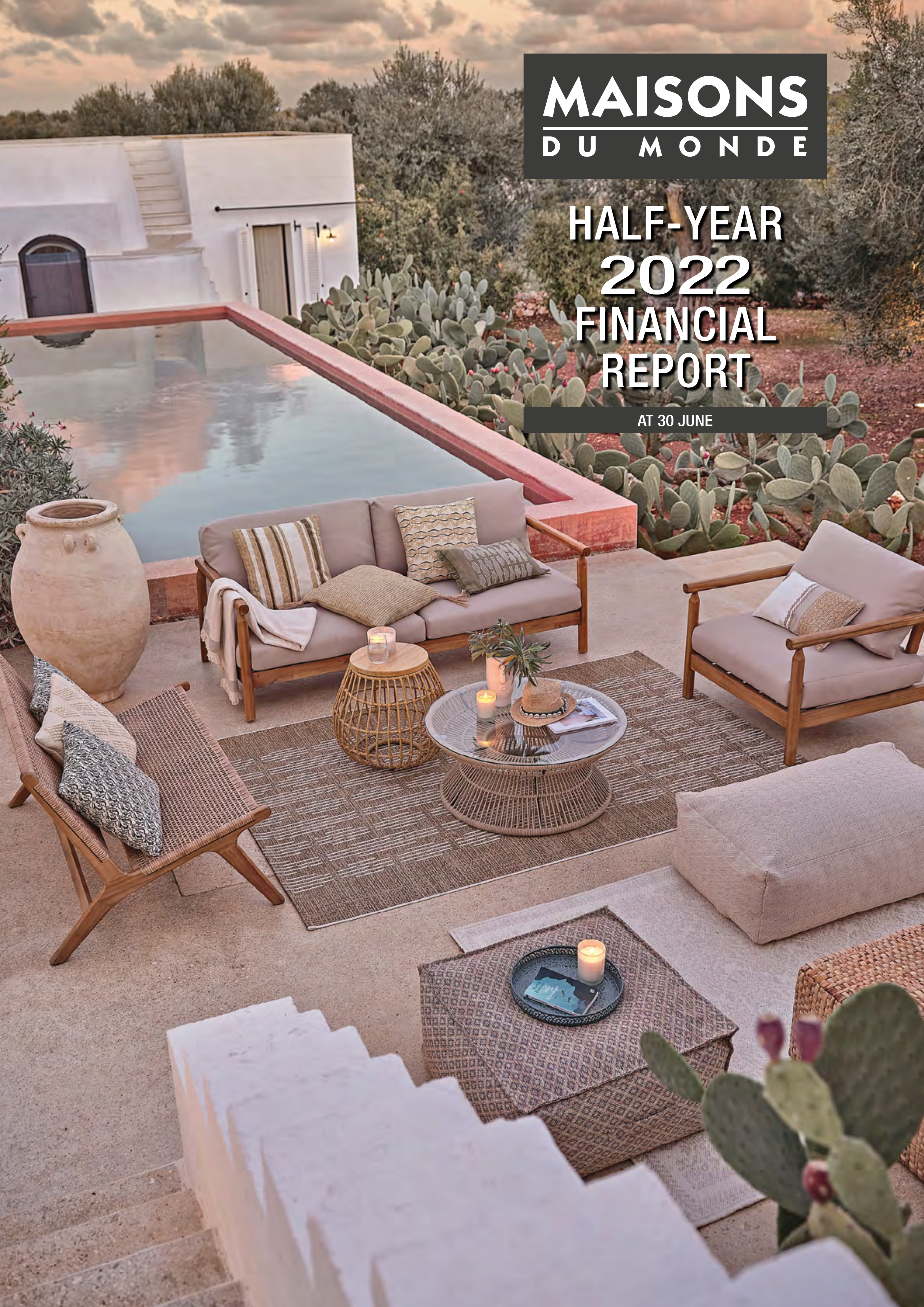
MAISONS DU MONDE

HALF-YEAR 2022 FINANCIAL REPORT

AT 30 JUNE



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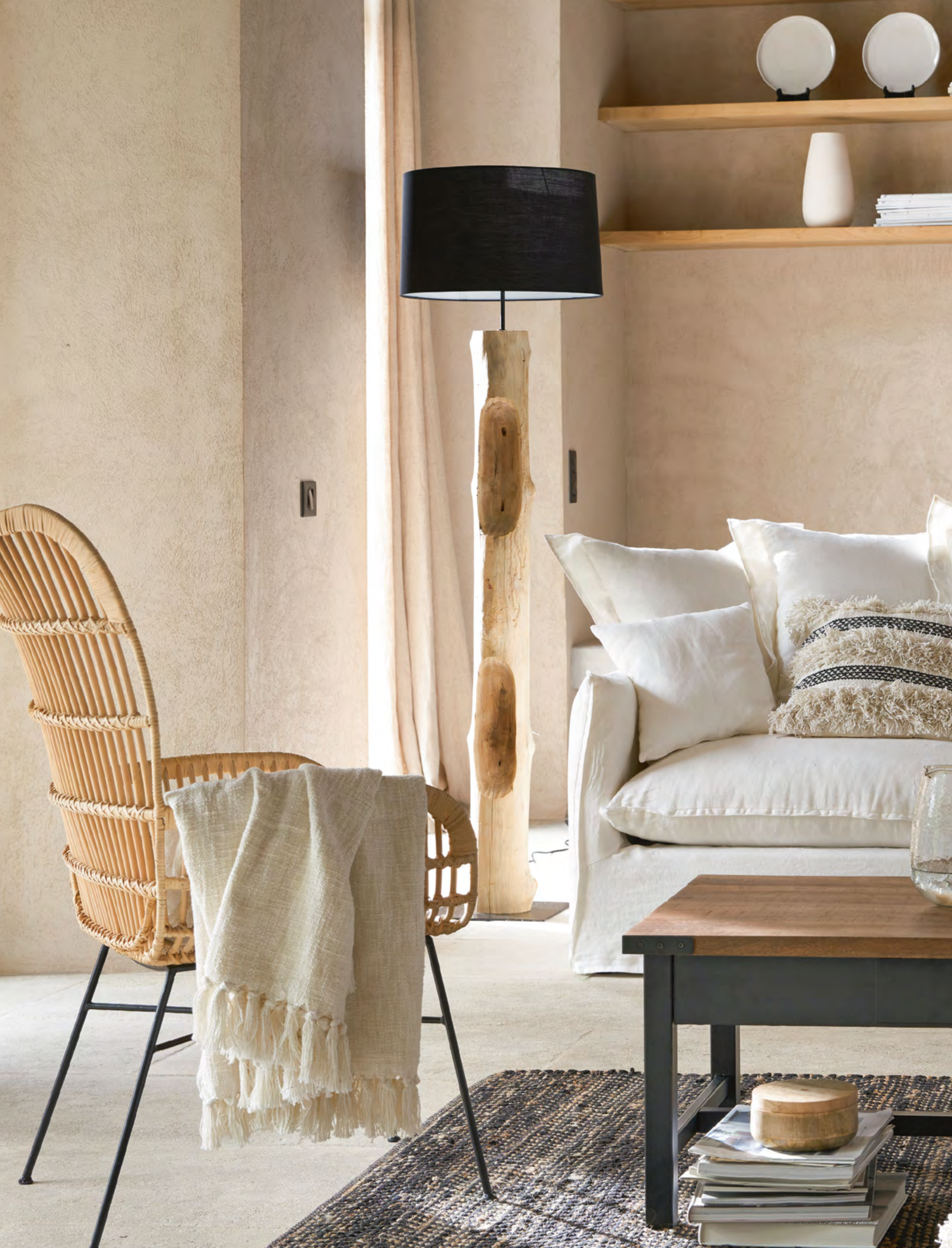
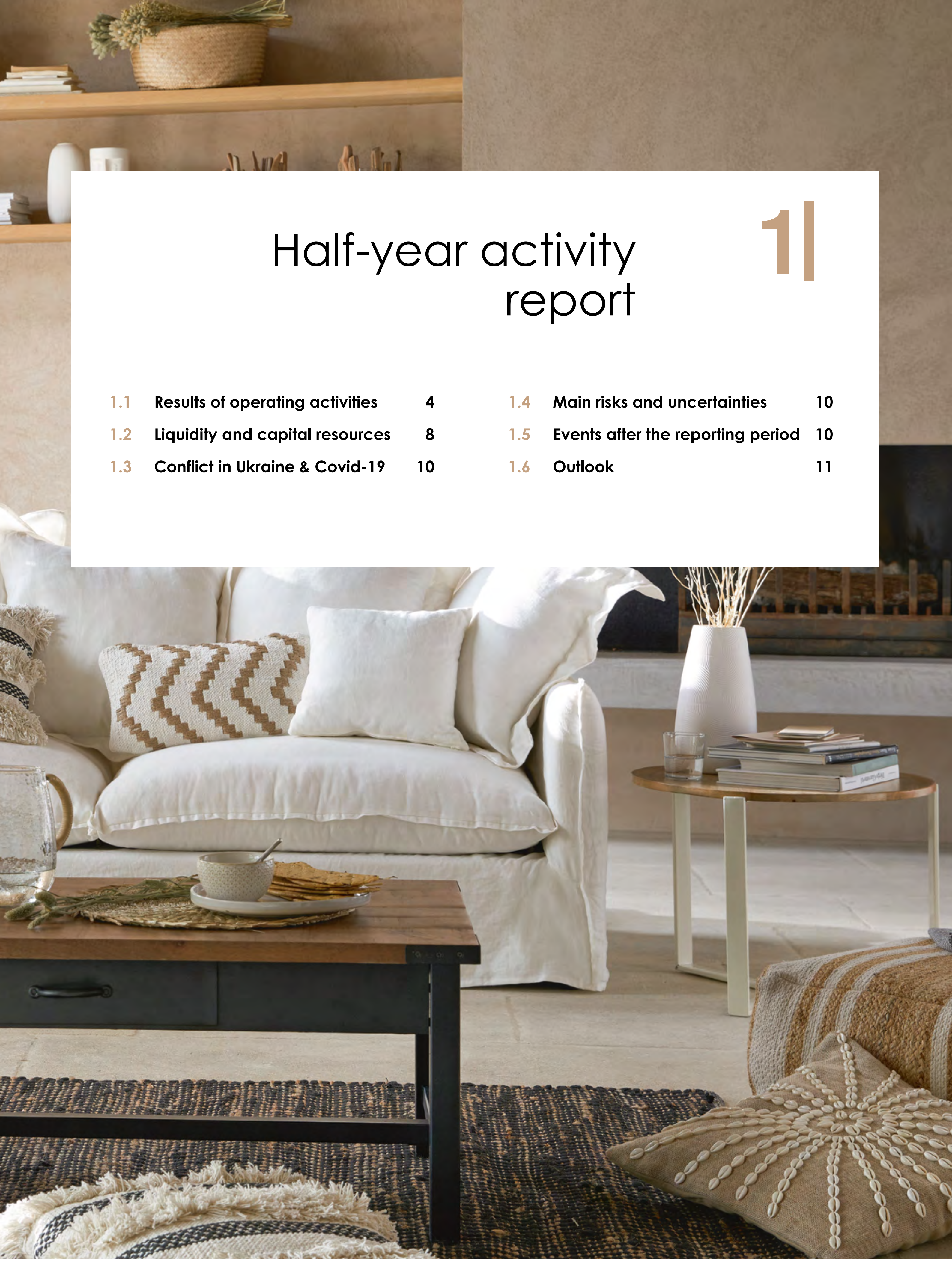
MAISONS DU MONDE

Half-year 2022 Financial Report
at 30 June

Maisons du Monde, creator of original universes in the homeware business, offers a unique range of home decoration items and furniture in a wide variety of styles and themes at affordable prices that allow its customers to express their own styles and tastes.





1 Half-year activity report

1.1 Results of operating activities

1.1.1 KEY METRICS

KEY FINANCIAL METRICS FOR THE FIRST HALF OF 2022

	Six-month period ended 30 June		
(in EUR millions)	2022	2021 [(1)]	% change
Sales [(2)]	**603.9**	**634.4**	**-4.8%**
Maisons du Monde	601.6	632.0	-4.8%
% like-for-like change	*-7.1%*	*34.2%*	
Gross margin [(3)]	386.7	415.4	-6.9%
As a % of sales	*64.0%*	*65.5%*	
EBITDA	99.4	125.2	-20.6%
As a % of sales	*16.5%*	*19.7%*	
EBIT	28.4	47.9	-40.6%
As a % of sales	*4.7%*	*7.6%*	
Net income	8.4	(20.5)	
Free cash flow	(6.6)	51.2	
Net debt (ex-IFRS 16)	91.8	37.7	
Leverage ratio [(4)]	0.66x	0.22x	

(1) Application of IFRS 5: with the sale of 55% of Maisons du Monde's 70% holding in Modani in November 2021, the Group's H1 2021 consolidated financial statements have been restated pursuant to IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations.

(2) Defined as merchandise sales, Marketplace commissions and other service revenues less franchise and promotional sales (€2.1 mn in 1H22 and €2.5 mn in 1H21).

(3) Gross margin (sales less cost of goods sold) is a non-IFRS financial metrics and is presented here for informational purposes only.

(4) Net debt divided by LTM EBITDA restated from IFRS 16 as per the Senior Credit Facilities Agreement.

