



F.I.L.A. GROUP INTERIM FINANCIAL REPORT

at March 31, 2025

F.I.L.A. Fabbrica Italiana Lapis ed Affini S.p.A.
via XXV Aprile 5 Pero (MI)

(Translation from the Italian original which remains the definitive version)

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DIRECTORS' REPORT

AT MARCH 31, 2025

I - Interim Directors' Report

Corporate Bodies

Board of Directors

Chairperson (*)	Giovanni Gorno Tempini
Chief Executive Officer (**)	Massimo Candela
Executive Director (**)	Luca Pelosin
Non-executive Director	Annalisa Matilde Barbera
Non-executive Director (*)	Gianna Luzzati
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

Gianna Luzzati
Carlo Paris
Donatella Sciuto
Annalisa Matilde Barbera

Remuneration Committee

Donatella Sciuto
Gianna Luzzati
Annalisa Matilde Barbera

Board of Statutory Auditors

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

Independent Auditors

Deloitte & Touche S.p.A.

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

The F.I.L.A. Group (hereafter also the “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 March 31, 2025 operates through 22 production facilities and 32 subsidiaries across the globe and employs approx. 3,300 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. On December 20, 2023, the listing of the subsidiary DOMS Industries Limited on the National Stock Exchange of India was completed. As part of the listing, however, F.I.L.A. S.p.A. remained the largest single shareholder of the company post-listing as it held 30.6% of the share capital. On December 19, 2024, following the completion of the share placement of the Indian associate company DOMS Industries Limited, F.I.L.A. S.p.A. reduced its shareholding to 26.01% of the share capital, while still remaining the largest single shareholder of the Indian company (xv).

Key events of the reporting period

Impacts of events related to the conflict in Ukraine and Israel

The operating and financial impacts of the conflict between Russia and Ukraine on the F.I.L.A. Group are not considered significant, also in view of the fact that since January 2025 the Russian subsidiary Fila Stationary O.O.O., as a result of the voluntary bankruptcy petition and the appointment of a trustee, has been in administration.

The hearing for consideration of the bankruptcy case has been set for June 17, 2025.

Consequently, the company is not subject to line-by-line consolidation due to the loss of control, as established by IFRS10.

There are no F.I.L.A. Group companies in Ukraine at March 31, 2025.

A military conflict involving Israel has been ongoing since October 7, 2023.

The operating and financial impacts of the conflict on the Israeli commercial subsidiary Fila Art and Craft Ltd are not considered significant, also in view of the fact that the revenue of the subsidiary accounts for approx. 0.4% of the Group's total.

The F.I.L.A. Group does not have suppliers or production plant in the area.

The Israeli subsidiary has a net commercial exposure to third parties at March 31, 2025 of Euro 543 thousand. Group management continues to monitor the recoverability of the net exposure to third parties of the subsidiary, although currently no recoverability risks exist.

Key Financial Highlights

The F.I.L.A. Group Key Financial Highlights for Q1 2025 are reported below:

<i>Euro thousands</i>	March 31, 2025	% revenue	March 31, 2024	% revenue	Change 2025 - 2024
Revenue	136,324	100.0%	131,898	100.0%	4,426 3.4%
Gross operating profit ⁽¹⁾	21,736	15.9%	20,432	15.5%	1,304 6.4%
Operating profit	12,008	8.8%	12,663	9.6%	(655) -5.2%
Net financial expense	(9,926)	-7.3%	(3,850)	-2.9%	(6,076) -157.8%
Total taxes	(1,555)	-1.1%	(2,357)	-1.8%	802 34.0%
F.I.L.A. Group Profit attributable to the owners of the Parent	(530)	-0.4%	6,178	4.7%	(6,708) -108.6%
Earnings per share (€ cents)					
basic	(0.01)		0.12		
diluted	(0.01)		0.12		

