



F.I.L.A. GROUP
INTERIM FINANCIAL REPORT
AT SEPTEMBER 30, 2022

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

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DIRECTORS' REPORT
AT SEPTEMBER 30, 2022

I - Interim Directors' Report

Corporate Bodies

Board of Directors

Chairperson (*)	Giovanni Gorno Tempini
Honorary Chairperson	Alberto Candela
Chief Executive Officer (**)	Massimo Candela
Executive Director (**)	Luca Pelosin
Non-executive Director	Annalisa Matilde Barbera
Non-executive Director (*)	Giorgina Gallo
Non-executive Director (*)	Carlo Paris
Non-executive 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 Matilde Barbera
Carlo Paris

Remuneration Committee

Carlo Paris
Annalisa Matilde Barbera
Giorgina Gallo

Board of Statutory Auditors

Chairperson	Gianfranco Consorti
Standing Auditor	Sonia Ferrero
Standing Auditor	Pietro Michele Villa
Alternate Auditor	Stefano Amoroso

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, 2022 operates through 22 production facilities and 35 subsidiaries across the globe and employs approx. 10,900 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. Dixon Ticonderoga Co. (U.S.A.) was subsequently merged into Pacon Corporation (U.S.A.), which later changed its name to Dixon Ticonderoga Co. (U.S.A.) (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).

On February 8, 2022, the UK subsidiary Daler Rowney Ltd. acquired 100% of the UK company Creative Art Products Limited, located in Manchester (UK), which specialises in the schools segment and produces and distributes a wide range of art materials for children, both under the *Scola* brand and private label (xiv) brands.

Key events in the period

- ▶ On January 12, 2022, the liquidation of the Italian subsidiary Canson Italy S.r.l. began;
- ▶ On January 14, 2022, the German subsidiaries Lukas-Nerchau GmbH and Nerchauer-Malfarben GmbH were merged into Daler Rowney GmbH;
- ▶ On February 8, 2022, the UK subsidiary Daler Rowney Ltd fully acquired the UK company Creative Art Products Limited, specialised in the schools segment, for a total value of GBP 1 million. From August 1, 2022, the company's business has been fully managed by its UK subsidiary Daler Rowney Ltd, which acquired the net assets of the investee company;
- ▶ In the period between March 24, 2022 and April 6, 2022, the Parent F.I.L.A. S.p.A. purchased treasury shares on the regulated Euronext Milan market for 240,000 ordinary shares of F.I.L.A. S.p.A. (representing 0.4701% of the Share Capital) for a total value of Euro 2,324 thousand. Details, on a daily basis, of ordinary share purchases are provided below:

<i>Date</i>	<i>Number of ordinary shares purchased</i>	<i>Average Price (Euro)</i>	<i>Countervalue (Euro)</i>
24/03/2022	23.500	9,95	233.938
25/03/2022	24.000	9,99	239.695
28/03/2022	25.600	9,90	253.389
29/03/2022	15.000	9,90	148.457
30/03/2022	20.000	9,83	196.676
31/03/2022	29.000	9,79	284.018
01/04/2022	25.000	9,56	239.051
04/04/2022	20.000	9,37	187.476
05/04/2022	25.000	9,43	235.874
06/04/2022	32.900	9,27	305.009
Total	240.000		2.323.582

These transactions were carried out as part of the share buyback program, approved by the Company's Board of Directors on March 23, 2022, and as per the authorisation of the Shareholders' Meeting of April 27, 2021.

Prior to the launch of the Program, the company held 51,500 ordinary treasury shares, representing 0.1009% of the share capital.

In addition, during the period the reserve altered due to the free allocation of shares of the parent F.I.L.A. S.p.A. to each beneficiary of the “2019-2021 Performance Shares” Plan on the basis of the achievement of the performance objectives on conclusion of the three-year vesting period. On closure

of the “2019-2021 Performance Shares” Plan, 104,609 treasury shares have been allocated for Euro 1,017 thousand.

On September 30, 2022, the Group held 186,891 treasury shares, for a total value of Euro 1,794 thousand (equal to the “Negative reserve for treasury shares in portfolio” deducted from consolidated equity).

- ▶ On July 28, 2022, the medium/long-term refinancing transaction for a total of Euro 232.5 million and USD 133.1 million was completed, alongside an RCF line of Euro 75.0 million, against new structured debt of Euro 266.6 million and USD 180.4 million, in addition to an RCF line of Euro 25.0 million; The transaction stems from the Group's need to refinance its existing medium/long-term debt before its natural maturity and, therefore, to extend the maturity of its financial debt. It will enable both a reduction in existing medium/long-term debt by using excess cash to reduce borrowing costs, and an appropriate rescheduling of payment maturities, ensuring that the Company has the resources to continue its growth.

The Debt refinancing transaction stipulates the provision of a loan to F.I.L.A. S.p.A. and Dixon Ticonderoga Company (U.S.A.), both in Euro and USD, for amounts respectively of Euro 307.5 million, including an RCF line of Euro 75 million, and USD 133.1 million and granted by the following institutions:

- BNP Paribas (which will also assume the role of Agent Bank) and Intesa Sanpaolo as Global Coordinators, Bookrunners, Mandated Lead Arrangers and Sustainability Coordinators;
- Banco BPM as Bookrunner and Mandated Lead Arranger;
- BPER, Credit Agricole, Mediobanca and UniCredit as Mandated Lead Arrangers;
- Cassa Depositi e Prestiti and JP Morgan as Lead Arrangers;
- BNL BNP Paribas with the role of Agent Bank.

The transaction breaks down as follows:

- Term Loan A in Euro - amortising tranche disbursed to F.I.L.A. S.p.A. for Euro 87.5 million, with a 5 year duration and average life of 3.7 years, for the refinancing and to cover the costs of the Transaction;
- Term Loan A in USD - amortising tranche disbursed to Dixon Ticonderoga Company (U.S.A.) of USD 99.1 million, with 5 year duration and average life of 3.7 years, for the refinancing and to cover the costs of the Transaction;
- Term Loan B in Euro – bullet tranche disbursed to F.I.L.A. S.p.A of Euro 111.6 million and to Dixon Ticonderoga Company (U.S.A.) of Euro 33.4 million, with 5 year duration, for the refinancing and to cover the costs of the Transaction;
- Term Loan B in USD – bullet tranche disbursed to Dixon Ticonderoga Company (U.S.A.) of

USD 34.0 million, with 5 year duration, for the refinancing and to cover the costs of the Transaction;

- RCF - revolving credit facility multicurrency and multiborrower of Euro 75.0 million, with 5 year duration, both for the refinancing and the financing of any future requirements generated by the working capital of the F.I.L.A. Group.

► Impacts of events related to the conflict in Ukraine

As widely publicised, on February 24, 2022 Russia launched a military operation in the east of Ukraine, resulting in the current conflict, which is significantly broadening in scope.

