



Il futuro ha i nostri colori. Da 100 anni.

F.I.L.A. GROUP
INTERIM FINANCIAL REPORT
AT SEPTEMBER 30, 2021

F.I.L.A. – Fabbrica Italiana Lapis ed Affini S.p.A.

Via XXV Aprile 5 Pero (MI)

F.I.L.A. Fabbrica Italiana Lapis ed Affini. 1920 • 2020



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**DIRECTORS' REPORT
AT SEPTEMBER 30, 2021**

I - Interim Directors' Report

Corporate Bodies

Board of Directors

Chairman (*)	Giovanni Gorno Tempini
Honorary Chairman	Alberto Candela
Chief Executive Officer (**)	Massimo Candela
Executive Director (**)	Luca Pelosin
Director (**)	Annalisa Barbera
Director (*)	Giorgina Gallo
Director (*)	Carlo Paris
Director (*)	Donatella Sciuto

(*) Independent director in accordance with Article 148 of the Consolidated Finance Act and Article 3 of the Code of Conduct.

(**) Executive Director.

Control, Risks and Related Parties Committee

Donatella Sciuto
Annalisa Barbera
Carlo Paris

Remuneration Committee

Carlo Paris
Annalisa Barbera
Giorgina Gallo

Board of Statutory Auditors

Chairman	Gianfranco Consorti
Standing Auditor	Elena Spagnol
Standing Auditor	Pietro Michele Villa
Alternate Auditor	Stefano Amoroso
Alternate Auditor	Sonia Ferrero

Independent Auditors KPMG S.p.A.

Overview of the F.I.L.A. Group

The F.I.L.A. Group operates in the creativity tools market, producing and marketing colouring, design, modelling, writing and painting objects, such as pencils, crayons, modelling clay, chalk, oil colours, acrylics, watercolours, paints and paper for the fine arts, school and leisure.

The F.I.L.A. Group at September 30, 2021 operates through 22 production facilities and 35 subsidiaries across the globe and employs approx. 8,000 people, becoming a pinnacle for creative solutions in many countries with brands such as GIOTTO, DAS, LYRA, Canson, Maimeri, Daler-Rowney Lukas, Ticonderoga, Pacon, Strathmore, Princeton and Arches.

Founded in Florence in 1920 by two noble Tuscan families, della Gherardesca and Marchesi Antinori, F.I.L.A. S.p.A. (hereafter also the “Parent”) has achieved strong international growth in the past 20 years, supported by a series of strategic acquisitions. Over the years, the Parent has acquired: (i) the Italian firm Adica Pongo in 1994, a leading producer of modelling clay for children; (ii) the Spanish firm Spanish Fila Hispania S.L. (formerly Papeleria Mediterranea S.L.) in 1997, the Group’s former exclusive distributor in Spain; (iii) the French firm Omyacolor S.A. in 2000, a leading manufacturer of modelling putties and clays; (iv) the U.S. Dixon Ticonderoga Group in 2005, a leading producer and distributor of pencils in North America, with subsidiaries operating on the Canadian, Mexican, Chinese and European markets; (v) the German LYRA Group in 2008, which allowed the Group to enter the German, Scandinavian and Eastern Asian markets; (vi) the business unit operated by Lapiceria Mexicana in 2010, one of the main local competitors in the budget coloured and graphite pencils market; and (vii) the business unit operated by Maimeri S.p.A. in 2014, a manufacturer and distributor of paints and accessories for fine arts. In addition to these operations, on the conclusion of an initiative which began with the acquisition of a significant influence in 2011, control of the Indian company DOMS Industries Pvt Ltd. was acquired in 2015 (viii). In 2016, the F.I.L.A. Group focused upon development through strategic Art&Craft sector acquisitions, seeking to become the leading market player. On February 3, 2016, F.I.L.A. S.p.A. acquired control of the Daler-Rowney Lukas Group, an illustrious brand producing and distributing materials and accessories on the arts and crafts market since 1783, with a direct presence in the United Kingdom, the Dominican Republic, Germany and the USA (ix). In September 2016, the F.I.L.A. Group acquired the entire share capital of St. Cuthberts Holding Limited and the operating company St. Cuthberts Mill Limited, a highly-renowned English paper mill, founded in 1907, located in the south-west of England and involved in the production of high quality artist’s papers (x). In October 2016, F.I.L.A. S.p.A. acquired the Canson Group, founded in 1557 by the Montgolfier family, with headquarters in Annonay in France, production facilities in France and conversion and distribution centres in Italy, France, China, Australia and Brazil. Canson products are available in over 120 countries and the brand is the most respected globally involved in the production and distribution of high added value paper for the fine arts, design, leisure and schools, but also for artists’ editions and technical and digital drawing materials (xi).

In June 2018, F.I.L.A. S.p.A., through its US subsidiary Dixon Ticonderoga Co. (U.S.A.), consolidated its role as a leading player on the US market with the acquisition of the US Group Pacon, which through brands such as Pacon, Riverside, Strathmore and Princeton, is a leader in the US schools and arts and crafts sector (xii). On March 2, 2020, F.I.L.A.- Arches S.A.S., a French company wholly-owned by F.I.L.A. S.p.A., completed the purchase from the Ahlstrom-Munksjö Group of the fine art business unit specialised in fine art operating through the ARCHES® brand (xiii).

Key events in the period

- ▶ On January 9, 2021, the Indian associated company Fixy Adhesives Private Limited was incorporated;
- ▶ On January 12, 2021, the Indian associated company Inxon Pens & Stationary Private Limited was incorporated;
- ▶ On March 16, 2021, the liquidation of the non-operative subsidiary in the United Kingdom, CastleHill Crafts Ltd, concluded.
- ▶ The parent company, in the period between March 23 and March 25, 2021, purchased treasury shares as per the Shareholders' Meeting authorisation of April 22, 2020 and the subsequent Board of Directors' motion of March 16, 2021. On September 30, 2021, the Group held 51,500 treasury shares (0.10% of the Share capital), for a total value of Euro 488 thousand (equal to the "Negative reserve for treasury shares in portfolio" deducted from consolidated shareholders' equity).

Key Financial Highlights

The key highlights of the F.I.L.A. Group at September 30, 2021 are reported below:

<i>Euro thousands</i>	September 30, 2021	% revenue	September 30, 2020	% revenue	Change 2021 - 2020	IFRS 16 effects	Normalizations for Non-Recurring expenses
Revenue	496,314	100%	471,129	100%	25,185	5.3%	(190)
Gross operating profit ⁽¹⁾	98,823	19.9%	78,527	16.7%	20,296	25.8%	11,118
Operating profit	68,002	13.7%	45,586	9.7%	22,416	49.2%	2,816
Net financial expense	(18,114)	-3.6%	(27,744)	-5.9%	9,630	34.7%	(4,170)
Total taxes	(13,047)	-2.6%	(5,514)	-1.2%	(7,533)	-136.6%	299
F.I.L.A. Group Profit attributable to the owners of the Parent	35,980	7.2%	12,789	2.7%	23,191	181.3%	(967)
<i>Earnings per share (€ cents)</i>							
	<i>basic</i>	0.71	0.25				
	<i>diluted</i>	0.69	0.25				

<i>NORMALISED Net of Non-Recurring expenses and IFRS 16 effects - Euro thousands</i>	September 30, 2021	% revenue	September 30, 2020	% revenue	Change 2021 - 2020
Revenue	496,504	100.0%	471,347	100.0%	25,157
Gross operating profit ⁽¹⁾	91,001	18.3%	78,062	16.6%	12,939
Operating profit	68,482	13.8%	53,188	11.3%	15,294
Net financial expense	(13,964)	-2.8%	(23,081)	-4.9%	9,117
Total taxes	(13,873)	-2.8%	(8,469)	-1.8%	(5,404)
F.I.L.A. Group Net Profits attributable to the owners of the Parent	39,648	8.0%	21,458	4.6%	18,190
<i>Earnings per share (€ cents)</i>					
	<i>basic</i>	0.78	0.42		
	<i>diluted</i>	0.76	0.41		