<i>ADJUSTED Net of Non-Recurring expenses - Euro thousands</i>	March 31, 2025	% revenue	March 31, 2024	% revenue	Change 2025 - 2024	IFRS 16 effects	Adjustments for Non-Recurring expenses
Revenue	136,324	100.0%	131,898	100.0%	4,426 3.4%		
Gross operating profit ⁽¹⁾	22,598	16.6%	21,116	16.0%	1,482 7.0%	3,226	(862)
Gross operating profit net of IFRS16	19,502	14.3%	18,536	14.1%	967 5.2%	3,096	(862)
Operating profit	12,869	9.4%	12,980	9.8%	(111) -0.9%	828	(862)
Net financial expense	(9,907)	-7.3%	(3,850)	-2.9%	(6,057) -157.3%	(823)	(19)
Total taxes	(1,640)	-1.2%	(2,381)	-1.8%	741 31.1%	19	85
F.I.L.A. Group Profit attributable to the owners of the Parent	892	0.7%	6,471	4.9%	(5,579) -86.2%	(1)	(1,422)
Earnings per share (€ cents)							
basic	0.02		0.13				
diluted	0.02		0.12				

<i>Euro thousands</i>	March 31, 2025	March 31, 2024	Change 2025 - 2024
Cash flows from operating activities	(45,201)	(29,659)	(15,542)
Free cash flow to equity	(55,543)	(40,552)	(14,991)
Net investments ⁽³⁾	(3,068)	(2,284)	(784)
% net investments on revenue	2.3%	1.7%	

<i>Euro thousands</i>	March 31, 2025	December 31, 2024	Change 2025 - 2024	IFRS 16 effects
Net capital employed	854,618	813,883	40,736	(2,528)
Net Financial debt ⁽²⁾	(230,829)	(181,079)	(49,750)	2,932
Net Financial debt excluding IFRS16 and MTM	(172,002)	(119,521)	(52,481)	
Equity	(623,789)	(632,803)	9,014	(404)

(1) The Gross Operating Profit corresponds to the "Operating Profit" before "Amortisation and Depreciation", "Net Impairment Gains (Losses) on Trade Receivables and Other Assets" and "Other Net Impairment Gains (Losses)" and derives directly from the statement of comprehensive income;

(2) Net financial structure indicator calculated as the aggregate of the current and non-current financial debt, net of cash and cash equivalents and current financial assets. Net financial debt as defined by CONSOB Notice DEM/6064293 of July 28, 2006 and CONSOB Attention Call No. 5/21 of April 29, 2021, excludes non-current financial assets.

(3) "Net investments" corresponds to the sum of the following Statement of Cash Flow captions: "Total (Investments)/Divestments in Intangible Assets" and "Total Investments/Divestments in Property, Plant and Machinery."

2025 Adjustments:

- The adjustments to the Q1 2025 “Gross Operating Profit” concern the net balance between non-recurring operating income and charges, which amounts to approximately Euro 0.9 million and which includes charges for organisational structure and company process efficiency projects for Euro 0.5 million, the portion pertaining to the period for the “2022-2026 Performance Shares” medium/long-term incentive plan for Euro 0.2 million and extraordinary project costs and consultancy for Euro 0.1 million;
- The adjustment of the “Operating Profit” was Euro 0.9 million, resulting from the aforementioned effects on the “Gross Operating Profit”;
- The adjustment to the Q1 2025 “Profit for the period of the F.I.L.A. Group” was Euro 1.4 million and principally concerns the above effects on the “Operating Profit”, net of the financial and tax effect and as a result of the effect on third parties due to the deconsolidation of the Russian subsidiary Fila Stationary O.O.O..

2024 Adjustments:

- The adjustments to the Q1 2024 “Gross Operating Profit” concern the net balance between non-recurring operating income and charges, which amounts to approximately Euro 0.7 million and which includes charges for organisational structure and company process efficiency projects for Euro 0.4 million, the portion pertaining to the period for the “2022-2026 Performance Shares” medium/long-term incentive plan for Euro 0.2 million and extraordinary project costs and consultancy for Euro 0.1 million;
- The adjustment to the “Operating Profit” was Euro 0.3 million, relating to the above-stated effects on the “Gross Operating Profit” and to the release of the previously accrued provision for the estimated losses of the Russian subsidiary Fila Stationary O.O.O.;
- The adjustment to the Q1 2024 “Profit for the period of the F.I.L.A. Group” was Euro 0.3 million and principally concerns the above effects on the “Operating Profit”, net of the tax effect.