1.1.2 SALES ANALYSIS

OVERVIEW OF SALES FOR THE FIRST HALF OF 2022

	Six-month period ended 30 June		
(in EUR millions)	**2022**	**2021**	**% change**
TOTAL SALES	**603.9**	**634.4**	**-4.8%**
Sales by geography			
France	312.6	332.1	-5.9%
% of sales	*51.8%*	*52.4%*	
International	291.3	302.2	-3.6%
% of sales	*48.2%*	*47.6%*	
Sales by distribution channel			
Stores	407.1	373.5	9.0%
% of sales	*67.4%*	*58.9%*	
Online	196.8	260.8	-24.5%
% of sales	*32.6%*	*41.1%*	
Sales by product category			
Decoration	327.4	331.9	-1.3%
% of sales	*54.2%*	*52.3%*	
Furniture	276.5	302.5	-8.6%
% of sales	*45.8%*	*47.7%*	

Maisons du Monde's first half 2022 posted a decrease of 4.8% yoy to EUR 603.9 million (LFL: -7.1%). This evolution reflects the very high comparable base (H1 2021 yoy growth: +35%) and the much more challenging macroeconomic environment. After a first drop in traffic observed in March following the start of the war in Ukraine, traffic further deteriorated in May in an unexpectedly strong and sudden fashion, as prospects of a long-lasting conflict and strong and durable inflation started to spread across Europe. June showed no improvement compared to May, and the mixed results of the traditional summer sale season confirmed the clear Europe-wide slowdown, particularly in the home and living category, which benefitted from strong consumer spending during the pandemic.

At 30 June 2022, Maisons du Monde had 350 stores, compared to 357 at 31 December 2021, with an average retail trading space per store of 1,226 m^2. The first six months of 2022 saw the opening of two new stores, one in France and one in Spain. During the same period, the Group closed six stores in France, two in Belgium and one in Italy. Total store network commercial area at 30 June 2022 of 429,000 m^2 decreased 4,000 m^2 compared to 31 December 2021.

A. Sales by geography

First half 2022 sales in France were EUR 312.6 million (52% of total sales) were down 5.9% yoy, while international sales totaled EUR 302.2 million (-3.6% yoy) and represented 48% of total sales.

B. Sales by distribution channel

During the first half, store and online sales recalibrated in an environment which, unlike last year, was unaffected by Covid, but was impacted this year by the inflationary context and the decline in consumer confidence across Europe.

First half 2022 online sales, representing 33% of total first half sales, registered a 24.5% yoy decrease to EUR 197 million, reflecting a challenging comparable base: online net sales reached all-time-highs in H1 21 on the back of strong demand for the category and a highly dynamic channel, with stores closed on average 30% of the time during that period.

First half 2022 store sales in the amount of €407 million grew by 9.0% *vs.* H1 21, benefitting from a favorable base effect as stores were partially closed during this period in 2021.

C. Sales by product category

In the first half of 2022, in terms of sales split by product category, furniture sales amounted to EUR 277 million and represented 46% of total 1st half sales. Decoration items made up the remaining percentage of sales and amounted to EUR 327 million.

1.1.3 EBITDA ANALYSIS

BREAKDOWN OF EBITDA BY GEOGRAPHY

	Six-month period ended 30 June		
(in EUR millions)	**2022**	**2021**	**% change**
France	81.5	83.0	-1.8%
International	63.0	83.7	-24.7%
Corporate segment [(1)]	(45.1)	(41.5)	8.7%
EBITDA	**99.4**	**125.2**	**-20.6%**

(1) See note 5 "Geographical segment information" of this half-year financial report.

In the first half of 2022, EBITDA was EUR 99.4 million, down 20,6% yoy, resulting in an EBITDA margin of 16.5%. The lower sales volume impact was accompanied by an increase in freight price increases, raw material and energy cost inflation as well as EUR/USD currency rate deterioration. Expenses related to depreciation, amortization and allowance for provisions decreased by EUR 6 million.

A. EBITDA in France

In France, EBITDA was EUR 81.5 million in the first half of 2022, down 1.8% compared to the first half of 2021, notably reflecting (i) store sales performance that was supported by a favorable base effect as French stores were closed on average 33% of the time in H1 2021, and (ii) a lower level of online sales.

B. International EBITDA

Internationally, EBITDA was EUR 63.0 million in the first half of 2022, down 24.7% compared to the first half of 2021, notably lower online sales.

1.1.4 INCOME STATEMENT ANALYSIS

SIMPLIFIED CONSOLIDATED INCOME STATEMENT

	Six-month period ended 30 June	
(in EUR millions)	**2022**	**2021**
Sales	**603.9**	**634.4**
Sales to franchise and promotional sales	2.1	2.5
Other revenue from ordinary activities	21.5	24.4
Revenues	**627.5**	**661.3**
Cost of sales	(217.2)	(219.0)
Personnel expenses	(120.3)	(116.9)
External expenses	(196.2)	(203.3)
Depreciation, amortization, and allowance for provisions	(70.9)	(77.3)
Change in fair value – derivative financial instruments	(3.1)	(3.8)
Other income from operations	6.4	0.9
Other expenses from operations	(3.5)	(3.4)
Current operating profit before operating income and expenses	**22.8**	**38.7**
Other operating income and expenses	(1.1)	(1.0)
Operating profit/(loss)	**21.7**	**37.7**
Financial profit/(loss)	(9.1)	(11.0)
Profit/(loss) before income tax	**12.6**	**26.7**
Income tax	(4.2)	(9.6)
Net income from continuing operations	8.4	17.1
Net income from discontinued operations	-	3.4
NET INCOME	**8.4**	**20.5**

A. Sales

Maisons du Monde's first half 2022 sales a decrease of 4.8% yoy to EUR 603.9 million (LFL: -7.1%) reflecting the very high comparable base (H1 2021 yoy growth: +35%) and the much more challenging macroeconomic environment. Compared to the first half of 2019, total Group 1st half 2022 sales were up 11%.

The Group's consolidated revenue decreased by EUR 33.8 million to EUR 627.5 million in the first half of 2022, a decrease of 5.1% compared with the first half of 2021.

B. Gross margin

Cost of goods sold were stable (-0.8%) at EUR 217.2 million. The first half 2022 gross margin amounted to EUR 387 million, down 7% due to lower sales, the increase in freight price increases, raw material and energy cost inflation as well as EUR/USD currency rate deterioration. The gross margin as a percentage of sales decreased by 145 basis points to 64.0%.

C. Current operating profit

Personnel expenses, including social charges, increased by EUR 3.4 million, or 2.9%, to EUR 120.3 million in the first half of 2022, compared with EUR 116.9 million in the first half of 2021, as last year European governments subsidized employees' net salaries who were placed on temporary unemployment during the Covid-19 lockdowns. As a percentage of sales, personnel expenses were 19.9% in the first half of 2022, compared to 18.4% in the first half of 2021. Employee profit-sharing (including social security costs) declined 63.6% to €3.9 million in line with the change in net income.

External expenses decreased 3.5% to EUR 196.2 million in the first half of 2022, compared to EUR 203.3 million in the first half of 2021. This was due primarily to a 13.4% decrease in transportation costs. As a percentage of sales, external expenses amounted to 32.5% in the first half of 2022, compared to 32.0% in the first half of 2021.

Depreciation, amortization and provisions declined by EUR 6.4 million, or 8.2%, to EUR 70.9 million in the first half of 2022, compared to EUR 77.3 million in the first half of 2021. As a percentage of sales, depreciation, amortization, and provisions amounted to 11.7% in the first half of 2022, compared to 12.2% in the first half of 2021.

The change in the fair value of derivative financial instruments, which hedge or enable the hedging of all Group purchases of goods and sea freight denominated in US dollars for the Group, amounted to a loss of EUR (3.1) million in the first half of 2022, compared to a loss of EUR (3.8) million in the first half of 2021.

Other operating income and expenses amounted to a net income of EUR 3.0 million in the first half of 2022, compared to a net expense of EUR 2.5 million in the first half of 2021. This change primarily reflected commercial litigations.

The Group posted current operating profit of EUR 22.8 million in the first half of 2022, compared to a profit of EUR 38.7 million in the first half of 2021.

D. Operating profit (loss)

Other operating income and expenses represented a net expense of EUR 1.1 million in the first half of 2022, stable compared net expense of EUR 1.0 million in the first half of 2021.

In the first half of 2022, the Group posted an operating profit of EUR 21.7 million, compared to a profit of EUR 37.7 million in the first half of 2021.

E. Financial profit (loss)

Financial profit/(loss) represented a net expense of EUR 9.1 million in the first half of 2022, compared to a net expense of EUR 11.0 million in the first half of 2021, the decrease relating to the change in currency exchange gains and losses.

F. Income tax expense

Income tax represented a net expense of EUR 4.2 million in the first half of 2022 (effective corporate tax rate: 33.6%), compared to a net expense of EUR 9.6 million in the first half of 2021 (corporate tax rate: 36.0%).

G. Net income

In the first half of 2022, the Group posted net income from continuing operations of EUR 8.4 million, compared to net income from continuing operations of EUR 17.1 million in the first half of 2021.

1.2 Liquidity and capital resources

1.2.1 CASH FLOW ANALYSIS

The table below shows the Group's consolidated cash flows for the six-month periods ended 30 June 2021 and 30 June 2022.

	Six-month period ended 30 June	
(in EUR millions)	**2022**	**2021[(1)]**
Net cash flow from/(used in) operating activities	82.8	139.9
Net cash generated by/(used in) investment activities	(31.8)	(24.3)
Net cash flow from/(used in) financing activities	(113.0)	(259.5)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(61.9)**	**(143.8)**
Cash and cash equivalents at beginning of period	163.2	296.7
Net increase/(decrease) in cash and cash equivalents	(61.9)	(143.8)
Exchange gains/(losses) on cash and cash equivalents	0.1	0.1
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**101.3**	**152.9**

(1) Includes Modani.

The table below shows the statement of cash flows related to operating activities, investment activities and financing activities and net cash flows before financing activities for the six-month periods ended 30 June 2021 and 30 June 2022.

	Six-month period ended 30 June	
(in EUR millions – IFRS 16)	**2022**	**2021[(1)]**
EBITDA	**99.4**	**125.2**
Change in operating working capital requirements	(12.3)	25.1
Change in other operating items	(4.2)	(19.6)
Net cash flow from/(used in) operating activities	**82.8**	**130.7**
Acquisition of physical and intangible assets	(31.8)	(23.8)
Change in debt on fixed assets	(0.2)	(0.6)
Proceeds from sale of non-current assets	0.2	0.8
Net cash generated by/(used in) investing activities	**(31.8)**	**(23.6)**
Net cash flow before financing activities	**51.0**	**107.1**
Proceeds from borrowings	0.1	0.1
Repayment of borrowings	(29.7)	(200.2)
Decrease of lease debt	(52.0)	(50.4)
Acquisitions (net) of treasury shares	(0.7)	0.4
Dividends paid	(23.4)	-
Interest paid	(1.8)	(1.5)
Interest on lease debt	(5.6)	(5.6)
Net cash generated by/(used in) financing activities	**(113.0)**	**(257.2)**
Net cash flow after financing activities	**(62.0)**	**(150.1)**

(1) Restated ex-Modani.

The change in working capital requirement had a negative impact on cash flow, amounting to €12.3 million in the first half of 2022 (compared to a positive impact of €25.1 million in the first half of 2021), reflecting for the first half of 2022:

(i) a negative impact of inventory changes on cash flow, amounting to €70.7 million

(ii) a positive impact of receivables on cash flow, amounting to €37.9 million

(iii) a positive impact of debt on cash flow, amounting to €20.5 million.

The Group's operating activities generated a net cash inflow of EUR 82.8 million in the first half of 2022 (compared to a net cash inflow of EUR 130.7 million in the first half of 2021), reflecting primarily the decrease of EBITDA and the increase in the change of the working capital requirement.

In the first half of 2022, the Group's investment activities generated a net cash outflow of EUR 31.8 million (compared to a net cash outflow of EUR 23.6 million in the first half of 2021), mainly including capital expenditure (capex) of EUR 31.8 million, of which approximately EUR 12 million related to the opening of our 2nd warehouse in northern France.

Free cash flow was EUR (6.6) million in the first half of 2022 compared to EUR 51.2 million during the same period in 2021. This reflected (i) the lower level of EBITDA, ii) the change in working capital requirement, and iii) the change in other operating items.

The Group's financing operations generated a net cash outflow of EUR 113.0 million in the first half of 2021 (compared to a net cash outflow of EUR 257.2 million in the first half of 2021), mainly comprised of the decrease in lease debt in the amount of €52.0 million, the dividend payment of €23.4 million and the reimbursement of other loans for €29.7 million.

