

A close-up photograph of a gold watch case on a brushed metal surface. Numerous water droplets of various sizes are scattered across the surface, reflecting light and creating a shimmering effect. The watch case is partially visible on the right side, showing its polished gold finish and the internal structure of the case back.

DEXELANCE

INTERIM FINANCIAL INFORMATION

As at 30.09.2024

—— CRAFTING DESIGN
FOR EXCELLENCE

TABLE OF CONTENTS

GENERAL INFORMATION	5
The Group	5
INFORMATION ON OPERATIONS	8
Shareholders' equity	17
Strategic business areas	17
Related parties	19
Treasury shares and shares of parent companies	20
Dixelance S.p.A. on the Stock Exchange	20
CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2024	22
MAIN RISKS AND UNCERTAINTIES TO WHICH THE GROUP IS EXPOSED	29
SUBSEQUENT EVENTS	32
BUSINESS OUTLOOK	33
DECLARATION OF THE DIRECTOR IN CHARGE OF DRAWING UP THE CORPORATE ACCOUNTING DOCUMENTS PURSUANT TO ARTICLE 154-BIS, PARAGRAPH 2 OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998	35

GENERAL INFORMATION

THE GROUP

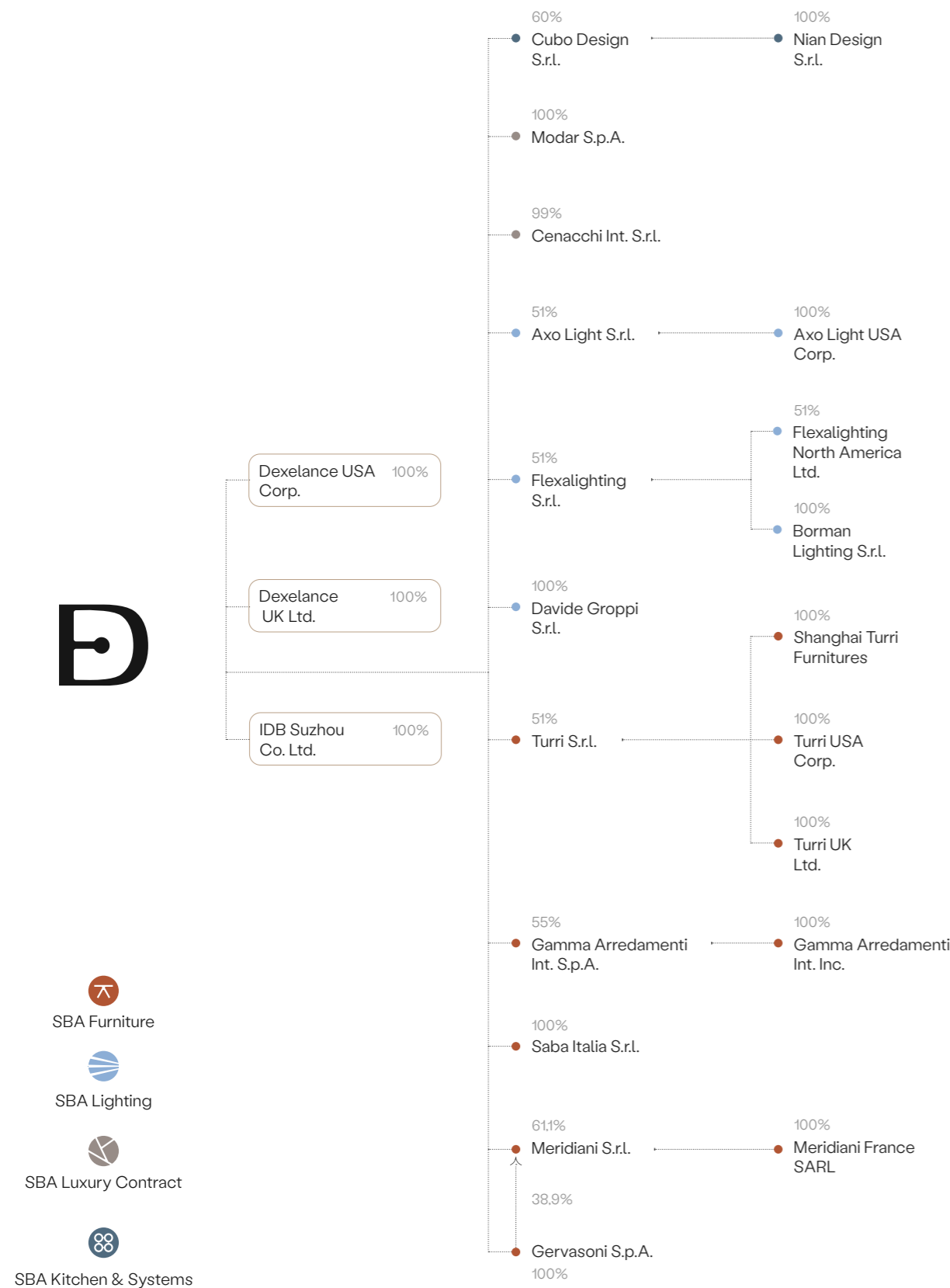
Dexelance S.p.A. is based in Milan and since 18 May 2023 is listed on the Italian Stock Exchange. It was established on 10 March 2015 with the aim of promoting an Italian design pole in the furniture, fittings and lighting segment. Since 2023, its scope has also included high-end modular kitchen solutions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

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

An incentive plan based on financial instruments was also approved pursuant to Article 114-bis of Legislative Decree No. 58/1998 called the "2024-2029 Performance Shares Plan". 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 structure of the Dexelance Group as at 30 September 2024 is provided below:



The financial report as at 30 September 2024 includes the financial statements of the parent company, Dexelance S.p.A., and the companies over which the parent company has the right to exercise control, determining their financial and management decisions and obtaining the related benefits. The fully consolidated companies as at 30 September 2024 are listed below. 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.