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.

These Alternative Performance Measures exclusively concern historical accounting data of the Group and are calculated in accordance with the Guidelines on Alternative Performance Measurement issued by ESMA on October 5, 2015 (2015/1415), as per CONSOB communication No. 92543 of December 3, 2015, the "ESMA Guidelines on Alternative Performance Measures (APMs)" issued on April 17, 2020 by the ESMA, and on October 28, 2022 in section 3 of the "European common enforcement priorities for 2022 annual financial reports".

The alternative performance measures used are illustrated below:

Gross operating profit or EBITDA: this is calculated the Profit for the Period, adjusted by the following captions: (i) Total Income taxes, (ii) Amortisation, Depreciation and Impairment losses and (iii) the Financial Management Result. 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>	March 31, 2025	March 31, 2024
Profit attributable to non-controlling interests	1,056	277
Profit attributable to the owners of the parent	(530)	6,178
Profit for the year	526	6,455
Income taxes	1,555	2,357
<i>Current taxes</i>	2,069	2,582
<i>Deferred taxes</i>	(513)	(224)
Amortisation, depreciation and impairment losses	9,729	7,769
<i>Depreciation</i>	8,306	8,448
<i>Net impairment losses on trade receivables and other receivables</i>	1,402	(740)
<i>Net impairment losses on other assets</i>	21	62
Financial items	9,926	3,850
<i>Financial income</i>	(3,284)	(2,494)
<i>Financial expense</i>	13,191	6,344
<i>Share of losses of equity-accounted investees</i>	19	-
Gross operating profit or EBITDA	21,736	20,432

Gross Operating Profit or EBITDA excluding net non-recurring charges and IFRS 16: this is calculated as the Gross Operating Profit or EBITDA excluding the following effects: (i) Net non-recurring charges on the Gross Operating Profit or EBITDA, (ii) the IFRS 16 effects (Cost offset) and (iii) Non-recurring IFRS 16 charges.

Gross Operating Profit or EBITDA excluding net non-recurring charges: this is calculated as the Gross Operating Profit or EBITDA excluding net non-recurring charges on the Gross Operating Profit or EBITDA.

Reference should be made to the reconciliation of the two above-stated Alternative Performance Measures:

<i>Euro thousands</i>	March 31, 2025	March 31, 2024
Gross operating profit or EBITDA	21,736	20,432
Charges for organisational structure and company process efficiency projects	523	416
Medium/long-term incentive plan "Performance shares 2022-2026"	212	169
Costs and consultancy for extraordinary projects	127	98
Adjustments for non-recurring expenses on Gross operating profit or EBITDA	862	684
Gross operating profit or EBITDA excluding non-recurring charges	22,598	21,116
IFRS 16 effects (Cost Offset)	(3,226)	(2,895)
Non-recurring expense IFRS 16	131	315
Gross operating profit or EBITDA excluding non-recurring charges and IFRS16	19,502	18,536

Operating Profit or EBIT: this is calculated as the "Operating Profit" directly derived from the consolidated income statement and corresponding to the "Gross Operating Profit or EBITDA", adjusted by the following captions: (i) Amortisation and Depreciation, (ii) Net impairment Gains (Losses) on Trade Receivables and Other Assets and (iii) Other Net Impairment Gains (Losses).

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

<i>Euro thousands</i>	March 31, 2025	March 31, 2024
Gross operating profit or EBITDA	21,736	20,432
Amortisation and depreciation	(8,306)	(8,448)
Impairment losses on Trade Receivables and Other Receivables	(1,402)	740
Impairment losses on Other Assets	(21)	(62)
Operating profit or EBIT	12,008	12,663

Operating Profit or EBIT excluding net non-recurring charges: this is calculated as the Operating Profit or EBIT excluding the effects from net non-recurring charges on the Operating Profit or EBIT.