F.I.L.A. Group management consider that the economic and financial impacts from the conflict between Russia and Ukraine on its Russian commercial subsidiary FILA Stationary O.O.O will not be significant at Group level, as the turnover of the subsidiary accounts for approx. 0.2% at Group level and the Russian company has demonstrated financial independence in running its ordinary operations, confirming its estimates for 2022. The net exposure to third parties of the Russian subsidiary at September 30, 2022 was Euro 6,180 thousand. Group management continues to monitor the recoverability of the net exposure to third parties of the Russian subsidiary. At September 30, 2022, the analysis indicated particular criticalities with regards to recoverability.

There are no F.I.L.A. Group companies in Ukraine at September 30, 2022.

At Group level, the effects and the criticalities generated by the general inflation of raw and ancillary materials for production are being monitored, assessing the possibility of identifying alternative procurement sources where needed or undertaking adequate compensatory measures. Moreover, the vertical integration of the Group should enable these pressures to be mitigated.

With reference to the valuations made for the purposes of the financial statements (recoverability of intangible assets, recoverability of deferred tax assets, fair value of financial instruments, liabilities for employee defined benefits etc.), the Directors consider that, given the information currently available, these factors of uncertainty are already included in the main sensitivity analyses provided with reference to the main financial statement captions subject to estimates. With particular reference to the uncertainties related to the developing conflict, it may not be excluded however that, should the crisis extend at an international level, the general economic consequences and specific consequences for the Group could be more severe than that envisaged at present, requiring a new estimate to be made, with a negative impact on the financial statement captions subject to estimate and in terms of the scenarios considered for the sensitivity analysis at September 30, 2022.

Key Financial Highlights

The key highlights of the F.I.L.A. Group at September 30, 2022 are reported below:

Euro thousands	September 30, 2022	% revenue	September 30, 2021	% revenue	Change 2022 - 2021	Adjustments		
						IFRS 16 effects	Adjustments for Non-Recurring expenses	
Revenue	595.045	100,0%	496.314	100,0%	98.732	19,9%	-	-
Gross operating profit ⁽¹⁾	102.874	17,3%	98.823	19,9%	4.051	4,1%	11.370	(4.036)
Operating profit	70.516	11,9%	68.002	13,7%	2.514	3,7%	2.721	(4.036)
Net financial expense	(21.487)	(3,6%)	(18.114)	(3,6%)	(3.372)	(18,6%)	(4.376)	(678)
Total taxes	(11.004)	(1,8%)	(13.047)	(2,6%)	2.043	15,7%	295	1.075
F.I.L.A. Group Profit attributable to the owners of the Parent	34.487	5,8%	35.980	7,2%	(1.493)	(4,1%)	(1.319)	(3.598)
<i>Earnings per share (€ cents)</i>								
basic	0,68		0,71					
diluted	0,67		0,69					

ADJUSTED Net of Non-Recurring expenses and IFRS 16 effects - Euro thousands	September 30, 2022	% revenue	September 30, 2021	% revenue	Change 2022 - 2021	of which: Creative Art Products Limited ⁽³⁾		
Revenue	595.045	100,0%	496.504	100,0%	98.542	19,8%	2.246	
Gross operating profit ⁽¹⁾	95.540	16,1%	91.001	18,3%	4.540	5,0%	(1)	
Operating profit	71.830	12,1%	68.482	13,8%	3.349	4,9%	(32)	
Net financial expense	(16.432)	(2,8%)	(13.964)	(2,8%)	(2.468)	(17,7%)	(26)	
Total taxes	(12.374)	(2,1%)	(13.873)	(2,8%)	1.499	10,8%	-	
F.I.L.A. Group Profit attributable to the owners of the Parent	39.404	6,6%	39.648	8,0%	(244)	(0,6%)	(57)	
<i>Earnings per share (€ cents)</i>								
basic	0,77		0,78					
diluted	0,76		0,76					

Euro thousands	September 30, 2022	September 30, 2021	Change 2022 - 2021
Cash flows from operating activities	21.200	55.819	(34.619)
Investments	(11.983)	(7.341)	(4.642)
% revenue	2,0%	1,5%	

Euro thousands	September 30, 2022	December 31, 2021	Change 2022 - 2021	IFRS 16 effects	of which: Creative Art Products Limited ⁽³⁾
Net capital employed	969.959	835.379	134.580	6.799	2.177
Net Financial debt ⁽²⁾	(510.949)	(437.253)	(73.696)	(9.741)	(991)
Equity	(459.010)	(398.127)	(60.883)	2.942	(1.186)

(1) The Gross Operating Profit (EBITDA) corresponds to the operating profit 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 and Consob's warning notice n. 5/21 of April 29, 2021. excludes non-current financial assets;

(3) Amounts referred to the Asset Purchase Agreement between Daler Rowney Ltd and Creative Art Products Limited, occurred on 01.08.2022.

2022 Adjustments:

➡ The adjustment on 9M 2022 Gross Operating Profit concerns non-recurring operating charges of approx. Euro 4.0 million relating to Group consultancy charges for Euro 3.0 million (mainly concerning the refinancing transaction), charges incurred to tackle the COVID-19 pandemic for Euro 1.0 million,

reorganisation charges of Euro 0.6 million and restructuring charges of Euro 0.4 million, net of the portion released in closure of the “2019-2021 Performance Shares” incentive plan for Euro 1.0 million;

- ▶ The overall adjustment to the Operating Profit was approx. Euro 4.0 million, resulting from the aforementioned effects on the gross operating profit.
- ▶ The adjustment made to Net financial expense of Euro 0.7 million refers to the financial expenses incurred by the parent F.I.L.A. S.p.A. and the U.S. subsidiary Dixon Ticonderoga Company for the signing of the new loan;
- ▶ The adjustment to the 9M 2022 Profit attributable to the owners of the parent was Euro 3.6 million and principally concerned the above effects on the Gross Operating Profit and Net Financial Expense, net of the related tax effects.

2021 Adjustments:

- ▶ The adjustment of Revenue principally refers to returns of goods following the COVID-19 pandemic;
- ▶ The adjustment 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 adjustment of the Operating Profit was Euro 3.3 million, resulting from the aforementioned effects on the Gross Operating Profit;
- ▶ The adjustment 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.

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 to the IFRS. Such alternative performance measures are not to be considered replacements for the IFRS-compliant measures. These measures are also tools used by the Directors to identify operating trends and for decision-making upon investments, the allocation of resources and other operative decisions. Alternative performance measures are not covered by IFRS and are therefore not comparable with similar performance and disclosure measures used in the financial statements of other entities.

The alternative performance measures used are illustrated below:

Gross operating profit or EBITDA: this is calculated as profit for the reporting period, excluding the following components: (i) income taxes for the reporting period, (ii) depreciation, amortisation and impairment losses, and (iii) financial income and expense. 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 or EBITDA:

<i>Euro thousands</i>	September 30, 2022	September 30, 2021
Profit/(loss) attributable to non-controlling interests	3.538	861
Profit/(loss) attributable to the owners of the parent	34.487	35.980
Profit for the period	38.025	36.841
Income taxes	11.004	13.047
<i>Current taxes</i>	14.132	13.271
<i>Deferred taxes</i>	(3.128)	(224)
Amortisation, depreciation and impairment losses	32.358	30.821
Financial items	21.487	18.114
<i>Financial income</i>	(13.612)	(5.976)
<i>Financial expenses</i>	35.667	24.295
<i>Share of losses of equity-accounted investees</i>	(568)	(205)
Gross operating profit	102.874	98.823

The Group defines adjusted Gross Operating Profit or EBITDA net of the effects of IFRS 16 as gross operating profit or EBITDA before: (i) non-recurring expense and (ii) the application of IFRS 16.