<i>Euro thousands</i>	September 30, 2021	September 30, 2020	Change 2021 - 2020
Cash flows from operating activities	55,819	(5,404)	61,223
Investments	(7,341)	(7,501)	160
% revenue	1.5%	1.6%	

<i>Euro thousands</i>	September 30, 2021	December 31, 2020	Change 2021 - 2020	IFRS 16 effects
Net invested capital	870,432	824,731	45,701	963
Net Financial debt ⁽²⁾	(485,789)	(493,456)	7,667	(2,578)
Equity	(384,643)	(331,275)	(53,368)	1,615

⁽¹⁾ The Gross Operating Profit (EBITDA) corresponds to the operating result before amortisation and depreciation and impairment losses;

⁽²⁾ Indicator of the net financial debt, calculated as the aggregate of the current and non-current financial debt, net of cash and cash equivalents and current financial assets and loans provided to third parties classified as non-current assets. The net financial debt as per CONSOB Communication DEM/6064293 of July 28, 2006 excludes non-current financial assets. The non-current financial assets of the F.I.L.A. Group at September 30, 2021 amount to Euro 2,520 thousand, and they are not considered in the Net Financial Debt.

2021 Normalisations:

- ▶ The normalisation of Revenue principally refers to returns of goods following the COVID-19 pandemic;
- ▶ The normalisation of the 9M 2021 Gross Operating Profit relates to non-recurring operating costs of approx. Euro 3.3 million regarding reorganisation-restructuring charges and other Group consultancy costs for Euro 1.6 million, the expense incurred to handle the COVID-19 pandemic for Euro 1.1 million and the outlay for the medium/long-term incentive plan for Euro 0.6 million;
- ▶ The overall normalisation of the Operating Profit was Euro 3.3 million, resulting from the aforementioned effects on the Gross Operating Profit;
- ▶ The normalisation to the 9M 2021 Profit attributable to the owners of the parent was Euro 2.7 million and principally concerned the above effects on the Gross Operating Profit, net of the related tax effects.

2020 Normalisations:

- ▶ The normalisation to revenue mainly concerns the return of goods as a result of disputes with customers, related to the economic and social effects of the COVID-19 pandemic;
- ▶ The normalisation to the 9M 2020 gross operating profit relates to non-recurring operating expense of approx. Euro 9.5 million, mainly for the expense concerning the corporate transaction for the acquisition of the ARCHES® business unit, for Euro 4.7 million, the costs incurred to deal with the COVID-19 pandemic for Euro 3 million and, residually, reorganisation costs of the F.I.L.A. Group for Euro 1.5 million, particularly in North America;
- ▶ The overall normalisation to the Operating Profit was Euro 9.5 million, resulting from the aforementioned effects on the Gross Operating Profit;
- ▶ The normalisation of Net Financial Expense refers to the financial expense incurred by the Parent F.I.L.A. S.p.A. for the signing of a new loan to support the M&A transaction;
- ▶ The normalisation to the 9M 2020 Profit attributable to the owners of the parent was Euro 6.8 million and principally concerned the above effects on the Gross Operating Profit, net of the related tax effects.

In order to permit a more accurate assessment of the F.I.L.A. Group's financial performance and financial position, some alternative performance measures are presented alongside the conventional financial measures pursuant to the IFRS. Such alternative performance measures are not to be considered replacements for the IFRS-compliant measures.

The alternative performance measures used are illustrated below:

Gross operating profit or EBITDA: this is calculated as profit for the period, excluding the following components: (i) income taxes for the period, (ii) depreciation, amortization and impairment losses, (iii) financial income and expense and (iv) profit or loss from discontinued operations. The F.I.L.A. Group uses this measure as an internal management target and in external presentations (for analysts and investors), as it is useful in measuring the overall operating performance of the F.I.L.A. Group.

The table below presents a reconciliation of the profit for the period with the Gross Operating Profit:

<i>Euro thousands</i>	September 30, 2021	September 30, 2020
Profit/(loss) attributable to non-controlling interests	861	(461)
Profit attributable to the owners of the parent	35,980	12,789
Profit for the year	36,841	12,328
Income taxes	13,047	5,514
Current taxes	13,271	8,079
Deferred taxes	(224)	(2,565)
Amortisation, depreciation and impairment losses	30,821	32,941
Financial items	18,114	27,744
Financial income	(5,976)	(3,472)
Financial expenses	24,295	31,177
Share of profit (losses) of equity-accounted investees	(205)	39
Gross operating profit	98,823	78,527

The Group defines adjusted Gross Operating Profit or EBITDA as Gross Operating Profit or EBITDA, excluding: (i) non-recurring expense and (ii) the IFRS 16 effects.

The following is a reconciliation between gross operating profit and adjusted gross operating profit:

<i>Euro thousands</i>	September 30, 2021	September 30, 2020
Gross operating profit	98,823	78,527
Non-recurring expense	3,296	9,470
IFRS 16 effect	(11,118)	(9,935)
Adjusted gross operating profit	91,001	78,062

Operating profit or EBIT: this is calculated as profit for the period, excluding the following components: (i) income taxes for the period, (ii) financial income and expense and (iii) profit from discontinued operations.

The Group defines adjusted Operating Profit or EBIT as Operating Profit or EBIT, excluding: (i) non-recurring expense and (ii) and the IFRS 16 effects.

The following is a reconciliation between Operating Profit or EBIT and adjusted Operating Profit or adjusted EBIT:

<i>Euro thousands</i>	September 30, 2021	September 30, 2020
Operating Result	68,002	45,586
Non-recurring expense	3,296	9,470
IFRS 16 effect	(2,816)	(1,868)
Adjusted Operating Result	68,482	53,188

Group profit for the period: profit for the period, adjusted for non-controlling interest items.

The Group defines the adjusted Group profit attributable to the owners of the parent as the Group profit for the period, excluding: (i) non-recurring expense, (ii) the IFRS 16 effects.

The following is the reconciliation of the Group profit with the adjusted Group profit:

<i>Euro thousands</i>	September 30, 2021	September 30, 2020
Profit for the period attributable to the owners of the parent	35,980	12,789
Non-recurring expense	2,701	6,782
IFRS 16 effect	967	1,887
Adjusted Profit for the period attributable to the owners of the parent	39,648	21,458

Net financial debt – this is a valid measure of the F.I.L.A. Group's financial structure. This is calculated as the aggregate of the current and non-current financial liabilities, net of cash and cash equivalents, in addition to current financial assets, in accordance with Consob communication DEM/6064293 of July 28, 2006 and Consob's Call to Attention No. 5/21 of April 29, 2021, excluding non-current financial assets.

F.I.L.A. Group's Financial Highlights

The F.I.L.A. Group Key Financial Highlights for Q3 2021 are reported below.

