D Studio Copenhagen Aps

Kuglegårdsvej 13
1434 Copenhagen K

CVR no. 41 81 38 65

Annual report 2020 - 2021

Adopted at the annual general meeting on 17 June 2022

Kristoffer Mejborn
chairman

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of D Studio Copenhagen ApS for the financial year 26. October 2020 – 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 26. October 2020 – 31. December 2021.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 17 June 2022

Executive board

Søren Mygind Eskildsen	Gilberto Negrini	Gianni Fortuna
CEO	director	director

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Søren Mygind Eskildsen	Alberto Negrini	Gianni Fortuna
CEO	director	director

Independent auditor's report

To the shareholder of D Studio Copenhagen ApS

Conclusion

We have performed an extended review of the financial statements of D Studio Copenhagen ApS for the financial year 26. October 2020 – 31. December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on the work performed, 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 26. October 2020 – 31. December 2021 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section of our report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Independence

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

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 the 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.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance for our conclusion on the financial statements and perform specifically required supplementary procedures to obtain additional assurance for our conclusion.
An extended review comprises procedures that primarily consist of making enquiries of Management and others within the entity, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.
The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

Statement on the Management's review

In connection with our extended review 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 extended review, 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.

Copenhagen, 17 June 2022

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Dan Mose Andersen
State Authorised Public Accountant
mne35406

Company details

The company	D Studio Copenhagen ApS Kuglegårdsvej 13 DK-1434 Copenhagen CVR no.: 41 81 38 65 Financial year: 26. October 2020 – 31. December 2021 Domicile: Copenhagen
Executive board	Søren Mygind Eskildsen, CEO Gilberto Negrini, director Gianni Fortuna, director
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allè 36 DK-2000 Frederiksberg
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 by contacting the company.

Management's review

Business review

The company's main activity is to display and sell high-end furniture and lamps ect. manufactured by group companies owned by Design Holding S.p.A. – this includes B&B Italia, Maxalto, Arclinea, Louis Poulsen and Flos.

Financial review

The company's income statement for the year ended 31 December 2021 shows a deficit of TDKK -11.903, and the balance sheet at 31 December 2021 shows equity of TDKK -11.863.

Significant events occurring after the end of the financial year

The entity has lost more than 50 % of its share capital. Pursuant to Section 119 of the Danish Companies Act, the Management of the Company must ensure that a general meeting is held within six months. At the general meeting, the Board of Directors must report the financial position of the Company and, if necessary, submit a proposal for measures that should be taken.

It has been decided, that an intercompany loan from International Design Group S.p.A. of TDKK 26.028 (EURk 3.500) will be converted into equity.

Profit / loss for the year

	Notes	26. okt 2020- 31. dec 2021 TDKK
Gross profit/loss		**370**
Salaries	1	-3.648
Capacity costs		-10.359
Depreciations		-987
Operating profit/loss		**-14.624**
Other financial income		0
Other financial expenses	2	-636
Profit/loss before tax		**-15.260**
Tax on profit/loss for the year	3	3.357
PROFIT / LOST FOR THE YEAR		**-11.903**

Distribution of profit

Proposed dividend for the year	0
Retained earnings	-11.903
	-11.903

Balance sheet at 31. December 2021

	Notes	31. december 2021 TDKK
Assets		
Intangible assets		7.610
tangible assets		2.341
Total fixed assets	**4**	**9.951**
Inventory		3.687
Trade receivables		405
Deposits		1.315
Corporate tax		3.667
Other receivables		2.024
Total current assets		**11.098**
cash		**9.073**
TOTAL ASSETS		**30.122**

Balance sheet at 31. December 2021

	Notes	31. december 2021 TDKK
Liabilities		
Capital		40
Retained earnings		-11.903
Total equity		**-11.863**
Loan from group enterprises		29.746
Total non-current liabilities		**29.746**
Trade payables		2.491
Trade payables from group enterprises		6.893
Prepayment customers		980
Deferred tax	**5**	310
Other payables		1.565
Total short term debts		**12.239**
TOTAL LIABILITIES		**30.122**
Contingent liabilities	6	
Related parties and ownership structure	7	

Statement of changes in equity for 2020/21

	share capital TDKK	retained earnings TDKK	proposed dividend TDKK	Total TDKK
Equity beginning of year	40			40
Net profit/loss for the year		-11.903		-11.903
Equity end of year	**40**	**-11.903**	**0**	**-11.863**

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Notes:

	26. okt 2020- 31. dec 2021 TDKK

1. Salaries

Salaries	3.004
Pensions cost	194
other social security costs	450
	3.648
Average number of fulltime employees	**5**

2. Financial expenses

Financial expenses, group entities	584
Other financial costs	48
Exchange loss	4
	636

3. Tax on profit / loss for the year

profit before tax	-15.260	
corporate tax for the period 26.10.2020 - 31.12.2021	22%	**3.357**

Notes:

	26. okt 2020- 31. dec 2021 TDKK

4. Fixet assets

Intangible assets:	
cost beginning of the period	0
additions	8.175
disposals	0
	8.175
depreciation beginning of the period	0
depreciation for the period	-565
	-565
Intagible assets end of the period	**7.610**
Tangible assets:	
cost beginning of the period	0
additions	2.763
disposals	0
	2.763
depreciation beginning of the period	0
depreciation for the period	-422
	-422
Tagible assets end of the period	**2.341**

5. Deferred tax liabilities

Intangibles assets	310
Deferred tax liabilities	**310**

Notes:

	26. okt 2020- 31. dec 2021 TDKK

6. Contigent liabilities

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

Rent and lease liabilities due within 1 year amount to DKK 5,479 thousand for the company.
Rent and lease liabilities falling due after 5 years amount to DKK 0 thousand for the company.

7. Related parties and ownership structure
consolidated financial statement

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

”D Studio Copenhagen ApS' related parties comprise the following:

Control

International Design Group S.p.A., Via Montenapoleone No29, Milan, Italy, parent, which exercises control.

The consolidated financial statement can be obtained by contacting the company

Accounting policies

The annual report of D Studio Copenhagen ApS for 2020/21 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 2020/21 is presented in TDKK.

As 2020/21 is the company's first reporting period, no comparatives have been presented.

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

Revenue

The Company has chosen IAS 11/ IAS 18 as interpretation for revenue recognition.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognized in revenue.

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 revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Accounting policies

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance and pensions, and other social security costs, etc., for the Company's employees. Refunds received from public authorities are deducted from staff costs.

Depreciation

The item comprises depreciation of property, plant and equipment and intangible assets. The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life.

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

Intangible assets

On initial recognition, intangible assets are measured at cost. Amortisation is made over the estimated economic life without the determination of a residual value.

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Property, plant and equipment

On initial recognition, items of property, plant and equipment are measured at cost.

Plant and machinery as well as fixtures and fittings and equipment are subsequently measured at cost less accumulated depreciation. Land is not depreciated.

Accounting policies

Depreciation is based on the residual value of the asset after the end of the useful life and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.
Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.
Individual components of property, plant and equipment that have different useful lives are accounted for as separate items, which are depreciated separately.

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.
Write-down for bad and doubtful debts is made when there is objective evidence that a receivable or a portfolio of receivables has been impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Inventories
Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries as well as direct production costs. Production overheads and borrowing costs are not included in cost.

The net realisable value of inventories is determined as the selling price less costs of completion and costs incurred to effect the sale, taking into account marketability, obsolescence and developments in the expected selling price.

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.