The following is a reconciliation between Gross Operating Profit or EBITDA and adjusted gross operating profit or adjusted EBITDA:

<i>Euro thousands</i>	September 30, 2022	September 30, 2021
Gross operating profit	102.874	98.823
Non-recurring expense	4.036	3.296
IFRS 16 effect	(11.370)	(11.118)
Adjusted gross operating profit	95.540	91.001

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

The following is a reconciliation between gross operating profit or EBITDA and operating profit or EBIT:

<i>Euro thousands</i>	September 30, 2022	September 30, 2021
Gross operating profit	102.874	98.823
Amortisation and depreciation	(31.278)	(30.313)
Impairment losses on trade receivables and other assets	(1.089)	(490)
Other impairment losses	9	(18)
Operating profit	70.516	68.002

The Group defines operating profit or EBIT as operating profit or EBIT before: (i) non-recurring expense, and (ii) the application of IFRS 16.

The following is a reconciliation between operating profit or EBIT and adjusted operating profit or adjusted EBIT:

<i>Euro thousands</i>	September 30, 2022	September 30, 2021
Operating profit	70.516	68.002
Non-recurring expense	4.036	3.296
IFRS 16 effect	(2.721)	(2.816)
Adjusted Operating profit	71.830	68.482

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

The Group defines the adjusted profit attributable to the owners of the parent as the Group profit for the year, before: (i) non-recurring expense, and (ii) the applicable IFRS 16.

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

<i>Euro thousands</i>	September 30, 2022	September 30, 2021
Profit for the period attributable to the owners of the parent	34.487	35.980
Non-recurring expense	3.598	2.701
IFRS 16 effect	1.319	967
Adjusted Profit for the period attributable to the owners of the parent	39.404	39.648

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 debt, 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.

The non-current financial assets of the F.I.L.A. Group at September 30, 2022 and at December 31, 2021 respectively totalled Euro 2,724 thousand and Euro 4,078 thousand. For greater details, reference should be made to the “Financial overview” section.

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

The F.I.L.A. Group Key Financial Highlights for Q3 2022 are reported below.

Adjusted financial performance

The 9M 2022 F.I.L.A. Group results report an increased adjusted Gross Operating Profit of 5.0% over the same period of the previous year:

<i>ADJUSTED - Euro thousands</i>	September 30, 2022	% revenue	September 30, 2021	% revenue	Change 2022 - 2021	
Revenue	595.045	100,0%	496.504	100,0%	98.542	19,8%
Income	8.335		4.698		3.637	77,4%
Total revenue	603.380		501.202		102.178	20,4%
Total operating costs	(507.840)	(85,3%)	(410.201)	(82,6%)	(97.639)	(23,8%)
Gross operating profit	95.540	16,1%	91.001	18,3%	4.540	5,0%
Amortisation, depreciation and impairment losses	(23.710)	(4,0%)	(22.519)	(4,5%)	(1.191)	(5,3%)
Operating profit	71.830	12,1%	68.482	13,8%	3.349	4,9%
Net financial expense	(16.432)	(2,8%)	(13.964)	(2,8%)	(2.468)	(17,7%)
Pre-tax profit	55.398	9,3%	54.518	11,0%	881	1,6%
Total taxes	(12.374)	(2,1%)	(13.873)	(2,8%)	1.499	10,8%
Profit for the period	43.024	7,2%	40.644	8,2%	2.381	5,9%
Profit for the period attributable to non-controlling interests	3.620	0,6%	996	0,2%	2.624	263,4%
F.I.L.A. Group Profit attributable to the owners of the Parent	39.404	6,6%	39.648	8,0%	(244)	(0,6%)

The main changes compared to 9M 2021 are outlined below.

Revenue of Euro 595,045 thousand increased by Euro 98,542 thousand on 9M 2021 (+19.8%). Net of exchange gains of Euro 37,695 thousand (mainly concerning the US Dollar, the Indian Rupee and the Mexican Peso, partially offset by the weakening of the Turkish Lira and the Argentinian Peso), organic growth was Euro 60,848 thousand (+12.3%).

At geographical area level, organic growth was reported in Asia of Euro 39,070 thousand (+88.1% on the comparative period) and in Central and South America for Euro 22,782 thousand (+74.1% on the preceding period), partially offset by a decrease in North America for Euro 989 thousand (-0.4% on the preceding period), and in Europe for Euro 15 thousand (-0.01% on the preceding period), while the Rest of the World saw a stable performance.

Other income of Euro 8,335 thousand increased by Euro 3,637 thousand, mainly due to higher exchange gains on commercial transactions.

Operating Expense in the period of Euro 507,840 thousand increased Euro 97,639 thousand on the same period of 2021. This is mainly attributable to variable purchasing and commercial costs for increased sales, transportation cost and marketing expenses to develop sales.

The Gross Operating Profit of Euro 95,540 thousand increased by Euro 4,540 thousand on the same period of 2021 (+5.0%). At like-for-like exchange rates, the increase was 0.7% on the same period of the previous year.

Amortisation, depreciation and impairment losses increased Euro 1,191 thousand, mainly due to an increase in impairments and in the allowance for doubtful accounts, following the increase in revenues and the increase in amortisation and depreciation linked to the slight recovery of investments previously slowed by the COVID-19 related uncertainty.

Net financial expense increased by Euro 2,468 thousand, substantially due to an increase in other financial expenses related to the refinancing transaction involving the parent F.I.L.A. S.p.A. and the US subsidiary Dixon Ticonderoga Company.

The Group's total adjusted Taxes amounted to Euro 12,374 thousand, decreasing on the comparative period due to the release of Deferred Tax Assets, mainly related to the refinancing transaction.

Net of the profit attributable to non-controlling interests, the F.I.L.A. Group adjusted result in Q3 2022 was a profit of Euro 39,404 thousand, compared to Euro 39,648 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 2022 and 2021 are reported below:

<i>Euro thousands</i>	2021				2022		
	First 3 mth. 2021	First 6 mth. 2021	First 9 mth. 2021	FY 2021	First 3 mth. 2022	First 6 mth. 2022	First 9 mth. 2022
Revenue	141.551	324.554	496.314	653.278	166.020	390.572	595.045
Full year portion	21,7%	49,7%	76,0%	100,0%	27,9%	65,6%	100,0%
Gross operating profit	21.946	63.326	98.823	119.927	26.027	71.838	102.874
% revenue from sales and services	15,5%	19,5%	19,9%	18,4%	15,7%	18,4%	17,3%
Full year portion	18,3%	52,8%	82,4%	100,0%	25,3%	69,8%	100,0%
Adjusted gross operating profit	20.081	58.536	91.001	109.075	22.672	64.810	95.540
% revenue from sales and services	14,2%	18,0%	18,3%	16,7%	13,7%	16,6%	16,1%
Full year portion	18,4%	53,7%	83,4%	100,0%	23,7%	67,8%	100,0%
Net Financial Debt	(525.019)	(523.873)	(485.789)	(437.253)	(473.058)	(524.749)	(510.949)