Normalised financial performance

The 9M 2021 F.I.L.A. Group results report an increased normalised Gross Operating Profit of 16.6% over the same period of the previous year:

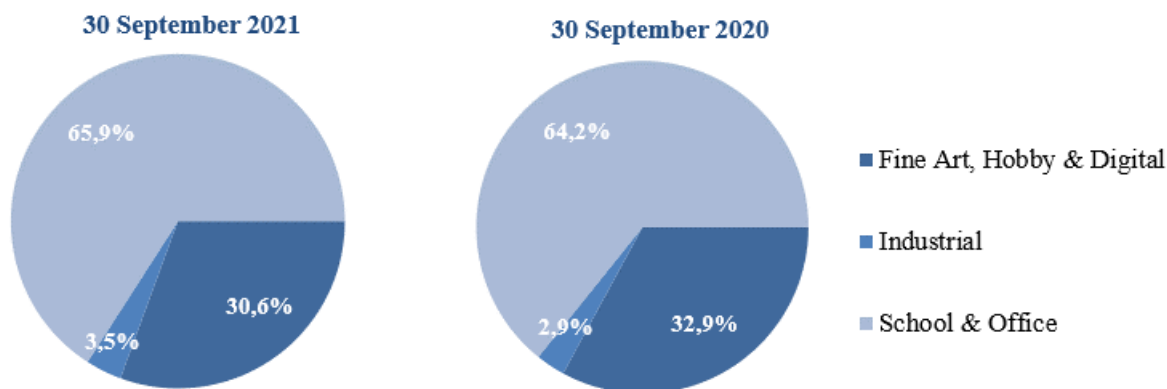
	September 30, 2021	% revenue	September 30, 2020	% revenue	Change 2021 - 2020	
<i>NORMALISED - Euro thousands</i>						
Revenue	496,504	100%	471,347	100%	25,157	5.3%
Income	4,698		6,198		(1,500)	-24.2%
Total revenue	501,202		477,545		23,657	5.0%
Total operating expense	(410,201)	-82.6%	(399,483)	-84.8%	(10,718)	-2.7%
Gross operating profit	91,001	18.3%	78,062	16.6%	12,939	16.6%
Amortisation, depreciation and impairment losses	(22,519)	-4.5%	(24,874)	-5.3%	2,355	9.5%
Operating profit	68,482	13.8%	53,188	11.3%	15,294	28.8%
Net financial expense	(13,964)	-2.8%	(23,081)	-4.9%	9,117	39.5%
Pre-tax profit	54,518	11.0%	30,106	6.4%	24,412	81.1%
Total taxes	(13,873)	-2.8%	(8,469)	-1.8%	(5,404)	-63.8%
Profit for the period	40,644	8.2%	21,637	4.6%	19,006	87.8%
Profit for the period attributable to non-controlling interests	996	0.2%	179	0.0%	817	455.6%
Profit for the period attributable to the owners of the Parent	39,648	8.0%	21,458	4.6%	18,190	84.8%

The main changes compared to 9M 2020 are outlined below.

Revenue of Euro 496,504 thousand increased by Euro 25,157 thousand on 9M 2020 (+5.3%). Net of exchange losses of Euro 16,875 thousand (mainly concerning the US Dollar and to a lesser extent a number of South American currencies and the Indian Rupee), organic growth was Euro 42,032 thousand (+8.9%).

At geographical area level, organic growth was reported in Europe of Euro 22,971 thousand (+14.4% on the comparative period), Central and South America for Euro 10,358 thousand (+47.4% on the preceding period), Asia for Euro 8,125 thousand (+21.3% on the preceding period), the Rest of the World for Euro 493 thousand (+23.3% on the preceding period) and North America for Euro 85 thousand (+0.03% on the preceding period).

In order to better illustrate F.I.L.A. Group revenue, the table below highlights revenue by strategic segment compared with the previous year (the school and office strategic business segment, the arts and crafts strategic business segment and, to a residual extent, industrial products):



Income of Euro 4,698 thousand decreased by Euro 1,500 thousand compared to the preceding period, mainly due to lower exchange gains on commercial transactions.

Operating expense in the period of Euro 410,201 thousand increased Euro 10,718 thousand on the same period of 2020. This increase, offset by the positive exchange rate effect mirroring that of revenue, is mainly due to variable purchase and commercial costs, following the increase in revenue, while certain fixed overheads such as travel and entertainment expenses, advertising, marketing promotion and trade fairs were again contained.

The Gross Operating Profit of Euro 91,001 thousand increased by Euro 12,939 thousand on the same period of 2020 (+16.6%). At like-for-like exchange rates, the increase was 19.1% on the same period of the previous year.

Amortisation, depreciation and impairment losses decreased Euro 2,355 thousand, mainly due to lower amortisation and depreciation on the containment of investments in 2020 during the COVID-19 pandemic and lower impairments on receivables as a result of the reduced amount of disputes with customers, in addition to the greater certainty on customer collections compared with the same period of the previous year.

Net Financial Expense improved by Euro 9,117 thousand, mainly due to greater exchange gains on financial transactions and generally reduced net financial charges, both due to better and more streamlined working capital management and the lower overall debt level.

Normalised Group Taxes amounted to Euro 13,873 thousand, increasing on the same period of the previous year due to the improved pre-tax profit.

Net of the profit attributable to non-controlling interests, the F.I.L.A. Group adjusted result in Q3 2021 was a profit of Euro 39,648 thousand, compared to Euro 21,458 thousand in the previous year.

Business seasonality

The group's operations are affected by the business's seasonal nature, as reflected in the consolidated results.

The F.I.L.A. Group primarily operates in the school and office strategic business segment and the fine arts strategic business segment. Historically, the school and office strategic business segment has reported greater sales in the second and third quarters of the year than in the first and fourth quarters of the year. This is mainly due to the fact that in the Group's main markets (i.e., North America, Mexico, India and Europe), schools reopen in the period from June to September. By contrast, the fine arts strategic business segment reports greater sales to some extent in the first, but especially in the fourth quarter, than in the second and third quarters, partially offsetting the seasonal nature of the school and office strategic business segment.

The quarterly breakdown of profit or loss shows the concentration of sales in the second and third quarters in conjunction with the "school campaign". Specifically, significant sales are made through the traditional "school suppliers" channel in June and through the "retailers" channel in August.

Seasonality is more significant when it is viewed in relation to working capital. In fact, in the school and office strategic business segment the Group has historically invested large quantities of financial resources to meet the enormous demand for products from July to September, while only receiving payments from November.

The key highlights for Q3 2021 and 2020 are reported below:

	2020				2021		
	First 3 mth. 2020	First 6 mth. 2020	First 9 mth. 2020	FY 2020	First 3 mth. 2021	First 6 mth. 2021	First 9 mth. 2021
<i>Euro thousands</i>							
Revenue	145,769	307,518	471,129	607,382	141,551	324,554	496,314
<i>Full year portion</i>	24.00%	50.63%	77.57%	100.00%			
<i>Portion of the period under review</i>	30.94%	65.27%	100.00%		28.52%	65.39%	100.00%
Gross operating profit	14,873	45,166	78,527	95,051	21,946	63,326	98,823
<i>% revenue from sales and services</i>	10.20%	14.69%	16.67%	15.63%	15.50%	19.51%	19.91%
<i>Full year portion</i>	15.65%	47.52%	82.62%	100.00%			
<i>Portion of the period under review</i>	18.94%	57.52%	100.00%		22.21%	64.08%	100.00%
Adjusted gross operating profit	16,799	46,162	78,062	95,351	20,081	58,536	91,001
<i>% revenue from sales and services</i>	11.52%	15.01%	16.57%	15.70%	14.19%	18.04%	18.33%
<i>Full year portion</i>	17.62%	48.41%	81.87%	100.00%			
<i>Portion of the period under review</i>	21.52%	59.14%	100.00%		22.07%	64.32%	100.00%
Net Financial Debt	(584,592)	(611,266)	(568,987)	(493,456)	(525,019)	(523,873)	(485,789)

Statement of Financial Position

The statement of financial position of the F.I.L.A. Group at September 30, 2021 is reported below:

<i>Euro thousands</i>	September 30, 2021	December 31, 2020	Change 2021 - 2020
Intangible assets	442,086	435,990	6,096
Property, plant & equipment	169,379	171,489	(2,110)
Financial assets	3,911	3,679	232
Net non-current assets	615,376	611,158	4,218
Other Non-Current Assets/Liabilities	18,212	20,242	(2,030)
Inventories	262,382	256,288	6,094
Trade receivables and other assets	168,506	115,929	52,577
Trade payables and other liabilities	(110,031)	(100,542)	(9,489)
Other current assets and liabilities	(2,519)	4,908	(7,427)
Net working capital	318,338	276,583	41,755
Provisions	(81,493)	(83,252)	1,759
Net invested capital	870,432	824,731	45,701
Equity	(384,643)	(331,275)	(53,368)
Net financial debt	(485,789)	(493,456)	7,667
Net sources of funds	(870,432)	(824,731)	(45,701)

The F.I.L.A. Group's Net Invested Capital of Euro 870,432 thousand at September 30, 2021 was composed of Net Non-current Assets of Euro 615,376 thousand (up by Euro 4,218 thousand on December 31, 2020), Net Working Capital of Euro 318,338 thousand (up by Euro 41,755 thousand on December 31, 2020) and Other Non-current Assets/Liabilities of Euro 18,212 thousand (decreased Euro 2.030 thousand on December 31, 2020), net of Provisions of Euro 81,493 thousand (Euro 83,252 thousand at December 31, 2020).

