 2024
Italy	34,736	40,194
EU	39,855	36,611
Non-EU	60,803	74,223
Total	135,394	151,028

Considering the importance of some non-recurring economic components on the result for the period, also related to M&A activities that characterise Dexelance Group, the management highlights 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 is 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	1H 2023		1H 2024	
	Effective data	Adjusted data	Effective data	Adjusted data
Revenues	135,394	135,394	151,028	151,028
Other income	2,290	2,062	2,630	2,630
Total revenues and income	137,684	137,456	153,659	153,659
External operating costs	(94,705)	(91,971)	(107,457)	(106,871)
Added value	42,978	45,484	46,202	46,787
Staff costs	(21,151)	(21,151)	(27,485)	(27,468)
Provisions and write-downs	(195)	(195)	(238)	(238)
Gross operating profit (EBITDA)	21,632	24,138	18,479	19,081
Amortisation, depreciation and write-downs of fixed assets	(4,512)	(4,512)	(6,777)	(6,777)
Amortisation, depreciation and writedowns of fixed assets arising from the PPA process	(3,110)	–	(3,698)	–
Operating profit (EBIT)	14,010	19,626	8,004	12,304
Financial result	(4,639)	(2,471)	(5,043)	(2,436)
Gross result	9,371	17,155	2,961	9,868
Income tax	(3,547)	(4,849)	(1,933)	(3,053)
Group consolidated net result	5,824	12,307	1,028	6,815

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 30 June 2023 and 30 June 2024 are listed below:

Amounts are shown in €/1,000	Actual 2023 1H data	Non-recurring costs/revenues	PPA depreciation, amortisation and write- downs	Remeasurement of put and call options and earn-outs	Adjusted 2023 1H data
Revenues	135,394				135,394
Other income	2,290	(228)			2,062
Total revenues and income	137,684	(228)	–	–	137,456
External operating costs	(94,705)	2,734			(91,971)
Added value	42,978	2,506	–	–	45,484
Staff costs	(21,151)				(21,151)
Provisions and write-downs	(195)				(195)
Gross operating profit (EBITDA)	21,632	2,506	–	–	24,138
Amortisation, depreciation and write-downs of fixed assets	(4,512)				(4,512)
Amortisation, depreciation and writedowns of fixed assets arising from the PPA process	(3,110)		3,110		–
Operating profit (EBIT)	14,010	2,506	3,110	–	19,626
Financial result	(4,639)			2,168	(2,471)
Gross result	9,371	2,506	3,110	2,168	17,155
Income tax	(3,547)	(522)	(780)		(4,849)
Group consolidated net result	5,824	1,985	2,330	2,168	12,307

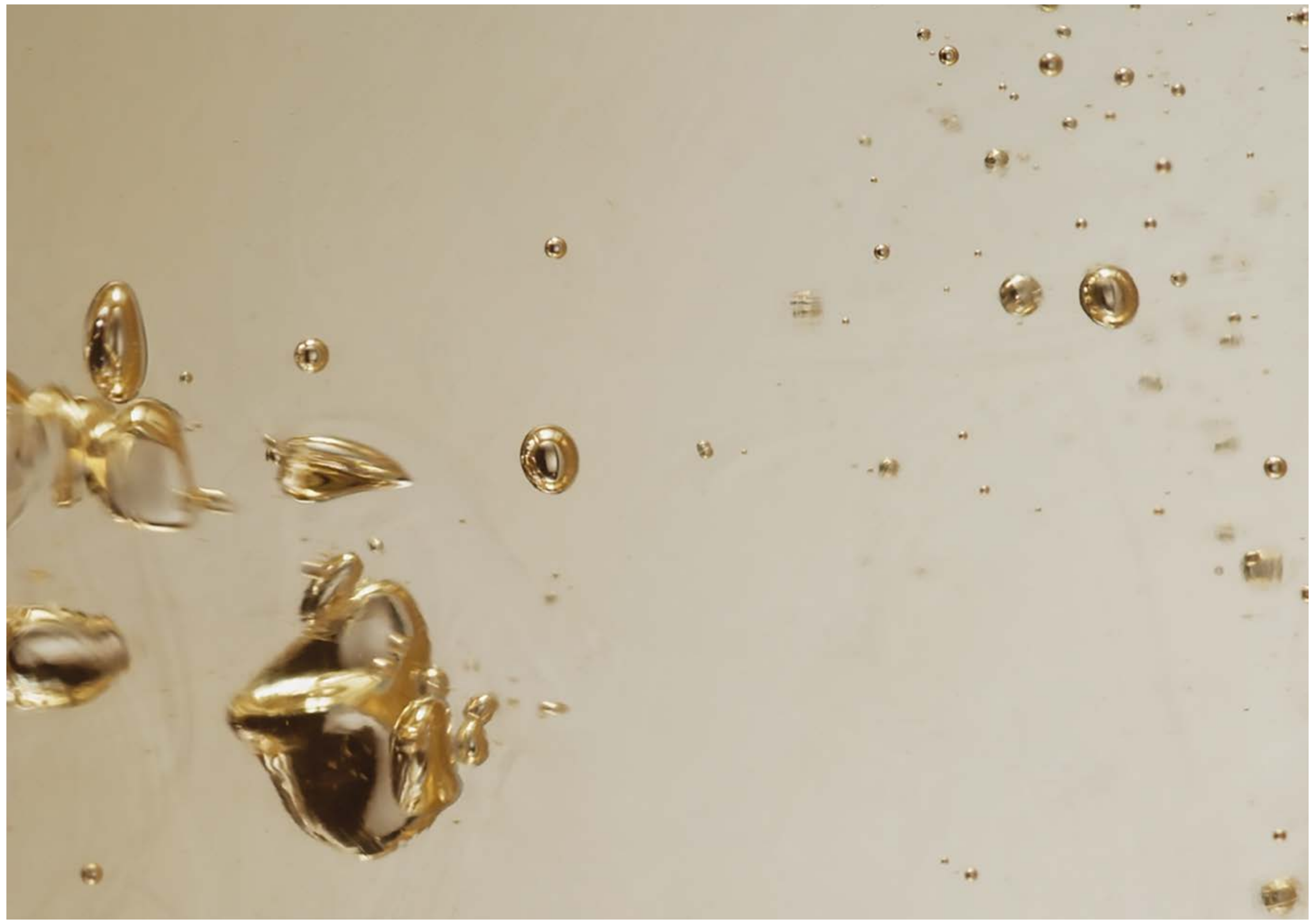
Amounts are shown in €/1,000	Actual 2024 1H data	Non-recurring costs/revenues	PPA depreciation, amortisation and write-downs	Remeasurement of put and call options and earn-outs	Adjusted 2024 1H data
Revenues	151,028				151,028
Other income	2,630	–			2,630
Total revenues and income	153,659	–	–	–	153,659
External operating costs	(107,457)	585			(106,871)
Added value	46,202	585	–	–	46,787
Staff costs	(27,485)	17			(27,468)
Provisions and write-downs	(238)	–			(238)
Gross operating profit (EBITDA)	18,479	602	–	–	19,081
Amortisation, depreciation and write-downs of fixed assets	(6,777)				(6,777)
Amortisation, depreciation and writedowns of fixed assets arising from the PPA process	(3,698)		3,698		–
Operating profit (EBIT)	8,004	602	3,698	–	12,304
Financial result	(5,043)	(369)		2,975	(2,436)
Gross result	2,961	234	3,698	2,975	9,868
Income tax	(1,933)	(77)	(1,043)		(3,053)
Group consolidated net result	1,028	156	2,655	2,975	6,815

During the six months ended 30 June 2024, the Group incurred non-recurring costs in the amount of EUR 225 thousand mainly due to the Parent Company's rebranding.

Taking into account the Group's growth by external lines, a 2023 full half-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., together with its subsidiaries, are not included in the comparative data, as these occurred after that date.

As there were no changes in the scope of consolidation during the half-year, no further disclosures were necessary as at 30 June 2024.

FULL HALF YEAR INCOME STATEMENT (UNAUDITED) *Amounts are shown in €/1,000*	1H 2023		1H 2024		Variation		Variation	
	full half-year	full half-year adjusted	full half-year	full half-year adjusted	full half-year	%	full half-year adjusted	%
Revenues	138,360	138,360	151,028	151,028	12,668	9.2%	12,668	9.2%
Other income	2,359	2,131	2,630	2,630	271	11.5%	499	23.4%
Total revenues and income	140,719	140,491	153,659	153,659	12,940	9.2%	13,167	9.4%
External operating costs	(96,841)	(94,107)	(107,457)	(106,871)	(10,615)	11.0%	(12,764)	13.6%
Added value	43,878	46,384	46,202	46,787	2,324	5.3%	404	0.9%
Staff costs	(21,677)	(21,677)	(27,485)	(27,468)	(5,808)	26.8%	(5,791)	26.7%
Provisions and write-downs	(195)	(195)	(238)	(238)	(43)	21.9%	(43)	21.9%
Gross operating profit (EBITDA)	22,006	24,512	18,479	19,081	(3,527)	-16.0%	(5,431)	-22.2%
Amortisation, depreciation and write-downs of fixed assets	(4,842)	(4,842)	(6,777)	(6,777)	(1,936)	40.0%	(1,936)	40.0%
Amortisation, depreciation and writedowns of fixed assets arising from the PPA process	(3,110)	–	(3,698)	–	(588)	18.9%	–	–
Operating profit (EBIT)	14,054	19,670	8,004	12,304	(6,051)	-43.1%	(7,366)	-37.4%
Financial result	(4,669)	(2,502)	(5,043)	(2,436)	(374)	8.0%	65	-2.6%
Gross result	9,385	17,169	2,961	9,868	(6,424)	-68.5%	(7,301)	-42.5%
Income tax	(3,560)	(4,861)	(1,933)	(3,053)	1,627	-45.7%	1,808	-37.2%
Group consolidated net result	5,825	12,307	1,028	6,815	(4,797)	-82.4%	(5,493)	-44.6%



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 POSI8ON *Amounts are shown in €/1,000*	December 2023		June 2024	
	amount	%	amount	%
Intangible assets	243,635	88.5%	240,091	88.4%
Right of use	32,910	12.0%	34,045	12.5%
Property, plant and equipment	28,631	10.4%	29,567	10.9%
Holdings and other non-current assets	8,543	3.1%	8,556	3.2%
Non-current assets (A)	313,719	113.9%	312,260	115.0%
Inventories	41,646	15.1%	45,878	16.9%
Trade receivables	38,961	14.2%	39,266	14.5%
Other current assets	11,059	4.0%	9,415	3.5%
Current assets (B)	91,665	33.3%	94,559	34.8%
Trade payables	(51,271)	-18.6%	(46,575)	-17.2%
Other current liabilities	(40,293)	-14.6%	(50,071)	-18.4%
Current liabilities (C)	(91,564)	-33.3%	(96,646)	-35.6%
Net working capital (D = B – C)	102	0.0%	(2,087)	-0.8%
Provisions for risk and severance pay	(11,944)	-4.3%	(11,857)	-4.4%
Other non-current liabilities	(26,551)	-9.6%	(26,795)	-9.9%
Medium-/long-term assets (liabilities) (E)	(38,495)	-14.0%	(38,651)	-14.2%
Net invested capital (A + D + E)	275,326	100.0%	271,521	100.0%
Shareholders' equity	154,378	56.1%	154,827	57.0%
Net financial positon, banks	14,197	5.2%	11,970	4.4%
Net financial positon, others	106,751	38.8%	104,724	38.6%
Net financial position	120,948	43.9%	116,695	43.0%
Equity and debt	275,326	100.0%	271,521	100.0%

Net invested capital consists mostly of intangible assets arising from company acquisitions completed since the Company's incorporation; during the period, this decreased by EUR 3,805 thousand due to the combined effect of:

- the decrease of EUR 3,544 thousand in intangible assets under non-current assets, related to the amortisation for the period, and the increase of EUR 1,135 thousand in usage rights, related to new lease agreements signed;
- an increase in current assets of EUR 2,893 thousand, mainly due to the increase in the value of inventories;
- the increase in current liabilities, mainly due to the increase in liabilities from contracts and advances from customers compared to 31 December 2023.