Statement of Financial Position

The statement of financial position of the F.I.L.A. Group at September 30, 2022 is reported below:

<i>Euro thousands</i>	September 30, 2022	December 31, 2021	Change 2022 - 2021
Intangible assets	471.929	445.823	26.106
Property, plant & equipment	178.489	169.653	8.836
Biological assets	2.006	1.936	70
Financial assets	4.909	5.585	(676)
Net Non-Current Assets	657.332	622.997	34.335
Other Non-Current Assets/ Liabilities	23.546	19.119	4.427
Inventories	333.766	271.269	62.497
Trade receivables and other assets	178.488	121.357	57.131
Trade payables and other liabilities	(132.236)	(115.430)	(16.806)
Other current assets and liabilities	(2.115)	(218)	(1.897)
Net working capital	377.902	276.979	100.923
Provisions	(88.822)	(83.716)	(5.106)
Net invested capital	969.959	835.379	134.580
Equity	(459.010)	(398.127)	(60.883)
Net financial debt	(510.949)	(437.253)	(73.696)
Net funding sources	(969.959)	(835.379)	(134.579)

The F.I.L.A. Group's "Net Invested Capital" of Euro 969,959 thousand at September 30, 2022 was composed of "Net Non-current Assets" of Euro 657,332 thousand (up by Euro 34,335 thousand on December 31, 2021), "Net Working Capital" of Euro 377,902 thousand (up by Euro 100,923 thousand on December 31, 2021) and "Other Non-current Assets/Liabilities" of Euro 23,546 thousand (increasing Euro 4,427 thousand on December 31, 2021), net of "Provisions" of Euro 88,822 thousand (Euro 83,716 thousand at December 31, 2021).

"Intangible Assets" increased on December 31, 2021 by Euro 26,106 thousand, mainly due to exchange gains in the period of Euro 32,967 thousand, net investments of Euro 2,188 thousand, principally by the Parent F.I.L.A. S.p.A. (Euro 2,094 thousand to introduce the SAP system) and the acquisition of the business unit of the company Creative Art Products Limited, which generated negative goodwill of Euro 78 thousand and Brands for Euro 1,699 thousand. The above intangible assets were measured through Purchase Price Allocation, carried out as per the applicable reporting standards. The increase in the period is offset by amortisation of Euro 10,633 thousand.

"Property, plant and equipment" increased on December 31, 2021 by Euro 8,836 thousand, due to the increase of Euro 6,504 thousand in "Right-of-Use" and of Euro 2,332 thousand in "Property, Plant and Machinery".

Net investments in "Rights-of-use" in the period amounted to Euro 8,088 thousand, mainly by Daler Rowney Ltd (United Kingdom) for Euro 3,622 thousand and Dixon Ticonderoga Company (U.S.A) for Euro 3,195

thousand, for the renewal of both production site and local logistics contracts. The movement is also due to exchange gains of Euro 7,064 thousand, partially offset by depreciation in the period of Euro 8,648 thousand. Net investments in “Property, Plant and Machinery” in the period totalled Euro 9,884 thousand and were undertaken mainly by DOMS Industries Pvt Ltd (India), Canson SAS (France) and Dixon Ticonderoga Company (U.S.A.). We in addition report an increase from the recognition of exchange gains of Euro 4,142 thousand. The overall movement is mainly offset by depreciation in the period of Euro 11,997 thousand, which resulted in a reduction in value of “Property, Plant and Machinery”.

“Biological Assets” increased Euro 70 thousand compared to December 31, 2021, entirely due to exchange gains. This item only includes the fair value of the plantation of the Chinese subsidiary Xinjiang F.I.L.A. - Dixon Plantation Company Ltd.

“Financial Assets” decreased by Euro 676 thousand on December 31, 2021, mainly concerning the subsidiary Daler Rowney Ltd (United Kingdom), in relation to the financial assets underlying a portion of the indemnity plans to be paid to personnel.

The increase in “Net Working Capital” of Euro 100,923 thousand relates to the following:

- ▶ “Inventories” - increasing Euro 62,497 thousand. The net increase in stock at the F.I.L.A. Group of Euro 38,009 thousand particularly concerns the subsidiary Dixon Ticonderoga Company (U.S.A) for Euro 24,479 thousand, the subsidiary Canson SAS (France) for Euro 2,656 thousand, the subsidiary DOMS Industries Pvt Ltd (India) for Euro 2,562 thousand and the subsidiary Daler Rowney Ltd (United Kingdom) for Euro 1,684 thousand, partially offset by the decrease in stock at the parent F.I.L.A. S.p.A. for Euro 1,384 thousand; Exchange gains of Euro 25,058 thousand are also reported;
- ▶ “Trade Receivables and Other Assets” - increasing Euro 57,131 thousand, mainly due to the seasonality of the F.I.L.A. Group’s business. The increase concerns in particular higher “Trade Receivables” for Euro 42,923 thousand, relating to the parent F.I.L.A. S.p.A. for Euro 19,909 thousand, to the US subsidiary Dixon Ticonderoga Company for Euro 8,905 thousand, to the Spanish subsidiary Fila Iberia for Euro 6,243 thousand and to the subsidiary Canson SAS (France) for Euro 3,137 thousand, in addition to exchange gains of Euro 12,095 thousand on the item;
- ▶ “Trade Payables and Other Liabilities” - increasing Euro 16,806 thousand, mainly due to the increase in “Trade Payables” for Euro 11,104 thousand, at Dixon Ticonderoga Company (U.S.A.) and the parent Fila S.p.A.. Exchange losses on the item of Euro 7,140 thousand are in addition reported.

The increase in “Provisions” on December 31, 2021 of Euro 5,106 thousand principally concerns the:

- ▶ Increase in “Deferred tax liabilities” of Euro 4,437 thousand, mainly due to exchange losses of Euro 5,510 thousand, offset by releases of Euro 846 thousand and mainly concerning the tax effect on “Intangible Assets”;

- ▶ Increase in employee benefits of Euro 659 thousand, mainly due to the actuarial gains recorded in the period by the company Daler Rowney Ltd (United Kingdom);
- ▶ Increase in "Provisions for Risks and Charges" in the amount of Euro 10 thousand, mainly due to exchange losses of Euro 89 thousand, offset by Euro 79 thousand related to the movement in the period, which mainly relates to the release made by the French subsidiary Canson SAS in relation to the previous reorganization plans now completed by the subsidiary.

The "Equity" of the F.I.L.A. Group, amounting to Euro 459,010 thousand, increased on December 31, 2021 by Euro 60,883 thousand. Net of the profit for the period of Euro 38,025 thousand (of which a profit of Euro 3,538 thousand attributable to non-controlling interests), the residual movement mainly concerned the increase in the currency reserve of Euro 27,087 thousand and the fair value gains on IRSs of Euro 12,595 thousand. These changes were offset by the movements of the "Actuarial gains/losses" reserve of a negative Euro 1,164 thousand, the purchase of treasury shares by the parent for Euro 1,306 thousand and the dividends paid totalling Euro 12,721 thousand, of which F.I.L.A. S.p.A. shareholders for Euro 11,676 thousand and the minority shareholders of the subsidiaries for Euro 1,045 thousand.