Intangible Assets increased on December 31, 2020 by Euro 6,096 thousand, mainly due to net investments of Euro 1,573 thousand, principally by the Parent F.I.L.A. S.p.A. for Euro 1,512 thousand to introduce the SAP system, positive currency differences in the period of Euro 15,374 thousand and amortisation of Euro 10,737 thousand.

Property, plant and equipment decreased on December 31, 2020 by Euro 2,110 thousand, mainly due to the decrease of Euro 2,774 thousand in Plant and Machinery, partially offset by the increase in Right-of-use assets (application of IFRS 16) of Euro 664 thousand.

The reduction of Euro 2,774 thousand in Plant and Machinery mainly concerns net investments in the period of Euro 5,772 thousand and were principally undertaken by DOMS Industries Pvt Ltd (India) and Dixon Ticonderoga Company (U.S.A.), for the extension and development of the local production and logistics site.

The overall increase is fully offset by depreciation of Euro 11,274 thousand, despite positive currency differences of Euro 2,638 thousand.

Financial assets increased by Euro 232 thousand compared to December 31, 2020 and mainly concerned the movement in financial receivables, principally with regard to the Chinese subsidiary FILA Dixon Stationery (Kunshan).

The increase in Net Working Capital of Euro 41,755 thousand relates to the following:

- ▶ Inventories - increasing by Euro 6,094 thousand. The increase is entirely due to positive currency differences of Euro 8,858 thousand. However, a net decrease in F.I.L.A. Group stock of Euro 2,733 thousand is reported, particularly in North America due to the streamlining policy currently in place, business seasonality and the post COVID-19 recovery effect;
- ▶ Trade and Other Receivables - increasing by Euro 52,577 thousand, principally due to the seasonality of F.I.L.A. Group business and concerning particularly Dixon Ticonderoga Company (U.S.A.) and F.I.L.A. S.p.A., and benefitting further from positive currency effects of Euro 2,994 thousand;
- ▶ Trade and Other Payables – increasing by Euro 9,489 thousand. The increase, of which Euro 3,041 thousand regarding negative currency effects, principally concerned the North American subsidiary Dixon Ticonderoga Company and the subsidiary Grupo F.I.L.A.-Dixon, S.A. de C.V. (Mexico).

The decrease in Provisions on December 31, 2020 of Euro 1,759 thousand principally concerns the:

- ▶ Reduction in Employee benefits of Euro 2,578 thousand, mainly due to the actuarial gains recorded by the company Daler Rowney Ltd (United Kingdom);
- ▶ Decrease in Provisions for Risks and Charges of Euro 191 thousand, due to utilisations in the period, principally by the North American subsidiary Dixon Ticonderoga Company;
- ▶ Increase in Deferred tax liabilities of Euro 1,010 thousand, principally due to negative currency effects (of Euro 2,557 thousand), partially offset by the release of the tax effect concerning Intangible Assets of Euro 1,547 thousand.

The Equity attributable to owners of the companies of the F.I.L.A. Group, amounting to Euro 384,643 thousand, increased on December 31, 2020 by Euro 53,368 thousand. Net of the profit of Euro 36,841 thousand (of which Euro 861 thousand attributable to non-controlling interests), the residual movement mainly concerned the increase in the translation reserve of Euro 13,686 thousand, of the “fair value hedge” of both interest rate and currency derivatives for Euro 6,864 thousand and of the Actuarial gains/losses reserve of Euro 2,654 thousand, while partially offset by the distribution of dividends to Group shareholders of Euro 6,582 thousand.

The F.I.L.A. Group's Net Financial Debt at September 30, 2021 was Euro 485,789 thousand, improving Euro 7,667 thousand on December 31, 2020. For greater details, reference should be made to the Net financial debt and cash flows section.

Financial overview

The Group's Net Financial Debt at September 30, 2021 and cash flows for the period then ended are summarised in the following table to complete the discussion about its financial position and financial performance.

For the definition of the Net Financial Debt from the consolidated interim financial statements at June 30, 2021, reference should be made to Consob's Call to Attention No. 5/21 of April 29, 2021, which cites the new ESMA guidelines in this regard.

For better presentation and comparability, the figures at December 31, 2020 were reclassified in line with the new criteria.

The **Net Financial Debt** at September 30, 2021 was Euro 485,789 thousand.

<i>Euro thousands</i>	September 30, 2021	December 31, 2020	Change 2021 - 2020
A Cash	110	114	(4)
B Other cash equivalents	106,457	126,991	(20,534)
C Other current financial assets	1.502	690	812
D Liquidity (A + B + C)	108,069	127,795	(19,726)
E Current bank loans and borrowings	(66,509)	(88,138)	21,629
F Current portion of non-current loans and borrowings	(42,583)	(37,913)	(4,670)
G Current financial debt (E + F)	(109,092)	(126,052)	16,960
H Net current financial debt (G - D)	(1,023)	1,743	(2,766)
I Non-current bank loans and borrowings	(484,766)	(495,199)	10,433
J Bonds issued	-	-	-
K Trade payables and other non current liabilities	-	-	-
L Non-current financial debt (I + J + K)	(484,766)	(495,199)	10,433
M Net financial debt (H + L)	(485,789)	(493,456)	7,667

Compared to December 31, 2020 (Euro 493,456 thousand), Net Financial Debt improved Euro 7,667 thousand, as outlined below in the Statement of Cash Flows:

<i>Euro thousands</i>	September, 2021	September, 2020
Operating profit net of IFRS 16 effect	65,186	43,718
Non-monetary adjustments net of IFRS 16 effect	24,186	25,583
Income taxes	(5,519)	(5,488)
Cash Flows from Operating Activities Before Changes in NWC	83,852	63,813
Change in NWC	(41,923)	(73,839)
Change in Inventories	2,733	(24,594)
Change in Trade receivables and Other Assets	(50,073)	(48,770)
Change in Trade payables and Other Liabilities	6,448	1,334
Change in Other Current Assets/Liabilities	(1,031)	(1,809)
Net cash Flows used in Operating Activities	41,928	(10,025)
Investments in Property, Plant and Equipment and Intangible assets	(7,341)	(7,501)
Financial Income	145	564
Net cash Flows used in Investing Activities	(7,196)	(6,937)
Change in Equity	(7,023)	(280)
Financial Expense	(14,471)	(16,546)
Net cash Flows used in Financing Activities	(21,493)	(16,826)
Exchange differences and other variations	1,109	(4,476)
Total Net Cash Flows	14,348	(38,264)
Effect of exchange gains (losses)	(9,377)	15,550
Mark to mark hedging adjustment	5,273	(7,207)
NFD change due to IFRS16 FTA	(2,578)	2,684
NFD from M&A Transactions (Change in Consolidation Scope)	-	(43,600)
Change in Net Financial Debt	7,667	(70,836)

The net cash flow generated in 9M 2021 from Operating Activities of Euro 41,928 thousand (absorption of operating cash in 9M 2020 of Euro 10,025 thousand) concerns:

- Generation of Euro 83,852 thousand (Euro 63,813 thousand at September 30, 2020) from Operating Profit, based on the difference of the “Value” and the “Costs of Cash Generation” and the remaining ordinary income components, excluding financial management;
- Outflows of Euro 41,923 thousand (outflows of Euro 73,839 thousand in 9M 2020) attributable to working capital movements, primarily related to the increase in Trade receivables and other assets due to business seasonality and the revenue performance, partially offset by the contraction in Inventories and the increase in Trade payables and other liabilities.