Financing sources comprise 57% from equity and 43% from third parties, and show an improvement in the net financial position of EUR 4,252 thousand (-3.5%) compared to the previous period.

Net financial position

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

Amounts are shown in €/1,000	June 2023	December 2023	June 2024	Jun. 2023 - Jun. 2024 variations	Dec. 2023 - Jun. 2024 variations
Short-term bank loans	22,953	20,422	22,77	(776)	1,755
Medium/long-term bank loans	56,265	63,852	53,109	(3,156)	(10,743)
Cash	(51,796)	(41,457)	(31,842)	19,954	9,614
Other current financial assets	(25,053)	(28,621)	(31,474)	(6,421)	(2,853)
NFP, banks	2,369	14,197	11,970	9,601	(2,227)
Current earn-out payable	6,653	7,560	1,946	(4,707)	(5,614)
Non-current earn-out payable	2,085	10,821	10,516	8,430	(305)
Current payable for purchase of minority shares through the exercise of the put option	–	–	595	595	595
Non-current payable for purchase of minority shares through the exercise of the put option	54,864	54,555	55,829	964	1,274
NFP, other than banks	63,602	72,935	68,885	5,283	(4,050)
Current financial payables to lessors	4,154	5,671	6,376	2,222	705
Non-current financial payables to lessors	26,621	28,030	28,686	2,065	656
NFP, payables to lessors (IFRS 16)	30,775	33,700	35,061	4,287	1,361
Other financial payables	110	114	778	668	664
NFP, total	96,856	120,946	116,695	19,838	(4,252)

Bank debt as at 30 June 2024 totalled EUR 75,286 thousand. The reduction from the previous period was due to the repayment of loans under the plan. This indebtedness is expressed net EUR 31,842 thousand in cash and EUR 31,474 thousand in short-term restricted cash and cash equivalents. We specifically note the reinvestment of certain short-term time deposits.

The earn-out payable of EUR 12,462 thousand recognised at 30 June 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 30 June 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, during the first half, the earn-out payment related to the acquisition of SUR and Cubo Design totalled EUR 7,022 thousand.

Payables for put options amounted to EUR 56,424 thousand at 30 June 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).

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 abributable 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., Turri S.r.l. and their subsidiaries;
- 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., Axo Light S.r.l. and their subsidiaries;
- 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 and 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. In 2024 the foreign companies revenues (Dexelance UK, IDB Suzhou and Dexelance USA) were classified according to their respective strategic business area; in 2023 were classified under the cluster "Other".

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.

In 2024, the foreign sales companies (Dexelance UK, IDB Suzhou, and Dexelance USA) were reclassified according to their respective strategic business areas.

Income statement by strategic business area

The breakdown of the income statement by operating segment as at 30 June 2023 and 30 June 2024 is provided below:

Amounts are shown in €/1,000	Furniture	Lighting	Luxury Contract	Kitchen & Systems	Other	1 H 2023
Revenues (*)	56,265	14,110	40,113	24,511	394	135,394
Other income	1,140	108	92	645	304	2,290
Total revenues and income	57,405	14,218	40,205	25,156	699	137,684
Purchases of raw materials	(22,256)	(4,693)	(12,719)	(11,697)	12	(51,353)
Costs for services and use of third-party assets	(17,563)	(3,371)	(12,487)	(5,692)	(4,239)	(43,352)
Staff costs	(8,886)	(2,314)	(6,051)	(2,580)	(1,320)	(21,151)
Provisions and write-downs	(61)	–	(13)	(121)	–	(195)
Gross operating profit (EBITDA)	8,639	3,839	8,936	5,066	(4,848)	21,632
Amortisation, depreciation and write-downs of fixed assets	(2,428)	(388)	(2,187)	(2,394)	(224)	(7,622)
Operating profit/(loss) (EBIT)	6,210	3,451	6,749	2,672	(5,072)	14,010
Financial income						1,320
Financial expenses						(5,959)
Gross result						9,371
Income tax						(3,547)
Net profit/(loss)						5,824

Amounts are shown in €/1,000	Furniture	Lighting	Luxury Contract	Kitchen & Systems	Other	1 H 2024
Revenues(*)	69,238	16,070	36,460	29,261	–	151,028
Other income	1,644	262	73	647	4	2,630
Total revenues and income	70,882	16,332	36,533	29,907	4	153,659
Purchases of raw materials	(27,862)	(5,176)	(12,116)	(14,305)	(9)	(59,468)
Costs for services and use of third-party assets	(22,744)	(4,763)	(11,040)	(6,967)	(2,475)	(47,989)
Staff costs	(13,313)	(3,602)	(6,269)	(3,614)	(687)	(27,485)
Provisions and writedowns	(29)	(45)	(9)	(155)	–	(238)
Gross operating profit (EBITDA)	6,934	2,746	7,098	4,867	(3,167)	18,479
Amortisation, depreciation and write-downs of fixed assets	(4,239)	(823)	(2,255)	(3,044)	(114)	(10,475)
Operating profit/(loss) (EBIT)	2,695	1,923	4,843	1,823	(3,280)	8,004
Financial income						1,594
Financial expenses						(6,637)
Gross result						2,961
Income tax						(1,933)
Net profit/(loss)						1,028

(*) The revenues 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.

Revenues from the "Furniture", "Lighting" and "Kitchen & Systems" operating segments in the first half of 2024 increased compared with the same period in 2023 (by +23%, +14% and +19% 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. Growth in the "Kitchen & Systems" segment was also partially influenced by the acquisition of Cubo Design on 31 January 2023, and which therefore had a positive impact throughout the first half of 2024, compared with just five months in 2023.

On the other hand, revenues in the "Luxury Contract" operating segment decreased compared to the first half of the previous year, a period which saw a strong recovery from the restarting of projects that had been put on hold due to Covid. Finally, it should be noted that many projects in the "Luxury Contract" sector have been postponed to the second half of 2024.

The decrease in EBITDA is mainly related to personnel costs, which increased as a result of contractual adjustments and organisational strengthening, and due to costs incurred for sales initiatives.

Please note the negative contribution to EBITDA of the strategic business area "Other", due mainly to the parent company's structural costs.

Statement of financial position by strategic business area

The breakdown of the statement of financial position by strategic business area as at 31 December 2023 and 30 June 2024 is provided below:

Amounts are shown in €/1,000	Furniture	Lighting	Luxury Contract	Kitchen & Systems	Other	31/12/2023
Intangible assets	102,368	22,276	45,360	73,625	6	243,635
Right of use	16,469	2,617	4,025	7,064	2,735	32,910
Property, plant and equipment	13,186	1,395	2,649	9,561	1,841	28,631
Holdings and other non-current assets	4,921	554	723	1,423	921	8,543
Non-current assets	136,944	26,841	52,758	91,674	5,502	313,719
Inventory and contract assets	25,623	6,557	4,783	3,555	1,128	41,646
Trade receivables	15,976	4,150	11,529	7,076	229	38,961
Business advances and contract liabilities	(13,931)	(1,033)	(7,083)	(1,930)	(827)	(24,804)
Trade payables	(25,516)	(4,121)	(11,940)	(9,206)	(487)	(51,271)
Operating net working capital	2,152	5,552	(2,711)	(505)	43	4,531
Other current liabilities	(6,253)	(1,785)	(4,285)	(1,831)	(1,333)	(15,488)
Other current assets	5,050	690	1,156	1,487	2,677	11,059
Net working capital	949	4,456	(5,840)	(849)	1,387	102
Provisions for risk and severance pay	(5,299)	(1,483)	(3,405)	(1,627)	(130)	(11,944)
Other non-current liabilities	(8,836)	(553)	(4,006)	(13,153)	(3)	(26,551)
Net invested capital	123,758	29,261	39,507	76,045	6,755	275,326
Net financial position						(120,948)
Shareholders' equity						(154,378)
Financing sources						(275,326)

Amounts are shown in €/1,000	Furniture	Lighting	Luxury Contract	Kitchen & Systems	Other	30/06/2024
Intangible assets	101,219	22,333	43,710	72,783	47	240,091
Right of use	19,636	3,182	4,029	6,759	440	34,045
Property, plant and equipment	14,834	2,120	2,604	9,243	765	29,567
Holdings and other non-current assets	6,001	592	576	1,088	299	8,556
Non-current assets	141,690	28,227	50,920	89,873	1,551	312,260
Inventory and contract assets	28,883	7,066	5,828	4,101	–	45,878
Trade receivables	18,826	4,429	8,601	7,410	0	39,266
Business advances and contract liabilities	(22,379)	(1,091)	(7,895)	(2,046)	–	(33,411)
Trade payables	(22,423)	(4,232)	(7,552)	(12,056)	(313)	(46,575)
Operating net working capital	2,907	6,172	(1,018)	(2,591)	(313)	5,158
Other current liabilities	(6,783)	(1,973)	(4,805)	(2,507)	(592)	(16,660)
Other current assets	4,326	733	1,047	2,018	1,291	9,415
Net working capital	450	4,932	(4,775)	(3,080)	387	(2,087)
Provisions for risk and severance pay	(5,144)	(1,615)	(3,264)	(1,714)	(120)	(11,857)
Other non-current liabilities	(8,868)	(526)	(3,795)	(12,716)	(889)	(26,795)
Net invested capital	128,127	31,017	39,086	72,363	928	271,521
Net financial position						(116,695)
Shareholders' equity						(154,827)
Financing sources						(271,521)

Non-current assets were in line with the previous year, decreasing from EUR 313,719 thousand to EUR 312,260 thousand; the net change was due mainly to amortisation for the period.

On the other hand, there was a small increase in net working capital, from EUR 4,531 thousand as at 31 December 2023 to EUR 5,158 thousand, mainly due to the increase of inventories (+10%) and the decrease of trade payables (-9%), which was partly mitigated by the increase in advances from clients and on contractorders (+35%).

The decrease in non-current assets in the "Luxury Contract" operating segment is mainly due to the amortisation of customer relationships, while the net working capital at 30 June 2024 increased due to a combined effect of financial dynamics in the collection of receivables, advances and the payment of debts on orders in progress.