The following is a reconciliation between Operating Profit or EBIT and Operating Profit or EBIT excluding non-recurring charges:

<i>Euro thousands</i>	March 31, 2025	March 31, 2024
Operating profit or EBIT	12,008	12,663
Adjustments for non-recurring expenses on Gross operating profit or EBITDA	862	684
Net impairment losses on Russia trade receivables	-	(367)
Non-recurring expense on Operating profit or EBIT	862	317
Operating profit or EBIT excluding non-recurring charges	12,869	12,980

Profit attributable to owners of the parent: profit for the reporting period, adjusted for non-controlling interest items.

The Group defines the “Profit attributable to the owners of the parent excluding net non-recurring charges” as the Profit attributable to the shareholders of the parent excluding Net non-recurring charges on the Profit for the period attributable to the owners of the parent.

The reconciliation between the Profit attributable to the owners of the parent and the Profit attributable to the owners of the parent excluding non-recurring charges is presented below:

<i>Euro thousands</i>	March 31, 2025	March 31, 2024
Profit for the period attributable to the owners of the parent	(530)	6,178
Non-recurring expense on Operating profit or EBIT	862	317
Financial effect on net non-recurring expense	19	-
Fiscal effect on net non-recurring expense	(85)	(24)
Effect on owners of the parent of net non-recurring expense	627	-
Non-recurring expense on Profit	1,422	293
Profit for the period attributable to the owners of the parent excluding non-recurring charges	892	6,471

Net Financial Debt: a valid indicator of the F.I.L.A. Group's financial structure and calculated as the aggregate of the current and non-current financial debt, net of cash and cash equivalents and of 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 March 31, 2025 and at December 31, 2024 respectively totalled Euro 1,015 thousand and Euro 1,032 thousand.

For greater details, reference should be made to the "Financial overview" section.

Net Financial Debt excluding the IFRS 16 and MTM effects: corresponds to the Net Financial Debt excluding the effects of IFRS 16 and Mark to Market Hedging.

Basic and diluted earnings per share excluding net non-recurring charges

The Basic Earnings/(Loss) per share excluding net non-recurring charges is calculated by dividing the Profit attributable to the owners of the parent, excluding net non-recurring charges, by the average weighted number of outstanding ordinary shares during the period, excluding any treasury shares in portfolio.

The Diluted Earnings/(Loss) per share excluding net non-recurring charges is calculated by dividing the Profit attributable to the owners of the parent, excluding net non-recurring charges by the average weighted number of outstanding ordinary shares during the period and those potentially arising from the conversion of all potential ordinary shares with dilutive effect.

<i>Euro thousands</i>	March 31, 2025	March 31, 2024
Profit for the period attributable to the owners of the parent	(530)	6,178
Adjusted Profit for the period attributable to the owners of the parent	892	6,471
Weighted average number of ordinary shares (basic)	50,727,531	50,763,401
Basic Earnings/(Loss) basic per Share	(0.01)	0.12
Basic Earnings/(Loss) basic per Share excluded net non-recurring expense	0.02	0.13
	March 31, 2025	March 31, 2024
Weighted average number of ordinary shares (base)	50,727,531	50,763,401
Potential shares	1,210,250	1,040,750
Weighted average number of ordinary shares (diluted)	51,937,781	51,804,151
Basic Earnings/(Loss) diluted per Share	(0.01)	0.12
Basic Earnings/(Loss) diluted per Share excluded net non-recurring expense	0.02	0.12

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

The F.I.L.A. Group Key Financial Highlights for Q1 2025 are reported below.