COMPANY NAME	Registered office	Share capital	SBA	% direct ownership	% indirect ownership
Gervasoni S.p.A.	Pavia di Udine (Udine)	1,000,000	furniture	100%	0%
Meridiani S.r.l.	Misinto (Monza and Brianza)	120,000	furniture	61.11%	38.89%
Meridiani France SARL	Paris (France)	100,000	furniture	0%	100%
Dexelance UK Ltd.	London (UK)	GBP 446,500	furniture	100%	0%
Cenacchi International S.r.l. (*)	Ozzano dell'Emilia (Bologna)	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 (Padua)	50,000	furniture	100%	0%
Modar S.p.A.	Barlassina (Monza and Brianza)	500,000	luxury contract	100%	0%
IDB Suzhou Co. Ltd.	Suzhou (China)	CNY 11,296,107	furniture	100%	0%
Flexalighting S.r.l. (*)	Pontassieve (Florence)	10,000	lighting	51%	0%
Borman Lighting S.r.l. (*)	Pontassieve (Florence)	10,000	lighting	0%	51%
Dexelance USA Corp.	New York (USA)	USD 10,000	furniture	100%	0%
Flexalighting North America Ltd. (*)	Surrey (Canada)	CAD 105	lighting	0%	26%
Gamma Arredamenti S.p.A. (*)	Forlì (Forlì-Cesena)	2,000,000	furniture	55%	0%
Gamma Arredamenti Inc. (*)	High Point (USA)	USD 5,000	furniture	0%	55%
Cubo Design S.r.l. (*)	Notaresco (Teramo)	84,000	kitchen & systems	60%	0%
Nian Design S.r.l. (*)	Giulianova (Teramo)	30,000	kitchen & systems	0%	60%
Axo Light S.r.l. (*)	Scorzè (Venice)	119,000	lighting	51%	0%
Axo Light USA Corp. (*)	New York (USA)	USD 100,000	lighting	0%	51%
Turri S.r.l. (*)	Carugo (Como)	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 (China)	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. The Parent Company currently holds the majority of the shares, but based on the agreements signed with the minority shareholders and the put option that they may exercise, it has the obligation to repurchase the remaining shares held under predefined contractual conditions.

It should be noted that the scope of consolidation has not changed since 31 December 2023. The Group has drawn up its interim financial statements as at 30 September 2024 in compliance with the recognition and measurement principles of IFRS and in accordance with the principles applied in the preparation of the annual consolidated financial statements as at 31 December 2023. The information contained in this management report refers to the nine-month periods ending 30 September 2024 and 2023. The values shown in the accounting statements are in thousands of euros.

INFORMATION ON OPERATIONS

This financial information as at 30 September 2024 was approved by the Company's Board of Directors on 12 November 2024 and has not been audited, as this is not required by current legislation. This report on operating performance should be read in conjunction with the consolidated summary financial statements as at 30 September 2024, which are recorded below.

To gain the best understanding of the Group's situation and operating performance, the tables below show a brief analysis of the consolidated financial statements for the period ended 30 September 2024, 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 certain alternative performance indicators.

The indicators represented are not identified as accounting measures under IFRSs and should therefore not be considered as alternative measures to those provided in the model financial statements for assessing the performance of the Group and its financial position. The Group considers that the financial information set out below is an additional important benchmark for assessing the Group's performance, as it allows for more analytical monitoring of the Group's economic and financial performance.

Since such financial information is not a measure that can be determined by the underlying accounting standards for the drawing up of consolidated financial statements, the criterion applied for its determination may not be consistent with that adopted by other groups and therefore such data may not be comparable with any data presented by such groups. The definition of these alternative performance indicators is as follows.

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

EBITDA is defined as the sum of the net profit for the year, plus the profit (loss) of discontinued assets, plus income taxes, financial income and charges, plus amortisation, depreciation and 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 **adjusted net result from 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, order books and customer lists, recorded during Purchase Price Allocation (PPA), and which are due to terminate at the end of the relevant amortisation process; (iii) the effects of the remeasurements of put and call options and earn-outs; and (iv) the related tax effects.

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	Nine months 2023		Nine months 2024		Change	
	amount	%	amount	%	amount	%
Revenue	198,267	100.0%	231,842	100.0%	33,574	16.9%
Other income	3,083	1.6%	3,410	1.5%	327	10.6%
Total revenue and income	201,350	101.6%	235,252	101.5%	33,902	16.8%
External operating costs (*)	(138,605)	-69.9%	(163,483)	-70.5%	(24,878)	17.9%
Added value	62,745	31.6%	71,768	31.0%	9,023	14.4%
Staff costs	(31,035)	-15.7%	(39,785)	-17.2%	(8,751)	28.2%
Provisions and writedowns	(318)	-0.2%	(381)	-0.2%	(64)	20.0%
Gross operating profit (EBITDA)	31,393	15.8%	31,602	13.6%	209	0.7%
Amortisation, depreciation and writedowns of fixed assets	(11,885)	-6.0%	(15,890)	-6.9%	(4,005)	33.7%
Operating profit (EBIT)	19,508	9.8%	15,712	6.8%	(3,796)	-19.5%
Financial result	(6,925)	-3.5%	(7,640)	-3.3%	(715)	10.3%
Gross result	12,582	6.3%	8,072	3.5%	(4,511)	-35.8%
Income tax	(4,773)	-2.4%	(4,066)	-1.8%	707	-14.8%
Group consolidated net result	7,809	3.9%	4,006	1.7%	(3,803)	-48.7%

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

Revenues for the first nine months of 2024 increased substantially compared with the same period a year earlier, from EUR 198.3 million to EUR 231.8 million, an increase of EUR 33.6 million, or 17%, compared to the same period of the previous year:

- growth by external lines due to the acquisition of Cubo Design S.r.l. (and its subsidiary Nian Design S.r.l.) on 31 January 2023, of the aggregation 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), completed on September, 30 2023;
- the increase in revenues of the companies already included within the scope of the consolidation as at 30 September 2023 for the entire period.

Please refer to the following for more details on the change in revenue in the first months of 2024.

The Group's revenue by operating segment or strategic business area (SBA) and by geographic area in the first nine months of 2024 and in the previous nine-month period are broken down as follows:

- a 27% growth in the "Furniture" segment, which was significantly influenced by the acquisition of Turri S.r.l., and its subsidiaries, which also contributed positively to turnover growth in non-EU markets;
- an increase of 15% in the "Lighting" segment, due also to the aggregation of Axo Light S.r.l. (and its subsidiary Axo Light USA);
- a growth in the "Luxury Contract" segment of around 7% compared to the previous period, which was totally organic;
- a growth in the "Kitchens and Systems" segment of 16%, partly due to organic growth and partly to the acquisition of Cubo Design on 31 January 2023.