Operating working capital in the "Kitchen & Systems" segment was negatively impacted by the financial dynamics of collecting receivables and paying debts.

TREASURY SHARES AND SHARES OF PARENT COMPANIES

As at 18 December 2023, the programme aimed at increasing the portfolio of treasury shares of the parent company Italian Dexelance S.p.A. became operative in order to (i) equip itself with a portfolio of treasury shares to be used to service transactions consistent with the Group's strategic development lines in view of or within the scope of agreements with strategic partners, including, but

not limited to, transactions involving sales and/or exchanges, swaps, contributions, assignments or other acts that include other extraordinary finance transactions (ii) use treasury shares for transactions to support market liquidity, so as to facilitate trading in the securities themselves at times of low market liquidity and to encourage regular trading, in accordance with the provisions of the law on market abuse and accepted market practices. The aforementioned share buy-back programme was resolved by the Shareholders' Meeting of 17 November 2023. It should be noted that as at 30 June 2024, 97,225 treasury shares, equal to 0.36% of the share capital, had been purchased for a total amount of EUR 932 thousand.

On 22 April 2024, the Shareholders' Meeting resolved a new share buyback programme which, in addition to the above objectives, also provided for the allocation of treasury shares to the implementation of incentive plans based on Company shares for directors and employees in key function roles within the Company. Please refer to the specific section on this maber included below for more detailed information on the share incentive plan.

DEXELANCE S.P.A. ON THE STOCK EXCHANGE

The shares of the parent company Dexelance S.p.A. were listed on the Euronext STAR Milan segment of Borsa Italiana S.p.A. on 18 May 2023 at an IPO price of EUR 10.88. Dexelance stock also forms part of the FTSE Italia Small Cap index.

The chart below shows the price trend of the Dexelance stock and the related trading volumes of the first half of 2024, from 1 January to 30 June 2024.

As at 30 June 2024, market capitalisation was EUR 278.8 million.

Source: borsaitaliana.it

BUSINESS OUTLOOK

The Group continuously monitors both trends of the relevant markets and developments of situations of international geopolitical crises that could be subject to turbulence, 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 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 reduction in interest rates are expected in the last quarter 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.

CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2024

Consolidated statement and financial position

(amounts in thousands of euros)	Notes	30/06/2024	31/12/2023
NON-CURRENT ASSETS			
Intangible assets	1	240,091	243,635
Goodwill		134,913	134,919
Brands		57,461	57,461
Models		6,742	7,393
Customer relations and order backlog		39,195	42,236
Other intangible assets		1,780	1,626
Right of use	2	34,045	32,910
Property, plant and equipment	3	29,567	28,631
Deferred tax assets	16	3,976	3,648
Equity investments		6	6
Other non-current assets	4	4,574	4,888
Total non-current assets		312,260	313,719
CURRENT ASSETS			
Inventories	5	39,816	36,867
Contract assets	6	6,062	4,779
Trade receivables	7	39,266	38,961
Income tax credits		1,329	4,135
Other current assets	8	8,086	6,924
Other current financial assets	9	31,474	28,621
Cash and cash equivalents	10	31,842	41,457
Total current assets		157,875	161,743
TOTAL ASSETS		470,134	475,462

(amounts in thousands of euros)	Notes	30/06/2024	31/12/2023
SHAREHOLDERS' EQUITY			
Share capital		26,926	26,926
Other reserves and retained earnings, including profit (loss) for the period		127,900	127,452
Total Group shareholders' equity		154,827	154,378
Shareholders' equity – minority interests		–	–
Total shareholders' equity	11	154,827	154,378
NON-CURRENT LIABILITIES			
Post-employment benefits	12	7,033	7,027
Provisions for risks and charges	13	4,824	4,917
Medium-/long-term bank loans	14	53,109	63,852
Other non-current financial liabilities	15, 17	66,344	65,377
Other medium-/long-term loans	15	778	114
Non-current financial payables to lessors	15	28,686	28,030
Other non-current liabilities		2,079	839
Deferred taxes	16	24,716	25,712
Total non-current liabilities		187,568	195,867
CURRENT LIABILITIES			
Short-term bank loans	14	22,177	20,422
Other current financial liabilities	15, 17	2,541	7,560
Other short-term loans	15	–	–
Current financial payables to lessors	15	6,376	5,671
Trade payables	18	46,575	51,271
Income tax payables		639	1,262
Other current liabilities	19	49,432	39,031
Payables to staff and social security organisations		11,153	10,136
Contract liabilities		18,579	14,432
Other payables		19,700	14,463
Total current liabilities		127,740	125,217
TOTAL LIABILITIES		315,308	321,084
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		470,134	475,462

Consolidated income statement

(amounts in thousands of euros)	Notes	1H 2024	1H 2023
Revenues	20	151,028	135,394
Other income	21	2,630	2,290
Total revenues and income		153,659	137,684
Purchases of raw materials	22	(60,791)	(55,674)
Change in inventories		1,323	4,321
Staff costs	23	(27,485)	(21,151)
Costs for services and use of third-party assets	24	(46,741)	(42,591)
Other operating costs	25	(1,248)	(761)
Provisions and write-downs	26	(238)	(195)
Amortisation, depreciation and write-downs of fixed assets	27	(10,475)	(7,622)
Operating profit/(loss) (EBIT)		8,004	14,010
Financial income	28	1,594	1,294
Financial expenses	28	(6,637)	(5,933)
Profit/(loss) before taxes resulting from continuing operations		2,961	9,371
Income tax	29	(1,933)	(3,547)
Net profit/(loss)		1,028	5,824
Acributable to:			
Profit/(loss) pertaining to the Group		1,028	5,777
Profit/(loss) pertaining to third parties		0	47
Basic earnings per share		0.04	0.26
Diluted earnings per share		0.04	0.26

Consolidated statement of comprehensive income

(amounts in thousands of euros)	1H 2024	1H 2023
Net profit/(loss) for the year	1,028	5,824
Profit/(loss) from cash flow hedge	280	(95)
Tax effects	(67)	23
Total profit/(loss) from cash flow hedges, net of tax	213	(72)
Foreign currency translation differences	(2)	(16)
Other movements	32	(41)
Total comprehensive income items that will subsequently be reclassified to profit/(loss) for the year	243	(129)
Comprehensive income items that will not subsequently be reclassified to profit/(loss) for the year	–	(89)
Comprehensive income statement net of taxes	243	(218)
Total comprehensive net profit/(loss) for the period	1,271	5,606
Acributable to:		
Shareholders of the parent company	1,271	5,559
Minority shareholders	–	47

Consolidated Statement of changes in shareholder's equity

(amounts in thousands of euros)	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 interestsi	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	–	–	–	–	-
Reserved initial public offering	6,710	63,407						70,117	–	–	–	70,117
Other income statement items			(72)	(90)	(41)			(203)	–	–	–	(203)
Dividends						(700)		(700)	–	–	–	(700)
Business combination								–	26	–	26	26
Profit for the period							5,777	5,777	–	47	47	5,824
Balance at 30 June 2023	26,926	66,971	101	335	(399)	34,060	5,777	133,771	26	47	73	133,845

(amounts in thousands of euros)	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 interestsi	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			213		33			246			–	246
Purchase of treasury shares					(885)			(885)			–	(885)
Share Incentive Plan					60			60			–	60
Profit for the period							1,028	1,028			–	1,028
Balance at 30 June 2024	26,926	66,971	(307)	183	(1,501)	61,528	1,028	154,827	–	–	–	154,827

Consolidated statement of cash flows

(amounts in thousands of euros)	1H 2024	1H 2023
A. Cash flows from operating activities (indirect method)		
Profit/(loss) for the period	1,028	5,824
Income tax	1,933	3,547
Interest expense/(interest income)	5,047	4,465
Other non-monetary income and expenses	20	174
Capital (gains)/losses on disposals	(128)	–
1. Profit/(loss) before income taxes, interest, dividends and capital gains/losses from transfer	7,900	14,010
Severance Indemnity Provision	475	338
Provisions	461	191
Depreciation and amortisation of fixed assets	10,475	7,626
Impairment losses	28	–
Other adjustments for non-monetary items	110	(200)
2. Cash flow before changes in net working capital	19,448	21,966
Decrease/(Increase) in inventories	(2,948)	(3,564)
Decrease/(Increase) in contract assets	(1,283)	345
Decrease/(Increase) in trade receivables	(172)	(5,034)
Increase/(Decrease) in trade payables	(4,696)	(6,394)
Increase/(Decrease) in contract liabilities	4,147	(3,085)
Decrease/(Increase) in other changes in net working capital	6,275	3,382
Interest received/paid on loans	(1,972)	(1,237)
(Income taxes paid)	(1,146)	(5,853)
Disbursement of severance payments and other provisions	(599)	(379)
3. Cash flow after other adjustments	(2,394)	(21,819)
Cash flow of operating activities (A = 2 + 3)	17,054	147
B. Cash flows from investment activities		
Investments in tangible fixed assets, net of divestments	(3,872)	(2,394)
Investments in intangible assets, net of divestments	(369)	(168)
Investments in financial fixed assets, net of divestments	276	–
Investments in other financial assets	(2,853)	(25,053)
Acquisition or sale of subsidiaries or business units, net of cash	–	(23,969)
Exercise of options and earn-out	(7,022)	(37,362)
Cash flow of investment activities (B)	(13,839)	(88,947)
C. Cash flows from financing activities		
Third-party financing		
Increase (decrease) in short-term payables to banks	(111)	(75)
Loans taken out	2,125	40,506
Loan repayment	(9,863)	(7,490)
Payments for lease liabilities	(4,095)	(2,385)
Adjustment, other financial payables	–	(2,355)
Equity		
Increase in net capital	–	70,117
Purchase of treasury shares	(885)	–
(Dividends and advances on dividends paid)	–	(700)
Cash flow of financing activities (C)	(12,830)	97,619
Increase (decrease) in cash (A ± B ± C)	(9,614)	8,818
Cash at 1 January	41,457	42,978
Cash and cash equivalents at 30 June	31,842	51,796
Change in cash	(9,614)	8,818

FORM AND CONTENT OF THE ABBREVIATED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

The half-year financial report of the Group as at 30 June 2024 is drawn up in accordance with the Article 154-ter of Legislative Decree No. 58/98 (Consolidated Finance Act) and subsequent amendments and additions.

The Group draws up its abbreviated consolidated half-year financial statements in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and transposed into European Union and Italian law.

The consolidated financial statements for the period were drawn up in the condensed manner permibed by IAS 34 for interim financial statements. Therefore, the document does not set out all the information required for the drawing up of annual financial statements and, for this reason, it should be read together with the consolidated financial statements as at 31 December 2023.

It should be noted that the principles adopted for the abbreviated consolidated half-year financial statements are in line with those employed to draw up the consolidated financial statements as at 31 December 2023. In addition, the Group has not adopted in advance any new standards, interpretations or amendments issued but not yet in force.

The consolidated half-year financial statements comprise the Statement of Financial Position, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Shareholders' Equity, the Cash Flow Statement and these explanatory notes. For the purposes of drawing up consolidated financial statements for the period in accordance with international accounting standards, the Group has adopted:

1. a format for the consolidated statement of financial position that separates current and non-current assets and liabilities, it being understood that current refers to assets and liabilities that are achievable in the normal operating cycle (IAS 1, para. 57), generally identified within the 12-month period following the reporting date;
2. a format by nature for the statement of comprehensive income;
3. the indirect method for cash flows in the cash flow statement.