Investing activities absorbed liquidity of Euro 7,196 thousand (Euro 6,937 thousand in 9M 2020), mainly due to the use of cash for Euro 7,341 thousand (Euro 7,501 thousand in 9M 2020) for net property, plant and

equipment and intangible asset investment, particularly regarding DOMS Industries Pvt Ltd (India), Dixon Ticonderoga Company (U.S.A.) and F.I.L.A. S.p.A..

Financing Activities absorbed liquidity of Euro 21,493 thousand (absorption of Euro 16,826 thousand in 9M 2020), of which:

- ▶ Euro 14,471 thousand (Euro 16,546 thousand in 9M 2020) from interest paid on loans and credit lines granted to Group companies, principally F.I.L.A. S.p.A., Dixon Ticonderoga Company (U.S.A) and Grupo F.I.L.A. – Dixon, S.A. de C.V. (Mexico);
- ▶ Euro 7,023 thousand (Euro 280 thousand at September 30, 2020) due to the distribution of dividends to F.I.L.A. Group shareholders and to the Group minorities for a total of Euro 6,582 thousand and the acquisition of treasury shares by the Parent F.I.L.A. S.p.A. of Euro 488 thousand.

Excluding the currency effect from the translation of the Net Financial Debt in currencies other than the Euro (negative Euro 9,377 thousand), the adjustment to Mark-to-Market hedges of a positive Euro 5,273 thousand and the change in the Net Financial Debt due to the application of IFRS 16 of a negative Euro 2,578 thousand, Group Net Financial Debt therefore decreased Euro 7,667 thousand (although increasing Euro 70,836 thousand on September 30, 2020).

Changes in net cash and cash equivalents are detailed below:

<i>Euro thousands</i>	September 30, 2021	December 31, 2020
Opening Cash and Cash Equivalents	116,306	85,579
Cash and cash equivalents	127,105	100,191
Current account overdrafts	(10,799)	(14,612)
Closing Cash and Cash Equivalents	102,205	116,306
Cash and cash equivalents	106,567	127,105
Current account overdrafts	(4,362)	(10,799)

Segment reporting

In terms of segment reporting, the F.I.L.A. Group has adopted IFRS 8.

IFRS 8 requires an entity to base segment reporting on internal reporting, which is regularly reviewed by the entity's chief operating decision maker to allocate resources to the various segments and assess performance.

Geographical segments are the primary basis of analysis and of decision-making by the F.I.L.A. Group's management, therefore fully in line with the internal reporting prepared for these purposes.

In particular, the Group's business is divided into five business segments, each of which is composed of various geographical segments, i.e. (i) Europe, (ii) North America (USA and Canada), (iii) Central and South America, (iv) Asia and (v) the Rest of the World, which includes South Africa and Australia. Each of the five business segments designs, markets, purchases, manufactures and sells products under known consumer brands in demand amongst end users and used in schools, homes and workplaces. Product designs are adapted to end users' preferences in each geographical segment.

The group's products are similar in terms of quality and production, target market, margins, sales network and customers, even with reference to the different brands which the group markets. Accordingly, there is no diversification by segments in consideration of the substantial uniformity of the risks and benefits relating to the products produced by the F.I.L.A. Group.

The accounting policies applied to segment reporting are in line with those used for the preparation of the consolidated financial statements.

Business Segment Reporting of the F.I.L.A. Group aggregates companies by geographical segment on the basis of the "entity location".

For disclosure on the association between the geographical segments and F.I.L.A. group companies, reference should be made to the attachments to this report in the "List of companies included in the consolidation scope and other equity investments" section.

The segment reporting required in accordance with IFRS 8 is presented below.

Business Segments – Statement of financial position

The key statement of financial position figures for the F.I.L.A. Group by region, at September 30, 2021 and December 31, 2020, are reported below:

September 30, 2021	Europe	North America	Central & South America	Asia	Rest of the World	Consolidation	F.I.L.A. Group
<i>Euro thousands</i>							
Intangible Assets	139,535	219,728	1,013	20,405	-	61,405	442,086
Property, plant & equipment	64,271	47,042	20,337	37,408	321	-	169,379
Total non-current assets	203,806	266,770	21,350	57,813	321	61,405	611,465
<i>of which Intercompany</i>	<i>(76)</i>						
Inventories	95,535	99,378	38,533	30,014	2,009	(3,087)	262,382
Trade receivables and Other Assets	107,132	51,571	40,214	14,389	1,151	(45,951)	168,506
Trade payables and other Liabilities	(74,394)	(41,938)	(18,467)	(16,805)	(2,963)	44,536	(110,031)
Other Current Assets and Liabilities	(2,801)	(91)	360	13	-	-	(2,519)
Net Working Capital	125,472	108,920	60,640	27,611	197	(4,502)	318,338
<i>of which Intercompany</i>	<i>(9,323)</i>	<i>(1,947)</i>	<i>5,625</i>	<i>(1,464)</i>	<i>2,607</i>		
Net Financial Debt	(223,850)	(206,290)	(44,301)	(9,375)	(3,245)	1272	(485,789)
<i>of which Intercompany</i>	<i>(6,996)</i>	<i>(5,889)</i>	<i>10,066</i>	<i>403</i>	<i>3,688</i>		
December 31, 2020							
<i>Euro thousands</i>							
Intangible Assets	140,829	211,481	1,032	20,751	-	61,897	435,990
Property, plant & equipment	65,009	48,403	21,558	36,030	489	-	171,489
Total non-current assets	205,838	259,884	22,590	56,781	489	61,897	607,479
<i>of which Intercompany</i>	<i>(76)</i>						
Inventories	84,282	110,946	36,790	27,194	1,965	(4,889)	256,288
Trade Receivables and other Assets	79,310	30,280	36,411	13,845	1,331	(45,248)	115,929
Trade payables and other Liabilities	(73,702)	(36,657)	(14,494)	(16,751)	(3,685)	44,747	(100,542)
Other Current Assets and Liabilities	2,151	2,299	382	76	-	-	4,908
Net Working Capital	92,041	106,868	59,089	24,364	(389)	(5,390)	276,583
<i>of which Intercompany</i>	<i>(11,661)</i>	<i>1,915</i>	<i>2,676</i>	<i>(1,425)</i>	<i>3,104</i>		
Net Financial Debt	(208,813)	(231,068)	(41,077)	(8,777)	(2,481)	(1,240)	(493,456)
<i>of which Intercompany</i>	<i>140</i>						

Business Segments – Income Statement

The group's key statement of comprehensive income figures broken down by geographical segment for the nine months ended September 30, 2021 and September 30, 2020, are reported below:

September 30, 2021	Europe	North America	Central - South America	Asia	Rest of the World	Consolidation	F.I.L.A. Group
<i>Euro thousands</i>							
Revenue	252,313	243,824	49,914	64,906	2,783	(117,426)	496,314
<i>of which Intercompany</i>	<i>(69,348)</i>	<i>(8,351)</i>	<i>(19,149)</i>	<i>(20,573)</i>	<i>(5)</i>	-	
Gross operating profit	42,379	44,728	3,460	6,792	(134)	1,598	98,823
Operating profit	28,884	35,421	905	1,345	(298)	1,745	68,002
Net financial income (expense)	6,740	(7,293)	(4,198)	(806)	(135)	(12,422)	(18,114)
<i>of which Intercompany</i>	<i>(12,875)</i>	<i>(300)</i>	<i>637</i>	<i>50</i>	<i>66</i>		
Profit (loss) for the year	29,641	21,330	(3,185)	558	(435)	(11,068)	36,841
Profit (loss) attributable to Non-controlling interests	735	317	-	(191)	-	-	861
Profit (loss) attributable to the owners of the Parent	28,905	21,014	(3,185)	749	(435)	(11,068)	35,980
September, 2020							
<i>Euro thousands</i>							
Revenue	224,518	258,543	47,031	67,427	2,275	(128,665)	471,129
<i>of which Intercompany</i>	<i>(64,794)</i>	<i>(9,273)</i>	<i>(25,162)</i>	<i>(29,280)</i>	<i>(157)</i>		
Gross operating profit	28,990	39,999	2,949	9,090	(468)	(2,034)	78,527
Operating profit	16,204	28,528	337	3,232	(872)	(1,843)	45,586
Net financial income (expense)	(3,249)	(10,785)	(6,219)	(918)	(84)	(6,489)	(27,744)
<i>of which Intercompany</i>	<i>(5,127)</i>	<i>(1,607)</i>	<i>144</i>	<i>26</i>	<i>75</i>		
Profit (loss) for the year	12,292	12,395	(5,721)	1,666	(1,013)	(7,291)	12,328
Profit (loss) attributable to Non-controlling interests	258	198	-	(914)	(3)	-	(461)
Profit (loss) attributable to the owners of the Parent	12,035	12,196	(5,721)	2,580	(1,010)	(7,291)	12,789