<i>Amounts are shown in €/1,000</i>	Nine months 2023	Nine months 2024
Furniture	80,108	101,620
Lighting	20,600	23,747
Luxury Contract	58,668	62,591
Kitchen & Systems	37,914	43,884
Other	978	-
Total	198,267	231,842

<i>Amounts are shown in €/1,000</i>	Nine months 2023	Nine months 2024
Italy	51,198	61,733
EU	55,765	52,757
Non-EU	91,304	117,351
Total	198,267	231,842

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

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

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

Finally, the adjusted net result is calculated in the absence of non-recurring costs/revenues, of the amortisation on certain intangible assets with a finite useful life and without taking into account the positive and negative economic effects resulting from the remeasurement of imputed financial charges for put and call options and earn-outs of minority shareholders.

Amounts are shown in €/1,000

	Nine months 2023		Nine months 2024	
	Effective data	Adjusted data	Effective data	Adjusted data
Revenue	198,267	198,267	231,842	231,842
Other income	3,083	2,855	3,410	3,410
Total revenue and income	201,350	201,122	235,252	235,252
External operating costs	(138,605)	(135,327)	(163,483)	(162,898)
Added value	62,745	65,795	71,768	72,354
Staff costs	(31,035)	(31,035)	(39,785)	(39,768)
Provisions and writedowns	(318)	(318)	(381)	(381)
Gross operating profit (EBITDA)	31,393	34,443	31,602	32,204
Amortisation, depreciation and writedowns of fixed assets	(7,150)	(7,150)	(10,343)	(10,343)
Amortisation, depreciation and writedowns of fixed assets arising from the PPA process	(4,735)	-	(5,547)	-
Operating profit (EBIT)	19,508	27,293	15,712	21,861
Financial result	(6,925)	(3,635)	(7,640)	(3,867)
Gross result	12,582	23,658	8,072	17,995
Income tax	(4,773)	(6,498)	(4,066)	(5,572)
Group consolidated net result	7,809	17,160	4,006	12,423

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 September 2023 and 30 September 2024 are listed below:

<i>Amounts are shown in €/'000</i>	Effective data, nine months 2023	Non-recurring costs/revenues	PPA depreciation, amortisation and writedowns	Remeasurement of put and call options and earn-outs	Adjusted data, nine months 2023
Revenue	198,267				198,267
Other income	3,083	(228)			2,855
Total revenue and income	201,350	(228)	–	–	201,122
External operating costs	(138,605)	3,278			(135,327)
Added value	62,745	3,050	–	–	65,795
Staff costs	(31,035)				(31,035)
Provisions and writedowns	(318)				(318)
Gross operating profit (EBITDA)	31,393	3,050	–	–	34,443
Amortisation, depreciation and writedowns of fixed assets	(7,150)				(7,150)
Amortisation, depreciation and writedowns of fixed assets arising from the PPA process	(4,735)		4,735		–
Operating profit (EBIT)	19,508	3,050	4,735	–	27,293
Financial result	(6,925)			3,290	(3,635)
Gross result	12,582	3,050	4,735	3,290	23,658
Income tax	(4,773)	(534)	(1,190)		(6,498)
Group consolidated net result	7,809	2,516	3,545	3,290	17,160

<i>Amounts are shown in €/'000</i>	Effective data, nine months 2024	Non-recurring costs/revenues	PPA depreciation, amortisation and writedowns	Remeasurement of put and call options and earn-outs	Adjusted data, nine months 2024
Revenue	231,842				231,842
Other income	3,410	–			3,410
Total revenue and income	235,252	–	–	–	235,252
External operating costs	(163,483)	585			(162,898)
Added value	71,768	585	–	–	72,354
Staff costs	(39,785)	17			(39,768)
Provisions and writedowns	(381)				(381)
Gross operating profit (EBITDA)	31,602	602	–	–	32,204
Amortisation, depreciation and writedowns of fixed assets	(10,343)				(10,343)
Amortisation, depreciation and writedowns of fixed assets arising from the PPA process	(5,547)		5,547		–
Operating profit (EBIT)	15,712	602	5,547	–	21,861
Financial result	(7,640)	(369)		4,142	(3,867)
Gross result	8,072	234	5,547	4,142	17,995
Income tax	(4,066)	(77)	(1,428)		(5,572)
Group consolidated net result	4,006	156	4,119	4,142	12,423

During the first nine months of 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 external growth, a full-year income statement has been prepared on the assumption that the acquisitions of Cubo Design S.r.l. and its subsidiary Nian Design S.r.l., Axo Light S.r.l. and its subsidiary Axo Light USA Corp., and Turri S.r.l. and its subsidiaries Turri UK Ltd., Turri USA Corp. and Shanghai Turri Furnitures, took place on 1 January 2023.

As there were no changes in the scope of consolidation the first nine months of the financial year, no further disclosures were necessary as at 30 September 2024.

<i>FULL INCOME STATEMENT</i> <i>Amounts are shown in €/'000</i>	Nine months 2023		Nine months 2024		Change		Change	
	9M full	9M full adjusted	9M full	9M full adjusted	full half-year	%	9M full adjusted	%
Revenue	221,435	221,435	231,842	231,842	10,406	4.7%	10,406	4.7%
Other income	4,730	4,502	3,410	3,410	(1,320)	-27.9%	(1,092)	-24.3%
Total revenue and income	226,165	225,937	235,252	235,252	9,086	4.0%	9,314	4.1%
External operating costs	(158,401)	(155,031)	(163,483)	(162,898)	(5,083)	3.2%	(7,867)	5.1%
Added value	67,765	70,906	71,768	72,354	4,004	5.9%	1,448	2.0%
Staff costs	(36,362)	(36,362)	(39,785)	(39,768)	(3,424)	9.4%	(3,407)	9.4%
Provisions and writedowns	(375)	(375)	(381)	(381)	(6)	1.6%	(6)	1.6%
Gross operating profit (EBITDA)	31,028	34,169	31,602	32,204	574	1.8%	(1,965)	-5.8%
Amortisation, depreciation and writedowns of fixed assets	(8,777)	(8,777)	(10,343)	(10,343)	(1,566)	17.8%	(1,566)	17.8%
Amortisation, depreciation and writedowns of fixed assets arising from the PPA process	(4,735)	–	(5,547)	–	(812)	17.1%	–	–
Operating profit (EBIT)	17,515	25,392	15,712	21,861	(1,804)	-10.3%	(3,531)	-13.9%
Financial result	(7,360)	(4,069)	(7,640)	(3,867)	(280)	3.8%	203	-5.0%
Gross result	10,156	21,323	8,072	17,995	(2,084)	-20.5%	(3,328)	-15.6%
Income tax	(4,692)	(6,417)	(4,066)	(5,572)	626	-13.3%	845	-13.2%
Group consolidated net result	5,463	14,906	4,006	12,423	(1,458)	-26.7%	(2,483)	-16.7%

