

F.I.L.A. – FABBRICA ITALIANA LAPIS ED AFFINI S.P.A.



**ILLUSTRATIVE REPORT OF THE BOARD OF DIRECTORS ON POINT 1 OF THE AGENDA OF
THE ORDINARY SHAREHOLDERS' MEETING OF F.I.L.A. - FABBRICA ITALIANA LAPIS ED
AFFINI S.P.A., CALLED FOR APRIL 27, 2022 IN SINGLE CALL**

(drawn up in accordance with Article 125-*ter* of Legislative Decree No. 58 of February 24,
1998, and Article 84-*ter* of the Regulation adopted with Consob Resolution No. 11971 of
May 14, 1999)

Report approved by the Board of Directors of F.I.L.A. – Fabbrica Italiana Lapis ed Affini
S.p.A. at the meeting of March 22, 2022 and available on the website www.filagroup.it.

Point 1 on the Agenda of the Ordinary Shareholders' Meeting of F.I.L.A. - Fabbrica Italiana Lapis ed Affini S.p.A., called for April 27, 2022 in single call:

1. **Financial statements and consolidated financial statements; allocation of profit for the year and distribution of dividends:**
 - 1.1 **Approval of the separate financial statements for the year ended December 31, 2021, along with the Board of Directors' Report, the Board of Statutory Auditors' Report and the Independent Auditors' Report; presentation of the consolidated financial statements for the year ended December 31, 2021; resolutions thereon;**
 - 1.2 **Allocation of net income for the year and distribution of dividends; resolutions thereon;**

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Dear Shareholders,

this Report has been prepared pursuant to Article 125-*ter*, paragraph 1 of Legislative Decree No. 58 of February 24, 1998 and Article 84-*ter* of the Regulation adopted with Consob Resolution No. 11971 of May 14, 1999.

This report was approved by the Board of Directors of F.I.L.A. – Fabbrica Italiana Lapis ed Affini S.p.A. (“**Fila**” or the “**Company**”) in the meeting of March 22, 2022 and is made available to the public, in accordance with applicable law and regulations, at the registered office, on the Company’s website (www.filagroup.it) and also by the other means established by the applicable regulation.

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With reference to the first point on the Agenda of the Shareholders' Meeting, the Board of Directors proposes for your approval, in accordance with law, the Financial Statements for the year ended December 31, 2021 (consisting of the Statement of Financial Position, the Income Statement, the Statement of Cash Flows, the Statement of Changes of Equity and the Explanatory Notes), together with the Directors’ Report.

These documents, together with the consolidated financial statements at December 31, 2021, the Board of Statutory Auditors’ Report as per Article 2429 of the Civil Code and the Auditors’ Report of KPMG S.p.A. on the separate and consolidated financial statements at December 31, 2021, will be made available to the public at the registered office of the Company, on the website www.filagroup.it, on the website of Borsa Italiana S.p.A. and on the authorised storage mechanism “EMARKET STORAGE” at www.emarketstorage.com.

The separate financial statements at December 31, 2021 present:

- revenues totalling Euro 88.416 million (of which core business revenue of Euro 80.953 million and other revenues and income of Euro 7.463 million);
- operating costs of Euro 78.678 million; and
- an operating profit of Euro 9.7381 million;

Net financial income totalled Euro 9.226 million. The pre-tax profit was Euro 18.965 million; the profit for the year was Euro 17.002 million.

The Fila Group consolidated financial statements at December 31, 2021 present:

- core business revenues of Euro 653.471 million (+7.5% on Euro 608.167 million in 2020);
- EBITDA, adjusted and net of IFRS 16 effects, of Euro 109.075 million (+14.4% on Euro 95.351 million in 2020);
- adjusted profit, net of IFRS 16 effects, of Euro 44.097 million compared to Euro 23.297 million in 2020; and
- net financial position of Euro 437.253 million compared to Euro 493.456 million in 2020.

The Board of Directors, in view of the profit for the year, therefore proposes, subject to approval by the Shareholders' Meeting of the separate financial statements at December 31, 2021, to distribute the profit for the year of Euro 17,002,269.91 as follows:

- to allocate Euro 659,002.08 to the legal reserve, in accordance with Article 2430 of the Civil Code;
- to allocate Euro 4,559,859.92 to retained earnings;
- to distribute the remaining profit for the year of Euro 11,743,408.31 as dividend and, therefore, to distribute a unitary dividend of Euro 0.23 for each of the 51,058,297 Fila (ordinary and special) shares currently issued, while it should be noted that in the case where the total number of Fila (ordinary and special) shares in circulation should increase or decrease, the total amount of dividend will remain unchanged and the unit amount will be automatically adjusted to the new number of Fila (ordinary and special) shares in circulation; the dividend will be paid out with coupon, record and payment dates of May 23, 24 and 25, 2022 respectively.

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Given that presented and where in agreement with the above proposals, we invite you to adopt the following motions:

"The Ordinary Shareholders' Meeting of F.I.L.A. - Fabbrica Italiana Lapis ed Affini S.p.A.,

- *having noted the illustrative Report of the Board of Directors;*
- *having reviewed the financial statements of the Company for the year ended December 31, 2021 and the consolidated financial statements for the year ended December 31, 2021;*
- *having noted the Board of Statutory Auditors' Report prepared in accordance with Article 2429 of the Civil Code and 153 of Legislative Decree No. 58 of February 24, 1998;*
- *having noted the Auditors' Report of KPMG S.p.A., prepared as per Articles 14 and 16 of Legislative Decree No. 39 of January 27, 2010*

- *having reviewed the Directors' Report on Operations;*
- *taking account of Article 2430 of the Civil Code regarding the legal reserve;*

resolves

- *to approve the separate financial statements of the Company for the year ended December 31, 2021, as proposed and illustrated by the Board of Directors, together with the Directors' Report, which present a profit of Euro 17,002,269.91 and also takes note of the consolidated financial statements of the Company for the year ended December 31, 2021;*
- *to (i) allocate Euro 659,002.08 to the legal reserve, as per Article 2430 of the Civil Code; (ii) to allocate Euro 4,559,859.92 to retained earnings and (iii) to distribute the remaining profit for the year of Euro 11,743,408.31 as dividend and, therefore, to distribute a dividend of Euro 0.23 for each of the 51,058,297 Fila (ordinary and special) shares currently issued, while it should be noted that in the case where the total number of Fila (ordinary and special) shares in circulation should increase or decrease, the total amount of dividend will remain unchanged and the unit amount will be automatically adjusted to the new number of Fila (ordinary and special) shares in circulation; the dividend will be paid out with coupon, record and payment dates of May 23, 24 and 25, 2022 respectively.*

Pero, March 22, 2022

The Chairperson of the Board of Directors

(Giovanni Gorno Tempini)