Operating results excluding net non-recurring charges

The operating results excluding net non-recurring charges of the F.I.L.A. Group for Q1 2025 present an increase in the Gross Operating Profit excluding non-recurring charges of 7.0% on the same period of 2024:

<i>ADJUSTED Net of Non-Recurring expenses - Euro thousands</i>	March 31, 2025	<i>% revenue</i>	March 31, 2024	<i>% revenue</i>	Change 2025 - 2024	
Revenue	136,324	100.0%	131,898	100.0%	4,426	3.4%
Income	2,378		1,903		475	25.0%
Revenue and other income	138,703		133,801		4,901	3.7%
Total operating costs	(116,105)	-85.2%	(112,686)	-85.4%	(3,419)	-3.0%
Gross Operating profit or EBITDA	22,598	16.6%	21,116	16.0%	1,482	7.0%
Depreciation and net other impairment losses	(9,728)	-7.1%	(8,136)	-6.2%	(1,593)	-19.6%
Operating profit or EBIT	12,869	9.4%	12,980	9.8%	(111)	-0.9%
Net financial expense	(9,907)	-7.3%	(3,850)	-2.9%	(6,057)	-157.3%
Pre-tax profit	2,962	2.2%	9,129	6.9%	(6,168)	-67.6%
Total taxes	(1,640)	-1.2%	(2,381)	-1.8%	741	31.1%
Profit for the year	1,322	1.0%	6,748	5.1%	(5,427)	-80.4%
Profit for the year attributable to non-controlling ir	429	0.3%	277	0.2%	152	55.1%
F.I.L.A. Group Profit attributable to the owners of the Parent	892	0.7%	6,471	4.9%	(5,579)	-86.2%

The main changes compared to Q1 2024 are illustrated below.

“Revenue” of Euro 136,324 thousand increased by Euro 4,426 thousand on Q1 2024 (+3.4%). Net of exchange losses of Euro 789 thousand (mainly concerning the weakening of the Mexican Peso, of the Argentinian Peso and of the Brazilian Real, partially offset by the strengthening of the US Dollar), organic growth was Euro 5,215 thousand (+4.0%).

At geographical area level, this organic growth concerned North America for Euro 4,806 thousand (+8.4% on the preceding period), Europe for Euro 750 thousand (+1.5% on the preceding period) and the Rest of the World for Euro 77 thousand (+9.4% on the preceding period), offset by an organic contraction in Central and South America for Euro 393 thousand (-2.0% on the preceding period) and in Asia for Euro 25 thousand (-0.8% on the preceding period).

“Income” of Euro 2,378 thousand increased by Euro 475 thousand on the preceding period, mainly due to the French subsidiary following an insurance reimbursement.

“Operating Expense” in the period of Euro 116,105 thousand increased Euro 3,419 thousand on the same period of 2024. This increase relates to the higher variable purchasing and commercial costs, as a reflection of sales dynamics.

The Gross Operating Profit of Euro 22,598 thousand increased by Euro 1,482 thousand on the same period of 2024 (+7.0%). At like-for-like exchange rates, the increase was 8.5% on the same period of the previous year.

“Amortisation, depreciation and impairment losses” increased Euro 1,593 thousand, mainly due to higher bad debt provisions of the US subsidiary Dixon Ticonderoga Company.

“Net financial expense” increased Euro 6,057 thousand due to unrealised exchange losses on financial transactions, which mainly impacted the parent F.I.L.A. S.p.A., offset by the lower net financial expense, mainly relating to the US subsidiary Dixon Ticonderoga Company, the Mexican subsidiary Grupo F.I.L.A.-Dixon, S.A. de C.V. and the parent F.I.L.A. S.p.A..

In accordance with IAS/IFRS (IAS28.33), the most recent available financial disclosure should be used for the equity method valuation of the investment. At the date of this Interim Financial Report, the financial statements of the Indian associate DOMS Industries Limited at March 31, 2025 have not yet been approved. The consolidated financial statements of the F.I.L.A. Group at March 31, 2025 therefore do not take into account these figures as not yet available.

“Taxes” amounted to Euro 1,640 thousand, slightly decreasing on the same period of the previous year due to the reduced pre-tax profit.