Reclassified statement of financial position

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

RECLASSIFIED STATEMENT OF FINANCIAL POSITION Amounts are shown in €/1,000	31/12/2023		30/09/2024	
	amount	%	amount	%
Intangible assets	243,635	88.5%	238,058	87.0%
Right of use	32,910	12.0%	32,232	11.8%
Property, plant and equipment	28,631	10.4%	28,754	10.5%
Holdings and other non-current assets	8,543	3.1%	8,773	3.2%
Non-current assets (A)	313,719	113.9%	307,816	112.5%
Inventories	41,646	15.1%	49,633	18.1%
Trade receivables	38,961	14.2%	41,301	15.1%
Other current assets	11,059	4.0%	8,846	3.2%
Current assets (B)	91,665	33.3%	99,779	36.5%
Trade payables	(51,271)	-18.6%	(44,482)	-16.3%
Other current liabilities	(40,293)	-14.6%	(51,016)	-18.6%
Current liabilities (C)	(91,564)	-33.3%	(95,497)	-34.9%
Net working capital (D = B – C)	102	0.0%	4,282	1.6%
Provisions for risk and severance pay	(11,944)	-4.3%	(12,044)	-4.4%
Other non-current liabilities	(26,551)	-9.6%	(26,449)	-9.7%
Medium/long-term assets (liabilities) (E)	(38,495)	-14.0%	(38,494)	-14.1%
Net invested capital (A + D + E)	275,326	100.0%	273,605	100.0%
Shareholders' equity	154,378	56.1%	156,812	57.3%
Net financial position, banks	14,197	5.2%	12,476	4.6%
Net financial position, others	106,751	38.8%	104,317	38.1%
Net financial position	120,948	43.9%	116,793	42.7%
Equity and debt	275,326	100.0%	273,605	100.0%

With regard to the value of the intangible assets, it should be noted that, with reference to the performance in the first nine months of the year 2024, there were no indicators of any possible impairment.

With regard to the value of the net working capital, it should be noted that this reflects the normal trend of the 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	Balance at	Balance at	Balance at	Changes	Changes
	30/09/2023	31/12/2023	30/09/2024	Sept. 2023 – Sept. 2024	Dec. 2023 – Sept. 2024
Short-term bank loans	17,270	20,422	20,945	3,675	522
Medium/long-term bank loans	60,221	63,852	51,691	(8,530)	(12,161)
Cash	(35,583)	(41,457)	(32,183)	3,399	9,273
Other current financial assets	(11,403)	(28,621)	(27,976)	(16,573)	645
NFP, banks	30,506	14,197	12,476	(18,029)	(1,721)
Current earn-out payable	6,080	7,560	1,328	(4,753)	(6,232)
Non-current earn-out payable	14,442	10,821	11,508	(2,934)	687
Current payable for purchase of minority shares through the exercise of the put option	–	–	8,182	8,182	8,182
Non-current payable for purchase of minority shares through the exercise of the put option	66,526	54,555	48,951	(17,575)	(5,604)
NFP, other than banks	87,048	72,935	69,969	(17,079)	(2,966)
Current financial payables to lessors	5,362	5,671	6,451	1,089	780
Non-current financial payables to lessors	27,965	28,030	27,106	(859)	(924)
NFP, payables to lessors (IFRS 16)	33,327	33,700	33,557	230	(144)
Other financial payables	114	114	791	677	677
NFP, total	150,994	120,946	116,793	(34,201)	(4,153)

Gross debt to banks as at 30 September 2024 amounted to €72.6 million, and the decrease compared to the previous period was due to the repayment of loans under the plan; net indebtedness is calculated by subtracting cash and cash equivalents in the amount of €32.2 million and restricted cash in the amount of €28.0 million from the debt.

The earn-out payable at 30 September 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 the acquisition and accounted for at fair value at 30 September 2024. The earn-out is directly linked to the performance of the acquired companies, usually the EBITDA and net financial position as contractually defined between the parties. It should be noted that, in the first nine months of 2024, the earn-out payment related to the acquisitions of SUR and Cubo Design totalled EUR 7 million.

Payables for put options amounted to EUR 57.1 million at 30 September 2024 and concern the fair value of the liability for the exercise of the put option (in favour of the seller) and the call option (in favour of the Group) for the acquisition of the residual stake of 1% in Cenacchi International, 49% of Flexalighting and Flexalighting North America, 45% of Gamma Arredamenti International, 40% of Cubo Design, 49% of Axo Light, and 49% of Turri. The acquisition value of the minority stake through the put option was also subject to a contractual

definition that links its value to actual company performance and, for this reason, is periodically reassessed based on a contractually predefined calculation between the parties (usually EBITDA and net financial position).

The change in payables to banks is reported below:

Amounts are shown in €/1,000	Balance at 31/12/2023	Business combinations	Loans taken out	Repayments/ Payments	Other changes	Balance at 30/09/2024
Bank loans:						
Loans for acquisitions	61,429	–	–	(10,099)	3,215	54,546
Loans pursuant to the Liquidity Decree	5,100	–	–	(1,663)	139	3,576
Other financing	17,745	–	1,957	(5,484)	296	14,514
Total	84,274	–	1,957	(17,246)	3,650	72,636

The decrease in debt of EUR 11.6 million is mainly due to the repayment of loans under the plan of EUR 17.2 million.

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	Balance at 31/12/2023	Balance at 30/09/2024	Changes Sept. 2024 – Dec. 2023
A Cash	41,457	32,183	(9,273)
B Cash equivalents	–	–	–
C Other current financial assets	28,621	27,976	– 645
D Cash and cash equivalents (A + B + C)	70,078	60,160	(9,918)
E Current financial debt (including debt instruments but excluding the current portion of current financial debt)	(13,231)	(16,752)	(3,522)
F Current portion of current financial debt	(20,422)	(20,945)	(522)
G Current financial indebtedness (E + F)	(33,653)	(37,697)	(4,044)
H Net current financial indebtedness (G - D)	36,424	22,462	(13,962)
I Non-current financial debt (excluding the current portion and debt instruments)	(157,372)	(139,255)	18,117
J Debt instruments	–	–	–
K Non-current trade and other payables	–	–	–
L Non-current financial indebtedness (I + J + K)	(157,372)	(139,255)	18,117
M Total financial indebtedness (H + L)	(120,948)	(116,793)	4,155

SHAREHOLDERS' EQUITY

Please see the statement of changes in shareholders' equity for a description of the change in shareholders' equity at 30 September 2024.