The consolidated financial statements for the period were drawn up on a going concern basis, as the directors verified that there were no indicators of a financial, management or other kind that could indicate concerns regarding the group's ability to meet its obligations in the foreseeable future and in particular within the next 12 months from the date of the end of the reporting period.

The financial statements were drawn up on the basis of the historical cost principle, except for certain derivative financial instruments and potential considerations to be recognised at the acquisition date of a business combination, which were measured at their fair value. These financial statements have been approved by resolution of the Board of Directors on 9 September 2024.

The abbreviated consolidated half-year financial statements are subject to a limited audit by EY S.p.A., which is in charge of the statutory audit of the Parent Company and the main subsidiaries.

TRANSLATION OF FINANCIAL STATEMENTS EXPRESSED IN A CURRENCY OTHER THAN THE FUNCTIONAL CURRENCY

The consolidated interim financial statements were drawn up on the basis of the financial statements prepared by the individual subsidiaries, adjusted, where necessary, to align them with the accounting standards employed by the Parent Company in drawing up its consolidated financial statements, which are in compliance with the IFRSs adopted by the European Union.

In addition, please note that the criteria adopted for the consolidation of subsidiaries is consistent with the criteria used for the preparation of the financial statements for the period ended 31 December 2023.

The consolidated half-year financial statements are presented in euros, which is the functional and reporting currency adopted by the Parent Company. Each Group company defines its own functional currency, which is used to measure items included in its separate financial statements.

The following are the exchange rates applied when converting financial statements into a currency other than the euro for the periods ending on 30 June 2023, 31 December 2023 and 30 June 2024:

Currency	30/06/2023		31/12/2023		30/06/2024	
	Average exchange rate	Accurate exchange rate	Average exchange rate	Accurate exchange rate	Average exchange rate	Accurate exchange rate
CAD	1.45655	1.44150	1.45950	1.46420	1.46848	1.46700
CNY	7.48943	7.89830	7.66000	7.85090	7.80111	7.77480
GBP	0.87638	0.85828	0.86979	0.86905	0.85465	0.84638
USD	1.08066	1.08660	1.08130	1.10500	1.08125	1.07050

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLICABLE TO HALF-YEAR FINANCIAL STATEMENTS AS AT 30 JUNE 2024

The accounting standards adopted to draw up the abbreviated half-year consolidated financial statements are in line with those used to draw up the consolidated financial statements for the period ended on 31 December 2023, except for the adoption of the new standards and amendments in force since 1 January 2024. The Group has not adopted in advance any new standards, interpretations or amendments issued but not yet in force.

Some changes were applied for the first time in 2024, but these had no impact on the Group's consolidated half-year financial statements.

Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Supplementary Information to clarify the characteristics of reverse factoring arrangements and require additional disclosures of such arrangements. The disclosure requirements included in the amendments are intended to assist users of financial statements in understanding the effects of reverse factoring arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The transition requirements clarify that an entity does not have to provide disclosures in interim financial statements for the first year of the amendments'

application. However, the changes would not have had an impact on the Group's abbreviated consolidated half-year financial statements, as the Group does not use such contracts.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued an amendment to IFRS 16 to specify the requirements that a seller-lessee applies in measuring the lease liability arising from a sale and leaseback transaction to ensure that the seller-lessee does not recognise gain or loss with respect to the right of use it retains.

Such changes had no impact on the Group's abbreviated half-year consolidated financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

Between January 2020 and October 2022, the IASB published amendments to Sections 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The changes clarify:

- what is meant by a right of the maturity's subordination;
- that the right of subordination must exist at the close of the financial year;
- classification is not impacted by the likelihood that the entity will exercise its subordination right;
- only if a derivative embedded in a convertible liability is itself an equity instrument does the liability's maturity not impact its classification.

In addition, a requirement has been introduced to disclose when a liability arising from a loan agreement is classified as non-current and the entity's subordination right is subject to compliance with covenants within twelve months.

Such changes had no impact on the Group's abbreviated half-year consolidated financial statements.

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET APPROVED BY THE EUROPEAN UNION

At the reference date of this document, the relevant bodies of the European Union have not yet completed the approval process required for the adoption of the amendments and standards described below.

- IFRS 14 Regulatory deferral accounts.
- IFRS 18 Presentation and disclosure in financial statements.
- IFRS 19 Subsidiaries without public accountability.
- Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28).
- Lack of Exchangeability (Amendments to IAS 21).
- Amendments to the classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS 7).

The adoption of the above amendments is not expected to have a significant impact on the Group's consolidated financial statements.

MEASUREMENT CRITERIA ADOPTED

With regard to the accounting standards and valuation criteria adopted to draw up the financial statements for the period ending on 30 June 2024, it is specified that they are in line with the principles and standards employed to draw up the financial statements for the year ended on 31 December 2023.

Using estimates

Developments in the global economy, the environment of political, economic and financial instability and the volatility of financial markets could influence the performance of the Group, with possible adverse effects on its economic, capital and financial position. In the overall macroeconomic framework, the uncertainties regarding (i) the impacts of sanctions imposed worldwide relating to the conflict between the Federal Republic of Russia and Ukraine at the reference date of the half-year financial statements, (ii) the Middle East conflicts and (iii) the risks related to climate change are important.

Reflections arising from the global geopolitical situation

The Group is exposed to the risks associated with the current and future global, European and Italian economic and political situation, which is also aggravated by recent political and military tensions in Ukraine and in Israel, where the development and political and economic impact are still uncertain and hard to assess. Therefore, it cannot be excluded that the occurrence and/or continuation of any economic downturn and/or political instability and any future negative impact, including any significant impact, on the global, European and/or national economy may lead to a weakening of demand for the Group's products, with potential adverse effects on the Group's business and prospects, as well as on its economic, capital and financial position.

The world's geopolitical situation is experiencing extreme tension and complexity, particularly as a result of the conflict between Russia and Ukraine, as well as the more recent conflict between Israel and Palestine. These dramatic events have further stimulated inflationary phenomena and the already existing speculative dynamics, with particular reference to energy and raw material prices. The Group has very limited involvement in the areas affected by the conflict and its business model is not particularly exposed to inflationary commodity phenomena or higher energy costs; however, it cannot be excluded that the continuation of this situation may lead to margin pressures or impacts on the propensity to consume durable goods.

Reflections arising from climate change

In preparing the consolidated half-year financial statements, taking into account the priorities shared by ESMA, the management is assessing the effect of potential climate risks on the Group, also in light of EU Directive 2022/2464, the Corporate Sustainability Reporting Directive (CSRD), which serves to promote transparency and the disclosure of information by companies regarding social, environmental, and ESG governance- related impacts by strengthening their reporting obligations, which was implemented with the EU delegating law. Specifically, by defining the potential impacts of physical risks and transition risks (relating to technological innovations, regulatory changes, and changing market expectations), management is assessing a sufficiently complete picture of the situation at the Group level, even if only light impacts are expected. Furthermore, in the first half of 2024, Dexelance began to define a sustainability plan for the Group along with its relevant objectives, work which will likely conclude during the financial year.

Unless there are regulatory changes, which are not foreseeable or conceivable to date and in view of the numerous measures taken by the Group companies to mitigate them (including the appropriate transfer of risk to insurance companies), ongoing climate change is not expected to have any significant impact due to the type of business and production factors used today.

Fully aware of the strategic importance of responsible and sustainable operations, the Group decided some time ago to take a proactive stance on sustainability, by communicating information to its stakeholders on environmental, social and governance factors. The Group recognises the fundamental role played by strong and long-lasting cooperation with all stakeholders and its commitment to an increasingly sustainable business.

In early 2024, the Company concluded activities to quantify the Group's carbon footprint with reference to 2023. The inventory, quantified and certified according to the ISO 14064-1 standard, was fully offset through the purchase of voluntary carbon credits. This is a first important step towards the adoption of a plan to reduce the environmental impact of the Group's activities, thanks to which Dexelance already operates in a *carbon neutrality system*.

These interim financial statements, drawn up in accordance with the IFRSs, contain estimates and assumptions made by the Group relating to assets and liabilities, expenses, income, other total gains/losses and contingent liabilities as at the date of these interim financial statements. These estimates are based on assumptions considered reasonable and realistic, based on the information available at the time of the estimate. They are reviewed periodically and their effects are reflected in the income statement for the time when they occur.

The most significant estimates used to draw up the financial statements for the period ending on 30 June 2024 are as follows.

Tangible and intangible fixed assets

The Group performs the impairment test annually on 31 December and when circumstances indicate that a recoverable amount may be impaired. Taking into account the latest available information and the currently configurable scenarios, the Group did not identify the emergence of elements that could lead to value adjustments to the tangible and intangible assets in the financial statements.

It should be noted that when drawing up the financial statements as at 31 December 2023, appropriate impairment tests were carried out on the recoverable amount of intangible assets with an indefinite useful life represented by the Group's items "Goodwill" and "Brands". The test was conducted with reference to the following cash-generating units (CGUs): Gervasoni S.p.A., Meridiani S.r.l., Cenacchi International S.r.l., Davide Groppi S.r.l., Saba Italia S.r.l., Modar S.p.A., Flexalighting S.r.l. and Flexalighting North America, Gamma Arredamenti International S.p.A., Cubo Design S.r.l., Axo Light S.r.l., Turri S.r.l. and, finally, of Dexelance S.p.A. itself, taking into account the capital invested in the subsidiaries and the results of this company, in its role of strategic management, coordination and control of the Group. The results of these tests showed the full recoverability of the capital invested in intangible assets with an indefinite useful life, without any negative results, including with marked sensitivity analyses.

In this regard, the directors verified that the variables used in these analyses remained consistent with the current reference market and that the business trends recorded in the first half of 2024 are in line with the assumptions made for the assessment of recoverability when drawing up the annual consolidated financial statements of the previous period.

Therefore, no indicators of possible impairment losses were identified and the Board of Directors did not carry out further procedures to monitor the recoverable amount of intangible assets.

Provision for doubtful accounts

Receivables are shown net of an estimated write-down fund to take into account any losses that may affect the recoverability of the same receivables. Management periodically reviews the assumptions underlying the estimates used to make sure that these appropriations are prudent, taking into account both the status of recorded receivables and the macroeconomic situation. For further information, see Note 7.

Inventories

Inventories are shown net of write-down funds for finished materials and products, which are considered obsolete or slow to rotate, taking into account their expected future use and their realisable value. For further information, see Note 5.

Provisions for risks and con1ngent liabilities

The Group makes certain provisions for litigation or risks of various kinds, involving different issues and subject to the jurisdictions of different countries. These provisions were assessed on the basis of up-to-date information that took into account potential effects stemming from the current context. For further information, see Note 13.

Put and call and earn-out options

Financial liabilities include the best estimate of the present value of earn-outs and put and call options entered into with the minority shareholders of the acquired companies. These financial liabilities are remeasured at every period-end or when a liquidation event occurs. Their effects are then reflected under financial income or expenses in the income statement, together with the estimated cost of discounting the financial liabilities. For further information, see Note 17.