Net of the profit attributable to “non-controlling interests”, the F.I.L.A. Group result net of non-recurring charges in Q1 2025 was a profit of Euro 892 thousand, compared to Euro 6,471 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 Q1 2025 and 2024 are reported below.

<i>Euro thousands</i>	2025	2024			
	March	December	September	June	March
Revenue	136,324	612,583	493,422	333,283	131,898
<i>Full year portion</i>	<i>100.0%</i>	<i>100.0%</i>	<i>80.5%</i>	<i>54.4%</i>	<i>21.5%</i>
Gross operating profit or EBITDA	21,736	109,045	98,525	68,356	20,432
<i>% revenue from sales and services</i>	<i>15.9%</i>	<i>17.8%</i>	<i>20.0%</i>	<i>20.5%</i>	<i>15.5%</i>
<i>Full year portion</i>		<i>100.0%</i>	<i>90.4%</i>	<i>62.7%</i>	<i>18.7%</i>
Gross operating profit or EBITDA Adjusted for net non-recurring expense	22,598	118,221	103,548	70,829	21,116
<i>% revenue from sales and services</i>	<i>16.6%</i>	<i>19.3%</i>	<i>21.0%</i>	<i>21.3%</i>	<i>16.0%</i>
<i>Full year portion</i>		<i>100.0%</i>	<i>87.6%</i>	<i>59.9%</i>	<i>17.9%</i>
Gross operating profit or EBITDA Adjusted for net non-recurring expense and IFRS16	19,502	103,065	94,258	64,638	18,536
<i>% revenue from sales and services</i>	<i>14.3%</i>	<i>16.8%</i>	<i>19.1%</i>	<i>19.4%</i>	<i>14.1%</i>
<i>Full year portion</i>		<i>100.0%</i>	<i>91.5%</i>	<i>62.7%</i>	<i>18.0%</i>
Net Financial Debt - F.I.L.A.Group	(230,829)	(181,079)	(321,607)	(369,046)	(363,016)
Net Financial Debt - F.I.L.A.Group excluded IFRS16 and MTM	(172,002)	(119,521)	(261,578)	(305,697)	(299,493)

Statement of Financial Position

The statement of financial position of the F.I.L.A. Group at March 31, 2025 is reported below:

<i>Euro thousands</i>	March 31, 2025	December 31, 2024	Change 2025 - 2024
Intangible assets	364,679	375,746	(11,067)
Property, plant & equipment	104,950	108,667	(3,718)
Financial assets	140,517	140,534	(17)
Net Non-Current Assets	610,145	624,947	(14,802)
Other Non-Current Assets/ Liabilities	20,195	20,466	(271)
Inventories	270,893	257,353	13,541
Trade receivables and other assets	128,791	94,978	33,814
Trade payables and other liabilities	(104,039)	(110,801)	6,762
Other current assets and liabilities	(314)	126	(441)
Net working capital	295,331	241,656	53,676
Provisions	(71,053)	(73,187)	2,133
Net invested capital	854,618	813,883	40,736
Equity	(623,789)	(632,803)	9,014
Net financial debt excluded IFRS16 Effect and MTM	(172,002)	(119,521)	(52,481)
IFRS16 Effect	(57,366)	(60,297)	2,932
Market to Market Hedging	(1,462)	(1,260)	(202)
Net financial debt - F.I.L.A. Group	(230,829)	(181,079)	(49,750)
Net financial debt	(854,618)	(813,883)	(40,736)

The F.I.L.A. Group's "Net Invested Capital" of Euro 854,618 thousand at March 31, 2025 was composed of "Non-current assets" of Euro 610,145 thousand (decreasing by Euro 14,802 thousand on December 31, 2024), "Net Working Capital" of Euro 295,331 thousand (increasing by Euro 53,676 thousand on December 31, 2024) and "Other Non-Current Assets/Liabilities" of Euro 20,195 thousand (decreasing by Euro 271 thousand on December 31, 2024), net of "Provisions" of Euro 71,053 thousand (Euro 73,187 thousand at December 31, 2024).