The share capital is fully paid up and subscribed and is equal to EUR 26,926 thousand as at 30 September 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 first nine months of the financial year 2024 are as follows:

- the purchase of treasury shares for EUR 1.3 million;
- the effect of the fair value valuation of financial hedging instruments (cash flow hedges) in the amount of EUR -141 thousand, net of the tax effect of EUR 34 thousand, recognised in the statement of comprehensive income as at 30 September 2024;
- following the resolution of the above-mentioned Performance Shares Plan the recording of a reserve for shares granted to directors and employees in the amount of EUR 80 thousand in the interim financial statements as at 30 September 2024.

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 area (mainly attributable to the Parent Company, which exercises a holding company function):

- Furniture: dedicated to the 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 business activity is concentrated in Gervasoni S.p.A., Meridiani S.r.l., Saba Italia S.r.l., Gamma Arredamenti International S.p.A. and Turri S.r.l. and its subsidiaries;
- Lighting: dedicated to the 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 Davide Groppi S.r.l., Flexalighting S.r.l., Axo Light S.r.l. and its subsidiaries;
- Luxury Contract: dedicated to the 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 SBA was concentrated at 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. As of 30 June 2024, the foreign company revenues (Dexelance UK, IDB Suzhou and

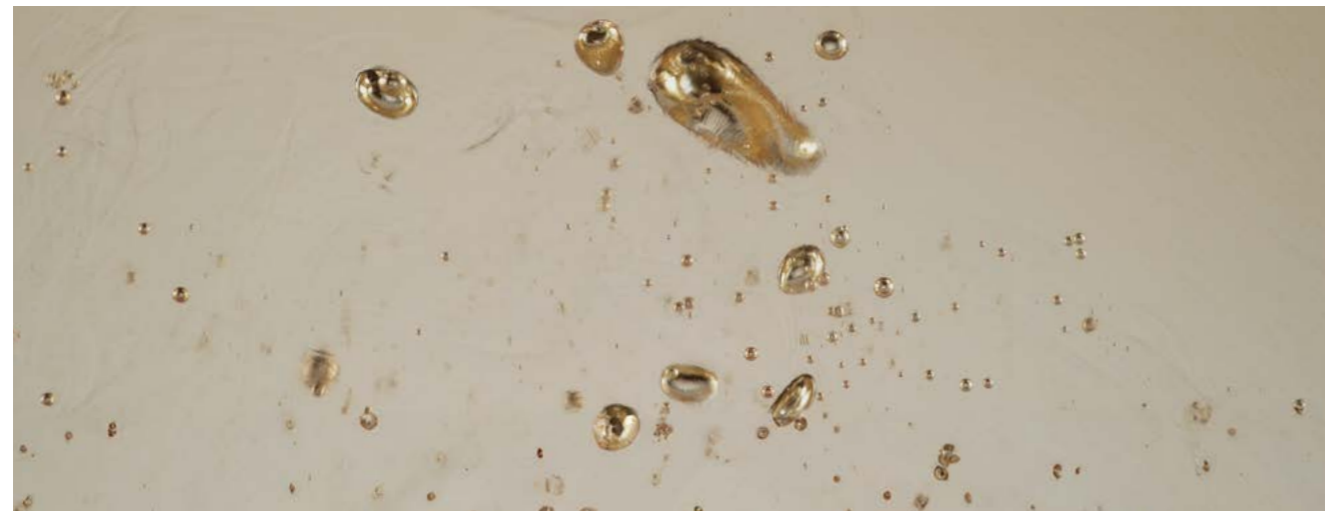
Dexelance USA) were classified according to their respective strategic business area; in September 2023, they had been recognised under the item "Other".

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.

Income statement by strategic business area

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

Amounts are shown in €/1,000	Furniture	Lighting	Luxury Contract	Kitchen & Systems	Other	Nine months 2023
Revenue (*)	80,108	20,600	58,668	37,914	978	198,267
Other income	1,589	194	188	865	248	3,083
Total revenue and income	81,697	20,793	58,856	38,778	1,226	201,350
Purchases of raw materials	(32,299)	(6,780)	(19,447)	(18,282)	337	(76,470)
Costs for services and use of third-party assets	(23,924)	(5,139)	(18,836)	(8,627)	(5,608)	(62,135)
Staff costs	(12,637)	(3,779)	(8,847)	(3,915)	(1,857)	(31,035)
Provisions and writedowns	(120)	32	(32)	(197)	–	(318)
Gross operating profit (EBITDA)	12,718	5,127	11,694	7,756	(5,902)	31,393
Amortisation, depreciation and writedowns of fixed assets	(3,645)	(667)	(3,304)	(3,847)	(422)	(11,885)
Operating profit/(loss) (EBIT)	9,073	4,460	8,390	3,909	(6,324)	19,508
Financial income						1,608
Financial expenses						(8,533)
Gross result						12,582
Income tax						(4,773)
Net profit/(loss)						7,809



Amounts are shown in €/1,000	Furniture	Lighting	Luxury Contract	Kitchen & Systems	Other	Nine months 2024
Revenues (*)	101,620	23,747	62,591	43,884	–	231,842
Other income	2,025	330	107	944	4	3,410
Total revenue and income	103,645	24,076	62,698	44,828	4	235,252
Purchases of raw materials	(40,893)	(7,632)	(23,140)	(21,662)	(10)	(93,337)
Costs for services and use of third-party assets	(32,035)	(6,616)	(18,048)	(9,900)	(3,547)	(70,146)
Staff costs	(18,912)	(5,269)	(9,424)	(5,175)	(1,005)	(39,785)
Provisions and writedowns	(32)	(53)	(36)	(260)	–	(381)
Gross operating profit (EBITDA)	11,772	4,507	12,048	7,832	(4,557)	31,602
Amortisation, depreciation and writedowns of fixed assets	(6,453)	(1,282)	(3,388)	(4,594)	(173)	(15,890)
Operating profit/(loss) (EBIT)	5,319	3,225	8,661	3,237	(4,731)	15,712
Financial income						2,192
Financial expenses						(9,832)
Gross result						8,072
Income tax						(4,066)
Net profit/(loss)						4,006

(*) 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.