The F.I.L.A. Group's Net Financial Debt at September 30, 2022 was Euro 510,949 thousand, increasing Euro 73,696 thousand on December 31, 2021. 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, 2022 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 condensed 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.

The **F.I.L.A. Group Net Financial Debt** at September 30, 2022 was Euro 510,949 thousand:

<i>Euro thousands</i>	September 30, 2022	December 31, 2021	Change 2022 - 2021
A Cash	199	104	95
B Cash equivalents	84.415	145.880	(61.465)
C Other current financial assets	1.623	3.536	(1.913)
D Liquidity (A + B + C)	86.237	149.520	(63.283)
E Current bank loans and borrowings	(98.257)	(45.196)	(53.061)
F Current portion of non-current bank loans and borrowings	(56.367)	(50.515)	(5.852)
G Current financial debt (E + F)	(154.624)	(95.711)	(58.913)
H Net current financial debt (G - D)	(68.387)	53.810	(122.197)
I Non-current bank loans and borrowings	(442.562)	(491.062)	48.500
J Bonds issued	-	-	-
K Trade payables and other non current liabilities	-	-	-
L Non-current financial debt (I + J + K)	(442.562)	(491.062)	48.500
M Net financial debt (H + L)	(510.949)	(437.253)	(73.696)
N Long term loans issued	-	-	-
O Net financial debt (M + N) - F.I.L.A. Group	(510.949)	(437.253)	(73.696)

The reconciliation between the Net Financial Debt - F.I.L.A. Group and the Statement of Financial Position is reported below:

- ▶ captions "A - Liquidity" (Euro 199 thousand) and "B - Cash equivalents" (Euro 84,415 thousand) are included in "Cash and cash equivalents" (Euro 84,614 thousand);
- ▶ caption "C - Other current financial assets" refers to "Current financial assets", both amounting to Euro 1,623 thousand;
- ▶ caption "G - Current financial debt" relates to "Current Financial Liabilities" (both amounting to Euro 154,624 thousand) and contains caption "F - Current portion of non-current financial debt" (Euro 56,367 thousand) which refers to the current portion of IFRS 16 Financial Liabilities (Euro 9,990 thousand) and to the current portion of long-term loans (for Euro 46,377 thousand);
- ▶ caption "I - Non-current financial debt" (Euro 442,562 thousand) refers to "Non-Current Financial

Liabilities” (Euro 442,549 thousand) and “Financial instruments” (for Euro 560 thousand), while also including the financial hedge instrument (for a positive Euro 548 thousand), covered by “Non-Current Financial Assets”.

Compared to December 31, 2021 (Euro 437,253 thousand), Net Financial Debt increased Euro 73,696 thousand, as outlined below in the Statement of Cash Flows:

<i>Euro thousands</i>	September 30, 2022	September 30, 2021
Operating profit net of IFRS 16 effect	67.795	65.186
Non-monetary adjustments net of IFRS 16 effect	24.020	24.186
Income taxes	(12.618)	(5.519)
Cash Flows from Operating Activities Before Changes in NWC	79.197	83.852
Change in NWC	(76.489)	(41.923)
Change in Inventories	(38.009)	2.733
Change in Trade Receivables and Other Assets	(45.436)	(50.073)
Change in Trade Payables and Other Liabilities	8.637	6.448
Change in Other Current Assets/Liabilities	(1.681)	(1.031)
Net Cash Flows from Operating Activities	2.708	41.928
Investments in Property, Plant and Equipment and Intangible assets	(11.983)	(7.341)
Interest income	242	145
Net Cash Flows from Investing Activities	(11.741)	(7.196)
Change in Equity	(14.028)	(7.023)
Financial Expense	(18.779)	(14.471)
Net Cash Flows from Financing Activities	(32.806)	(21.493)
Exchange differences and other variations	3.668	2.750
Total Net Cash Flows	(38.172)	15.989
Effect of exchange gains (losses)	(31.953)	(9.377)
Change in amortized cost	(1.947)	(1.641)
Mark to mark hedging adjustment	9.845	5.273
NFD change due to IFRS16 FTA	(9.741)	(2.578)
NFD from M&A Transactions (Change in Consolidation Scope) Creative Art Products Limited	(1.728)	-
Change in Net Financial Debt - F.I.L.A. Group	(73.696)	7.667

The net cash flow generated in Q3 2022 from Operating Activities of Euro 2,708 thousand (in Q3 2021 of Euro 41,928 thousand) concerns:

- ▶ Generation of Euro 79,197 thousand (Euro 83,852 thousand at September 30, 2021) 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;
- ▶ Outflow of Euro 76,489 thousand (outflow of Euro 41,923 thousand in 9M 2021) attributable to “Working Capital movements”, primarily related to the increases in “Trade Receivables and Other Assets” and of “Inventories”, partially offset by the increase in “Trade Payables and Other Liabilities”.

Investing activities absorbed liquidity of Euro 11,741 thousand (Euro 7,196 thousand in 9M 2021), mainly due to the use of cash for Euro 11,983 thousand (Euro 7,341 thousand in 9M 2021) for net property, plant and equipment and intangible asset investment, particularly regarding DOMS Industries Pvt Ltd (India), Canson SAS (France), Dixon Ticonderoga Company (U.S.A.), Daler Rowney Ltd (United Kingdom) and F.I.L.A. S.p.A..

The net cash flow from “Financing Activities” reports outflows of Euro 32,806 thousand (outflows of Euro 21,493 thousand in 9M 2021), due to interest paid on loans and credit facilities granted to Group companies, amounting to Euro 18,779 thousand, mainly concerning Dixon Ticonderoga Company (U.S.A.), F.I.L.A. S.p.A. and Grupo F.I.L.A. – Dixon, S.A. de C.V. (Mexico), the purchase of treasury shares for Euro 1,306 thousand and dividends paid for Euro 12,721 thousand, of which F.I.L.A. S.p.A. shareholders for Euro 11,676 thousand and the minority shareholders of the subsidiaries for Euro 1,045 thousand.

Net of the exchange losses relating to the translation of Net Debt in currencies other than the Euro (Euro 31,953 thousand), the Mark to Market Hedging adjustment of Euro 9,845 thousand, the increase in Net Financial Debt due to the application of IFRS 16 amounting to Euro 9,741 thousand, the change in "Amortized cost", amounting to a negative Euro 1,947 thousand, in addition to the overall net decrease generated by M&A's of Euro 1,728 thousand (cash out relating to the acquisition in the United Kingdom of Creative Art Products Limited, amounting to Euro 1,185 thousand), the increase in the Group's Net Financial Debt is therefore Euro 73,696 thousand (decrease of Euro 7,667 thousand at September 30, 2021).