"Intangible Assets" decreased on December 31, 2024 by Euro 11,067 thousand, mainly due to the exchange losses in the period of Euro 8,708 thousand and amortisation of Euro 3,130 thousand. The decrease was offset by net investments of Euro 771 thousand, principally by the parent F.I.L.A. S.p.A. (Euro 749 thousand) for implementation of the ERP system at a number of Group companies.

"Property, plant and machinery" decreased on December 31, 2024 by Euro 3,718 thousand, mainly as a result of the reduction of "Property, Plant and Machinery Right-of-Use" of Euro 2,547 thousand and of "Property, Plant and Machinery" of Euro 1,171 thousand.

The decrease in “Property, Plant and Machinery Right-of-Use” was mainly due to depreciation in the period of Euro 2,398 thousand and exchange losses of Euro 981 thousand. This decrease is offset by net investments in the period of Euro 821 thousand, mainly by the Australian subsidiary Fila Group Australia for Euro 261 thousand.

The decrease in “Property, Plant and Machinery” was mainly due to depreciation in the period of Euro 2,778 thousand and the recognition of exchange losses of Euro 679 thousand. This overall movement is mainly offset by investments in the period of Euro 2,310 thousand, mainly by Grupo F.I.L.A.-Dixon, S.A. de C.V. (Mexico) for Euro 670 thousand, by Canson SAS (France) for Euro 551 thousand and by the parent F.I.L.A. S.p.A. for Euro 503 thousand.

“Financial assets” decreased Euro 17 thousand compared to December 31, 2024, mainly in relation to the movement in the financial receivables of the US subsidiary Dixon Ticonderoga Company and of the Mexican subsidiary Grupo F.I.L.A.-Dixon, S.A. de C.V..

The increase in “Net Working Capital” of Euro 53,676 thousand relates to the following:

- “Trade Receivables and Other Assets” - increasing Euro 33,814 thousand, mainly due to the seasonality of the F.I.L.A. Group’s business. The increase in particular concerns “Trade Receivables” for Euro 34,631 thousand, mainly relating to the US subsidiary Dixon Ticonderoga Company for Euro 11,174 thousand, the Mexican subsidiary Grupo Fila- Dixon, S.A. de C.V. for Euro 8,351 thousand and the parent F.I.L.A. S.p.A. for Euro 5,392 thousand;
- “Inventories” - increasing Euro 13,541 thousand, mainly due to the seasonality of the business which features higher stock on the approach of the schools’ campaign. The net increase in stock at the F.I.L.A. Group of Euro 18,650 thousand particularly concerns the subsidiary Dixon Ticonderoga Company (U.S.A) for Euro 11,991 thousand, the subsidiary Canson SAS (France) for Euro 4,792 thousand and the subsidiary Grupo Fila- Dixon, S.A. de C.V. (Mexico) for Euro 3,025 thousand. Exchange losses were also recorded of Euro 6,162 thousand;
- “Trade and Other Payables” - decreasing Euro 6,762 thousand, mainly due to the decrease in “Trade Payables” for Euro 2,902 thousand, recognised by the US subsidiary Dixon Ticonderoga Company and by the Mexican subsidiary Grupo Fila- Dixon, S.A. de C.V.. Exchange gains of Euro 1,901 thousand are in addition reported.

The decrease in “Provisions” on December 31, 2024 of Euro 2,133 thousand principally concerns:

- Decrease in “Deferred tax liabilities” of Euro 1,751 thousand, principally due to exchange gains of Euro 1,480 thousand;
- Decrease in “Provisions for Risks and Charges” of Euro 269 thousand, principally due to the utilisation of the provision of the UK subsidiary Daler Rowney Ltd;
- Decrease in “Employee benefits” of Euro 114 thousand, mainly due to the actuarial gains recorded in the period by the company Daler Rowney Ltd (United Kingdom), in application of IAS 19.