Long Term Incentive Plan

In order to align the interests of management with those of shareholders, the Company has established a medium- and long-term incentive plan linking remuneration to results.

To this end, on 9 May 2023, the Board of Directors approved – subject to the start of trading of the Company's shares on the regulated market of Borsa Italiana – an incentive plan addressed to the Company's Chief Executive Officer and Managing Director. The value and recognition of this incentive plan is linked to the increase in value of the Company's share price, recorded for a period of at least 30 consecutive days on the trading market compared to the IPO price, during the first three years of office and/or during the second three years of office in the case of renewal of office and failure to meet the objectives during the first three years of office. This is calculated and paid in cash by the Company during the month, following a positive verification by the Board of Directors that the long-term incentive has accrued.

The plan provides for the recognition of EUR 5,250 thousand in the case of an increase in value of the share equal to or greater than 30% and up to 49%; and the recognition of an additional amount of EUR 3,500 thousand in the case of an increase in value of the share equal to or greater than 50% (for a total amount of EUR 8,750 thousand).

This incentive plan falls within the scope of IAS 19. The liability is remeasured at each period-end or when the event requiring payment occurs. Its effects are recorded in the income statement under costs for services, showing among interest payable the financial component related to the cost of discounting, in addition to the related anticipated taxation.

To determine the amount to be set aside for the incentive plan resolved by the Board of Directors, the Group used certain assumptions and estimates in accordance with IAS 19, providing for certain possible time scenarios and also weighing the probabilities that they will occur. In doing so, the Group has used the information provided by the analyst reports available at the date of this half-year financial report. As required by IAS 19, the probability that the event reported will occur affects the measurement of the obligation, but does not determine its existence.

As of 30 June 2024, the Group has set aside an amount totalling EUR 84 thousand in costs for services, in addition to the related expected taxation of EUR 20 thousand. The related debt totalled EUR 629 thousand as of 30 June 2024.

Performance Shares

On 22 April 2024, the Shareholders' Meeting resolved in favour of an incentive plan titled the "2024-2029 Performance Shares Plan" and based on financial instruments that provides for the free assignment to the key management personnel identified in the plan of a number of shares subject to the achievement of performance targets and fulfilment of conditions linked to the performance of the Company's stock on the market. It should be noted that on 11 March 2024, the Board of Directors of Dexelance S.p.A. approved, at the proposal of the Hiring, Human Resources and Remuneration Commibee, the proposal to submit the adoption to the Shareholders' Meeting of the Company, pursuant to Article 114-bis TUF, of the Consolidated Finance Act, of the Plan on the terms and conditions described in the relevant document published pursuant to law.

The Plan provides for the possibility of awarding a total of 500,000 shares to the Chairman of the Board of Directors and Chief Executive Officer, the Executive Director and key employees of the Company identified in the plan, upon the achievement of certain targets over the more extended period of 5 years (the "Vesting Period"). Moreover, the Plan's activation is subject, only for the Chairman of the Board of Directors and Chief Executive Officer and for the Executive Director, to the achievement of the Trigger Event, which is tied to the achievement of a certain average share price at the end of the Vesting Period. It should also be noted that, as defined by the Ordinary Shareholders' Meeting of 22 April 2024, the Executive Directors have the right to access the equity incentive plan in supplement to the existing medium-long term monetary incentive plan

("Monetary LTIP") approved by the Shareholders' Meeting on 9 May 2023, provided that, with respect to this Monetary LTIP, they agree to the following: (a) for the CEO and Chairman of the Board, the commitment to reinvest 50% of the net value of any incentive received under the Monetary LTIP to acquire shares in the Company, not to dispose of 70% of the shares acquired during the 36 months following their purchase, and not to dispose of 35% of the shares acquired during the 48 months following the purchase, with the clarification that the purchase of shares by the Chairman of the Board of Directors and Chief Executive Officer may occur either from the Company or on the market within six months from the date of receipt of the net incentive potentially earned under the Monetary LTIP; (b) for the other Executive Director, as he already holds shares in the Company, lock-up commitments equivalent to those referred to in point (a) above for a number of shares already held corresponding to 50% of the value of the net incentive received under the Monetary LTIP.

The measurement unit with which the right to the allocation of shares (the "*Units*") attributable to each beneficiary is measured was determined by the Board of Directors, taking each person's specific role and responsibilities into account. The percentage of conversion of *Units* into shares was instead determined by assessing the contribution that each of the performance objectives makes to the pursuit of the objectives and the medium- to long-term interests of the Company's shareholders and *stakeholders*.

In particular, the allocation of the *Units* is made by the Board of Directors, which will verify at the end of the Vesting Period whether the performance objectives have been achieved and whether the *Trigger Event* has occurred.

The plan aims, on the one hand, to encourage beneficiaries to pursue the Group's objectives and, on the other hand, to foster loyalty among the beneficiaries for the purpose of their *retention*.

The Group recognised share-settled transactions on the basis of IFRS 2, which requires the cost of transactions to be determined on the basis of the fair value at the allocation date. This cost is recognised under service costs and personnel costs, respectively, together with a corresponding increase in an equity reserve, over the period in which the service and, where applicable, performance conditions are met (the vesting period). At each reporting date, the Company revises its assumptions on the number of shares expected to vest and recognises the effect of the value of the shares vested during the period by recording any change in estimate in the income statement and adjusting the corresponding equity reserve. The cumulative expense recognised for equity-sebled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has passed as well as the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit in the income statement of a financial year represents the change in the cumulative charge recognised at the beginning and end of the financial year.

The share allocation lebers were delivered to the beneficiaries on 22 April 2024, and from that date on, the incentive plan has produced the accounting effects for the beneficiaries who agreed to participate in this plan.

The Group determined the value of the equity reserve at 30 June 2024 on the basis of the provisions of the Performance Shares Regulation and IFRS 2 in the amount of EUR 59 thousand, of which EUR 51 thousand was recognised under service costs and EUR 8 thousand under personnel costs.

STRATEGIC BUSINESS AREA INFORMATION

The companies through which the Group operates are aggregated for the purpose of strategic business area (SBA) reporting in the four reference businesses: "Furniture", "Lighting", "Luxury Contract" and "Kitchens & Systems". The Group assesses the performance of its strategic business areas and the disbursement of financial resources on the basis of revenues and EBITDA. For these, along with other alternative performance indicators, reference should be made to the detailed comments in the Directors' Report in the paragraph "Strategic business areas".

STRATEGIC BUSINESS AREAS

FURNITURE

Gervasoni 1882
Very Wood
Meridiani
Saba
Gamma
Dandy
Turri

LIGHTING

Davide Groppi
Flexalighting
Axolight

LUXURY CONTRACT

Cenacchi International
Modar

KITCHEN & SYSTEM

Binova
Miton Cucine

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The notes to the consolidated financial statements, in accordance with IAS 34, are condensed and do not include all the information required in the annual financial statements, as they relate only to those components which, by amount, composition or change, are essential for an understanding of the Group's economic, financial and capital position. Therefore, this half-year financial report should be read together with the consolidated financial statements for the year ended 31 December 2023.

ANALYSIS AND COMPOSITION ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

COMMENTS ON ASSET ITEMS

1. Intangible assets

The composition of and changes to intangible assets from 31 December 2023 to 30 June 2024 are as follows:

Amounts are shown in €/1,000	Goodwill	Brands	Models	Customer relations and order backlog	Other intangible assets	Total
initial gross value	134,919	57,461	16,839	63,241	8,409	280,868
initial depreciation fund			(9,446)	(21,004)	(6,783)	(37,233)
initial net value 01/01/2024	134,919	57,461	7,393	42,236	1,626	243,635
transactions in the period						
acquisitions			6		434	440
business combinations						–
divestments						–
other changes	(6)	–			(59)	(65)
depreciation of the period			(657)	(3,041)	(214)	(3,912)
business combinations (fund)						–
divestment fund disposals						–
other fund changes					(6)	(6)
total transactions of the period	(6)	–	(651)	(3,041)	154	(3,544)
final gross value	134,913	57,461	16,844	63,241	8,784	281,243
final depreciation fund			(10,103)	(24,046)	(7,004)	(41,152)
final net value 30/06/2024	134,913	57,461	6,742	39,195	1,780	240,091

Intangible assets as at 30 June 2024 amounted to EUR 240,091 thousand, compared to EUR 243,635 thousand in the previous year, with a decrease of EUR 3,544 thousand almost exclusively derived from the amortisation for the period.

Brands and Goodwill are considered assets with an indefinite useful life and thus are not amortised. Therefore, they are subject to impairment testing.

The impairment tests conducted as at 31 December 2023 showed significant positive margins (referred to as headroom) for all Cash-Generating Units (CGUs) on which the Group's goodwill is allocated. The broad positive margins were also confirmed following sensitivity analyses carried out on the main assumptions underlying the tests. In view of this and of the performance of the GCUs, there was no impairment indicator on 30 June 2024 requiring the updating of these tests.

The ornamental models, customer relations and order book were considered to have a definite useful life, with an amortisation period of 5 to 14 years.

2. Right of use

The composition of and changes to rights of use from 31 December 2023 to 30 June 2024 are as follows:

Amounts are shown in €/1,000	Rights of use for land and buildings	Rights of use for equipment and machinery	Rights of use for other assets	Total
initial gross value	44,988	1,208	434	46,630
initial depreciation fund	(13,160)	(442)	(118)	(13,720)
initial net value 01/01/2024	31,829	766	316	32,910
transactions in the period				
acquisitions				
business combinations				
entry of rights of use	2,571		1,540	4,110
divestments	(702)			(702)
other changes	770		18	788
depreciation of the period	(3,124)	(172)	(255)	(3,551)
business combinations (fund)				
divestment fund disposals	702			702
other fund changes	(43)	(0)	(170)	(212)
total transactions of the period	174	(172)	1,133	1,135
final gross value	47,627	1,208	1,992	50,827
final depreciation fund	(15,625)	(614)	(544)	(16,782)
final net value 30/06/2024	32,003	594	1,449	34,045

These contracts essentially concern office real estate, industrial sheds and commercial showrooms.

The change during the period in rights of use recognised in the financial statements mainly refers to the rental of the new Davide Groppi S.r.l. showroom in Milan and to the new offices of the US subsidiary Dexelance USA Corp.

Leased assets are recorded on the basis of the value of the right of use in application of IFRS 16. Depreciation was determined on the basis of an estimate of the duration of each contract, taking into account the renewal clauses that the Group could exercise without the need to obtain consent from the counterparty.

At the reference date, there are no contracts with guarantees for the residual value or undertakings for contracts that have yet to commence.