1.2.2 FINANCIAL RESOURCES

The change in net debt over the period 31 December 2021 to 30 June 2022 was as follows:

		Cash impact			Without cash impact			
(in EUR millions)	**31 December 2021**	**Increase**	**Decrease**	**Interest/ Commissions**	**Issuance fees**	**Interest**	**Foreign exchange**	**30 June 2022**
Convertible bond	191.0	-	-	-	0.1	2.3	-	193.4
Term loan	-	-	-	(0.6)	0.0	0.1	-	(0.5)
Logistics loan	(0.2)	-	-	(0.0)	-	0.2	-	(0.0)
Revolving credit facilities	0.0	-	-	(1.1)	0.1	0.1	-	(0.8)
Other borrowings [1]	30.8	1.2	(29.7)	(0.0)	-	0.0	-	2.3
Cash and cash equivalents	(163.2)	(0.1)	60.9	-	-	-	-	(102.4)
TOTAL NET DEBT	**58.4**	**1.1**	**31.1**	**(1.8)**	**0.2**	**2.8**	**(0.0)**	**91.8**
Lease debt	2.7		(0.6)					2.1
TOTAL RESTATED NET DEBT	**61.1**	**1.1**	**30.5**	**(1.8)**	**0.2**	**2.8**	**(0.0)**	**93.9**
LTM EBITDA [2]	**169.0**							**143.2**
LEVERAGE RATIO	**0.36x**							**0.66x**

(1) Including other borrowings, deposits and guarantees, and bank overdrafts.

(2) IRFS 16 EBITDA restated in accordance with the senior credit facility agreement.

1.3 Conflict in Ukraine & Covid-19

The conflict in Ukraine has led to a significant increase in inflation, including an exceptional rise in food and energy prices. These factors have led to a sharp drop in consumer confidence. For the Maisons du Monde Group, this is one of the main reasons for the drop in traffic in our shops and on our online platform.

The Covid-19 pandemic, for its part, has had and continues to have an impact on our operations, mainly on two levels:

- The various travel and entertainment restrictions and confinements of 2020 and 2021 resulted in improved demand for the home décor and furnishings category. Many consumers have thus allocated their available spending budgets to the decoration and furnishing of their living spaces. This has been visible for the various market players as well as within the Maisons du Monde business. In 2022, a trend adjustment is observed. The performance is also strongly influenced by shop closures from one year to the next. In 2022, with no shop closures compared to 2021, store sales grew in the first half of the year; on the other hand, online activities are declining compared to the 2021 period, which was marked by a partial network closure. Maisons du Monde's performance was negative in the first half of the year in an unfavorable consumer environment as described above.

- Public health policy in Asia, and particularly the management of the pandemic in China, also led to prolonged large-scale closures of several cities and ports. This led to delays in the import of our goods in the first half of the year associated with significant increases in import costs including a very large increase in sea freight costs. As a result, the cost of sales as a percentage has increased year-on-year in the first half of 2022 and is expected to increase in the second half of 2022. In addition, the delay in shipments has resulted in a lack of availability of certain products, particularly furniture, with an availability rate of only 59% at the end of June. This has hampered our ability to replenish our inventory, negatively impacting sales in the first half of 2022.

1.4 Main risks and uncertainties

The main risks and uncertainties to which Maisons du Monde considers itself exposed at the date of this Half-Year Financial Report are those detailed in Section 2.2 “Risk factors” of the 2021 Universal Registration Document.

1.5 Events after the reporting period

1.5.1 CAPITAL REDUCTION

On 27 July 2022, the Board of Directors decided to cancel 1,953,797 shares acquired under the share buyback program launched on 26 October 2021. The capital reduction was carried out on 28 July 2022.

The share capital of Maisons du Monde S.A. amounts to 140,253,434.28 euros divided into 43,288,097 shares.

1.5.2 NEW SHARE BUYBACK PROGRAM

Despite the current environment, the Group remains fully confident in the fundamental strength of its business model and the relevance of its strategic choices. The Board of directors and the management team believe the Group's current market value is not an accurate reflection of the business's value creation and cash generation potential. As a result, utilizing the Group's solid balance sheet, Maisons du Monde is today launching an opportunistic new share buyback program. The Group believes this buyback is an attractive investment opportunity for the benefit of its long-term shareholders.

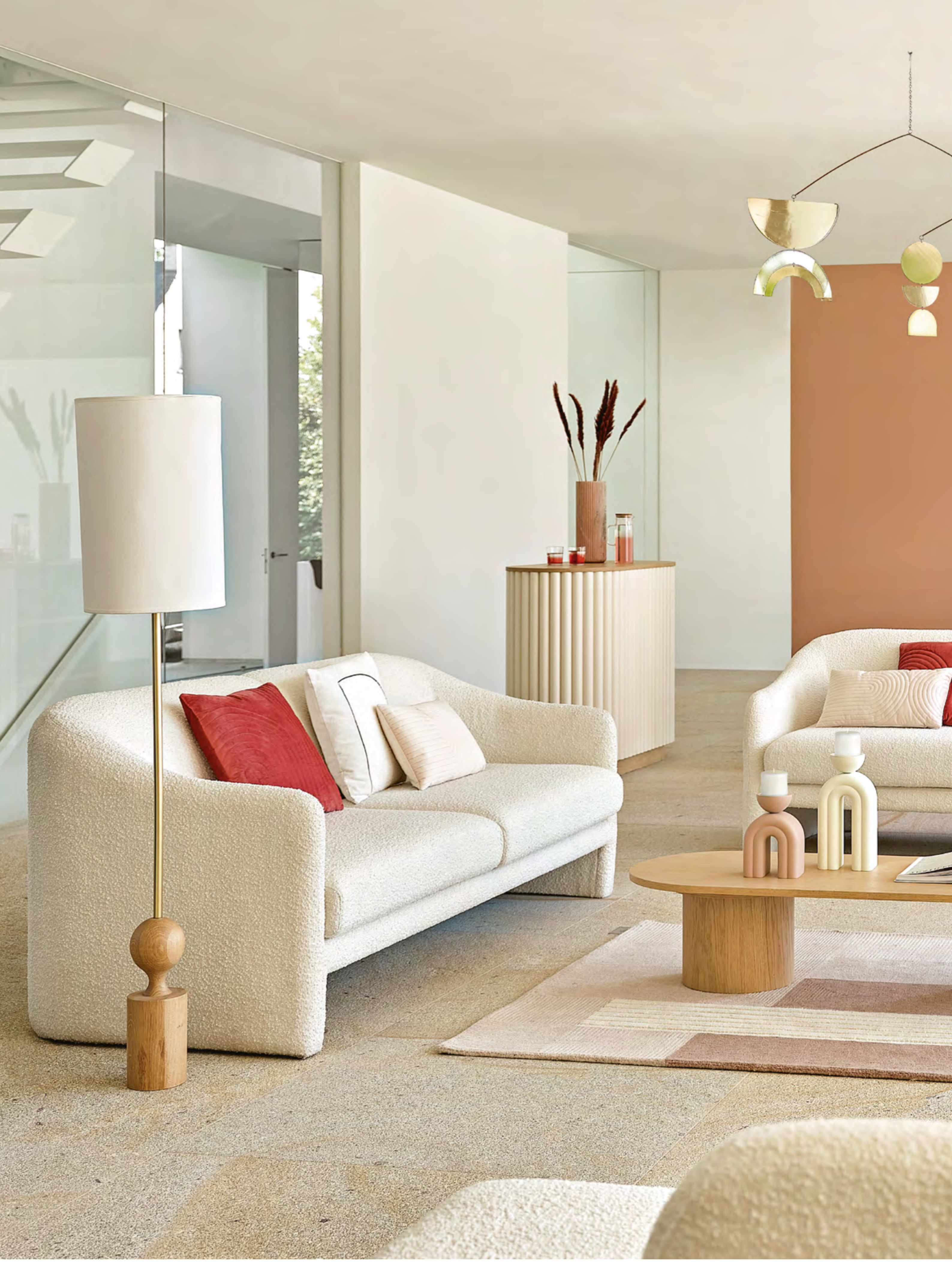
Under this new plan, the Group intends to repurchase up to 10% of its outstanding shares at market price over a period of several months beginning 29 July 2022. This program will be carried out within the limits of the authorization granted to purchase shares, as per the 18th resolution adopted by the General Assembly on 31 May 2022. A description of this share buyback program is available on the Group's website: www.corporate.maisonsdumonde.com

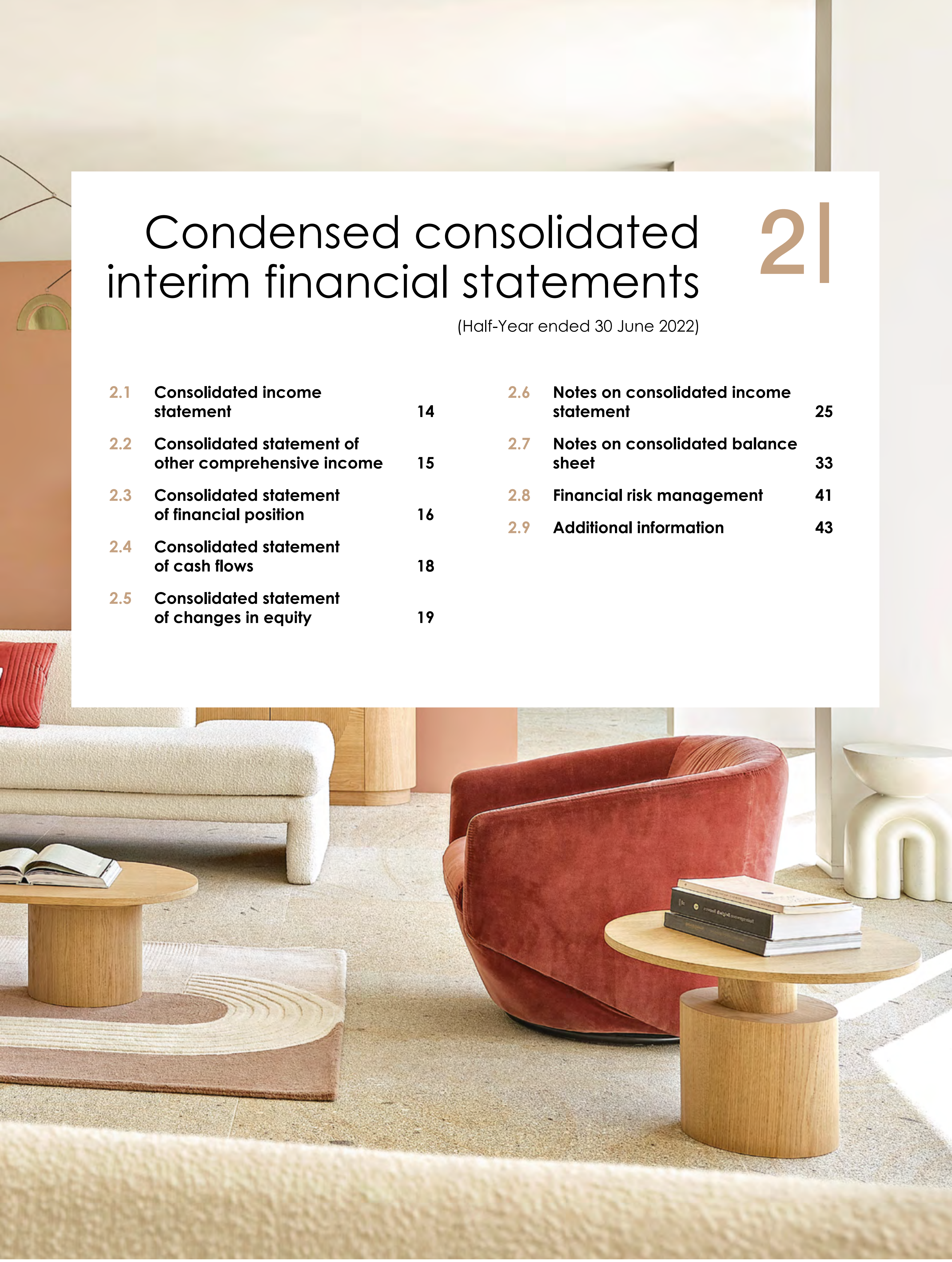
The shares acquired under this new buyback program are intended to be cancelled to reduce the share capital of Maisons du Monde as soon as the program is completed.

1.6 Outlook

In a high-inflation environment marked by rising raw material prices as well as persistent supply chain bottlenecks, the Group revised its guidance on 26 May. Today, despite the ongoing challenging environment and thanks in part to our H2 2022 profit protection and cash savings action plan, we confirm our updated full-year 2022 objectives:

- top line decrease in the mid-single digit range;
- an EBIT margin of 5% or above;
- FCF of EUR 10 million to 30 million;
- reduction of the Group's carbon intensity: CO_2 neutrality for scopes 1 and 2;
- dividend payout ratio of 30% to 40%.