Revenue from the "Furniture", "Lighting" and "Kitchen & Systems" operating segments in the first nine months of 2024 increased compared with the same period in 2023 (by +27%, +15% and +16% respectively). It should be noted that this change in the "Furniture" segment is mainly due to the acquisition of Turri S.r.l., which took place in September 2023 and, in the "Lighting" segment, to the aggregation of Axo Light S.r.l. (and its subsidiary Axo USA Corp.), which took place 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 nine months of 2024, compared with just eight months in 2023.

Also noteworthy is the growth recorded in the "Luxury Contract" strategic business area, which saw an organic increase in revenue of 7%.

The increase in revenue is reflected in EBITDA, as defined by the Group, which is the primary indicator of the Group's economic performance

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

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.	380	
Adriatica Arredamenti s.a.s.	Cubo Design S.r.l.	49	
AGP 2 S.r.l.	Cubo Design S.r.l.	463	
Giario Componenti S.r.l.	Cubo Design S.r.l.	51	
G.S.P. S.r.l.	Cubo Design S.r.l.	46	
Olimpia S.r.l.	Turri S.r.l.	121	
T Group S.r.l.	Turri S.r.l.	702	
Directors	Dexelance Group		4,465
Total		1,812	4,465

Amounts are shown in €/1,000	Related party of	trade payables	other payables
Giario Componenti S.r.l.	Cubo Design S.r.l.	(393)	
T.M.R. S.r.l.	Cubo Design S.r.l.	(129)	
T Group S.r.l.	Turri S.r.l.	(191)	
Directors	Dexelance Group		(1,358)
Total		(522)	(1,549)

The Group companies have leases in place with related parties with rental instalments paid in advance, the cost of which amounted to EUR 1.8 million in the first nine months of 2024.

The "Directors" item includes the remuneration and the share of the long-term incentive plan for the period.

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.

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 matter included below for more detailed information on the share incentive plan. The new program became effective on 13 May 2024.

It should be noted that from 18 December 2023 to 30 September 2024, 143,794 treasury shares, equal to 0.53% of the share capital, had been purchased for a total amount of EUR 1.4 million.

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 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 nine months of 2024, from 1 January to 30 September 2024.



Fonte: borsaitaliana.it

CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2024

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

Consolidated statement and financial position

<i>(amounts in thousands of euros)</i>	30/09/2024	31/12/2023
NON-CURRENT ASSETS		
Intangible assets	238,058	243,635
Goodwill	134,749	134,919
Brands	57,459	57,461
Models	6,414	7,393
Customer relations and order book	37,674	42,236
Other intangible assets	1,762	1,626
Right of use	32,232	32,910
Property, plant and equipment	28,754	28,631
Deferred tax assets	4,298	3,648
Equity investments	6	6
Other non-current assets	4,468	4,888
Total non-current assets	307,816	313,719
CURRENT ASSETS		
Inventories	40,216	36,867
Contract assets	9,417	4,779
Trade receivables	41,301	38,961
Income tax credits	1,243	4,135
Other current assets	7,603	6,924
Other current financial assets	27,976	28,621
Cash and cash equivalents	32,183	41,457
Total current assets	159,939	161,743
TOTAL ASSETS	467,755	475,462

<i>(amounts in thousands of euros)</i>	30/09/2024	31/12/2023
SHAREHOLDERS' EQUITY		
Share capital	26,926	26,926
Other reserves and retained earnings, including profit (loss) for the period	129,886	127,452
Total Group shareholders' equity	156,812	154,378
Shareholders' equity – minority interests	0	0
Total shareholders' equity	156,812	154,378
NON-CURRENT LIABILITIES		
Post-employment benefits	7,120	7,027
Provisions for risks and charges	4,924	4,917
Medium/long-term bank loans	51,691	63,852
Other non-current financial liabilities	60,459	65,377
Other medium/long-term loans	791	114
Non-current financial payables to lessors	27,106	28,030
Other non-current liabilities	2,140	839
Deferred taxes	24,310	25,712
Total non-current liabilities	178,540	195,867
CURRENT LIABILITIES		
Short-term bank loans	20,945	20,422
Other current financial liabilities	9,510	7,560
Other short-term loans	0	0
Current financial payables to lessors	6,451	5,671
Trade payables	44,482	51,271
Income tax payables	2,340	1,262
Other current liabilities	48,676	39,031
Payables to staff and social security organisations	10,596	10,136
Contract liabilities	18,966	14,432
Other payables	19,114	14,463
Total current liabilities	132,403	125,217
TOTAL LIABILITIES	310,944	321,084
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	467,755	475,462

Consolidated income statement

<i>(amounts in thousands of euros)</i>	Nine months 2024	Nine months 2023
Revenues	231,842	198,267
Other income	3,410	3,083
Total revenue and income	235,252	201,350
Purchases of raw materials	(93,914)	(80,708)
Change in inventories	577	4,238
Staff costs	(39,785)	(31,035)
Costs for services and use of third-party assets	(68,502)	(61,320)
Other operating costs	(1,644)	(815)
Provisions and writedowns	(381)	(318)
Amortisation, depreciation and writedowns of fixed assets	(15,890)	(11,885)
Operating profit/(loss) (EBIT)	15,712	19,508
Financial income	2,192	1,608
Financial expenses	(9,832)	(8,533)
Profit/(loss) before taxes resulting from continuing operations	8,072	12,582
Income tax	(4,066)	(4,773)
Net profit/(loss)	4,006	7,809
Attributable to:		
Profit/(loss) pertaining to the Group	4,006	7,719
Profit/(loss) pertaining to third parties	0	90
Basic earnings per share	0.15	0.33
Diluted earnings per share	0.15	0.33

Consolidated statement of comprehensive income

<i>(amounts in thousands of euros)</i>	Nine months 2024	Nine months 2023
Net profit/(loss) for the year	4,006	7,809
Profit/(loss) from cash flow hedge	(141)	212
Tax effects	34	(51)
Total profit/(loss) from cash flow hedges, net of tax	(107)	161
Foreign currency translation differences	(177)	(9)
Other movements	(14)	(202)
Total comprehensive income items that will subsequently be reclassified to profit/(loss) for the year	(298)	(49)
Actuarial profits/(losses)	–	(117)
Tax effects	–	28
Total actuarial profit/(loss), net of taxes	–	(89)
Comprehensive income items that will not subsequently be reclassified to profit/(loss) for the year	–	(89)
Comprehensive income statement net of taxes	(298)	(138)
Total comprehensive net profit/(loss) for the period	3,708	7,671
Attributable to:		
Shareholders of the parent company	3,708	7,581
Minority shareholders	–	90