3. Property, plant and equipment

The following table summarises the changes in tangible assets from 31 December 2023 to 30 June 2024:

Amounts are shown in €/1,000	Land and buildings	Plants and machinery	Equipment	Other	Total
initial gross value	12,742	37,001	5,198	19,181	74,123
initial depreciation fund	(3,065)	(25,867)	(4,063)	(12,496)	(45,491)
initial net value 01/01/2024	9,677	11,134	1,135	6,685	28,631
transactions in the period					
acquisitions	151	1,089	133	2,565	3,938
business combinations					–
divestments, historical cost		(147)	(18)	(144)	(309)
other changes	54	125	2	(59)	122
depreciation of the period	(190)	(1,849)	(182)	(791)	(3,012)
business combinations (fund)					–
divestment fund disposals		103	18	90	211
other fund changes	(5)	(111)	(2)	104	(14)
total transactions of the period	11	(789)	(49)	1,764	936
final gross value	12,947	38,068	5,315	21,543	77,873
final depreciation fund	(3,259)	(27,724)	(4,229)	(13,094)	(48,306)
final net value 30/06/2024	9,688	10,345	1,086	8,449	29,567

The most significant changes refer to the items "Plant and machinery" and "Other", in particular improvements on third-party assets made during the six-month period.

4. Other non-current assets

This item, which amounted to EUR 4,574 thousand, includes the receivables from insurance companies for payments of the provision for severance indemnities of directors amounting to EUR 1,920 thousand, balanced by the same amount in the funds as the directors themselves are entitled to, the security deposits of EUR 1,444 thousand, financial assets measured at fair value relating to derivative contracts amounting to EUR 276 thousand and other receivables of various kinds amounting to EUR 933 thousand.

5. Inventories

Inventories as at 30 June 2024 was as follows:

Amounts are shown in €/1,000	31/12/2023	Business combinations	Change	30/06/2024
Raw materials	15,037		693	15,730
Semi-finished products	5,993		(54)	5,939
Finished products	13,276		619	13,895
Advance payments	2,561		1,690	4,251
Total	36,867	–	2,948	39,816

As can be seen from the table above, the overall increase mainly concerns advances.

The amount of inventories is adjusted by an inventory writedown provision of EUR 5,119 thousand for finished products and raw materials with low turnover or obsolescence. The obsolescence fund is adjusted on the basis of inventory rotation, taking into account any obsolete, damaged and slow-moving goods.

The changes in the inventory write-down provision are as follows:

Amounts are shown in €/1,000	31/12/2023	Business combinations	Increase	Uses	30/06/2024
Raw materials	1,784		175	(37)	1,922
Semi-finished products	1,527		41	(49)	1,520
Finished products	1,862		43	(226)	1,678
Provision for inventory devaluation	5,173	–	259	(312)	5,119

Changes in the provision are closely linked to the evolution of stock turnover ratios.

6. Contract assets

Below is a breakdown of the value of the gross contract work in progress and of advances already paid towards this work:

Amounts are shown in €/1,000	31/12/2023	Business combinations	Change	30/06/2024
Contract work in progress	8,070		1,067	9,137
Advances for work in progress	(3,291)		216	(3,075)
Contract assets	4,779	–	1,283	6,062

As can be seen from the table above, the overall increase relates mainly to the performance of business-related orders and the delivery timing of those orders.

7. Trade receivables

The composition of and changes to trade receivables are as follows:

Amounts are shown in €/1,000	31/12/2023	Business combinations	Change	30/06/2024
Trade receivables from third parties	38,961		305	39,266
Totali	38,961	–	305	39,266

Trade receivables totalling EUR 39,266 thousand refer to receivables arising from the company's characteristic activities and are recorded net of a total writedown of EUR 1,248 thousand.

Changes in the provision for doubtful accounts are as follows:

Amounts are shown in €/1,000	31/12/2023	Business combinations	Increase	Uses	30/06/2024
Provision for doubtful accounts	1,396		124	(272)	1,248

8. Other current assets

This item amounted to EUR 8,086 thousand and consists mainly of VAT receivables amounting to EUR3,268 thousand to the Treasury, miscellaneous receivables amounting to EUR 2,258 thousand from payments made during the six-month period but for subsequent payments, and advances to service providers amounting to 1,334 thousand, confirmatory deposits amounting to EUR 531 thousand, in addition to other activities of various kinds amounting to EUR 696 thousand.

9. Other current financial assets

Other current financial assets amount to EUR 31,474 thousand and relate mainly to the Parent Company. In order to temporarily invest the surplus liquidity, Dexelance subscribed to time deposits with maturities of one to three months. Deposits may be closed early, with minimum notice, but with a penalty on returns granted to the Company.

10. Cash and cash equivalents

Cash and cash equivalents amounted to EUR 31,842 thousand and consist of bank deposits and cash not subject to any constraints. The financial performance of the Group's liquidity is displayed analytically in the cash flow statement, to which reference should be made.

COMMENTS ON LIABILITY ITEMS

11. Shareholders' equity

The share capital is fully paid up and subscribed and is equal to EUR 26,926 thousand as at 30 June 2024, divided into 26,926,298 ordinary shares with no par value, unchanged compared with 31 December 2023.

The changes that affected the equity reserves in the six months ended 30 June 2024 are as follows:

- the purchase of treasury shares for EUR 885 thousand;
- the positive effect of the fair value valuation of financial hedging instruments (cash flow hedges) in the amount of EUR 280 thousand, net of the tax effect of EUR 67 thousand, recognised in the statement of comprehensive income for the half-year;
- following the resolution of the above-mentioned Performance Shares Plan, the Company recorded a reserve for shares granted to directors and employees in the amount of EUR 60 thousand.

12. Post-employment benefits

This item, which amounted to EUR 7,033 thousand as at 30 June 2024, reflects the non-current share of severance payments due to employees.

Overall, the present value of the obligation, determined in accordance with the measurement methodology required by IAS 19 for defined benefit plans, changed as follows:

Amounts are shown in €/1,000	Post-employment benefits 30/06/2024
Initial fund	7,027
Accrual period	475
Interest	
Actuarial (gains)/losses	
Other changes	(148)
Business combinations	
Paid	(320)
Total	7,033

13. Provisions for risks and charges

The funds for future risks and charges are detailed in the table below, which also shows the changes in the funds in the first half of 2024:

Amounts are shown in €/1,000	31/12/2023	Business combinations	Accrual period	Uses	Other changes	30/06/2024
Provision for severance payments	2,023		80		175	2,277
Provision for supplementary customer allowances	1,808		162	(90)		1,880
Litigation risk fund	247			(87)		160
Other	839		113	(110)	(336)	506
Total	4,917	–	356	(287)	(162)	4,824

The provision for severance payments reflects the payments to be made by the Group on 30 June 2024; the accounts are balanced with the asset item "Other non-current assets", representing the receivables from the insurance company.

The provision for supplementary customer allowances reflects the appreciation of the risk associated with the potential termination of the term given to agents in the cases provided for by law, and has been set aside on the basis of the provisions of the collective economic agreement and civil law provisions.

14. Bank loans

The tables below show the bank loans broken down by category and their changes, with a breakdown of short- and long-term portions:

Amounts are shown in €/1,000	31/12/2023	Business combinations	Loans taken out	Repayments/ Payments	Other changes	30/06/2024
Bank loans:						
Loans for acquisitions	61,429	–	–	(7,644)	2,244	56,030
Liquidity Decree loans	5,100	–	–	(1,113)	97	4,084
Other loans to banks	17,081	–	1,000	(3,555)	296	14,822
Derivative financial instrument liabilities	665	–	–	–	(314)	350
Total	84,274	–	1,000	(12,311)	2,323	75,286

Amounts are shown in €/1,000	31/12/2023	30/06/2024
within 1 year	20,422	22,177
Total current share	20,422	22,177
from 1 to 5 years	48,346	45,782
beyond 5 years	15,506	7,326
Total non-current share	63,852	53,109
Total	84,274	75,286

The decrease in debt of EUR 8,998 thousand is mainly due to the repayment of loans under the plan.

Acquisition financing includes contractual clauses that provide for compliance with certain economic and financial parameters (covenants) based on the results of the financial statements of the beneficiary subsidiary as at 31 December of each year.

As already indicated in the paragraph "Management of financial risks", derivative contracts were concluded to hedge rate risks, for a notional amount at the date of the consolidated half-year report of approximately EUR27.8 million, decreasing in proportion to the repayments of the related loans.

In accordance with paragraph 27B of IFRS 7, the Group shall provide, for each class of financial instruments measured at fair value, classification according to the following categories, representative of the degree of objectivity of the criteria used in determining fair value:

- Level 1 – financial instruments at fair value determined on the basis of values and listings observable directly from regulated active markets;
- Level 2 – financial instruments at fair value determined on the basis of formulas and methodologies that use values mainly deduced from regulated active markets;
- Level 3 – Financial instruments at fair value determined on the basis of calculation methods based on data not observable on regulated markets.

Interest rate swaps for hedging interest rates recorded at fair value can be classified under level 2 of fair value and come to - EUR 46 thousand (of which a positive EUR 276 thousand was recorded under "Other non-current assets" and a negative EUR 322 thousand was recorded under "Medium-/long-term bank loans").

Finally, level 3 includes financial liabilities for a total earn-out of EUR 12,462 thousand.

During the period there were no transfers from level 1 to level 2 or level 3 and vice versa.

15. Other financing

The composition of and changes to other medium- to long-term financing are as follows:

Amounts are shown in €/1,000	31/12/2023	Business combinations	Increases	Decreases	Payments	30/06/2024
Other financing	114		780	–	(116)	778
Financial payables to lessors	33,700		5,247	(–)	(3,887)	35,061
Other financial liabilities	72,937		2,970	–	(7,022)	68,885
Total	106,751	–	8,998	–	(11,025)	104,724

Details of financial payables to lessors are given in relation to the application of the accounting standard IFRS 16.

Amounts are shown in €/1,000	31/12/2023	Within 1 year	From 1 to 5 years	Beyond 5 years	Balance at 30/06/2024	Within 1 year	From 1 to 5 years	Beyond 5 years
Leasing debts IFRS 16	33,700	5,671	17,969	10,061	35,061	6,376	18,826	9,860
Total	33,700	5,671	17,969	10,061	35,061	6,376	18,826	9,860

The amount was determined by discounting the rent provided for in existing lease agreements, in particular those relating to property.

The increase over the half-year refers to the new building lease agreements for office use and industrial use.

16. Deferred taxes

Prepaid tax assets include the benefit of temporarily recovered tax costs. The requirements for the inclusion of prepaid taxes according to IAS 12 were deemed to be met.

As highlighted in the following table, deferred taxes mainly refer to the tax effect on the part of the purchase price allocation (PPA) paid to acquire Group companies to increase the value of intangible assets.

Amounts are shown in €/1,000	31/12/2023	Business combinationsi	Increases	Decreases	30/06/2024
Brands	11,903			(29)	11,874
Models	1,400			(96)	1,304
Customer relations and order book	12,004			(856)	11,148
Land and buildings	290				290
Other	115			(15)	100
Total	25,712	–	–	(996)	24,716

17. Other financial liabilities

The composition of and change to other financial liabilities are as follows:

Amounts are shown in €/1,000	31/12/2023	Within 1 year	From 1 to 5 years	Beyond 5 years	Balance at 30/06/2024	Within 1 year	From 1 to 5 years	Beyond 5 years
Earnout debts	18,380	7,560	10,821		12,462	1,946	10,516	
Payables for put op)ons	54,556	–	54,556		56,424	–	56,424	
Total	72,937	7,560	65,377	–	68,885	1,946	66,939	–

The earn-out payable at 30 June 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 set at the acquisition date and accounted for at fair value at 30 June 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, during the six-month period, the earn-out payment related to the acquisition of Cubo Design and SUR totalled EUR 7,022 thousand.