Condensed consolidated interim financial statements

2

(Half-Year ended 30 June 2022)

2.1 Consolidated income statement

(in EUR thousands)	Notes	30 June 2022	30 June 2021 *
Retail sales and commissions related to ordinary activities		606,005	636,902
Other revenue from ordinary activities		21,539	24,435
Revenue	**6**	**627,545**	**661,337**
Cost of sales		(217,220)	(218,954)
Personnel expenses	7	(120,275)	(116,885)
External expenses	8	(196,241)	(203,268)
Depreciation, amortization and allowance for provisions		(70,903)	(77,269)
Fair value – derivative financial instruments	19	(3,068)	(3,772)
Other income from operations	9	6,425	901
Other expenses from operations	9	(3,460)	(3,409)
Current operating profit before other operating income and expenses		**22,804**	**38,681**
Other operating income and expenses	10	(1,092)	(1,015)
Operating profit (loss)		**21,712**	**37,666**
Cost of net debt		(2,981)	(3,663)
Cost of lease debt		(5,725)	(5,720)
Finance income		2,006	1,153
Finance expenses		(2,394)	(2,721)
Financial profit (loss)	**11**	**(9,094)**	**(10,951)**
Profit (loss) before income tax		**12,618**	**26,715**
Income tax expense	12	(4,243)	(9,606)
Net income from continuing operations		**8,375**	**17,109**
Net income from discontinued activities		-	3,394
PROFIT (LOSS)		**8,375**	**20,503**
Attributable to:			
• Owners of the Parent		8,524	19,556
• Non-controlling interests		(148)	947
Profit (loss) from continuing operations attributable to:		**8,375**	**17,109**
• Owners of the Parent		8,524	17,154
• Non-controlling interests		(148)	(45)
Profit (loss) from discontinuing operations attributable to:		**-**	**3,394**
• Owners of the Parent		-	2,402
• Non-controlling interests		-	992
Earnings per share attributable to the owners of the parent:			
Basic earnings per share	13	0.19	0.43
Diluted earnings per share	13	0.21	0.42

* *Amounts restated according to the application of IFRS 5 in the context of the sale of Modani on 10 November 2021.*

The accompanying notes are an integral part of the consolidated financial statements.

2.2 Consolidated statement of other comprehensive income

(in EUR thousands)	Notes	30 June 2022	30 June 2021
PROFIT (LOSS) FOR THE PERIOD		**8,375**	**20,503**
• Remeasurements of post-employment benefit obligations	22	4,668	901
• Income tax related to items that will not be reclassified		(1,036)	(327)
Total items that will not be reclassified to profit or loss		**3,632**	**574**
• Cash-flow hedge	19	25,930	30,190
• Currency translation differences		835	326
• Income tax related to items that will be reclassified		(6,698)	(10,237)
Items that will be reclassified subsequently to profit or loss		**20,067**	**20,279**
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX		**23,699**	**20,853**
TOTAL COMPREHENSIVE INCOME (LOSS)		**32,074**	**41,355**
Attributable to:			
• Owners of the Parent		32,223	40,640
• Non-controlling interests		(148)	715

The accompanying notes are an integral part of the consolidated financial statements.

2.3 Consolidated statement of financial position

ASSETS

(in EUR thousands)	Notes	30 June 2022	31 December 2021
Goodwill	14	327,027	327,027
Other intangible assets		236,276	232,677
Property, plant and equipment		171,746	164,929
Rights of use	15	600,912	601,251
Other non-current financial assets	16	16,302	17,032
Deferred income tax assets	17	8,770	8,587
Derivative financial instruments	19	3,178	3,378
Non-current assets		**1,364,211**	**1,354,881**
Inventories	18	265,081	193,752
Trade receivables and other current receivables	18	67,898	105,647
Current income tax assets		14,763	13,009
Derivative financial instruments	19	36,628	13,125
Cash and cash equivalents		102,441	163,229
Current assets		**486,812**	**488,762**
TOTAL ASSETS		**1,851,023**	**1,843,643**

EQUITY AND LIABILITIES

(in EUR thousands)	Notes	30 June 2022	31 December 2021
Share capital		146,584	146,584
Share premiums		134,283	134,283
Consolidated Reserves		369,986	292,890
Profit (loss) for the period		8,524	77,368
Equity attributable to owners of the Company		**659,377**	**651,125**
Non-controlling interests		1,093	1,241
TOTAL EQUITY		**660,469**	**652,366**
Convertible bond	21	193,412	192,331
Medium and long term lease liability	15	482,152	483,643
Deferred income tax liabilities	17	57,705	52,310
Post-employment benefits	22	8,159	12,450
Provisions	23	8,395	9,491
Derivative financial instruments	19	-	236
Other non-current liabilities		4,177	4,177
Non-current liabilities		**754,000**	**754,638**
Current portion of borrowings and convertible bond	21	872	29,257
Short term lease liability	15	114,002	110,602
Trade payables and other current payables	18	311,506	290,183
Provisions	23	4,200	5,679
Corporate income tax liabilities		5,297	918
Derivative financial instruments	19	677	-
Current liabilities		**436,554**	**436,639**
TOTAL LIABILITIES		**1,190,554**	**1,191,277**
TOTAL EQUITY AND LIABILITIES		**1,851,023**	**1,843,643**

The accompanying notes are an integral part of the consolidated financial statements.

2.4 Consolidated statement of cash flows

(in EUR thousands)	Notes	30 June 2022	30 June 2021
Profit (loss) before income tax		12,618	30,121
Adjustments for:			
• Depreciation, amortization and allowance for provisions		72,750	77,286
• Net (gain) loss on disposals		2,086	2,939
• Change in fair value – derivative financial instruments	19	3,068	3,772
• Share-based payments		66	(616)
• Other		-	6
• Cost of net debt	11	2,981	3,663
• Cost of Lease debt	11	5,725	6,164
Cash flow before cost of net financial debt and taxes		**99,293**	**123,336**
Change in operating working capital	18	(12,335)	28,684
Income tax paid		(4,125)	(12,167)
Net cash flow from/(used in) operating activities		**82,834**	**139,852**
Of which operating flow related to discontinued operations		-	*9,180*
Acquisitions of non-current assets:			
• Property, plant and equipment		(23,778)	(19,253)
• Intangible assets		(8,854)	(4,957)
• Other non-current assets		869	(337)
Change in debts on fixed assets		(249)	(555)
Sale of non-current assets		183	786
Net cash flow from/(used in) investing activities		**(31,829)**	**(24,316)**
Of which investment flow related to discontinued operations		-	*(752)*
Proceeds from borrowings	21	144	272
Borrowings	21	(29,740)	(200,330)
Decrease in lease debt	15	(51,994)	(52,223)
Acquisitions (net) of treasury shares		(652)	373
Dividends paid		(23,385)	-
Interest paid	21	(1,761)	(1,532)
Lease interest paid		(5,618)	(6,074)
Net cash flow from/(used in) financing activities		**(113,007)**	**(259,516)**
Of which financing flow related to discontinued operations		-	*(2,123)*
Exchange gains/(losses) on cash and cash equivalents		141	146
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(61,860)**	**(143,834)**
Cash and cash equivalents at beginning of period		163,199	296,726
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**101,339**	**152,892**

(in EUR thousands)	Notes	30 June 2022	30 June 2021
Cash and cash equivalents (excluding bank overdrafts)		102,441	152,976
Bank overdrafts		(1,102)	(84)
CASH AND CASH EQUIVALENTS		**101,339**	**152,892**

The accompanying notes are an integral part of the consolidated financial statements.

2.5 Consolidated statement of changes in equity

(in EUR thousands)	Notes	Attributable to owners of the parent						
		Share capital	Share premium	Consolidated Reserves	Currency translation reserves	Total	Non-controlling interest	Total equity
Balance as of 1 January 2021		**146,584**	**134,283**	**312,470**	**(937)**	**592,400**	**2,315**	**594,715**
Non-controlling interest put option		-	-	-	-	-	-	-
Dividends		-	-	(13,509)	-	(13,509)	-	(13,509)
Share-based payments	7.2	-	-	(616)	-	(616)	-	(616)
Treasury shares		-	-	251	-	251	-	251
Profit (loss) for the period		-	-	19,556	-	19,556	947	20,503
Other comprehensive income for the period		-	-	20,527	558	21,085	(232)	20,853
Other changes		-	-	63	-	63	-	63
BALANCE AS OF 30 JUNE 2021		**146,584**	**134,283**	**338,741**	**(379)**	**619,229**	**3,030**	**622,259**
Balance as of 1 January 2022		**146,584**	**134,283**	**369,984**	**274**	**651,125**	**1,241**	**652,366**
Dividends cash-settled		-	-	(23,385)	-	(23,385)	-	(23,385)
Share-based payments	7.2	-	-	66	-	66	-	66
Treasury shares		-	-	(652)	-	(652)	-	(652)
Profit (loss) for the period		-	-	8,524	-	8,524	(148)	8,375
Other comprehensive income for the period		-	-	22,864	835	23,699	-	23,699
BALANCE AS OF 30 JUNE 2022		**146,584**	**134,283**	**377,401**	**1,109**	**659,377**	**1,093**	**660,469**

The accompanying notes are an integral part of the consolidated financial statements.

Maisons du Monde S.A. is a limited liability company with a Board of Directors, governed by the laws of France. Its registered office is at Le Portereau – 44,120, Vertou. Maisons du Monde's shares are listed on Euronext Paris. The company's LEI (Legal Entity Identifier) code is 9695009DV2698O4ZBU71. During the period, there were no changes concerning the identification of the holding company of the Consolidated Group.

The following consolidated interim financial statements, prepared in accordance with IFRS as adopted by the European Union, cover Maisons du Monde S.A. and its subsidiaries and equity interests in affiliated companies (hereafter referred collectively as 'the Group' and individually as a "subsidiary" or "joint venture").

The Group is a fast-growing omnichannel retailer of stylish, affordable furnishings and homeware products through its network of stores and its e-commerce platform. Its product range includes a wide variety of styles and categories of furnishings, both in terms of small decorative items, with products including household textiles, tableware and kitchenware, mirrors and picture frames, and large decorative products and furniture, such as large mirrors and lamps, tables, chairs, armchairs and sofas, cupboards, bookshelves and outdoor furniture.

The condensed interim consolidated financial statements have been authorized for issue by the Board of Directors held on 27 July 2022. All amounts are expressed in thousands of euros unless otherwise stated.

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Note 1 Significant events

1.1 Financial operations

a) New funds

As the previous bank loans expired in April 2022, the Group has finalized and signed new financing arrangements, consisting of:

- 150 million credit line (RCF) for five years with two one-year extension options (see note 21.1);
- a new long-term credit line of EUR 100 million repayable over five years (see note 21.1).

These credit lines were undrawn on 30 June 2022.

Maisons du Monde has chosen to include an ESG component in its bank financing, based on three indicators:

- carbon intensity;
- the share of responsible supply;
- the rate of recommendation of MDM as an employer.

Targets are defined for each indicator and for each period. The achievement or non-achievement of these targets has a positive or negative impact on the credit margin. The bonus or malus thus generated systematically benefits the Maisons du Monde Foundation instead of benefiting Maisons du Monde (bonus) or the bank (malus).

b) Cancellation of funding

As part of the negotiation of the new financing, the Group cancelled its logistics loan of EUR 47.5 million which was undrawn on 31 December 2021.

1.2 Share buyback program "ESG Impact" of EUR 50 million

Maisons du Monde has completed its EUR 50 million "ESG Impact" share buyback program, launched last October. The Group bought back 2,553,797 shares at an average market price of EUR 19.57. 600,000 shares were allocated to employee shareholding programs and 1,953,797 shares are to be cancelled.

The ESG Impact component achieved an outperformance of EUR 500,000, which were donated:

- 65% to the Maisons du Monde Foundation endowment fund;
- 35% to the Emmaüs, France, association for economic inclusion projects and specific programs to help refugees from the war in Ukraine, given the exceptional situation.

The cancellation of the 1,953,797 shares was carried out by the Board of Directors on 27 July 2022, under the authority granted to it by the Shareholders' Meeting of 31 May 2022 (see note 28).

1.3 Governance

At its Meeting on 26 January 2022, the Board of Directors of Maisons du Monde, on the recommendation of its Nomination and Compensation Committee, co-opted Mr. Victor HERRERO as an independent director, following the resignation of Mr. Peter CHILD.

At the general Assembly of 31 May 2022, the appointment of three new directors was approved:

- Ms. Alexandra PALT as an independent director;
- Teleios Capital Partners LLC as a non-independent director, represented by Mr. Adam EPSTEIN, co-founder of the company;
- Mr. Gabriel NAOURI, Managing Director of Majorelle Investments as a non-independent director.

The representatives of Teleios and Majorelle have given certain undertakings, including that they will not file or announce a public offer for the Company's securities that is not recommended by the Board of Directors, nor hold more than 29.9% of the Company's share capital or voting rights during the next 24 months. The Company has entered into two agreements, one with Teleios and one with Majorelle, which govern this governance framework. The main terms and conditions of these agreements are published on the Company's and French financial market's authority websites, it being specified that Teleios and Majorelle have declared that they are not acting in concert with the Company.

1.4 Review of operational prospects and impact of the conflict in Ukraine and the pandemic on business

The conflict in Ukraine has led to a significant increase in inflation, including an exceptional rise in food and energy prices. These factors have led to a sharp drop in consumer confidence. For the Maisons du Monde group, this is one of the main reasons for the drop in traffic in our shops and on our online platform.

The Covid-19 pandemic, for its part, has had and continues to have an impact on our operations, mainly on two levels:

- the various travel and entertainment restrictions and confinements of 2020 and 2021 have resulted in improved demand for the home décor and furnishings category. Many consumers have thus allocated their available spending budgets to the decoration and furnishing of their living spaces. This has been visible for the various market players as well as within the Maisons du Monde business. In 2022, a trend adjustment is observed.