Business Segments – Other Information

The other information on the group companies' investments in property, plant and equipment and intangible assets broken down by geographical segment at September 30, 2021 and September 30, 2020 is reported below:

September 30, 2021	Europe	North America	Central - South America	Asia	Rest of the World	F.I.L.A. Group
<i>Euro thousands</i>						
Intangible assets	1,571	-	-	2	-	1,573
Property, plant and equipment	1,727	1,053	611	2,364	18	5,772
Property, plant and equipment <i>Right of use</i>	4,029	-	27	1,665	(24)	5,698
Net investments	7,327	1,053	638	4,031	(6)	13,043

September 30, 2020	Europe	North America	Central - South America	Asia	Rest of the World	F.I.L.A. Group
<i>Euro thousands</i>						
Intangible assets	1,346	17	-	32	-	1,396
Property, plant and equipment	1,209	2,034	560	2,697	161	6,660
Property, plant and equipment <i>Right of use</i>	2,224	7,376	1,203	(661)	-	10,142
Net investments	4,779	9,427	1,763	2,068	161	18,198

Subsequent events

As regards the lockdown following the COVID-19 pandemic, at the date of this report, the Group's plants, except for Mexico, are operational at full capacity, in accordance with the regulations for each country.

Outlook

2021 shall continue to be shaped by the Coronavirus-related instability, which is however subsiding due to increasing vaccination rates. Significant difficulties remain in Mexico, giving rise to considerable uncertainty and caution among our customers when purchasing school supplies. In Europe and North America, the increased confidence stemming from higher vaccination rates and the adoption of stricter virus control measures have facilitated a recovery of School & Office product sales. "Fine Art" product revenue was again up in the period, although the improvement moderated on the initial part of the year. On the basis of these assumptions, a partial and gradual recovery of fixed costs and production and IT investments linked to the upgrade of the Group's IT systems is therefore expected.

Management continues to remain closely focused on earnings and working capital management efficiency.

The F.I.L.A. Group continues to monitor the developing situation in order to minimise its social and workplace health and safety impacts, in addition to the operating, equity and financial situation, by drawing up and rolling out flexible and timely action plans.

Treasury shares

The parent company, in the period between March 23 and March 25, 2021, purchased treasury shares as per the Shareholders' Meeting authorisation of April 22, 2020 and the subsequent Board of Directors' motion of March 16, 2021. On September 30, 2021, the Group held 51,500 treasury shares (0.10% of the Share capital), for a total value of Euro 488 thousand (equal to the "Negative reserve for treasury shares in portfolio" deducted from consolidated shareholders' equity).

Basis of preparation and accounting standards

The Consolidated Interim Financial Statements of the F.I.L.A. Group at September 30, 2021, drawn up by the Board of Directors of F.I.L.A. S.p.A., were prepared in accordance with the accounting standards and methods adopted for the annual financial report, based on the historic cost principle and the going concern assumption.

II - Consolidated Financial Statements of the F.I.L.A. Group at September 30, 2021

Consolidated Interim Financial Statements

Statement of Financial Position

<i>Euro thousands</i>	September 30, 2021	December 31, 2020
Assets	1,178,347	1,141,333
Non-current assets	633,744	631,507
Intangible assets	442,086	435,990
Property, plant and equipment	169,379	171,489
Non-current financial assets	2,520	2,614
Equity-accounted investments	1,360	1,102
Other equity investments	31	31
Deferred tax assets	18,368	20,281
Current assets	544,603	509,826
Current financial assets	1,502	622
Current tax assets	5,646	9,882
Inventories	262,382	256,288
Trade receivables and other assets	168,506	115,929
Cash and cash equivalents	106,567	127,105
Liabilities and equity	1,178,346	1,141,333
Equity	384,643	331,275
Share capital	46,986	46,967
Negative reserve for treasury shares in portfolio	(488)	0
Reserves	97,461	74,817
Retained earnings	180,105	177,616
Profit for the period	35,980	8,607
Equity attributable to the owners of the parent	360,044	308,007
Equity attributable to non-controlling interests	24,599	23,268
Non-current liabilities	565,651	577,561
Non-current financial liabilities	471,272	476,432
Financial instruments	13,494	18,767
Employee benefits	11,387	13,965
Provisions for risks and charges	908	935
Deferred tax liabilities	68,434	67,423
Other liabilities	156	38
Current liabilities	228,052	232,497
Current financial liabilities	109,092	126,052
Current provisions for risks and charges	764	928
Current tax liabilities	8,165	4,974
Trade payables and other liabilities	110,031	100,542

Statement of Comprehensive Income

<i>Euro thousands</i>	September 30, 2021	September 30, 2020
Revenue	496,314	471,129
Income	4,698	6,752
Total revenue	501,012	477,881
Raw materials, consumables, supplies and goods	(221,392)	(240,195)
Services and use of third party assets	(74,254)	(79,405)
Other costs	(3,697)	(6,009)
Change in raw materials, semi-finished products, work in progress and finished goods	(2,522)	24,439
Personnel expense	(100,324)	(98,185)
Amortisation and depreciation	(30,313)	(31,406)
Impairment losses on trade receivables and other assets	(490)	(1,428)
Other impairment losses	(18)	(107)
Total operating costs	(433,010)	(432,295)
Operating profit	68,002	45,586
Financial income	5,976	3,472
Financial expense	(24,295)	(31,177)
Share of profit of equity-accounted investments	205	(39)
Net financial expense	(18,114)	(27,744)
Pre-tax profit	49,888	17,842
Income taxes	(13,271)	(8,079)
Deferred taxes	224	2,565
Total taxes	(13,047)	(5,514)
Profit from continuing operations	36,841	12,328
Profit for the period	36,841	12,328
<i>Attributable to:</i>		
Non-controlling interests	861	(461)
Owners of the parent	35,980	12,789
Other comprehensive income (expense) which may be reclassified subsequently to profit or loss	20,550	(29,133)
Exchange gain (losses)	13,686	(21,468)
Hedging reserves	6,864	(7,665)
Other comprehensive income which may not be reclassified subsequently to profit or loss	2,654	1,343
Actuarial gain (losses)	3,297	1,726
Taxes	(643)	(383)
Other comprehensive income (expense), net of tax effect	23,205	(27,790)
Comprehensive income (expense)	60,046	(15,462)
<i>Attributable to:</i>		
Non-controlling interests	1,747	(2,256)
Owners of the parent	58,298	(13,206)
Earnings per share:		
	<i>basic</i>	0.25
	<i>diluted</i>	0.25