Payables for put options amounted to EUR 56,424 thousand at 30 June 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 projected 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 increase in the liability for put options during the period (EUR 1,868 thousand) reflects the interest accrued during the period.

With regard to the Group's net financial debt, the following financial information has been drawn up in accordance with the format required by the CONSOB Communication, updated with the requirements of ESMA Guidance 32-382-1138 of 4 March 2021 as transposed by CONSOB warning notice no. 5/21 of 29 April 2021, indicating the intention to align its supervisory practices with the aforementioned ESMA Guidelines.

The financial debt of the Dexelance Group according to the format adopted by Consob is as follows:

Amounts are shown in €/1,000	31/12/2023	30/06/2024	Change
A Cash	41,457	31,842	(9,614)
B Cash equivalents	–		–
C Other current financial assets	28,621	31,474	2,853
D Cash and cash equivalents (A + B + C)	70,078	63,316	(6,762)
E Current financial debt (including debt instruments but excluding the current portion of current financial debt)	(13,231)	(9,694)	3,537
F Current portion of current financial debt	(20,422)	(22,177)	(1,755)
G Current financial indebtedness (E + F)	(33,653)	(31,872)	1,782
H Net current financial indebtedness (G - D)	36,424	31,444	(4,980)
I Non-current financial debt (excluding the current portion and debt instruments)	(157,372)	(148,139)	9,233
J Debt instruments	–		–
K Non-current trade and other payables	–		–
L Non-current financial indebtedness (I + J + K)	(157,372)	(148,139)	9,233
M Total financial indebtedness (H + L)	(120,948)	(116,695)	4,253

18. Trade payables

This item amounted to EUR 46,575 thousand. The decrease of EUR 4,696 thousand is mainly due to the financial dynamics of the payment of trade payables for current orders in the "Luxury Contract" segment.

The total amount of the debts is to be paid in full within 12 months.

Amounts are shown in €/1,000	31/12/2023	Business combinations	Change	30/06/2024
Trade payables	51,271		(4,696)	46,575
Total	51,271	–	(4,696)	46,575

19. Other current liabilities

Amounts are shown in €/1,000	31/12/2023	Business combinations	Change	30/06/2024
Other payables due to tax authorities	1,877		(719)	1,159
Payables to staff and social security institutions	8,259		1,735	9,994
Contract liabilities	14,432		4,147	18,579
Other payables	14,463		5,237	19,700
Total	39,031	–	10,401	49,432

Payables to staff and social security institutions refer to payables to staff for wages and accruals, annual leave and paid leave, payables to INPS (IsHtuto Nazionale per la Previdenza Sociale – Italian social security institute), Enasarco and other social security institutions.

Contractual liabilities arising from orders amounted to EUR 18,579 thousand. The details of advances, net of the value of the status of the relevant contract work in progress are as follows:

Amounts are shown in €/1,000	31/12/2023	Business combinations	Change	30/06/2024
Advances for work in progress	16,101		8,263	24,363
Contract work in progress	(1,669)		(4,115)	(5,784)
Contract liabilities	14,432	–	4,147	18,579

Other payables consist mainly of other advances received from customers amounting to EUR 14,832 thousand; the remaining amount of EUR 4,868 thousand consists of accruals, withholdings, payables to directors and other corporate bodies and other payables.

ANALYSIS OF THE COMPOSITION OF THE MAIN ITEMS IN CONSOLIDATED INCOME STATEMENT

20. Revenues

The following shows the composition of sales revenues by target area and strategic business area:

Amounts are shown in €/1,000	1H 2023	1H 2024
Italy	34,736	40,194
EU	39,855	36,611
Non-EU	60,803	74,223
Total	135,394	151,028

Amounts are shown in €/1,000	1H 2023	1H 2024
Furniture	56,265	69,238
Lighting	14,110	16,070
Luxury Contract	40,113	36,460
Kitchen & Systems	24,511	29,261
Other	394	–
Total	135,394	151,028

This item amounted to EUR 151,028 thousand. The main markets are Italy, France, Germany, the United States, Canada, China, the UK and Switzerland.

The sales revenues of the Luxury Contract strategic business area, assessed on the basis of the status of work ("over time") according to the cost-to-cost method, amount to EUR 15,755 thousand whereas those recognised at the time of final delivery of the goods or completion of the provision of services ("at a point of time") amount to a total of EUR 20,705 thousand.

21. Other income

Other income amounted to EUR 2,630 thousand. This consists of expense recoveries amounting to EUR 722 thousand from customers (chargebacks and services) and suppliers (chargebacks for non-compliant supplies); contingencies and capital gains amounting to EUR 330 thousand; operating and capital grants amounting to EUR 49 thousand; and other income not included in the previous items amounting to EUR 1,528 thousand.

Amounts are shown in €/1,000	1H 2023	1H 2024
Expense recoveries	769	722
Contingencies and capital gains	314	330
Operating grants	231	49
Insurance claims	28	342
Other income	948	1,187
Total	2,290	2,630

22. Purchases of raw materials

The total statement item amounted to EUR 60,791 and includes, in addition to direct materials for production and sales, the purchases of ancillary materials, minor equipment, gas and stationery.

Amounts are shown in €/1,000	1H 2023	1H 2024
Raw materials and semi-finished products	35,676	33,989
Purchase of finished products	12,727	17,318
Other	7,271	9,484
Total	55,674	60,791

23. Staff costs

The total amount of this item was EUR 27,485 thousand and consisted of salaries and wages, social security contributions, severance payments and other costs.

Amounts are shown in €/1,000	1H 2023	1H 2024
Salaries and wages	15,838	20,630
Social expenses	4,125	5,427
Severance payments	894	1,114
Other	294	314
Total	21,151	27,485

A total of 822 employees were active during the first half of 2024.

	31/12/2023	30/06/2024
Executives	13	15
Managers and clerical workers	416	420
Manual workers	370	379
Other employees	8	8
Total	807	822

24. Costs for services and use of third-party assets

The total statement item amounted to EUR 46,741 thousand and includes business costs, industrial costs, administrative and general costs and the cost of use of third- party assets for which IFRS 16 did not need to be applied.

Amounts are shown in €/1,000	1H 2023	1H 2024
Leased assets	520	644
Commercial costs	18,173	21,300
Industrial costs	13,930	14,842
Directors' remuneration	2,880	2,919
Statutory auditor and auditor fees	332	382
Consultancy	3,345	2,439
Insurance	504	665
Utilities	1,041	1,372
Other administrative and general costs	1,867	2,178
Total	42,591	46,741

The change in commercial costs compared to the first half of 2023 is mainly attributable to business combinations and higher commercial costs incurred.

For the period considered, directors' fees amounted to EUR 2,919 thousand, including the estimated share of the Long-term incentive plan for the CEO and the Managing Director (described in the paragraph "Long-term incentive plan") amounting to a total of EUR 84 thousand and the estimated share of the Long-term incentive plan for the Performance Shares plan amounting to a total of EUR 51 thousand.

25. Other operating costs

This item, which amounted to EUR 1,248 thousand, includes certain residual costs not included in the previous items, including membership contributions, local taxes such as TARI (Tassa sui rifiuti – Tax on waste disposal and management) and advertising tax, losses on receivables, unrealised losses and contingent liabilities.

26. Provisions and write-downs

This item, amounting to EUR 238 thousand, refers to the allocation to the provision for doubtful accounts in Note 7 and various other provisions.

27. Amortisation and depreciation

Please refer to Notes 1, 2 and 3.

28. Financial income and expenses

Financial income, amounting to EUR 1,594 thousand, refers to accrued interest of time deposits, to foreign exchange profits, and the rest to cash discounts applied by the suppliers, accrued interest income on current accounts and interest income to customers.

Financial expenses of EUR 6,637 thousand consisted of interest payable to banks, other lenders, exchange losses, and notional interest related to the debt for the purchase of the minorities of Cenacchi International, Flexalighting, Gamma Arredamenti International, Cubo Design, Axo Light and Turri based on the existing put & call option contracts.

Financial income

Amounts are shown in €/1,000	1H 2023	1H 2024
Financial income from banks	222	596
Active supplier discounts	7	8
Value adjustment income on financial liabilities	785	–
Foreign exchange profits	218	428
Other	62	562
Total	1,294	1,594

Financial expenses

Amounts are shown in €/1,000	1H 2023	1H 2024
Interest on ordinary loans	2,004	2,497
Interest on subsidised loans	6	8
Value adjustment charges on financial liabilities	104	277
Financial charges on rents (IFRS 16)	555	770
Imputed interest on options and earnout	2,849	2,698
Foreign exchange losses	288	170
Other	127	216
Total	5,933	6,637

29. Income taxes

This item is made up as follows:

Amounts are shown in €/1,000	1H 2023	1H 2024
Current taxes	4,003	3,318
Tax paid in advance	282	(403)
Deferred taxes	(738)	(982)
Total	3,547	1,933

30. Other items of the consolidated statement of comprehensive income

Other components of the statement of comprehensive income relate to changes in the cash flow hedge provision in relation to the fair value measurement of derivative instruments hedging financial risks from interest rate changes. These are interest rate swap instruments, described in the financial risks section under IFRS 7, which should be referred to for further details. Since these financial instruments have characteristics to allow for hedge accounting, changes in fair value are recognised directly under shareholders' equity, net of their tax effect.

In addition, as a result of the amendments to IAS 19, actuarial gains and losses are entered in the statement of comprehensive income from 2013 onwards and will not be entered subsequently in the income statement.

The changes in the two components described above have a positive impact of EUR 213 thousand.

31.Earnings per share

The information on basic and diluted earnings per share required by IAS 33 is provided below.

	30/06/2023	30/06/2024
Net profit attributable to the ordinary shareholders of the Parent Company for the purposes of basic and diluted earnings per share (in thousand euros)	5,777	1,028
Weighted average number of ordinary shares, including treasury shares, for the purpose of earnings per share	21,824,175	26,926,298
Weighted average number of treasury shares	0	63,873
Weighted average number of ordinary shares, excluding treasury shares, for the purpose of diluted earnings per share	21,824,175	26,862,425
Earnings per share:		
• Basic, for the earnings for the period attributable to the ordinary shareholders of the Parent Company	0.26	0.04
• Diluted, for the earnings for the period attributable to the ordinary shareholders of the Parent Company	0.26	0.04

The shares forming the share capital are ordinary shares and there are no requirements regarding dividend distribution or other preferred forms of performance allocation among the shares. Furthermore, there are no instruments in circulation with a potential dilutive effect on the result pertaining to the parent company's shareholders.

32. Cash flow statement

Cash generated by current operations, amounting to EUR 19.4 million, was absorbed by the increase in working capital as a result of the financial performance from the collection of receivables, advances and the payment of debts, amounting to EUR 2.4 million. This was mainly due to the timings of the orders in the "Luxury Contract" segment, and resulted in a positive cash flow of EUR 17.1 million over the six months.

