

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



EXPLANATORY 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 23, 2024 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 19, 2024 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 23, 2024 in single call:

- 1. Separate financial statements and consolidated financial statements; proposed distribution:**
 - 1.1 Approval of the separate financial statements for the year ended December 31, 2023, 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, 2023; resolutions thereon;**
 - 1.2 Approval of the proposed allocation of the net profit for the year; 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 19, 2024 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, 2023 (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, 2023, the Board of Statutory Auditors’ Report as per Article 2429 of the Civil Code and the Independent Auditors’ Report of KPMG S.p.A. on the separate and consolidated financial statements at December 31, 2023, 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 Company’s separate financial statements at December 31, 2023 present:

- revenues and income totalling Euro 77.049 million (of which core business revenue of Euro 70.223 million and other revenues and income of Euro 6.826 million);
- operating costs of Euro 78.764 million; and
- an operating loss of Euro 1.714 million.

Net financial income totalled Euro 69.519 million. The pre-tax profit was Euro 67.804 million; the profit for the year was Euro 51.824 million.

The Fila Group consolidated financial statements at December 31, 2023 present:

- core business revenues of Euro 779.183 million, compared to Euro 764.580 million in 2022;
- EBITDA, adjusted and net of IFRS 16 effects, of Euro 121.104 million, compared to Euro 110.253 million in 2022;
- adjusted Group profit, net of IFRS 16 effects, of Euro 32.565 million, compared to Euro 37.679 million in 2022; and
- net financial position of Euro 303.412 million, compared to Euro 435.159 million in 2022.

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, 2023,

1. to allocate the net profit for the year of Euro 51,824,079.24 as follows:
 - to the distribution of a dividend to shareholders in the amount of Euro 0.12 for each of the 51,058,297 F.I.L.A. shares (ordinary and special) in circulation at the dividend coupon date (net of treasury shares in the portfolio at the record date), for a total maximum amount of Euro 6,126,995.64;
 - to Retained earnings the residual profit, for a total minimum amount of Euro 45,697,083.60, which may be increased in relation to the dividend not distributed in respect of treasury shares held in portfolio at the record date;
2. to pay, gross of any withholding taxes, a dividend in the amount of Euro 0.12 for each of the Fila shares (ordinary and special) in circulation at the ex-dividend date indicated below (net of treasury shares that will be in the portfolio at the record date indicated below), with ex-dividend date, record date and payment date on May 20, 21 and 22, 2024, respectively.

* * *

Given that presented and where you are 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 Explanatory Report of the Board of Directors;*
- *having reviewed the financial statements of the Company for the year ended December 31, 2023 and the consolidated financial statements for the year ended December 31, 2023;*
- *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 Independent 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

1. *to approve the separate financial statements of the Company for the year ended December 31, 2023, as proposed and illustrated by the Board of Directors, together with the Directors' Report, which present a profit of Euro 51,824,079.24 and also takes note of the consolidated financial statements of the Company for the year ended December 31, 2023;*
2. *to allocate the net profit for the year of Euro 51,824,079.24 as follows:*
 - (a) *to the distribution of a dividend to shareholders in the amount of Euro 0.12 for each of the 51,058,297 F.I.L.A. shares (ordinary and special) in circulation at the dividend coupon date (net of treasury shares in the portfolio at the record date), for a total maximum amount of Euro 6,126,995.64;*
 - (b) *to Retained earnings the residual profit, for a total minimum amount of Euro 45,697,083.60, which may be increased in relation to the dividend not distributed in respect of treasury shares held in portfolio at the record date;*
3. *to pay, gross of any withholding taxes, a dividend in the amount of Euro 0.12 for each of the Fila shares (ordinary and special) issued and in circulation at the ex-dividend date indicated below (net of treasury shares that will be in the portfolio at the record date indicated below), with ex-dividend date, record date and payment date on May 20, 21 and 22, 2024, respectively.*
4. *to grant the Board of Directors and, on its behalf, the Executive Directors, severally, all the broadest powers to concretely and fully implement the above resolutions in compliance with the applicable regulations.*

Pero, March 19, 2024

The Chairperson of the Board of Directors

(Giovanni Gorno Tempini)