Changes in net cash and cash equivalents are detailed below:

<i>Euro thousands</i>	September 30, 2022	December 31, 2021
Opening Cash and Cash Equivalents	137.226	116.306
Cash and cash equivalents	145.985	127.105
Current account overdrafts	(8.759)	(10.799)
Closing Cash and Cash Equivalents	78.521	137.226
Cash and cash equivalents	84.614	145.985
Current account overdrafts	(6.093)	(8.759)

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, 2022 and December 31, 2021, are reported below:

September 30, 2022	Europe	North America	Central - South America	Asia	Rest of the World	Consolidation	F.I.L.A. Group
<i>Euro thousands</i>							
Intangible Assets	136.368	254.330	1.150	20.392	-	59.689	471.929
Property, plant & equipment	63.144	52.464	22.296	40.066	519	-	178.489
Biological Assets	-	-	-	2.006	-	-	2.006
Total non-current assets	199.512	306.794	23.446	62.464	519	59.689	652.424
<i>of which Infragroup</i>	<i>(76)</i>						
Inventories	110.212	156.176	40.999	34.467	2.097	(10.185)	333.766
Trade receivables and Other assets	107.145	51.174	43.399	18.969	1.390	(43.589)	178.488
Trade payables and Other liabilities	(79.950)	(50.503)	(17.451)	(23.045)	(3.577)	42.290	(132.236)
Other Current Assets and Liabilities	(3.480)	1.809	280	(717)	(7)	-	(2.115)
Net Working Capital	133.927	158.656	67.227	29.674	(97)	(11.484)	377.903
<i>of which Infragroup</i>	<i>(14.302)</i>	<i>3.864</i>	<i>(334)</i>	<i>(3.986)</i>	<i>3.273</i>		
Net Financial Debt - F.I.L.A. Group	(220.652)	(239.526)	(44.471)	(5.310)	(3.488)	2.498	(510.949)
<i>of which Infragroup</i>	<i>(586)</i>	<i>(5.934)</i>	<i>5.218</i>	<i>142</i>	<i>3.658</i>		
December 31, 2021							
<i>Euro thousands</i>							
Intangible Assets	139.998	223.177	994	20.444	-	61.210	445.823
Property, plant & equipment	63.669	47.032	20.699	37.974	279	-	169.653
Biological Assets	-	-	-	1.936	-	-	1.936
Total non-current assets	203.667	270.209	21.693	60.354	279	61.210	617.412
<i>of which Infragroup</i>	<i>(76)</i>						
Inventories	100.215	110.488	32.856	30.177	1.889	(4.356)	271.269
Trade Receivables and other assets	74.632	37.885	35.333	15.566	1.241	(43.300)	121.357
Trade payables and other liabilities	(77.457)	(40.093)	(15.536)	(22.269)	(2.922)	42.847	(115.430)
Other Current Assets and Liabilities	(1.704)	1.458	118	(89)	(1)	-	(218)
Net Working Capital	95.686	109.738	52.771	23.386	207	(4.808)	276.979
<i>of which Infragroup</i>	<i>(10.678)</i>	<i>1.848</i>	<i>3.604</i>	<i>(2.175)</i>	<i>2.592</i>		
Net Financial Debt - F.I.L.A. Group	(183.813)	(207.080)	(37.911)	(5.385)	(3.213)	149	(437.253)
<i>of which Infragroup</i>	<i>(1.330)</i>	<i>(5.127)</i>	<i>2.633</i>	<i>266</i>	<i>3.708</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, 2022 and September 30, 2021, are reported below:

September 30, 2022	Europe	North America	Central - South America	Asia	Rest of the World	Consolidation	F.I.L.A. Group
<i>Euro thousands</i>							
Revenue	255.974	274.153	87.960	114.146	2.890	(140.078)	595.045
<i>of which Infragroup</i>	<i>(73.870)</i>	<i>(10.901)</i>	<i>(30.741)</i>	<i>(24.566)</i>			
Gross operating profit (loss)	38.383	42.635	12.217	14.988	(52)	(5.297)	102.874
Operating profit (loss)	25.633	32.038	9.666	8.759	(230)	(5.350)	70.516
Net financial income (expense)	10.984	(7.678)	(4.844)	1.461	1	(21.411)	(21.487)
<i>of which Infragroup</i>	<i>(22.066)</i>	<i>1.563</i>	<i>660</i>	<i>(1.660)</i>	<i>92</i>		
Profit (loss) for the period	31.928	19.001	4.475	8.197	(233)	(25.343)	38.025
Profit (loss) attributable to Non-controlling interests	469	431	-	2.638	-	-	3.538
Profit (loss) attributable to the owners of the Parent	31.459	18.570	4.475	5.559	(233)	(25.343)	34.487
September 30, 2021							
<i>Euro thousands</i>							
Revenue	252.313	243.824	49.914	64.906	2.783	(117.426)	496.314
<i>of which Infragroup</i>	<i>(69.348)</i>	<i>(8.351)</i>	<i>(19.149)</i>	<i>(20.573)</i>	<i>(5)</i>		
Gross operating profit (loss)	42.379	44.728	3.460	6.792	(134)	1.598	98.823
Operating profit (loss)	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 Infragroup</i>	<i>(12.875)</i>	<i>(300)</i>	<i>637</i>	<i>50</i>	<i>66</i>		
Profit (loss) for the period	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

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, 2022 and September 30, 2021 is reported below:

September 30, 2022	Europe	North America	Central - South America	Asia	Rest of the World	F.I.L.A. Group
<i>Euro thousands</i>						
Intangible assets	2.161	26	1	-	-	2.188
Property, plant and equipment	4.022	1.230	917	3.641	74	9.884
Right-of-use assets	3.583	3.195	(63)	1.118	255	8.088
Net investments	9.766	4.451	855	4.759	329	20.160

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
Right-of-use assets	4.029	-	27	1.665	(24)	5.698
Net investments	7.327	1.053	638	4.031	(6)	13.043

Subsequent events

There were no subsequent events other than those reported in the section “Key Events in the period” related to the conflict in Ukraine, inflationary developments and the impacts from the purchase of treasury shares.

Outlook

As already confirmed by the 9M performance, FY 2022 shall be impacted by significant raw material and transport cost inflation, the difficulties stemming from the last two years of COVID, and now considerably heightened by the conflict since February between the Russia and Ukraine.

The F.I.L.A. Group has consequently already adopted from 2022 a global product price increase policy, highlighting - as in the past and thanks also to vertical supply chain integration - its ability to manage inflation well. Growth is particularly forecast for Schools products, thanks also to the post-pandemic sales recovery in India and Mexico and strong schools consumption in North America and Europe, although to a lesser extent in this latter area. This is reflected in the return of production to standard pre-pandemic levels.

A satisfying level of cash generation is expected also in 2022, with a consequent reduction in the debt, despite the need to maintain adequate stock levels to overcome the difficulties from COVID-19 and the recent Russia-Ukraine conflict on the global chain.

Treasury shares

In the period between March 24, 2022 and April 6, 2022, the Parent F.I.L.A. S.p.A. purchased treasury shares on the regulated Euronext Milan market for 240,000 ordinary shares of F.I.L.A. S.p.A. (representing 0.4701% of the Share Capital) for a total value of Euro 2,324 thousand. These transactions were carried out as part of the share buyback program, approved by the Company's Board of Directors on March 23, 2022, and as per the authorisation of the Shareholders' Meeting of April 27, 2021.