Prospetto delle variazioni del Patrimonio netto consolidato

<i>(amounts in thousands of euros)</i>	Share capital	Share premium reserve	Cash flow hedging reserve	Actuarial gains/ (losses)	Other reserves	Retained earnings	Profit/(loss) for the period	Total Group shareholders' equity	Capital and reserves – minority interests	Profit – minority interests	Shareholders' equity – minority interests	Total shareholders' equity
Balance at 1 January 2023	20,217	3,563	174	425	(358)	40,692	(5,932)	58,780	–	–	–	58,780
Allocation of result for the year						(5,932)	5,932	–			–	–
Reserved initial public offering	6,710	63,407						70,117			–	70,117
Other income statement items			161	(90)	(211)			(139)			–	(139)
Dividends						(700)		(700)			–	(700)
Business combination								–	26		26	26
Profit for the period							7,719	7,719		90	90	7,809
Balance at 30 September 2023	26,926	66,971	335	335	(569)	34,060	7,719	135,777	26	90	116	135,893

<i>(amounts in thousands of euros)</i>	Share capital	Share premium reserve	Cash flow hedging reserve	Actuarial gains/ (losses)	Other reserves	Retained earnings	Profit/(loss) for the period	Total Group shareholders' equity	Capital and reserves – minority interests	Profit – minority interests	Shareholders' equity – minority interests	Total shareholders' equity
Balance at 1 January 2024	26,926	66,971	(520)	183	(709)	33,521	28,007	154,378	–	–	–	154,378
Allocation of result for the year						28,007	(28,007)	–			–	–
Other income statement items			(107)		(190)			(298)			–	(298)
Purchase of treasury shares					(1,334)			(1,334)			–	(1,334)
Share Incentive Plan					60			60			–	60
Profit for the period							4,006	4,006			–	4,006
Balance at 30 September 2024	26,926	66,971	(628)	183	(2,174)	61,528	4,006	156,812	–	–	–	156,812

Consolidated statement of cash flows

(amounts in thousands of euros)

	Nine months 2024	Nine months 2023
A. Cash flows from operating activities (indirect method)		
Profit (loss) for the period	4,006	7,809
Income tax	4,066	4,773
Interest expense/(interest income)	7,510	6,822
Other non-monetary income and expenses	192	185
Capital (gains)/losses on disposals	(162)	0
1. Profit/(loss) before income taxes, interest, dividends and capital gains/losses from transfer	15,612	19,589
Severance Indemnity Provision	673	284
Provisions	734	185
Depreciation and amortisation of fixed assets	15,890	11,898
Other adjustments for non-monetary items	(114)	(247)
2. Cash flow before changes in net working capital	32,796	31,710
Decrease/(Increase) in inventories	(3,349)	(4,607)
Decrease/(Increase) in contract assets	(4,638)	(1,704)
Decrease/(Increase) in trade receivables	(2,588)	(798)
Increase/(Decrease) in trade payables	(6,790)	(15,232)
Increase/(Decrease) in contract liabilities	4,534	(3,879)
Decrease/(Increase) in other changes in net working capital	5,823	(26)
Interest received/paid on loans	(2,141)	(1,736)
(Income taxes paid)	(1,682)	(6,621)
Disbursement of severance payments and other provisions	(922)	(334)
3. Cash flow related to changes in net working capital	(11,751)	(34,937)
Cash flow of operating activities (A = 2 + 3)	21,045	(3,227)
B. Cash flows from investment activities		
Investments in tangible fixed assets, net of divestments	(4,648)	(4,068)
Investments in intangible assets, net of divestments	(300)	(436)
Investments in financial fixed assets, net of divestments	349	1,103
Investments in other financial assets	645	(5,830)
Acquisition or sale of subsidiaries or business units, net of cash	0	(41,972)
Exercise of options and earn-out	(7,022)	(37,662)
Cash flow of investment activities (B)	(10,975)	(88,865)
C. Cash flows from financing activities		
Third-party financing		
Increase (decrease) in short-term payables to banks	(643)	(262)
Loans taken out	2,973	41,419
Loan repayment	(14,328)	(19,404)
Payments for lease liabilities	(6,010)	(3,718)
Adjustment, other financial payables	0	(2,755)
Equity		
Increase in net capital	0	70,117
Purchase of treasury shares	(1,334)	0
(Dividends and advances on dividends paid)	0	(700)
Cash flow of financing activities (C)	(19,343)	84,697
Increase (decrease) in cash (A ± B ± C)	(9,273)	(7,395)
Cash at 1 January	41,457	42,978
Cash and cash equivalents at 30 September	32,183	35,583
Change in cash	(9,273)	(7,395)

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. 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.

With reference to the other Group companies and the related business, the customer portfolio of the Group companies is divided into many, often small entities, and exposure is therefore limited.

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

Liquidity risk

Liquidity risk may arise when it is not possible to obtain, under favourable economic conditions, the financial resources necessary for the operation of the Group companies. Liquidity risk relates to the cash flows generated and absorbed by day-to-day operations and the resulting need to access financing to support business expansion.

The evolution of cash flows and the use of credit facilities are closely monitored by the Group Finance Department and the directors in order to ensure that financial resources are used efficiently and effectively, including in terms of expenses and interest.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of an exposure will change due to fluctuations in exchange rates.

The Group has a limited exposure to the risks arising from exchange rate fluctuations, which may affect profit or loss and shareholders' equity as the main transactions are in euros and because the Group's net investments in foreign entities (currency translation risk) are limited. Since receipts and payments in US dollars are partly offset, currency risks are contained and therefore the provision of foreign exchange hedges was not considered necessary. The use of currencies beyond the euro, US dollar, British pound and Chinese Renminbi in commercial

transactions is almost zero. The Group has entered into financial derivative transactions to hedge against the risk of exchange rate fluctuations in connection with sales in foreign currency. As at 30 September 2024, the fair value of the above-mentioned derivatives hedging exchange rate fluctuations was positive by EUR 12 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 managed through the use of derivative financial instruments in the form of interest rate swaps.

As at 30 September 2024, the Group had financial exposure to banks for financing in various technical forms for a total amount of EUR 72.6 million, on which variable interest rates accrue ranging from 4.8% to 7.9%.

Interest rate swap contracts are in place to cover this exposure, with a total notional residual amount of EUR 24.5 million.

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

Payables 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, as well as the Long-Term Incentive Plan and the Performance Shares Plan due to the Chairman of the Board of Directors and the Chief Executive Officer of the Company. The earn-out and put and call option values are directly linked to the achievement of certain economic and financial targets by the companies acquired in the periods following the taking over of control. The value of the Long-Term Incentive Plan, on the other hand, is linked to the appreciation of the Company's share price. 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.