Statement of changes in Equity

	Share capital	Negative reserve for treasury shares in portfolio	Legal reserve	Share premium reserve	Actuarial reserve	Other reserves	Translation reserve	Retained earnings	Profit attributable to the owners of the parent	Equity attributable to the owners of the parent	Capital and reserves att. to non-controlling interests	Profit attributable to non-controlling interests	Equity attributable to non-controlling interests	Total equity
<i>Euro thousands</i>														
December 31, 2019	46,876	-	7,765	153,608	(4,214)	(34,423)	(16,057)	153,616	24,000	331,171	24,075	2,105	26,180	357,351
Profit for the year									8,607	8,607		(485)	(485)	8,122
Other comprehensive income (expense)					(1,089)	(6,009)	(23,799)			(30,897)	(2,547)		(2,547)	(33,444)
Other changes	91			865		(1,830)				(874)	389		389	(485)
Profit for the year recognised directly in equity	91			865	(1,089)	(7,839)	(23,799)	-	8,607	(23,164)	(2,158)	(485)	(2,643)	(25,807)
Allocation of the 2019 profit			566			(566)		24,000	(24,000)		2,105	(2,105)		
Dividends											(269)		(269)	(269)
December 31, 2020	46,967	-	8,331	154,473	(5,303)	(42,828)	(39,856)	177,616	8,607	308,007	23,753	(485)	23,268	331,275
Profit for the year									35,980	35,980		861	861	36,841
Other comprehensive income (expense)					2,654	6,864	12,800			22,319	886		886	23,205
Other changes	18	(488)		173		154				(143)	47		47	(96)
Profit for the year recognised directly in equity	18	(488)	-	173	2,654	7,018	12,800	-	35,980	58,155	934	861	1,795	59,950
Allocation of the 2020 profit			406			(406)		8,607	(8,607)		(485)	485		
Dividends								(6,119)		(6,119)	(464)		(464)	(6,582)
September 30, 2021	46,985	(488)	8,737	154,646	(2,649)	(36,216)	(27,056)	180,104	35,980	360,044	23,738	861	24,599	384,643

Consolidated Statement of Cash Flows

<i>Euro thousands</i>	September, 2021	September, 2020
Operating profit	36,841	12,328
Non-monetary and other adjustments:	64,315	67,813
Amortisation and depreciation on intangible assets and property, plant and equipment	22,011	23,339
Amortisation and depreciation on intangible assets and property, plant and equipment <i>IFRS 16</i>	8,302	8,067
Net impairment losses on intangible assets and property, plant and equipment	18	107
Impairment gains/losses on trade receivables and write-downs of inventories	279	1,800
Accruals for post-employment and other employees benefits	1,881	875
Accruals to/reversals of the provision for risks and charges	-	20
Exchange losses on foreign currency trade receivables and payables	666	906
Net gains on the sale of intangible assets and property, plant and equipment	(4)	(558)
Net financial expense	18,319	27,704
Net gains/losses on equity investments	(205)	39
Taxes	13,047	5,514
Addition for:	(3,413)	(11,706)
Income taxes paid	(5,519)	(5,488)
Net unrealised exchange gains/losses on foreign currency assets and liabilities	2,715	(5,354)
Net realised exchange gains/losses on foreign currency assets and liabilities	(608)	(864)
Cash flows from operating activities before changes in net working capital	97,743	68,434
Changes in net working capital:	(41,923)	(73,839)
Change in inventories	2,733	(24,594)
Change in trade receivables and other assets	(50,073)	(48,770)
Change in trade payables and other liabilities	6,448	1,334
Change in assets and liabilities	(88)	(938)
Change in post-employment and other employee benefits	(943)	(871)
Net cash flows used in operating activities	55,819	(5,404)
Net increase in intangible assets	(1,573)	(1,396)
Net increase in property, plant and equipment	(5,768)	(6,105)
Net increase in property, plant and equipment <i>IFRS 16</i>	(5,698)	(10,142)
Net increase in equity investments measured at cost	0	(43,600)
Net increase/decrease in other financial assets	(481)	(584)
Interest collected	145	564
Net cash flows used in investing activities	(13,375)	(61,262)
Change in equity	(7,023)	(280)
Financial expense	(14,471)	(16,546)
Financial expense paid <i>IFRS 16</i>	(4,170)	(4,697)
Net increase/decrease in loans and borrowings and other financial liabilities	(29,804)	74,266
Net increase/decrease in lease liabilities <i>IFRS 16</i>	(1,344)	6,313
Net cash flows from (used in) financing activities	(56,811)	59,056
Exchange gains/losses and Other non-monetary changes	266	1,380
Net cash flows for the year	(14,101)	(6,231)
Opening cash and cash equivalents net of current account overdrafts	116,306	85,579
Closing cash and cash equivalents net of current account overdrafts	102,205	79,350

- 1) Cash and cash equivalents at September 30, 2021 totalled Euro 106,567 thousand; current account overdrafts amounted to Euro 4,362 thousand net of relative interest.
- 2) Cash and cash equivalents at December 31, 2020 totalled Euro 127,105 thousand; current account overdrafts amounted to Euro 10,799 thousand net of relative interest.
- 3) The cash flows are presented using the indirect method. In order to provide a more complete and accurate presentation of the individual cash flows, the effects of non-monetary items were eliminated (including the translation of statement of financial position items in currencies other than the Euro), where significant. These effects were aggregated and included in the caption "Other non-monetary changes".

<i>Euro thousands</i>	September 30, 2021	December 31, 2020
Opening Cash and Cash Equivalents	116,306	85,579
Cash and cash equivalents	127,105	100,191
Current account overdrafts	(10,799)	(14,612)
Closing Cash and Cash Equivalents	102,205	116,306
Cash and cash equivalents	106,567	127,105
Current account overdrafts	(4,362)	(10,799)

Attachments

Attachment 1 - List of companies included in the consolidation scope and other equity investments