  The performance is also strongly influenced by shop closures from one year to the next. In 2022, with no shop closures compared to 2021, shops are growing in the first half of the year; on the other hand, online activities are declining compared to the 2021 period, which was marked by a partial network closure. Maisons du Monde's performance was negative in the first half of the year in an unfavorable consumer environment as described above;

- public health policy in Asia, and particularly the management of the pandemic in China, also led to prolonged large-scale closures of several cities and ports. This led to delays in the import of our goods in the first half of the year associated with significant increases in import costs including a very large increase in sea freight costs. As a result, the cost of sales as a percentage has increased year-on-year in the first half of 2022 and is expected to increase in the second half of 2022. In addition, the delay in shipments has resulted in a lack of availability of certain products, particularly furniture, with an availability rate of only 59% at the end of June. This has hampered our ability to replenish our inventory, negatively impacting sales in the first half of 2022.

Note 2 Accounting policies and consolidation rules

2.1 Basis of preparation

The condensed consolidated financial statements for the six-month period ended 30 June 2022 have been prepared in accordance with IAS 34 – Interim Financial Reporting. The accompanying notes therefore relate to significant events and transactions of the period and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2021.

The accounting policies used in the preparation of the condensed consolidated financial statements for the period from 1 January to 30 June 2022 comply with international financial reporting standards (IFRS) as endorsed by the European Union. The standards adopted by the European Union are available on the European Commission's website: **http://www.efrag.org/Endorsement**.

The accounting policies applied as of 30 June 2022 are identical to those described in the notes to the published consolidated financial statements as of 31 December 2021.

Financial data is presented in EUR thousands. Amounts are rounded to the nearest thousands unless otherwise stated. The amounts stated in the consolidated financial statements and notes to the consolidated financial statements are rounded to the nearest unit. As a result, there may be immaterial differences between the sum of the rounded amounts and the total reported.

2.2 New standards, amendments and interpretations

a) New standards, amendments to existing standards and interpretations whose application is mandatory as of 1 January 2022

Adopted by the European Union:

- several amendments to IFRS 3 – Business Combinations, IAS 16 – Property, Plant and Equipment, IAS 37 – Provisions, Contingent Liabilities and Contingent Assets and Annual Improvements 2018–2020.

b) New standards, amendments to existing standards and interpretations applicable in future years, not early applied by the Group

Adopted by the European Union:

- amendments to IAS 1 – Presentation of Financial Statements: Information to be disclosed relating to the accounting methods;
- amendments to IAS 8 – Definition of Accounting Estimates;
- IFRS 17 – Insurance Contracts.

Not yet adopted by the European Union:

- amendments to IAS 1 – Presentation of financial statements – Classification of liabilities as current or non-current and classification of liabilities as current or non-current;
- amendments to IAS 12 Income taxes – Deferred tax related to assets and liabilities arising from a single transaction;
- amendments to IFRS 17 Insurance contracts: Initial application of IFRS 17 and IFRS 9 – Comparative information.

Note 3 Critical estimates and judgments

The preparation of consolidated financial statements in compliance with IFRS requires the use of certain critical accounting estimates and judgments that may have an impact on the carrying amount of certain assets, liabilities, proceeds, expenses and on the information provided in the notes to the financial statements.

Estimates and assumptions are reviewed on a regular basis, and at least on each reporting date. They may vary if the circumstances on which they are based change or new information becomes available. Actual results may differ materially from these estimates.

The main estimates made by Management during the preparation of the consolidated financial statements relate to the assumptions used for:

- valuation of intangible assets (goodwill and brands): see note 14;
- deferred tax: see note 17;
- financial instruments and their classification: see note 19;
- provision for litigations: see note 23;
- the duration used for the rental contracts and the Group's marginal debt ratio: see note 15;
- uncertain tax positions in accordance with IFRIC 23.

Regarding the Goodwill, an impairment test is performed annually or whenever potential impairment evidence has occurred.

As part of the preparation of condensed interim financial statements, the Group uses certain specific valuation methods in accordance with IAS 34 – Interim Financial Reporting:

- the tax expense is calculated for each tax entity by applying to the taxable result of the period the estimated annual average effective rate for the current year;
- the cost of retirement obligations is calculated on the basis of projected actuarial valuations carried out at the end of the previous financial year. These valuations are adjusted to take into account any amendments, reduction or liquidation of the plan. In addition, in the event of a significant market fluctuation having an impact on the actuarial assumptions (discount rate and inflation rate), a new valuation of the retirement commitments is carried out by extrapolating the annual actuarial valuation.

Note 4 Seasonality

The decoration and furniture market in which the Group operates is subject to seasonal fluctuations. The Group's results for any quarter may not necessarily be indicative of the results that may be achieved for the full financial year.

The Group's quarterly results have fluctuated in the past and may fluctuate significantly in the future, depending upon a variety of factors, including, among other things, the Group's product offerings, store openings, store closings, level of home remodeling or relocations, shifts in the timing of holidays, timing of catalogue releases, timing of delivery of orders, competitive factors, and general economic conditions.

In addition, the Group has historically generated, and expects to continue to generate, higher results of operations and EBITDA in the fourth quarter of its financial year, corresponding to the winter selling season. However, the Group's fixed costs, including personnel costs, leases, general and administrative expenses, are more evenly distributed over the course of the year.

2.6 Notes on consolidated income statement

Note 5 Geographical segment information

In accordance with IFRS 8 'Operating segments', segment information is based on internal analytical data used to analyze the performance of activities and the allocation of resources by the Board of Directors, which is the Group's main operational decision-making body.

Consequently, an operating segment is a separate component of the Group that engages in activities from which the Group is likely to acquire revenue, ordinary activities and incur expenses. Each operating segment is regularly reviewed by the Board of Directors in order to take decisions on the resources to be allocated and to evaluate their performance.

Sales, EBITDA and Goodwill, other intangible assets and property, plant and equipment are presented by geographical segments. The operating segments (geographical) are as follows:

- France;
- International.

In addition, the corporate segment includes the holding company's activities, including assets that cannot be allocated to any segments and CICE. This segment, which does not include any revenues, mainly comprises overheads related to Finance, Legal, Human Resources and IT Departments as well as expenses related to design, procurement, customer relationship management (CRM) and merchandising.

The Group defines its annual EBITDA as its current operating profit before other operating income and expenses excluding the following:

i) depreciation, amortization and allowance for provisions; and

ii) the change in fair value of its derivative instruments, which are both non-cash items, as well as.

Half-yearly EBITDA is defined in the same way as annual EBITDA but includes: (i) expenditure related to annual catalogue at proportionate to the amount incurred in the first half of 2022 and 2021, and (ii) the *prorata* impact of full recognition of certain taxes as reported in the consolidated interim financial statements of 2021 and 2022.

EBITDA by geographical segment includes:

- allocations of certain marketing expenses related to the network of stores as well as operating and marketing expenses for the e-commerce platform. The allocation of these expenses by geographical segment is based on sales (stores and e-commerce) for each segment;
- allocation of EBITDA of the logistical entities by geographical segment is based on their respective cost of sales.

Sales and EBITDA related to B2B activity (Maisons du Monde) has been fully allocated to the France segment.

This segment information is consistent with groups of CGU that have been identified for the impairment test (see note 14).

5.1 Segment income statement

(in EUR thousands)	30 June 2022	30 June 2021[1]
Retail sales	594,437	628,174
France	*303,719*	*334,931*
International	*290,718*	*293,243*
Cost of sales	(217,220)	(218,954)
Gross margin	**377,217**	**409,220**
Gross margin *(%)*	**63.5%**	**65.1%**
EBITDA	**99,350**	**125,179**
France	*81,510*	*83,006*
International	*62,955*	*83,720*
Corporate	*(45,115)*	*(41,547)*
Depreciation, amortization and allowance for provisions	(70,903)	(77,269)
EBIT	**28,447**	**47,910**
Change in fair value – derivative financial instruments	(3,068)	(3,772)
Pro rata – catalogs related expenses	(1,522)	(4,513)
Pro rata – taxes (IFRICS 21)	(1,053)	(944)
Current operating profit before operating income and expenses	**22,804**	**38,681**
Other operating income and expenses	(1,092)	(1,015)
Operating profit (loss)	**21,712**	**37,666**
Financial profit (loss)	(9,094)	(10,951)
Profit (loss) before income tax	**12,618**	**26,715**
Income tax expense	(4,243)	(9,606)
Profit (loss) after income tax	**8,375**	**17,109**
Net income from activities held for sale	-	3,394
PROFIT (LOSS)	**8,375**	**20,503**

(1) Amounts restated according to the application of IFRS 5 in the context of the sale of Modani on 10 November 2021.

5.2 Segment assets

The Group discloses here only segment assets whose amounts are regularly reviewed by the Executive Committee, under Board of Director's supervision.

	30 June 2022			
(in EUR thousands)	France	International	Corporate	Total
Segment assets [1]	361,800	153,348	219,901	735,049
Rights of use	335,952	259,867	5,093	600,912
Non-segment assets				515,062
TOTAL ASSETS				**1,851,023**

(1) Goodwill, other intangible and tangible assets.

	31 December 2021			
(in EUR thousands)	France	International	Corporate	Total
Segment assets [1]	348,486	155,776	220,371	724,633
Rights of use	323,406	271,845	6,000	601,251
Non-segment assets				517,758
TOTAL ASSETS				**1,843,643**

(1) Goodwill, other intangible and tangible assets.

Note 6 Revenue

6.1 Revenue breakdown

(in EUR thousands)	30 June 2022	30 June 2021 *
Sales	592,344	625,647
Sales to franchise and promotional sales	2,093	2,527
Sub-total of sales	**594,437**	**628,174**
Services and commissions	11,568	8,728
Retail sales and commissions related to ordinary activities	**606,005**	**636,902**
Transportation to customers	15,802	21,870
Supply chain services	228	207
Other services	5,509	2,359
Other Revenue from ordinary activities	**21,539**	**24,435**
TOTAL REVENUE	**627,545**	**661,337**

* *Amounts restated according to the application of IFRS 5 in the context of the sale of Modani on 10 November 2021.*

6.2 Revenue of goods and commissions related to ordinary activities by channel

(in EUR thousands)	30 June 2022	30 June 2021 *
Stores	409,198	371,198
Web	196,807	265,704
TOTAL REVENUE OF GOODS AND COMMISSIONS RELATED TO ORDINARY ACTIVITIES	**606,005**	**636,902**

* *Amounts restated according to the application of IFRS 5 in the context of the sale of Modani on 10 November 2021.*

6.3 Revenue of goods and commissions related to ordinary activities by product

(in EUR thousands)	30 June 2022	30 June 2021 *
Decoration	317,253	326,830
Furniture	277,184	301,345
Benefits and services	11,568	8,728
TOTAL REVENUE OF GOODS AND COMMISSIONS RELATED TO ORDINARY ACTIVITIES	**606,005**	**636,902**

* *Amounts restated according to the application of IFRS 5 in the context of the sale of Modani on 10 November 2021.*

Note 7 Personnel expenses

7.1 Wages and salaries

Personnel expenses are broken down as follows:

(in EUR thousands)	30 June 2022	30 June 2021 *
Wages and salaries	(87,914)	(80,469)
Social security costs	(27,942)	(25,124)
Share-based payment (including social security costs)	498	470
Employee profit-sharing (including social security costs)	(3,916)	(10,747)
Post-employment benefits – Defined benefit plans	(1,000)	(1,016)
TOTAL PERSONNEL EXPENSES	**(120,275)**	**(116,885)**

* *Amounts restated according to the application of IFRS 5 in the context of the sale of Modani on 10 November 2021.*

The change in personnel expenses is mainly due to:

- the increase in “wages and salaries” and “social security costs” due to the impact on the first half of 2021 of the various health measures linked to the Covid-19 pandemic (store closures and short-time working);
- the decrease in employee profit sharing and incentive payments compared with the first half of 2021 linked to the review of objectives for the year 2022.

The average number of full-time employees (FTE) is 7,192 for the half-year 2022 compared to 7,032 for half-year 2021.

7.2 Free share plan

a) New performance share plan

The 31st resolution adopted by the Extraordinary Shareholder’s Meeting held on 12 June 2020 authorizes the Board of Directors to grant free shares to Group employees, up to a maximum of 2% of the Company’s share as of 31 December 2019 over a 38-month period. Under this authority, the Board of Directors adopted “Free Share Plan No. 8” on 9 March 2022, which granted 286,093 performances shares to 209 beneficiaries located in France and abroad.

Performance shares are subject to:

- a continued service requirement during the vesting period: the shares granted to a beneficiary shall only finally vest if he or she has been an employee of a Group company during a vesting period, calculated as from the grant date, of 36 months, *i.e.* 9 March 2022;
- in the event of death, disability or retirement, the beneficiary retains his rights, being no longer required to satisfy the continued service requirement;
- performance requirements based on sales levels and EBIT for all beneficiaries set between 2021 and 2024;
- performance requirements relating to environmental and social criteria;
- performance requirements related to the Total Shareholder Return (TSR) of the Houses of the World share relative to the CAC mid 60 GR index.

The granted shares shall be either shares issued through a share capital increase performed by Maisons du Monde S.A. by no later than the definitive vesting date or shares bought back by the Group on the market prior to such date.

b) Information on the fair value of attribution of performance shares

	Plan n°6	Plan n°7	Plan n°8
	10 March 2020	**25 March 2021**	**9 March 2022**
Duration of plan	3 years	3 years	3 years
Fair value of performance shares *(in EUR)*	8.64	16.43	15.90

The defined performance conditions were calculated for plans 7 and 8 and deemed to have been fully met at the valuation date for plan 6.

