

Luminous Designs Investmens ApS

Kuglegårdsvej 19
1434 Copenhagen K

CVR no. 39 68 90 22

Annual report 2021

Adopted at the annual general meeting on / 2022

Kristoffer Mejborn
chairman

Contents

	<u>Page</u>
Statement by Management on the annual report	1
Independent auditor's report	2
Company details	5
Management's review	6
Income statement for 2021	7
Balance sheet at 31.12.2021	8
Statement of changes in equity for 2021	10
Notes	11
Accounting policies	13

Statement by management on the annual report

The executive board has today discussed and approved the annual report of Luminous Designs Investments ApS for the financial year 1 January 2021 - 31 December 2021.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 January 2021 - 31 December 2021.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, / 2022

Executive board

Søren Mygind Eskildsen
CEO

Giovanni Casali
director

Dalila Dolci
director

Independent auditor's report

To the shareholders of Luminous Designs Investments ApS

Opinion

We have audited the financial statements of Luminous Designs Investments ApS for the financial year 1 January – 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent auditor's report

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Århus, / 2022
EY Godkendt Revisionspartnerselskab
CVR no. 33 94 61 71

Steen Skorstengaard
State Authorised
Public Accountant
mne19709

Dan Mose Andersen
State Authorised
Public Accountant
mne35406

Company details

The company

Luminous Designs Investments ApS
Kuglegårdsvej 19
DK-1434 Copenhagen
CVR no.: 39 68 90 22

Reporting period: 1 January 2021 - 31 December 2021

Executive board

Søren Mygind Eskildsen, CEO
Giovanni Casali, director
Dalila Dolci, director

Auditors

EY Statsautoriseret Revisionspartnerselskab
Bavnehøjvej 5
DK-6700 Esbjerg

Consolidated financial statements

The company is included in the consolidated financial statements of the parent company International Design Group S.p.A

The consolidated financial statement can be obtained from www.cvr.dk.

Management's review

Business review

The company's main activity is to own shares in other companies as well as all activities which, at the discretion of the executive board, are related to it.

Effective from 1 January 2021 the company has merged with former subsidiary Luminous Designs Denmark ApS.

Financial review

The company's income statement for the year ended 31 December 2021 shows a profit of TDKK 109.209, and the balance sheet at 31 December 2021 shows equity of TDKK 1.649.569.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement for 2021

	<u>Notes</u>	<u>2021 TDKK</u>	<u>2020 TDKK</u>
Gross profit/loss	1	-159	-616
Income from investments in group enterprises		150,000	250,000
Financial income	2	1,667	4,797
Financial expenses	3	-46,603	-41,696
Profit / loss before tax		<u>104,905</u>	<u>212,485</u>
Tax on profit/loss for the year	4	4,304	-3,311
Profit / loss for the year		<u>109,209</u>	<u>209,174</u>

Distribution of profit

Proposed dividend for the year	150,000
Retained earnings	-40,791
	<u>109,209</u>

Balance sheet at 31.12.2021

	<u>Notes</u>	<u>2021 TDKK</u>	<u>2020 TDKK</u>
Assets			
Investments in subsidiaries		<u>2,413,913</u>	<u>2,413,913</u>
Fixed asset investment		<u>2,413,913</u>	<u>2,413,913</u>
Total non-current assets		<u>2,413,913</u>	<u>2,413,913</u>
Receivables from group enterprises		0	35,334
Income tax receivables		4,304	4,363
Receivables		<u>4,304</u>	<u>39,697</u>
Cash		<u>613</u>	<u>487</u>
Total current assets		<u>4,917</u>	<u>40,184</u>
Total assets		<u><u>2,418,830</u></u>	<u><u>2,454,097</u></u>

Balance sheet at 31.12.2021

	<u>Notes</u>	<u>2021 TDKK</u>	<u>2020 TDKK</u>
Equity and liabilities			
Share capital		1,260	1,260
Retained earnings		1,498,309	1,539,100
Proposed dividend for the year		<u>150,000</u>	<u>150,000</u>
Equity		<u>1,649,569</u>	<u>1,690,360</u>
Loan to group enterprises		<u>754,572</u>	<u>755,028</u>
Total non-current liabilities		<u>754,572</u>	<u>755,028</u>
Loan to group enterprises		7,247	0
Trade payables from group enterprises		7,289	8,556
Other payables		<u>153</u>	<u>153</u>
Total current liabilities		<u>14,689</u>	<u>8,709</u>
Total liabilities		<u>769,261</u>	<u>763,737</u>
Total equity and liabilities		<u><u>2,418,830</u></u>	<u><u>2,454,097</u></u>
Contingent liabilities	5		
Related parties and ownership structure	6		

Statement of changes in equity for 2021

	Share Capital	Retained	Proposed	Total
	TDKK	earnings	divided	TDKK
	<u>TDKK</u>	<u>TDKK</u>	<u>TDKK</u>	<u>TDKK</u>
Equity beginning of year	1,260	1,539,100	150,000	1,690,360
Paid dividend	0	0	-150,000	-150,000
Net profit/loss for the year	0	-40,791	150,000	109,209
Equity end of year	<u>1,260</u>	<u>1,498,309</u>	<u>150,000</u>	<u>1,649,569</u>

Notes

	2021	2020
1. Staff expenses		
Average number of employees	<u>0</u>	<u>0</u>

	2021 TDKK	2020 TDKK
2. Financial income		
Interest received from group entities	807	1,551
Other financial income	158	0
Exchange gains	702	3,246
	<u>1,667</u>	<u>4,797</u>

3. Financial expenses		
Financial expenses, group entities	46,534	41,666
Other financial costs	4	30
Exchange loss	65	0
	<u>46,603</u>	<u>41,696</u>

4. Tax on profit / loss for the year		
Prior year's taxes	0	7,674
Current tax for the year	-4,304	-4,363
	<u>-4,304</u>	<u>3,311</u>

5. Contigent liabilities

The company is jointly taxed with other Danish companies in the group. As a group company, the company has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalty in the joint taxation unit.

Notes

6. Related parties and ownership structure

Consolidated financial statement

The company is included in the consolidated financial statements of the parent company Internatoinal Design Group S.p.A.

The consolidated financial statement can be obtained by contacting the company

Accounting policies

The annual report of Luminous Designs Investments ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as selected provisions as regards larger entities.

The annual report for 2021 is presented in TDKK.

Pursuant to sections §112, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit/Gross loss

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit/Gross loss reflects an aggregation of other operating income less other external expenses.

Other external expenses

Other external expenses include expenses related to administration, etc.

Accounting policies

Other external expenses

Other external expenses include expenses related to administration, etc.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Investments in subsidiaries

Income statement

Dividend received from subsidiaries is recognized the income statement.

Balance sheet

Investment in subsidiaries are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

Impairment of fixed assets

The carrying amount of investments in subsidiaries is tested for impairment, on an annual basis.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets, respectively. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price and the value in use. The value in use is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

Receivables

Receivables are measured at amortised cost.

Accounting policies

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

Common control business combinations

The uniting-of-interests method is applied on acquisition of enterprises, mergers, demergers, contributions of assets and exchanges of shares, etc. where the enterprises concerned are controlled by the Parent, under which method the combination is considered completed at the date of acquisition without restatement of comparative figures. Under the uniting-of-interests method, the acquiree's assets and liabilities are recognized at the carrying amounts, adjusted for any differences in accounting policies and accounting estimates. The difference between the consideration agreed and the carrying amount of the acquiree is recognized in equity.