Company	Country	Segment IFRS 8 ¹	Year of acquisition	% Held directly (F.I.L.A. S.p.A.)	% Held indirectly	% Held F.I.L.A. Group	Held By	Recognition	Non controlling interests
Johann Froescheis Lyra Bleistift-Fabrik GmbH & Co. KG	Germany	EU	2008	99,53%	0,47%	100,00%	FILA S.p.A. Lyra Bleistift-Fabrik Verwaltungs GmbH	Line-by-Line	0,00%
Lyra Bleistift-Fabrik Verwaltungs GmbH	Germany	EU	2008	0,00%	100,00%	100,00%	Johann Froescheis Lyra Bleistift-Fabrik GmbH & Co. KG	Line-by-Line	0,00%
F.I.L.A. Nordic AB ²	Sweden	EU	2008	0,00%	50,00%	50,00%	Johann Froescheis Lyra Bleistift-Fabrik GmbH & Co. KG	Line-by-Line	50,00%
FILA Stationary and Office Equipment Industry Ltd. Co.	Turkey	EU	2011	100,00%	0,00%	100,00%	FILA S.p.A.	Line-by-Line	0,00%
Fila Stationary O.O.O.	Russia	EU	2013	90,00%	0,00%	90,00%	FILA S.p.A.	Line-by-Line	10,00%
Industria Maineri S.p.A.	Italy	EU	2014	51,00%	0,00%	51,00%	FILA S.p.A.	Line-by-Line	49,00%
Fila Hellas Single Member S.A.	Greece	EU	2013	100,00%	0,00%	100,00%	FILA S.p.A.	Line-by-Line	0,00%
Fila Polska Sp. Z.o.o	Poland	EU	2015	51,00%	0,00%	51,00%	FILA S.p.A.	Line-by-Line	49,00%
Dixon Ticonderoga Company	U.S.A.	NA	2005	100,00%	0,00%	100,00%	FILA S.p.A.	Line-by-Line	0,00%
Dixon Canadian Holding Inc.	Canada	NA	2005	0,00%	100,00%	100,00%	Dixon Ticonderoga Company	Line-by-Line	0,00%
Grupo F.I.L.A.-Dixon, S.A. de C.V.	Mexico	CSA	2005	0,00%	100,00%	100,00%	Dixon Canadian Holding Inc. Dixon Ticonderoga Company	Line-by-Line	0,00%
F.I.L.A. Chile Ltda	Chile	CSA	2000	0,79%	99,21%	100,00%	Dixon Ticonderoga Company FILA S.p.A.	Line-by-Line	0,00%
FILA Argentina S.A.	Argentina	CSA	2000	0,00%	100,00%	100,00%	F.I.L.A. Chile Ltda Dixon Ticonderoga Company	Line-by-Line	0,00%
Beijing F.I.L.A.-Dixon Stationery Company Ltd.	China	AS	2005	0,00%	100,00%	100,00%	Dixon Ticonderoga Company	Line-by-Line	0,00%
Xinjiang F.I.L.A.-Dixon Plantation Company Ltd.	China	AS	2008	0,00%	100,00%	100,00%	Beijing F.I.L.A.-Dixon Stationery Company Ltd.	Line-by-Line	0,00%
PT. Lyra Akrelux	Indonesia	AS	2008	0,00%	52,00%	52,00%	Johann Froescheis Lyra Bleistift-Fabrik GmbH & Co. KG	Line-by-Line	48,00%
FILA Dixon Stationery (Kunshan) Co., Ltd.	China	AS	2013	0,00%	100,00%	100,00%	Beijing F.I.L.A.-Dixon Stationery Company Ltd.	Line-by-Line	0,00%
FILA SA PTY LTD	South Africa	RM	2014	99,43%	0,00%	99,43%	FILA S.p.A.	Line-by-Line	0,57%
Canson Art & Craft Yixing Co., Ltd.	China	AS	2015	0,00%	100,00%	100,00%	Beijing F.I.L.A.-Dixon Stationery Company Ltd.	Line-by-Line	0,00%
DOMS Industries Pvt Ltd	India	AS	2015	51,00%	0,00%	51,00%	FILA S.p.A.	Line-by-Line	49,00%
Renoir Topco Ltd	U.K.	EU	2016	100,00%	0,00%	100,00%	FILA S.p.A.	Line-by-Line	0,00%
Renoir Midco Ltd	U.K.	EU	2016	0,00%	100,00%	100,00%	Renoir Topco Ltd	Line-by-Line	0,00%
Renoir Bidco Ltd	U.K.	EU	2016	0,00%	100,00%	100,00%	Renoir Midco Ltd	Line-by-Line	0,00%
FILA Benelux SA	Belgium	EU	2016	0,00%	100,00%	100,00%	Renoir Bidco Ltd	Line-by-Line	0,00%
Daler Rowney Ltd	U.K.	EU	2016	0,00%	100,00%	100,00%	Renoir Bidco Ltd	Line-by-Line	0,00%
Daler Rowney GmbH	Germany	EU	2016	0,00%	100,00%	100,00%	Daler Rowney Ltd	Line-by-Line	0,00%
Lukas-Nerchau GmbH	Germany	EU	2016	0,00%	100,00%	100,00%	Daler Rowney GmbH	Line-by-Line	0,00%
Nerchauer Malfarben GmbH	Germany	EU	2016	0,00%	100,00%	100,00%	Daler Rowney GmbH	Line-by-Line	0,00%
Brideshore srl	Domenica Republic	CSA	2016	0,00%	100,00%	100,00%	Daler Rowney Ltd	Line-by-Line	0,00%
St. Cuthberts Holding Limited	U.K.	EU	2016	100,00%	0,00%	100,00%	FILA S.p.A.	Line-by-Line	0,00%
St. Cuthberts Mill Limited	U.K.	EU	2016	0,00%	100,00%	100,00%	St. Cuthberts Holding Limited	Line-by-Line	0,00%
Fila Iberia S. L.	Spain	EU	2016	96,77%	0,00%	96,77%	FILA S.p.A.	Line-by-Line	3,23%
Canson SAS	France	EU	2016	100,00%	0,00%	100,00%	FILA S.p.A.	Line-by-Line	0,00%
Fila Canson Do Brasil Produtos de Artes e Escolar Ltda	Brazil	CSA	2016	0,04%	99,96%	100,00%	Canson SAS FILA S.p.A.	Line-by-Line	0,00%
Lodi 12 SAS	France	EU	2016	100,00%	0,00%	100,00%	FILA S.p.A.	Line-by-Line	0,00%
Canson Australia PTY LTD	Australia	RM	2016	0,00%	100,00%	100,00%	Lodi 12 SAS	Line-by-Line	0,00%
Canson Qingdao Paper Products Co., Ltd.	China	AS	2016	0,00%	100,00%	100,00%	Lodi 12 SAS	Line-by-Line	0,00%
Canson Italy S.r.l.	Italy	EU	2016	0,00%	100,00%	100,00%	Lodi 12 SAS	Line-by-Line	0,00%
FILA Art Products AG	Switzerland	EU	2017	52,00%	0,00%	52,00%	FILA S.p.A.	Line-by-Line	48,00%
FILA Art and Craft Ltd	Israel	AS	2018	51,00%	0,00%	51,00%	FILA S.p.A.	Line-by-Line	49,00%
Dixon Ticonderoga ART ULC	Canada	NA	2018	0,00%	100,00%	100,00%	Dixon Canadian Holding Inc. Dixon Ticonderoga Company	Line-by-Line	0,00%
Creativity International	U.K.	EU	2018	0,00%	100,00%	100,00%	Daler Rowney Ltd	Line-by-Line	0,00%
Princeton HK Co., Limited	Hong Kong	AS	2018	0,00%	100,00%	100,00%	Dixon Ticonderoga Company	Line-by-Line	0,00%
Fila Arches SAS	France	EU	2019	100,00%	0,00%	100,00%	FILA S.p.A.	Line-by-Line	0,00%
Fila Specialty Paper LLC	U.S.A.	NA	2019	0,00%	50,00%	50,00%	Dixon Ticonderoga Company	Line-by-Line	50,00%
Pioneer Stationery Pvt Ltd.	India	AS	2015	0,00%	51,00%	51,00%	DOMS Industries Pvt Ltd	Equity method	49,00%
Uniwrite Pens and Plastics Pvt Ltd	India	AS	2016	0,00%	60,00%	60,00%	DOMS Industries Pvt Ltd	Equity method	40,00%
Fixy Adhesives Private Limited	India	AS	2021	0,00%	78,46%	78,46%	DOMS Industries Pvt Ltd	Equity method	21,54%
Inxon Pens & Stationery Private	India	AS	2021	0,00%	51,00%	51,00%	DOMS Industries Pvt Ltd	Equity method	49,00%

1 - EU - Europe; NA - North America; CSA - Central South America; AS - Asia; RM - Rest of the world
2 - Although not holding more than 50% of the share capital, considered a subsidiary under IFRS10

Transactions relating to Atypical and/or Unusual Operations

In accordance with Consob Communication of July 28, 2006, it is noted that during Q3 2021 the F.I.L.A. Group did not carry out any atypical and/or unusual transactions as defined by this communication, whereby atypical and/or unusual transactions refer to transactions which for size/importance, nature of the counterparties, nature of the transaction, method in determining the transfer price or time period (close to the period end) may give rise to doubts in relation to: the correctness/completeness of the information in the financial statements, conflicts of interest, the safeguarding of the group's assets and the protection of non-controlling shareholders.

The Board of Directors
THE CHAIRMAN
MR. GIOVANNI GORNO TEMPINI

Statement of the Manager in Charge - Interim Financial Report



F.I.L.A. S.p.A.
Via XXV Aprile, 5
20016 Pero (Milano)

November 12, 2021

Declaration of the Executive Officer – Interim Report (ref. Article 154-bis, paragraph 2)

The undersigned Stefano De Rosa, Executive Officer responsible for the preparation of the financial statements of F.I.L.A. S.p.A.,

declares

in accordance with paragraph 2 of Article 154bis of Legislative Decree No. 58 of February 24, 1998 that the accounting information contained in the present Interim Report at September 30, 2021 corresponds to the underlying accounting records.

The Executive Officer responsible
for the preparation of the financial statements
Stefano De Rosa

F.I.L.A. - Fabbrica Italiana Lapis ed Affini Società per Azioni.

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