In the first half 2022, as part of the performance share plans, an income of EUR 0.5 million (excluding social security charges) was recognized in the income statement within personnel expenses (compared with a revenue of EUR 0.6 million in June 2021), with a corresponding decrease in equity.

Note 8 External expenses

External expenses are broken down as follows:

(in EUR thousands)	30 June 2022	30 June 2021 *
Energy and consumables used	(15,357)	(14,179)
Leases and related expenses	(17,773)	(16,021)
Repairs and maintenance	(11,077)	(10,616)
Insurance	(1,215)	(1,180)
Advertising & marketing	(35,978)	(35,970)
Transportation	(73,619)	(85,032)
Bank services	(3,830)	(4,601)
Taxes other than on income	(7,413)	(7,363)
Other external expenses	(29,979)	(28,306)
TOTAL EXTERNAL EXPENSES	**(196,241)**	**(203,268)**

* *Amounts restated according to the application of IFRS 5 in the context of the sale of Modani on 10 November 2021.*

In "Leases and related expenses" include in particular:

- EUR 0.2 million for variable rents (EUR 0.6 million in 2021);
- EUR 0.5 million for short-term contracts (EUR 0.8 million in 2021);
- EUR 2.4 million for low-value contracts (EUR 2.1 million in 2021);
- EUR 1.1 million for rent relief (EUR 1.9 million in 2021) in accordance with IFRS 16 amendment relating to rent relief for Covid-19.

The change in external expenses is mainly due to:

- the significant EUR 11.4 million reduction in transport costs linked to direct deliveries to customers or stores, in line with sales trends;
- the EUR 1.2 million increase in energy costs due to inflation, but also due to the comparison with a period in 2021 when many European stores were closed due to containment periods linked to Covid-19.

Note 9 Other income and expenses from operations

Other income and expenses from operations are broken down as follows:

(in EUR thousands)	30 June 2022	30 June 2021 *
Gains and losses on disposals (1)	(838)	(822)
Commercial disputes, losses and gains (2)	4,256	(670)
Leases & related expenses (1)	(176)	(110)
Other income and expenses from operations	(276)	(907)
TOTAL OTHER OPERATING INCOME/EXPENSES FROM OPERATIONS	**2,966**	**(2,508)**

* *Amounts restated according to the application of IFRS 5 in the context of the sale of Modani on 10 November 2021.*

(1) *Refers to stores repositioned in the same area.*

(2) *The item Litigation, losses and gains of commercial origin include income related to the cancellation of gift cards not used by customers and whose expiration date has expired.*

Note 10 Other operating income and expenses

Other operating income and expenses are broken down as follows:

(in EUR thousands)	30 June 2022	30 June 2021 *
Restructuring costs	(194)	(201)
Impacts related to store closures [1]	(575)	(1,908)
Other [2]	(323)	1,094
TOTAL OTHER OPERATING INCOME/(EXPENSES)	**(1,092)**	**(1,015)**

* *Amounts restated according to the application of IFRS 5 in the context of the sale of Modani on 10 November 2021.*

(1) *Refers to stores closed or being closed and not repositioned in the same area. The impact presented includes provisions and reversals recorded following the closure of stores.*

(2) *In 2021, corresponds to the reversal of an unused provision following the extinction of litigation (cf. note 23).*

Note 11 Financial Income

Finance income and expenses are broken down as follows:

(in EUR thousands)	30 June 2022	30 June 2021 *
Interests on term loan	(41)	(288)
Interests on convertible bond	(2,412)	(2,354)
Interests on loans, including Revolving Credit Facilities	(529)	(1,015)
Others	1	(6)
Cost of net debt	**(2,981)**	**(3,663)**
Cost of lease debt	(5,725)	(5,720)
Exchange gains and losses	673	(462)
Commission costs	(1,008)	(1,110)
Other finance income & costs	(54)	3
TOTAL FINANCIAL PROFIT (LOSS)	**(9,094)**	**(10,951)**

* *Amounts restated according to the application of IFRS 5 in the context of the sale of Modani on 10 November 2021.*

Note 12 Income tax

Income tax is broken down as follows:

(in EUR thousands)	30 June 2022	30 June 2021 *
Current income tax	(6,720)	(12,367)
Deferred tax	2,478	2,761
INCOME TAX EXPENSE	**(4,243)**	**(9,606)**

* *Amounts restated according to the application of IFRS 5 in the context of the sale of Modani on 10 November 2021.*

The tax effects of other comprehensive income are as follows:

(in EUR thousands)	30 June 2022	30 June 2021
Cash-flow hedge	(6,698)	(10,237)
Income tax relating to items that may be subsequently reclassified to profit or loss	**(6,698)**	**(10,237)**
Tax on actuarial gains (losses) on post-employment benefits	(1,036)	(327)
Income tax relating to items that will not be subsequently reclassified to profit or loss	**(1,036)**	**(327)**
TOTAL INCOME TAX ON OTHER COMPREHENSIVE INCOME (LOSS)	**(7,734)**	**(10,564)**

The Group's income tax differs from the theoretical tax which would apply according to the actual tax rate applicable to the results of consolidated companies for the following reasons:

(in EUR thousands)	30 June 2022	30 June 2021 *
Net income from continuing operations	8,375	17,109
Less income tax expense	*(4,243)*	*(9,606)*
Profit (loss) of consolidated companies before tax	**12,618**	**26,715**
Theoretical tax rate	25.83%	28.41%
Theoretical income tax expense (+)/ product (-)	**3,259**	**7,590**
Difference in income tax rates in other countries	162	2,171
Tax (1)	1,176	632
Impact of tax credits	(1,412)	(1,495)
Impact of permanent differences	923	779
Other	134	(72)
Actual income tax expense	**4,243**	**9,606**
EFFECTIVE TAX RATE	**33.63%**	**35.96%**

* *Amounts restated according to the application of IFRS 5 in the context of the sale of Modani on 10 November 2021.*

(1) *Includes mainly the CVAE (France), the IRAP (Italy) and the Gewerbesteuermessbetrag (Germany).*

Note 13 Earnings per share

Earnings per share as of 30 June 2022, can be analyzed as follows:

	Group part
(in EUR thousands, unless otherwise stated)	Continued activities
Profit (loss) for the period attributable to shareholders of the parent	**8,524**
Weighted average number of ordinary shares	43,892
BASIC EARNINGS PER SHARE *(IN EUR)*	**0.19**

	Group part
(in EUR thousands, unless otherwise stated)	Continued activities
Profit (loss) for the period attributable to shareholders of the parent	**8,524**
Convertible and exchangeable instruments (1)	1,654
Profit (loss) for the period attributable to shareholders of the parent	**10,178**
Weighted average number of ordinary shares	43,892
Adjustment for dilutive impact of performance shares	**413**
Dilutive effect of convertible bonds	4,235
Adjusted weighted average number of ordinary shares, excluding treasury shares	**48,541**
DILUTED EARNINGS PER SHARE *(IN EUR)*	**0.21**

(1) *For the calculation of diluted earnings per share, net income for the period has been adjusted for interest on the convertible bond, net of tax.*

Earnings per share as of 30 June 2021, can be analyzed as follows:

	Group part		
(in EUR thousands, unless otherwise stated)	**Total**	**Continued activities**	**Discontinued activities**
Profit (loss) for the period attributable to shareholders of the parent	**19,556**	**17,154**	**2,402**
Weighted average number of ordinary shares	45,050	45,050	45,050
BASIC EARNINGS PER SHARE *(IN EUR)*	**0.43**	**0.38**	**0.05**

	Group part		
(in EUR thousands, unless otherwise stated)	**Total**	**Continued activities**	**Discontinued activities**
Profit (loss) for the period attributable to shareholders of the parent	**19,556**	**17,154**	**2,402**
Convertible and exchangeable instruments (1)	1,562	1,562	-
Profit (loss) for the period attributable to shareholders of the parent	**21,118**	**18,716**	**2,402**
Weighted average number of ordinary shares	45,050	45,050	45,050
Adjustment for dilutive impact of performance shares	556	556	556
Dilutive effect of convertible bonds	4,149	4,149	4,149
Adjusted weighted average number of ordinary shares, excluding treasury shares	**49,755**	**49,755**	**49,755**
DILUTED EARNINGS PER SHARE *(IN EUR)*	**0.42**	**0.38**	**0.05**

(1) For the calculation of diluted earnings per share, net income for the period has been restated for interest on the convertible bond, net of tax.

The share capital of the Group as of 30 June 2022 consists solely of the ordinary shares of Maisons du Monde S.A. and the number of ordinary shares remained the same during the 2022 and the 2021 financial years.

The change in the weighted average number of common shares is the result of restating treasury stock, whose number has changed during the period (see note 20.2).

Diluted earnings per share consider the weighted average number of performance shares allocated to employees (see note 7.2) and the convertible bond (see note 21.1.a).

For the financial year 2021, an ordinary dividend of 0.55 euro per share was awarded at the Annual General Meeting on 31 May 2022, and paid out on 10 June 2022, for a total amount of EUR 23,385 thousand. The dividend on the shares held by the Group at the time of detachment of the dividend has not been paid. Therefore, the amounts corresponding to the unpaid dividends on treasury shares are allocated to “retained earnings”.

2.7 Notes on consolidated balance sheet

Note 14 Goodwill

14.1 Goodwill

Management reviews the business performance based on geography. Therefore, management allocates the goodwill at the geographical area-level. For the Group, it has identified France and International geographical areas.

The following is a summary of goodwill allocation:

(in EUR thousands)	France	International	Total
Balance as of 1 January 2021	**246,793**	**80,234**	**327,027**
Balance as of 31 December 2021	**246,793**	**80,234**	**327,027**
BALANCE AS OF 30 JUNE 2022	**246,793**	**80,234**	**327,027**

14.2 Analysis of the situation as of 30 June 2022:

As the macroeconomic environment and supply conditions have deteriorated significantly in recent months, the Maisons du Monde group has decided to update its objectives and underlying assumptions for the current year to reflect this new context, which includes:

- inflation in Europe at high levels, which is weighing on consumer confidence at an all-time low, and on demand in the furniture and decoration sector;
- the evolution of the pandemic in China, which continues to generate supply and logistical management difficulties, generating additional costs and slowing down our supplies and the objective of replenishing normal inventories;
- freight, raw material and energy costs, which are higher than expected and are not expected to decrease in the short term.

This downward revision of assumptions, which was the subject of a trading update on 26 May 2022, constitutes an indication of potential impairment, and has led to the formalization of an initial impairment test on 30 June 2022.

The strategic plan, which will be updated at the end of 2022, based on the elements of the 2023 budget, will provide the opportunity for a new impairment test with a set of assumptions reviewed at the plan level.

14.3 Results of the simulation carried out on 30 June 2022, and recognition of the absence of impairment losses

The simulation carried out, based on the deteriorated scenario described in paragraph 14.2, did not reveal any impairment requiring the recognition of a provision for impairment of goodwill or other Group assets for either France or the International CGUs on 30 June 2022. The main assumptions used are identical to those used for the simulations carried out on 31 December 2021. To take account of changes in interest rates, the sensitivity tests have been extended to variations of +/- 1% instead of +/- 0.5% usually used.

Consequently, no additional impairment has been recognized as of 30 June 2022.

	Discount factor (WACC)	Average growth rate over the 5 year period	Terminal value growth rate
France	9.8%	2.6%	2.0%
International	10.0%	5.9%	1.8%

14.4 Sensitivity tests

The impact of changes in key assumptions on the recoverable amount of the CGU on 30 June 2022, is as follows:

		Impact of test margin			
		WACC cash flow		Terminal value growth rate	
(in EUR thousands)	**Hypothesis 2022 (recoverable amount)**	**1.0%**	**-1.0%**	**1.0%**	**-1.0%**
France	628.9	552.5	727.8	711.2	565.2
International	605.7	534.6	696.7	680.8	546.9

These sensitivity calculations show that a change of 100 basis points in the interest rate assumptions would not have a material impact on the impairment tests and therefore on the consolidated financial statements of the Maisons du Monde group on 30 June 2022.

Note 15 Right of use and lease debt

15.1 Right of use

The rights of use have the following net values:

(in EUR thousands)	**Constructions**	**Technical installations, industrial equipment and machinery**	**Other property, plant and equipment**	**Total**
Net carrying amount as of 1 January 2021	**613,317**	**5,146**	**10,136**	**628,599**
New contracts included revaluation	94,655	7	2,204	96,866
Change in scope of consolidation	(19,099)	-	-	(19,099)
Amortization charge	(104,432)	(2,145)	(2,698)	(109,275)
Other	744	-	-	744
Currency translation differences	3,415	-	1	3,416
Net carrying amount as of 31 December 2021	**588,600**	**3,008**	**9,643**	**601,251**
New contracts included revaluation	51,005	563	-	51,568
Amortization charge	(51,407)	(874)	(1,219)	(53,499)
Other	(10)	-	-	(10)
Currency translation differences	1,601	-	1	1,602
NET CARRYING AMOUNT AS OF 30 JUNE 2022	**589,790**	**2,697**	**8,425**	**600,912**

15.2 Lease debt

The changes in lease debt are detailed as follows:

			Without cash impact				
(in EUR thousands)	**31 December 2021**	**Decrease**	**New contracts included revaluation**	**Lease exiting**	**Interest**	**Change effect**	**30 June 2022**
Lease debt	594,245	(51,994)	53,928	(1,958)	106	1,826	596,154
TOTAL NET DEBT	**594,245**	**(51,994)**	**53,928**	**(1,958)**	**106**	**1,826**	**596,154**

As of 30 June 2022, the maturities of lease debt are analyzed as follows:

	Maturity as of 30 June 2022			
(in EUR thousands)	**Less than 1 year**	**From 1 to 5 years**	**More than 5 years**	**Total**
Lease debt	114,002	316,322	165,830	596,154
TOTAL BORROWINGS	**114,002**	**316,322**	**165,830**	**596,154**

As of 30 June 2022, the lease debt bears interest at a fixed rate.