As of the date of the preparation of financial statements as at 30 November 2024, there was no remeasurement of the value of financial liabilities related to earnout and put & call. However, it should be noted that the three-year Business Plan is under review, at the conclusion of which, if necessary, any changes in the estimation of these financial liabilities will be restated.

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 financial statements, taking into account the priorities shared by ESMA, the management is assessing the effect of potential climate risks on the Group's activities, 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 nine months of the financial year 2024, Dexelance began to define a plan for improvement initiatives related to the theme of sustainability 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.

Please note that 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.

SUBSEQUENT EVENTS

It should be noted that on 1 October 2024, the merger by incorporation of the company Nian Design S.r.l. into the parent company Cubo Design S.r.l. was carried out, based on the merger plan approved by the Shareholders' Meeting on 7 August 2024; the transaction is effective for accounting and tax purposes backdated to 1 January 2024.

In addition, it should be noted that on 15 October 2024, the acquisition by Dexelance S.p.A. of the remaining share capital of the subsidiary Axo Light S.r.l. was finalised (equal to 49%); the objective of the transaction is the continuation of the Group's consolidation in the "Lighting" strategic area with a view to greater organisational effectiveness and renewed synergistic interaction between the companies belonging to this operating segment.

BUSINESS OUTLOOK

The Group continuously monitors both the trends of the relevant markets and developments in the conflicts between Ukraine and Russia, Israel and Palestine, 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 conflicts is not significant.

The reference market is expected to remain largely stable. 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.

In particular, there has been a stabilisation of 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 support expected profitability, and cash flows.

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

Milan, 12 November 2024

On behalf of the Board of
Directors
The Chief Executive Officer

Andrea Sasso


DECLARATION OF THE DIRECTOR IN CHARGE OF DRAWING UP THE CORPORATE ACCOUNTING DOCUMENTS PURSUANT TO ARTICLE 154-BIS, PARAGRAPH 2 OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998

I, the undersigned, Alberto Bortolin, Chief Financial Officer of the Dexelance Group, in my capacity as Financial Reporting Manager, hereby declare that the Interim Financial Information as at 30 September 2024 corresponds to the company documents, books and accounting records.

Milan, 12 November 2024

Chief Financial Officer and
Director in charge of drawing
up the corporate accounting
documents

Alberto Bortolin



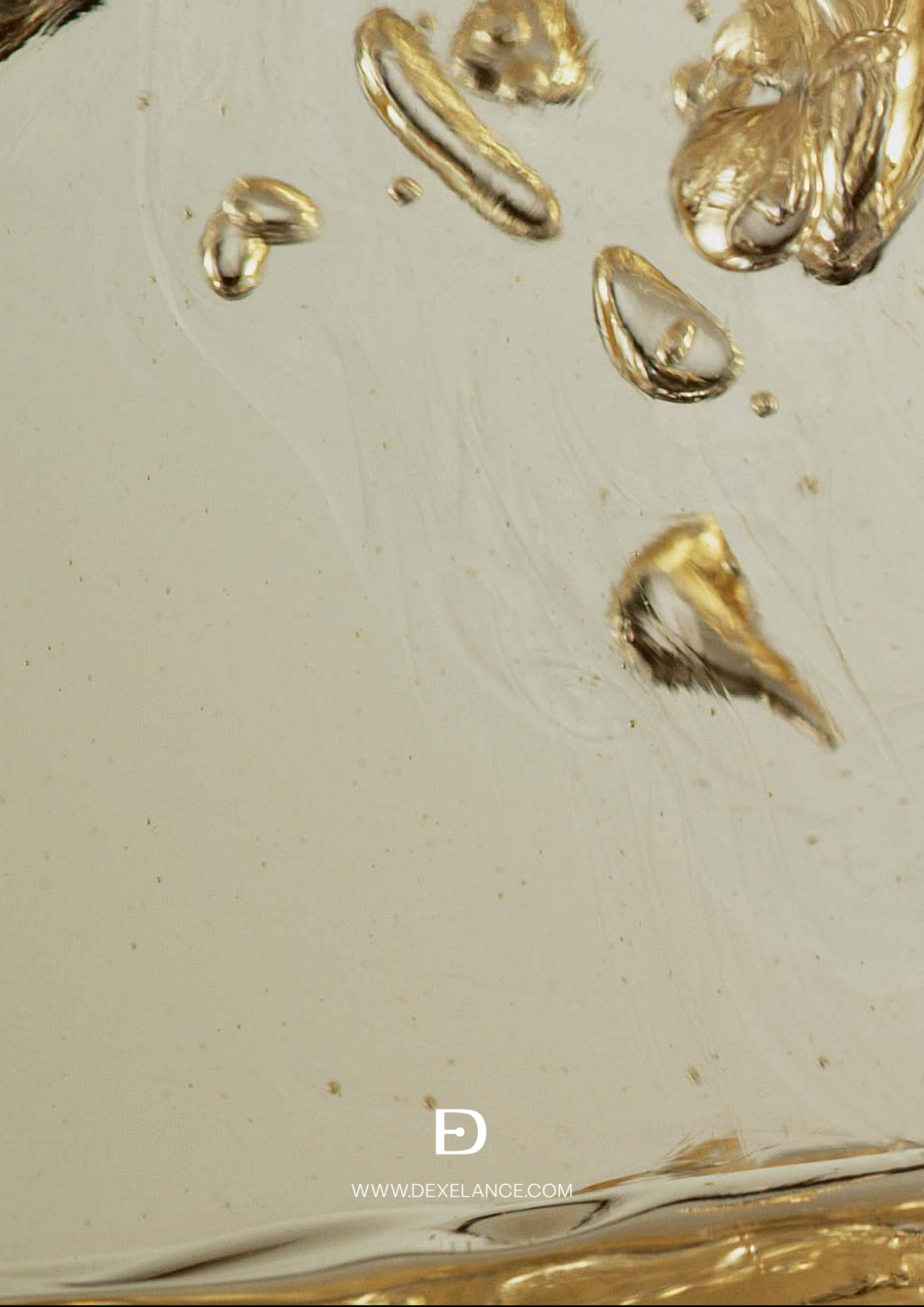
DEXELANCE S.p.A.

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

Share Capital EUR 26,926,298

Milan Economic and Administrative Index No. 2062252

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



WWW.DEXELANCE.COM