Details, on a daily basis, of ordinary share purchases are provided below:

<i>Date</i>	<i>Number of ordinary shares purchased</i>	<i>Average Price (Euro)</i>	<i>Countervalue (Euro)</i>
24/03/2022	23.500	9,95	233.938
25/03/2022	24.000	9,99	239.695
28/03/2022	25.600	9,90	253.389
29/03/2022	15.000	9,90	148.457
30/03/2022	20.000	9,83	196.676
31/03/2022	29.000	9,79	284.018
01/04/2022	25.000	9,56	239.051
04/04/2022	20.000	9,37	187.476
05/04/2022	25.000	9,43	235.874
06/04/2022	32.900	9,27	305.009
Total	240.000		2.323.582

Prior to the launch of the Program, the company held 51,500 ordinary treasury shares, representing 0.1009% of the share capital.

In addition, during the period the reserve altered due to the free allocation of shares of the parent F.I.L.A. S.p.A. to each beneficiary of the “2019-2021 Performance Shares” Plan on the basis of the achievement of the performance objectives on conclusion of the three-year vesting period. On closure of the “2019-2021 Performance Shares” Plan, 104,609 treasury shares have been allocated for Euro 1,017 thousand.

On September 30, 2022, the Group held 186,891 treasury shares, for a total value of Euro 1,794 thousand (equal to the “Negative reserve for treasury shares in portfolio” deducted from consolidated equity).

Accounting policies

The Consolidated Interim Financial Statements of the F.I.L.A. Group at September 30, 2022, 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, 2022

Consolidated Financial Statements

Statement of Financial Position

<i>Euro thousands</i>	September 30, 2022	December 31, 2021
Assets	1.287.391	1.193.461
Non-current assets	681.464	642.322
Intangible assets	471.929	445.823
Property, plant and equipment	178.489	169.653
Biological assets	2.006	1.936
Non-current financial assets	3.272	4.078
Equity-accounted investments	2.160	1.481
Other equity investments	26	26
Deferred tax assets	23.584	19.325
Current assets	605.927	551.139
Current financial assets	1.623	3.536
Current tax assets	7.437	8.991
Inventories	333.766	271.269
Trade receivables and other assets	178.488	121.357
Cash and cash equivalents	84.614	145.985
Liabilities and equity	1.287.391	1.193.461
Equity	459.010	398.127
Share capital	46.986	46.986
Negative reserve for treasury shares in portfolio	(1.794)	(488)
Reserves	144.477	109.135
Retained earnings	205.113	178.769
Profit for the period	34.487	38.014
Equity attributable to the owners of the parent	429.269	372.416
Equity attributable to non-controlling interests	29.741	25.710
Non-current liabilities	530.573	573.714
Non-current financial liabilities	442.549	481.205
Financial instruments	560	9.858
Employee benefits	10.220	9.560
Provision for risks and charges	930	1.047
Deferred tax liabilities	76.276	71.839
Other liabilities	38	206
Current liabilities	297.808	221.620
Current financial liabilities	154.624	95.711
Current provision for risks and charges	1.396	1.270
Current tax liabilities	9.552	9.209
Trade payables and other liabilities	132.236	115.430

Statement of Comprehensive Income

<i>Euro thousands</i>	September 30, 2022	September 30, 2021
Revenue	595.045	496.314
Income	9.422	4.698
Total revenue	604.467	501.012
Raw materials, consumables, supplies and goods	(327.032)	(221.392)
Services and use of third party assets	(90.440)	(74.254)
Other costs	(7.254)	(3.697)
Change in raw materials, semi-finished products, work in progress and finished goods	37.106	(2.522)
Personnel expense	(113.973)	(100.324)
Amortisation and depreciation	(31.278)	(30.313)
Impairment losses on trade receivables and other assets	(1.089)	(490)
Other impairment losses	9	(18)
Total operating costs	(533.950)	(433.010)
Operating profit	70.516	68.002
Financial income	13.612	5.976
Financial expense	(35.667)	(24.295)
Share of profit of equity-accounted investments	568	205
Net financial expense	(21.487)	(18.114)
Pre-tax profit	49.030	49.888
Income taxes	(14.132)	(13.271)
Deferred taxes	3.128	224
Total taxes	(11.004)	(13.047)
Profit from continuing operations	38.025	36.841
Profit for the period	38.025	36.841
<i>Attributable to:</i>		
Non-controlling interests	3.538	861
Owners of the parent	34.487	35.980
Other comprehensive income (expense) which may be reclassified subsequently to Profit and Loss	39.682	20.550
Net exchange gains (losses)	27.087	13.686
Hedging reserve	12.595	6.864
Other comprehensive income (expense) which may not be reclassified subsequently to Profit and Loss	(1.164)	2.654
Net actuarial gains (losses)	(1.449)	3.297
Taxes	285	(643)
Other comprehensive income (expense), net of tax effect	38.518	23.205
Comprehensive income (expense)	76.543	60.046
<i>Attributable to:</i>		
Non-controlling interests	5.075	1.747
Owners of the parent	71.468	58.298
Earnings per share:		
<i>basic</i>	0,68	0,71
<i>diluted</i>	0,67	0,69

Statement of changes in Equity

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, 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									38.014	38.014		1.411	1.411	39.425
Other comprehensive income (expense)					5.325	10.112	18.352			33.789	1.447		1.447	35.236
Other changes	18	(488)		173		356		(1.335)		(1.276)	47		47	(1.229)
Profit for the year and gains (losses) recognised directly in equity	18	(488)	-	173	5.325	10.468	18.352	(1.335)	38.014	70.528	1.494	1.411	2.905	73.433
Allocation of the 2020 profit			406			(406)		8.607	(8.607)		(485)	485		-
Dividends								(6.119)		(6.119)	(463)		(463)	(6.582)
December 31, 2021	46.986	(488)	8.737	154.646	22	(32.766)	(21.504)	178.769	38.014	372.416	24.299	1.411	25.710	398.127
<i>Euro thousands</i>														
December 31, 2021	46.986	(488)	8.737	154.646	22	(32.766)	(21.504)	178.769	38.014	372.416	24.299	1.411	25.710	398.127
Profit for the period									34.487	34.487		3.538	3.538	38.025
Other comprehensive income (expense)					(1.164)	12.595	25.550			36.981	1.537		1.537	38.518
Other changes		(1.306)		(32)		(1.606)		6		(2.938)				(2.938)
Profit for the period and gains (losses) recognised directly in equity	-	(1.306)	-	(32)	(1.164)	10.989	25.550	6	34.487	68.529	1.537	3.538	5.075	73.605
Allocation of the 2021 profit			659			(659)		38.014	(38.014)		1.411	(1.411)		-
Dividends								(11.676)		(11.676)	(1.045)		(1.045)	(12.721)
September 30, 2022	46.986	(1.794)	9.396	154.614	(1.142)	(22.436)	4.046	205.113	34.487	429.269	26.202	3.538	29.741	459.010