Note 16 Other non-current financial assets

(in EUR thousands)	30 June 2022	31 December 2021
Equity securities [1]	4,244	4,244
Other financial assets [2]	12,058	12,788
TOTAL OTHER NON-CURRENT FINANCIAL ASSETS	**16,302**	**17,032**

(1) Company shares correspond to:

- *equity interests in Economic Interest Groups acquired when stores were opened; and*
- *the interest in holding company that owns Modani.*

(2) Other financial assets mainly concern deposits and guarantees paid or granted to lessors of stores, warehouses, headquarters, and factories.

Note 17 Deferred income tax assets and liabilities

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

(in EUR thousands)	30 June 2022	31 December 2021
Deferred tax assets	8,770	8,587
Deferred tax liabilities	(57,705)	(52,310)
TOTAL DEFERRED TAX ASSETS/(LIABILITIES)	**(48,935)**	**(43,723)**

Deferred tax assets and liabilities are offset when they relate to the same tax entity (legal entity or tax consolidation group) and the applicable tax regulations allow this offset for current tax.

Deferred income tax assets are recognized for tax loss carry forwards to the extent that the realization of the related tax benefit through future taxable profits is probable.

The capitalized deficit base amounts to EUR 4.2 million on 30 June 2022 compared to €4.3 million as of 31 December 2021.

A projected budget has been established to demonstrate the use of this deferred tax asset within a reasonable time period.

Note 18 Analysis of Working Capital

(in EUR thousands)	31 December 2021	Change in Working Capital	Other changes	Change effect	30 June 2022
Inventories	193,752	70,699	-	630	265,081
Trade receivables and other current receivables	105,647	(37,865)	-	116	67,898
Assets	**299,400**	**32,834**	**-**	**746**	**332,980**
Trade payables and other current payables	290,183	20,499	436	387	311,506
Other non-current liabilities	4,177	-	-	-	4,177
Liabilities	**294,360**	**20,499**	**436**	**387**	**315,683**
WORKING CAPITAL	**5,040**	**12,335**	**(436)**	**359**	**17,297**

18.1 Inventories

(in EUR thousands)	30 June 2022	31 December 2021
Packaging and supplies	7,652	6,135
Semi-finished products	1,960	1,814
Merchandise	259,060	188,775
Gross value	**268,672**	**196,724**
Depreciation	(3,591)	(2,972)
NET CARRYING AMOUNT	**265,081**	**193,752**

18.2 Trade receivables and other current receivables

(in EUR thousands)	30 June 2022	31 December 2021
Trade receivables	12,084	14,805
Impairment of receivables	(2,467)	(4,328)
Trade receivables – Net	**9,616**	**10,477**
Advances paid to suppliers	7,385	45,308
Receivables from suppliers	690	1,670
Taxes and duties	23,010	21,605
Other receivables	4,572	4,035
Prepaid expenses	22,626	22,552
Other receivables	**58,282**	**95,170**
TOTAL TRADE AND OTHER RECEIVABLES	**67,898**	**105,647**

The decrease in trade and other receivables is due to the use of advances to suppliers that the Group had put in place at the end of 2021 to secure its supplies and services for the first half of 2022.

18.3 Trade and other payables

(in EUR thousands)	30 June 2022	31 December 2021
Trade payables	164,288	102,439
Advance payments received on orders in progress	53,334	61,502
Social and tax payables	70,129	85,745
Amounts payable on fixed assets	4,764	5,006
Deferred revenue	18,991	35,491
TOTAL TRADE PAYABLES AND OTHER PAYABLES	**311,506**	**290,183**

Main variation to “Trade payables and other payables” is due to:

- an increase in "Trade payables" due to the introduction of standard Group payment terms;
- a decrease in “Advances payments received on orders in progress” due to the cancellation of expired gift cards and to the seasonal effect on gift cards;
- a decrease in “Social and tax payables” due to the payment of the 2021 profit sharing and incentive scheme in the first half of 2022 and a decrease in the expense recognized in the first half of 2022 in connection with the updating of 2022 targets;
- a decrease in “Deferred revenue” due to the reduction in sales of undelivered goods.

Note 19 Derivative financial instruments

The fair value of derivative financial instruments is broken down as follows:

	30 June 2022		31 December 2021	
(in EUR thousands)	Asset	Liability	Asset	Liability
Forward foreign exchange contracts	39,806	677	16,503	236
TOTAL DERIVATIVE FINANCIAL INSTRUMENTS	**39,806**	**677**	**16,503**	**236**

All contracts are intended to cover the purchase of goods and freight in US dollars and all Swiss Franc and Sterling contracts are intended to cover our Swiss Franc and Sterling sales.

The nominal value of these financial instruments is as follows:

	30 June 2022	31 December 2021
Contracts in US dollars *(in million of US dollars)*	461.0	506.0
Contracts in Swiss Francs *(in million of Swiss francs)*	(16.5)	(15.0)
Contracts in pounds sterling *(in million of pounds sterling)*	(4.2)	(4.2)

The amount recognized directly in equity as of 30 June 2022 is EUR 25.9 million. It corresponds to the value of the current contract at the closing date which is intended to cover the expected cash flows. The amount recognized in the profit or loss, in current result, for EUR (3.1) million corresponds to the time value for the change in fair value of hedging instruments (forwards spread "premium/discount").

Note 20 Equity

The Group's policy is to maintain a strong capital base to maintain investors, creditors, and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to shareholders.

20.1 Shares

The share capital as of 30 June 2022 is composed of 45,241,894 ordinary shares of Maisons du Monde S.A. Based on a nominal value of EUR 3.24 per share, Maisons du Monde S.A.'s share capital amounted to EUR 146,583,736.56 as on 30 June 2022.

20.2 Treasury shares

Treasury shares are Maisons du Monde S.A. shares held by the Group as part of a liquidity contract, in accordance with an Ethics Charter established by the French association of financial markets (AMAFI charter) and approved by the French financial market's authority (Autorité des marchés financiers), or as part of share buyback plans allocated to performance shares plans.

As of 30 June 2022, the Group held:

- 57,870 treasury shares under the liquidity contract, compared with 57,870 treasury shares on 31 December 2021;
- 729,420 treasury shares under the share buyback programs allocated to performance share plans;
- 1,953,797 shares to be cancelled under the ESG share buyback program.

Note 21 Net debt

21.1 Net debt

The variations in net debt are broken down as follows:

		Cash impact		Without cash impact				
(in EUR thousands)	31 December 2021	Increase	Decrease	Interest and commission paid/remitted	Issuance fees	Interest	Change effect	30 June 2022
Cash at bank and in hand	163,213	-	(60,851)	-	-	-	(16)	102,345
Short term investments & cash equivalent	16	75		-	-	-	4	95
TOTAL CASH AND CASH EQUIVALENTS	**163,229**	**75**	**(60,851)**	**-**	**-**	**-**	**(13)**	**102,441**
Convertible bond	190,991	-	-	-	124	2,288	-	193,403
Term loan	-	-	-	(620)	23	57	-	(540)
Logistic credit	(186)	-	-	(35)	-	221	-	-
Revolving Credit Facilities	3	-	-	(1,062)	79	145	-	(835)
Other borrowings	30,006	-	(29,479)	(44)	-	44	-	527
Deposits and guarantees	744	144	(261)	-	-	-	-	627
Banks overdrafts	30	1,072	-	-	-	-	-	1,102
TOTAL DEBT	**221,588**	**1,216**	**(29,740)**	**(1,761)**	**226**	**2,755**	**-**	**194,284**
TOTAL NET DEBT	**58,359**	**1,141**	**31,111**	**(1,761)**	**226**	**2,755**	**13**	**91,843**

The short-term investment (such as SICAV and certificate of deposit) consist of investment of short duration (less than 3 months) with minimal risk of value's fluctuation.

The bank overdrafts are presented with loans in the "current liabilities" section.

The breakdown by currency of the net debt is broken down as follows:

	30 June 2022					
(in EUR thousands)	EUR	CHF	GBP	USD	Others currency	Total
Convertible bond	193,403	-	-	-	-	193,403
Revolving Credit Facilities	(540)	-	-	-	-	(540)
Logistic credit	(835)	-	-	-	-	(835)
Other borrowings	527	-	-	-	-	527
Deposits and guarantees	627	-	-	-	-	627
Banks overdrafts	1,102	-	-	-	-	1,102
Cash and cash equivalents	(99,595)	(1,146)	(50)	-	(1,650)	(102,441)
TOTAL NET DEBT	**94,689**	**(1,146)**	**(50)**	**-**	**(1,650)**	**91,843**

(in EUR thousands)	31 December 2021 EUR	CHF	GBP	USD	Others currency	Total
Convertible bond	190,991	-	-	-	-	190,991
Revolving Credit Facilities	3	-	-	-	-	3
Logistic credit	(186)	-	-	-	-	(186)
Other borrowings	30,006	-	-	-	-	30,006
Deposits and guarantees	744	-	-	-	-	744
Banks overdrafts	30	-	-	-	-	30
Cash and cash equivalents	(141,310)	(4,713)	(2,131)	(14,293)	(782)	(163,229)
TOTAL NET DEBT	**80,278**	**(4,713)**	**(2,131)**	**(14,293)**	**(782)**	**58,359**

The net debt lists the following credit facilities:

a) Convertible Bond

On 6 December 2017, Maisons du Monde issued bonds convertible into new or existing shares ("OCEANE") due December 2023. Bonds have been issued at par value and bear interest at an annual rate of 0.125%.

The General Assembly of Shareholders of 31 May 2022, resolved to distribute a dividend of 0.55 euro per share, resulting in a modification of the conversion/exchange ratio.

Following this distribution and in accordance with the provisions of Article 2.6.(B).10 of the Terms and Conditions relating to the OCEANE, the conversion/exchange ratio as defined in the Terms and Conditions is increased from 1.012 shares to 1.033 Maisons du Monde S.A. shares per 1 OCEANE (determined to three decimal places by rounding down to the nearest thousandth). The effective date of this new ratio is 10 June 2022.

As of 30 June 2022:

- the amount of the convertible bond, net of issuance fees, is EUR 193.4 million;
- effective interest rate stands at 2.55% and the financial expense amounts to EUR 2.4 million (debt accretion effect using the effective interest rate method).

During the period, no bonds were converted or refunded.

b) Senior Credit Facilities ("Term Loan" and "RCF") and additional Credit Revolving Facility ("Additional RCF")

In April 2022, the Group entered into:

- a new credit line (RCF) of EUR 150 million for 5 years with two 1-year extension options;
- a new long-term credit line of EUR 100 million repayable over 5 years. The margin applicable to this credit facility is based on a leverage ratio.

Issuance costs amounted to EUR 1.5 million, of which EUR 0.9 million for the RCF and EUR 0.6 million for the long-term loan.

RCF issue costs are amortized on a straight-line basis over the period to maturity. On the other hand, the issuance costs of the long-term loan are amortized on a straight-line basis until the loan is drawn down, after which they are included in the calculation of the EIR.

As of 30 June 2022, both revolving credit facilities are undrawn.

The credit facilities are subject to compliance with a leverage ratio, which is the ratio of total net debt as of the last day of the reporting period to consolidated EBITDA adjusted for the impact of IFRS 16.

This leverage ratio, which must remain below 3, is respected on 30 June 2022.

Maisons du Monde has chosen to introduce an ESG component into its bank financing, based on three indicators:

- carbon intensity;
- the share of responsible supply;
- the rate of recommendation of MDM as an employer.

Targets are defined for each indicator and for each period. Achieving or not achieving these targets has a positive or negative impact on the credit margin. The bonus or malus thus generated systematically benefits the Maisons du Monde Foundation instead of Maisons du Monde (bonus) or the bank (malus).

21.2 Maturity of borrowings and other financial debts

As of 30 June 2022, the maturity ranges of borrowings are as follows:

	Maturity as of 30 June 2022			
(in EUR thousands)	Less than 1 year	From 1 to 5 years	More than 5 years	Total
Convertible bond	(249)	193,652	-	193,403
Term loan	(67)	(372)	(101)	(540)
Revolving Credit Facilities	(125)	(558)	(152)	(835)
Other borrowings	211	301	15	527
Deposits and guarantees	-	-	627	627
Bank overdraft	1,102	-	-	1,102
TOTAL BORROWINGS	**872**	**193,023**	**389**	**194,284**

21.3 Fixed and variable rate

(in EUR thousands)	30 June 2022	31 December 2021
Floating rate	136	24
Fixed rate	194,148	221,564
TOTAL BORROWINGS	**194,284**	**221,588**

Floating rate borrowings includes the Term Loan, Credit revolving facilities, financial leases and bank overdrafts.