The cash flow from investments, negative by EUR 13.9 million, consists mainly of the subscription of time deposits by the Parent Company for an additional EUR 2.9 million (see Note 9), investments in tangible assets for EUR 3.9 million (see Note 3), and the payment of the earn-out described above for EUR 7 million.

The change in cash and cash equivalents, after the loan repayments of EUR 9.9 million (see Note 14) and other transactions for EUR 3.0 million, was negative by EUR 9.6 million in the first half of 2024.

RELATED PARTIES

Amounts are shown in €/1,000	Related party of	Rental costs without the application of IFRS 16	Costs for services
Il Castello S.p.A.	Gervasoni S.p.A.	251	
AGP 2 S.r.l.	Cubo Design S.r.l.	312	
Olimpia S.r.l.	Turri S.r.l.	80	
T Group S.r.l.	Turri S.r.l.	421	
Directors	Dexelance Group		3,004
Total		1,162	3,004

Amounts are shown in €/1,000	Related party of	Trade payables	Other payables
Giaro Componenti S.r.l.	Cubo Design S.r.l.	(457)	
T.M.R. S.r.l.	Cubo Design S.r.l.	(129)	
Olimpia S.r.l.	Turri S.r.l.	(88)	
T Group S.r.l.	Turri S.r.l.	(401)	
Directors	Dexelance Group		(1,579)
Total		(1,075)	(1,579)

The Group companies have leases in place with related parties with rental instalments paid in advance, the cost of which amounted to EUR 1,162 thousand in the first half of 2024.

The “Directors” item includes the remuneration and the share of the *Long Term Incentive Plan e Performance Shares.*

COMMITMENTS AND GUARANTEES

As at 30 June 2024, the Group did not issue any surety bond guarantees to any party; it pledged the units or shares of the subsidiaries to the banks that provided financing to the same subsidiaries as outlined in Note 14

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 have been well established for a long time.

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 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. The use of currencies beyond the euro, US dollar, British pound and Chinese Renminbi in commercial transactions is almost zero.

The Group has entered into financial derivative transactions to hedge against exchange rate fluctuations risk in connection with sales in foreign currency. As at 30 June 2024, the fair value of the above-mentioned derivatives hedging exchange rate fluctuations was negative by EUR 28 thousand.

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 30 June 2024, the Group had financial exposure to banks for financing in various technical forms for a total amount of EUR 75,286 thousand, on which interest rates accrue ranging from 4.8% to 8.0% in the first half of 2024, and cash and cash equivalents totalling EUR 63,316 thousand.

Interest rate swap contracts are in place to cover this exposure, with a total notional residual amount of EUR 27,840 thousand.

The contracts have a notion to scale on the basis of the amortisation plan of the underlying loans, as shown in the following table (values are expressed in thousands of euros):

Notional	Maturity date	Amount	Type of contract	Mark to Market (assets)	Mark to Market (liabilities)
UniCredit amortising line	30/09/2024	432	IR Swap	7	
UniCredit bullet line	31/10/2025	1,000	IR Swap	45	
Intesa amortising line	30/09/2025	617	IR Swap	17	
UniCredit amortising line	31/12/2026	5,000	IR Swap		(53)
UniCredit bullet line	30/06/2029	2,000	IR Swap		(67)
UniCredit amortising line	30/06/2029	4,412	IR Swap		(82)
UniCredit amortising line	30/10/2025	2,800	IR Swap	34	
Intesa amortising line	31/01/2030	3,250	IR Swap		(32)
BPM amortising line	31/01/2030	3,250	IR Swap		(32)
Intesa bullet line	31/01/2030	1,500	IR Swap		(28)
BPM bullet line	31/01/2030	1,500	IR Swap		(28)
Intesa amortising line	30/07/2029	921	IR Swap	85	
Intesa amortising line	06/08/2029	1,158	IR Swap	88	
Total		27,840		276	(322)

Financial liability remeasurement risk for earnouts, put and call options and the *Long-Term Incentive Plan and Performance Shares*

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 and the Performance Shares Plan* of the Chairman of the Board of Directors and Chief Executive Officer. 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 is linked to the appreciation of the Company's share price. The value of the Performance Shares, on the other hand, is linked to the achievement of certain targets and, in part, to the increase in 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 7 August 2024, the planned merger of Nian Design S.r.l. by incorporation into the parent company Cubo Design S.r.l. was approved. It should be noted that the aforementioned merger transaction has not been implemented as at the date of publication of this document.

It should be noted that on 2 September 2024, the Group repaid in advance a remaining nominal share of EUR 800 thousand of the financing entered into with UniCredit in 2020 for the acquisition of Flexalighting S.r.l.

Milan, 9 September 2024

On behalf of the Board of Directors
The Chief Executive Officer

Andrea Sasso

STATEMENT OF THE ABBREVIATED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS IN ACCORDANCE WITH ARTICLE 154-BIS OF LEGISLATIVE DECREE NO. 58/1998 OF 24 FEBRUARY 1998 (CONSOLIDATED FINANCE ACT), AS AMENDED

While taking into account the provisions of Article 154-bis, paragraphs 3 and 4 of Italian Legislative Decree No. 58 of 24 February 1998, the undersigned Andrea Sasso, as Chair and Chief Executive Officer, and Alberto Bortolin, as Chief Financial Officer and Director in charge of drawing up the financial accounts of the Dexelance Group, abest to:

- adequacy in relation to the characteristics of the undertaking; and
- effective application of the administrative and accounting procedures for drawing up the half-year consolidated financial statements during the period from 1 January to 30 June 2024.

It is also stated that the consolidated financial statements as at 30 June 2024:

- are drawn up in accordance with applicable international accounting standards recognised in the European Community under Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- correspond to the findings in the accounting books and records;
- are appropriate to provide a true and fair view of the assets, liabilities, economic and financial position of the issuer and of all undertakings included in the consolidation.

The interim management report includes a reliable analysis of the references to major events that occurred in the first half of the year and their impact on the consolidated half-year financial statements and the operating result.

The interim management report also includes a reliable analysis of information on relevant related-party transactions.

Milan, 9 September 2024

The Chair and Chief ExecuHve Officer	Chief Financial Officer and Director in charge of drawing up the financial accounts
Andrea Sasso	*Alberto Bortolin*

REPORT OF THE INDEPENDENT AUDITORS ON THE LIMITED AUDIT OF THE ABBREVIATED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

Dexelance S.p.A.

Review report on the interim condensed consolidated financial statements as at June 30, 2024

(Translation from the original Italian text)

EY S.p.A.
Viale Appiani, 20/b
31100 Treviso

Tel: +39 0422 358811
Fax: +39 0422 433026
ey.com

Review report on the interim condensed consolidated financial statements
(Translation from the original Italian text)

To the Shareholders of
Dexelance S.p.A.

Introduction

We have reviewed the interim condensed consolidated financial statements, comprising the consolidated statement of financial position, the consolidated statements of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flows and the related explanatory notes of Dexelance S.p.A. and its subsidiaries (the "Dexelance Group") as of June 30, 2024. The Directors of Dexelance S.p.A. are responsible for the preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of 31 July 1997. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of Dexelance Group as of June 30, 2024 are not prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

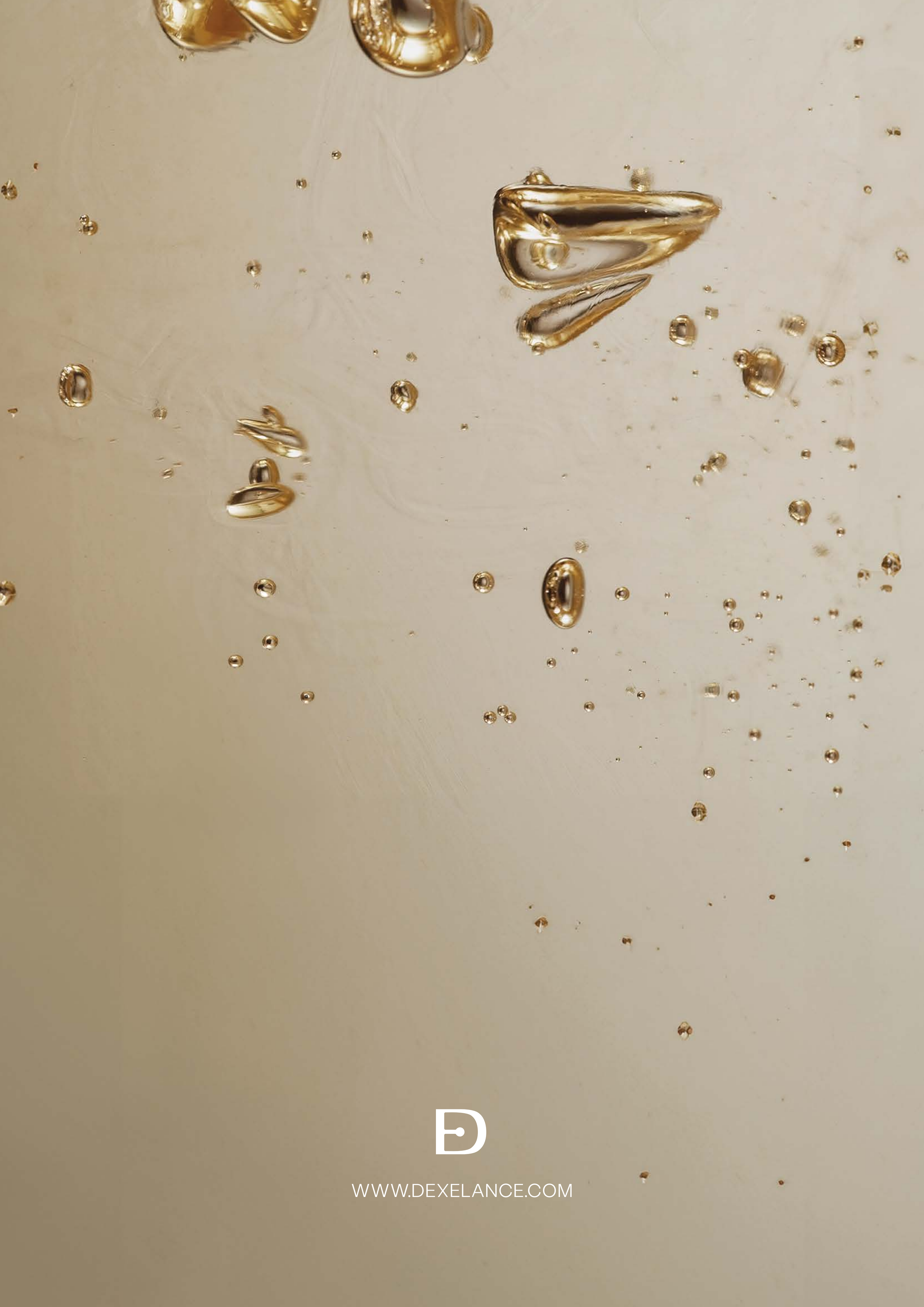
Treviso, September 9, 2024

EY S.p.A.
Signed by: Mauro Fabbro, Statutory Auditor

This report has been translated into the English language solely for the convenience of international readers

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