Consolidated Statement of Cash Flows

<i>Euro thousands</i>	September 30, 2022	September 30, 2021
Profit for the period	38.025	36.841
Non-monetary and other adjustments:	64.246	64.315
Amortisation and depreciation of intangible assets and property, plant and equipment	22.630	22.011
Amortisation and depreciation of right-of-use assets	8.648	8.302
Net impairment losses on intangible assets and property, plant and equipment	(9)	18
Impairment gains/losses on trade receivables and write-downs of inventories	1.993	279
Accruals for post-employment and other employees benefits	(503)	1.881
Net exchange gains (losses) on foreign currency trade receivables and payables	(913)	666
Net gains on the sale of intangible assets and property, plant and equipment	(90)	(4)
Net financial expense	22.055	18.319
Net gains on equity investments	(569)	(205)
Taxes	11.004	13.047
Addition for:	(4.583)	(3.413)
Income taxes paid	(12.618)	(5.519)
Net unrealised exchange gains/losses on foreign currency assets and liabilities	746	2.715
Net realised exchange gains/losses on foreign currency assets and liabilities	7.289	(608)
Cash flows from operating activities before changes in net working capital	97.689	97.743
Changes in net working capital:	(76.489)	(41.923)
Change in inventories	(38.009)	2.733
Change in trade receivables and other assets	(45.436)	(50.073)
Change in trade payables and other liabilities	8.637	6.448
Change in other assets and liabilities	(580)	(88)
Change in post-employment and other employee benefits	(1.101)	(943)
Net cash flows from (used in) operating activities	21.200	55.819
Net increase/decrease in intangible assets	(2.188)	(1.573)
Net increase/decrease in property, plant and equipment	(9.794)	(5.768)
Net increase/decrease in right-of-use assets	(8.088)	(5.698)
Net increase/decrease in equity investments measured at cost	(1.185)	-
Net increase/decrease in other financial assets	2.989	(481)
Interest collected	242	145
Net cash flows from (used in) investing activities	(18.025)	(13.375)
Change in equity	(14.028)	(7.023)
Financial expense	(18.779)	(14.471)
Interests paid right-of-use	(4.376)	(4.170)
Net increase/decrease in loans and borrowings and other financial liabilities	(22.978)	(29.804)
Net increase/decrease in right-of-use lease liabilities	681	(1.344)
Net cash flows from (used in) financing activities	(59.479)	(56.811)
Net exchange gains/losses and other non-monetary changes	(1.858)	266
Net cash flows for the period	(58.162)	(14.101)
Opening cash and cash equivalents net of current account overdrafts	137.226	116.306
Opening cash and cash equivalents net of current account overdrafts (change in consolidation scope)	(543)	-
Closing cash and cash equivalents net of current account overdrafts	78.521	102.205

- 1) Cash and cash equivalents at September 30, 2022 totalled Euro 84,614 thousand; current account overdrafts amounted to Euro 6,093 thousand net of relative interest.
- 2) Cash and cash equivalents at December 31, 2021 totalled Euro 145,985 thousand; current account overdrafts amounted to Euro 8,759 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, 2022	December 31, 2021
Opening cash and cash equivalents	137.226	116.306
Cash and cash equivalents	145.985	127.105
Current account overdrafts	(8.759)	(10.799)
Closing cash and cash equivalents	78.521	137.226
Cash and cash equivalents	84.614	145.985
Current account overdrafts	(6.093)	(8.759)

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 Maimeri 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 Akrehux	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%
Brideshore srl	Domenican 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%
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%
Creative Art Products Limited	U.K.	EU	2022	0,00%	100,00%	100,00%	Daler Rowney Ltd	Line-by-Line	0,00%
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

Attachment 2 - Business combinations

Creative Art Products Limited

On February 8, 2022, the UK subsidiary Daler Rowney Ltd. acquired 100% of the UK company Creative Art Products Limited, located in Manchester (UK), which specialises in the schools segment and produces and distributes a wide range of art materials for children, both under the *Scola* brand and private label brands.

From the date of acquisition, the company has been consolidated in the financial statements of the F.I.L.A. Group on a line-by-line basis and has contributed to the result for the period limited to that arising in the period between February 8, 2022 and September 30, 2022.

In this period, the subsidiary generated revenues from third parties of Euro 2,246 thousand and a loss of Euro 62 thousand. Management consider that if the acquisition of the business unit had taken place on January 1, 2022, the consolidated revenue for the first nine months of the year would have been Euro 359 thousand higher (therefore Euro 595,404 thousand). In calculating this amount, management assumed that the fair value adjustments at the acquisition date would have been the same even if the acquisition took place on January 1, 2022.

Daler Rowney Ltd (United Kingdom) incurred costs related to the acquisition of Euro 23 thousand for legal expenses and due diligence costs. These costs have been expensed in the consolidated financial statements in the "Consultancy" item of the condensed statement of comprehensive income.

The transaction is valued at GBP 1,000 thousand (Euro 1,185 thousand).

The difference between the net financial outlay and the carrying amount of equity of Creative Art Products Limited resulted in the recognition of Goodwill, amounting to a negative Euro 82 thousand. The acquisition was accounted for by applying the purchase method, based on the definition of a business in IFRS 3.

The calculation of goodwill on the basis of the above figures at the transaction date is set out below:

Daler Rowney Ltd Investment in Creative Art Products Limited	A	1.209
Consultancy charges capitalised in Daler Rowney Ltd separate financial statements and expensed in consolidated financial statements	B	23
Purchase price of the equity investment net of consultancy charges (Fair Value)	C = (A - B)	1.185
Equity Fair Value of Creative Art Products Limited	D	1.267
Difference between the purchase price of the equity investment and the carrying amount of Creative Art Products Limited (Goodwill) at February 8, 2022	C - D	(82)

The value of the assets and liabilities of Creative Art Products Limited at the acquisition date was as follows:

Fair Value at February 8, 2022

Euro thousands

Assets	3.403
Non-Current Assets	2.176
Concessions, licenses and trademarks	1.778
Property, plant and equipment	241
Deferred Tax Assets	157
Current Assets	1.227
Inventories	511
Trade receivables and other assets	735
Cash and cash equivalents	(19)
Liabilities and Equity	(3.403)
Equity	(1.267)
Non-Current Liabilities	-
Current Liabilities	(2.136)
Current financial liabilities	(732)
Current provision for risks and charges	(296)
Trade payables and other liabilities	(1.107)

Note: The figures are converted at the exchange rate at February 8, 2022.

Transactions relating to Atypical and/or Unusual Operations

In accordance with Consob Communication of July 28, 2006, it is noted that during Q3 2022 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 CHAIRPERSON
Mr. Giovanni Gorno Tempini

Statement of the Manager in Charge - Interim Financial Report

Strathmore
CANSON

ST CUTHBERTS MILL

PRINCETON
ARTIST BRUSH

LUKAS

ROWNEY
DALER

MAIMERI

LYRA

GIOTTO

DAS

TROTTO

GOTTO
be-ba

GIOTTO



Fabbrica Italiana Lapis ed Affini

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

November 11, 2022

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, 2022 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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Il futuro ha i nostri colori. Da 100 anni.

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