Note 22 Post-employment benefits

The employment benefits provision relates to defined-benefit pension plans.

The defined benefit obligations are broken down by country as follows:

(in EUR thousands)	30 June 2022	31 December 2021
France	2,217	2,842
Switzerland	139	1,450
Italy	5,803	8,158
DEFINED BENEFIT OBLIGATION	**8,159**	**12,450**

The provision on 30 June 2022 considers the change in discount rates over the first half of 2022. The impact is a decrease in the provision of EUR 4.7 million with a counterpart in equity.

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Note 23 Provisions

(in EUR thousands)	Provisions for commercial disputes	Provisions for labor disputes	Provision relating to stores (closures and lease disputes)	Tax Provisions	Other	Total
Balance as of 1 January 2021	**4,405**	**900**	**642**	**81**	**5,935**	**11,962**
Additional provisions	85	3,512	1,391	20	5,373	10,381
Unused amounts reversed	(2,204)	(572)	(47)	(17)	(943)	(3,782)
Amounts used during the year	(1,851)	-	(643)	-	(900)	(3,394)
Reclassification	-	3	47	-	(47)	3
Balance as of 31 December 2021	**435**	**3,843**	**1,390**	**85**	**9,418**	**15,170**
Of which non-current	*435*	*3,417*	*1,167*	*85*	*4,388*	*9,492*
Of which current	*-*	*426*	*224*	*-*	*5,029*	*5,679*
Balance as of 1 January 2022	**435**	**3,843**	**1,390**	**85**	**9,418**	**15,170**
Additional provisions	320	1,541	343	-	-	2,205
Unused amounts reversed	-	(512)	-	(31)	(547)	(1,090)
Amounts used during the year	-	(2,631)	(308)	-	(755)	(3,693)
Reclassification	-	3	-	-	-	3
BALANCE AS OF 30 JUNE 2022	**755**	**2,245**	**1,426**	**54**	**8,116**	**12,595**
Of which non-current	*755*	*2,245*	*1,253*	*54*	*4,088*	*8,396*
Of which current	*-*	*-*	*173*	*-*	*4,027*	*4,200*

As of 30 June 2022, the change in provisions amounted to EUR (2.6) million, including EUR (4.8) million in reversals following the settlement of several disputes and new provisions of EUR 2.2 million.

2.8 Financial risk management

Note 24 Financial risk management

During its activities, the Group is mainly exposed to foreign exchange risk, liquidity risk and credit risk. The Group's overall risk management policies focus on the unpredictability of financial markets and seek to minimize potential adverse effects on the Group's financial performance.

The Group uses derivative financial instruments to hedge its foreign exchange risk exposures. In this case, the Group only enters derivative transactions related to operating and/or financial assets and liabilities or forecast future transactions. The Group does not enter any speculative transactions without underlying assets or liabilities.

Risk management is carried out by the Group's Treasury Department and the Chief Financial Officer, under policies approved by the Board of Directors.

24.1 Financial risks factor

A) Liquidity risk

Financial liabilities mainly comprise borrowings and trade and other payables. These liabilities may expose the Group to liquidity risk in the event of early repayment or short maturity (see note 21.1).

In order to manage its liquidity risk, the Group contracts revolving credit contracts or bank facilities for an appropriate amount and maturity to ensure that it has adequate available funds to meet its commitments with various financial institutions. The total amount of credit facility that was not used as of 30 June 2022 and 31 December 2021 amounts to EUR 150 million.

Maisons du Monde France has contracted various credit facilities (for a total amount of EUR 14.6 million) with its banks.

The tables below analyze the Group's financial liabilities based on their contractual maturities:

		Contractual cash flows as of 30 June 2022			
(in EUR thousands)	Carrying amount	Total	Less than 1 year	From 1 to 5 years	More than 5 years
Interests on Term Loan	57	298	298	-	-
Issuance fees related to Term Loan	(597)	(597)	(124)	(473)	-
Total Term loan	**(540)**	**(300)**	**174**	**(473)**	**-**
Convertible bond	175,366	200,000	-	200,000	-
Interests on convertible bond	18,826	483	250	233	-
Issuance fees related to convertible bond	(789)	-	-	-	-
Total Convertible bond	**193,403**	**200,483**	**250**	**200,233**	**-**
Interests on RCF	61	1,516	315	1,201	-
Issuance fees related to RCF	(896)	(896)	(186)	(710)	-
Total Revolving Credit Facilities	**(835)**	**620**	**129**	**491**	**-**
Other borrowings	527	527	211	301	15
Deposits	627	627	-	-	627
Bank overdraft	1,102	1,102	1,102	-	-
Total Borrowings	**194,284**	**203,060**	**1,865**	**200,553**	**642**
Other non-current liabilities	4,177	4,177	-	4,177	-
Trade and other payables	311,506	311,506	311,506	-	-
TOTAL OTHER LIABILITIES	**315,683**	**315,683**	**311,506**	**4,177**	**-**

	Contractual cash flows as of 31 December 2021				
(in EUR thousands)	**Carrying amount**	**Total**	**Less than 1 year**	**From 1 to 5 years**	**More than 5 years**
Convertible bond	175,366	200,000	-	200,000	-
Interests on convertible bond	16,538	500	250	250	-
Issuance fees related to convertible bond	(913)	-	-	-	-
Total Convertible bond	**190,991**	**200,500**	**250**	**200,250**	**-**
Interests on RCF	92	500	500	-	-
Issuance fees related to RCF	(89)	-	-	-	-
Total Revolving Credit Facilities	**3**	**500**	**500**	**-**	**-**
Other borrowings	30,006	30,006	29,588	393	25
logistic credit	(186)	(186)	-	(79)	(107)
Deposits	744	744	-	-	744
Bank overdraft	30	30	30	-	-
Total Borrowings	**221,588**	**231,594**	**30,368**	**200,564**	**662**
Other non-current liabilities	4,177	4,177	-	4,177	-
Trade and other payables	290,183	290,183	290,183	-	-
TOTAL OTHER LIABILITIES	**294,360**	**294,360**	**290,183**	**4,177**	**-**

2.9 Additional information

Note 25 Off-balance sheet commitments

The off-balance sheet commitments are disclosed in note 29 of the consolidated financial statements for the year ended 31 December 2021.

The elements that have changed since 31 December 2021 are presented below:

25.1 Logistics credit

As part of the negotiation of the new financing, the Group cancelled its logistics loan of EUR 47.5 million which was undrawn on 31 December 2021.

25.2 Contingent liability

As of 31 December 2021, a tax audit was in progress on Maisons du Monde France S.A.S. relating to the 2019 and 2020 fiscal years. This audit was completed during the second quarter of 2022 and the tax authority proposed corrective statements with an impact of EUR 0.2 million in tax. This amount has been recognized as tax on 30 June 2022 (see note 12).

Note 26 Transactions with related parties

Related party transactions are presented in note 30 of the Consolidated Financial Statements for the year ended 31 December 2021.

There was no significant change in related party transactions between 31 December 2021 and 30 June 2022.

Note 27 Scope of consolidation

The table set out below provides a list of the Group's subsidiaries and shows the ownership interest of Maisons du Monde S.A. in each entity as of 30 June 2022.

As of 30 June 2022, 17 companies have been included in the consolidated financial statements compared to 17 as of 31 December 2021.

				30 June 2022		31 December 2021	
Subsidiary	**Activity**	**Country of incorporation**	**Consolidation method**	**Contr.** *(in %)*	**Part.** *(in %)*	**Contr.** *(in %)*	**Part.** *(in %)*
Maisons du Monde S.A.	Holding Company – Parent entity	France	Full	100%	100%	100%	100%
Maisons du Monde France	Retail stores selling home furnishings and decorations/Main buyer	France	Full	100%	100%	100%	100%
Maisons du Monde Germany	Retail stores selling home furnishings and decorations	Germany	Full	100%	100%	100%	100%
Maisons du Monde Austria	Retail stores selling home furnishings and decorations	Austria	Full	100%	100%	100%	100%
Maisons du Monde Belgium	Retail stores selling home furnishings and decorations	Belgium	Full	100%	100%	100%	100%
Maisons du Monde Spain	Retail stores selling home furnishings and decorations	Spain	Full	100%	100%	100%	100%
Maisons du Monde Italy	Retail stores selling home furnishings and decorations	Italy	Full	100%	100%	100%	100%
Maisons du Monde Luxemburg	Retail stores selling home furnishings and decorations	Luxemburg	Full	100%	100%	100%	100%
Maisons du Monde Portugal	Retail stores selling home furnishings and decorations	Portugal	Full	100%	100%	100%	100%
Maisons du Monde Switzerland	Retail stores selling home furnishings and decorations	Switzerland	Full	100%	100%	100%	100%
MDM Furniture & Decoration	Online selling home furnishings and decorations	United Kingdom	Full	100%	100%	100%	100%
Distrimag	Warehouse logistics and order preparation	France	Full	100%	100%	100%	100%
Distri-Traction	Container transport between harbor and warehouses	France	Full	100%	100%	100%	100%
Mekong Furniture	Furniture manufacturing	Vietnam	Full	100%	100%	100%	100%
Savane Vision (Rhinov)	Design	France	Full	100%	70%	100%	70%
Léolog (1)	Warehouse logistics and order preparation	France	Full	100%	100%	100%	100%
International MGL	Dormant entity	France	Full	100%	100%	100%	100%
Maisons du Monde USA (2)	Holding Company	United-States	Full	0%	0%	100%	100%
Modani Holdings LLC (2)	Holding Company and support functions	United-States	Full	0%	0%	100%	70%
Modani Atlanta LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani Boca Raton LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani Brickell LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani Chicago LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani Dallas LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani Denvers LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani Doral LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani Fort Lauderdale LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani Garden City LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%

(1) Formerly International MDM, now Léolog.

(2) Companies sold in November 2021.

Subsidiary	Activity	Country of incorporation	Consolidation method	30 June 2022 Contr. (in %)	30 June 2022 Part. (in %)	31 December 2021 Contr. (in %)	31 December 2021 Part. (in %)
Modani Houston LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani Jacksonville LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani King of Prussia LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani Las Vegas LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani Los Angeles LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani Miami LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani Naples LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani New York Midtown LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani Oak Brook LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani OC LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani Orlando LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani Paramus LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani Pinecrest LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani San Diego LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani Tampa LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Modani West Palm Beach LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
Urbanmod LLC (2)	Retail stores selling home furnishings and decorations	United-States	Full	0%	0%	100%	70%
SNS Imports LLC (2)	Warehouse logistics and order preparation	United-States	Full	0%	0%	100%	70%
Maisons du Monde Holdings LLC (2)	Holding	United-States	Full	0%	0%	100%	70%

(1) Formerly International MDM, now Léolog.

(2) Companies sold in November 2021.

Note 28 Events subsequent to 30 June 2022

28.1 Capital reduction

On 27 July 2022, the Board of Directors decided to cancel 1,953,797 shares acquired under the share buyback program launched on 26 October 2021. The capital reduction was carried out on 29 July 2022.

The share capital of Maisons du Monde S.A. amounts to EUR 140,253,434.28 divided into 43,288,097 shares.

28.2 New share buyback program

Despite the current environment, the Group remains fully confident in the fundamental strength of its business model and the relevance of its strategic choices. The Board of Directors and the management team believe the Group's current market value is not an accurate reflection of the business' value creation and cash generation potential. As a result, utilizing the Group's solid balance sheet, Maisons du Monde is today launching an opportunistic new share buyback program. The Group believes this buyback is an attractive investment opportunity for the benefit of its long-term shareholders.

Under this new plan, the Group intends to repurchase up to 10% of its outstanding shares at market price over a period of several months beginning 29 July 2022. This program will be carried out within the limits of the authorization granted to purchase shares, as per the 18th resolution adopted by the General Assembly on 31 May 2022. A description of this share buyback program is available on the Group's website: www.corporate.maisonsdumonde.com

The shares acquired under this new buyback program are intended to be cancelled to reduce the share capital of Maisons du Monde as soon as the program is completed.

Statutory auditors' Review Report on the Half-yearly Financial Information

For the period from 1 January to 30 June 2022

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meeting and in accordance with the requirements of Article L. 451-1-2 III of the French Monetary and Financial Code *(Code monétaire et financier)*, we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Maisons du Monde S.A., for the period from 1 January 1 to 30 June 2022;
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

II. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Rennes and Saint-Herblain, 29 July 2022

The statutory auditors,

French original signed by

KPMG SA	Deloitte & Associés
Vincent BROYE	Jérôme QUERO
Partner	Partner

Statement by the person responsible for the Half-Year Financial Report

“I hereby declare that, to the best of my knowledge, the condensed consolidated financial statements for the half year ended 30 June 2022 have been prepared in accordance with the applicable accounting standards and that they give a true and fair view of theassets, financial position and results of the Company and of all the companies within its scope of consolidation, and that the attachedhalf-year activity report gives a true picture of the significant events that occurred in the first six months of the fiscal year, their impact onthe financial statements, and the main related-party transactions, as well as a description of the main risks and uncertainties for theremaining six months of the fiscal year.”

29 July 2022

Julie Walbaum

Chief Executive Officer

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