The “Equity” attributable to owners of the Parent, amounting to Euro 623,789 thousand, decreased on December 31, 2024 by Euro 9,014 thousand. Net of the profit for the period of Euro 526 thousand (of which a profit of Euro 1,056 thousand attributable to non-controlling interests), the residual movement mainly concerned the decrease in the translation reserve of Euro 9,790 thousand and the decrease of the “fair value hedge” of the IRS derivatives for Euro 236 thousand. These changes were offset by the increase in the “Actuarial Gains/Losses” reserve of Euro 171 thousand, by the accrual to the Share Based Premium reserve for Euro 212 thousand in relation to the 2022-2026 medium/long-term incentive plan, and by the impact of hyper-inflation on the hyper-inflated economies for Euro 103 thousand.

The F.I.L.A. Group “Net Financial Debt” at March 31, 2025 was Euro 230,829 thousand, increasing Euro 49,750 thousand on December 31, 2024.

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 March 31, 2025 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, 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 March 31, 2025 was Euro 230,829 thousand:

<i>Euro thousands</i>	March 31, 2025	December 31, 2024	Change 2025 - 2024
A Cash	140	107	33
B Cash equivalents	128,114	176,237	(48,123)
C Other current financial assets	1,230	1,137	94
D Liquidity (A + B + C)	129,485	177,480	(47,996)
E Current bank loans and borrowings	(12,022)	(4,100)	(7,922)
F Current portion of non-current bank loans and borrowings	(36,822)	(36,433)	(389)
G Current financial debt (E + F)	(48,844)	(40,533)	(8,311)
H Net current financial (position) debt (G - D)	80,640	136,948	(56,307)
I Non-current bank loans and borrowings	(311,470)	(318,027)	6,557
J Bonds issued	-	-	-
K Trade payables and other non current liabilities	-	-	-
L Non-current financial debt (I + J + K)	(311,470)	(318,027)	6,557
M Net financial debt (H + L)	(230,829)	(181,079)	(49,750)

The Net Financial Debt – F.I.L.A. Group comprises the Net Financial Debt excluding the IFRS 16 and MTM effects for a debt of Euro 172,002 thousand (debt of Euro 119,521 thousand at December 31, 2024), the effect of IFRS16 for Euro 57,366 thousand and the Mark to Market Hedging for Euro 1,462 thousand.

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 140 thousand) and "B - Cash equivalents" (Euro 128,114 thousand) are included in "Cash and cash equivalents" (Euro 128,254 thousand);
- caption "C - Other current financial assets" refers to "Current financial assets", both amounting to Euro 1,230 thousand;
- caption "G - Current financial debt" relates to "Current Financial Liabilities" (both Euro 48,844 thousand) and contains caption "F - Current portion of non-current financial bank loans and borrowings" (Euro 36,822 thousand) which refers to the current portion of IFRS 16 Financial Liabilities (Euro 9,308 thousand) and to the current portion of long-term loans (Euro 27,513 thousand), and caption "E - Current bank loans and borrowings" for Euro 12,022 thousand;
- caption "I - Non-current bank loans and borrowings" (Euro 311,470 thousand) refers to "Non-Current Financial Liabilities" (Euro 310,008 thousand), including the long-term IFRS 16 Financial Liabilities of Euro 48,057 thousand, in addition to hedging "Financial instruments" (for a negative Euro 1,462 thousand).

Compared to December 31, 2024 (Euro 181,079 thousand), the Net Financial Debt increased Euro 49,750 thousand at March 31, 2025, as outlined below in the Statement of Cash Flows:

<i>Euro thousands</i>	March 31, 2024	March 31, 2024
Gross operating profit	21,736	20,432
Non-monetary adjustments	32	48
IFRS16 operating flow	(3,226)	(2,895)
Income taxes	(1,698)	(1,354)
Cash Flows from Operating Activities Before Changes in NWC	16,844	16,231
Change in NWC	(59,680)	(50,201)
Change in Inventories	(18,650)	(22,824)
Change in Trade Receivables and Other Assets	(36,673)	(24,122)
Change in Trade Payables and Other Liabilities	(3,833)	(3,040)
Change in Other Current Assets/Liabilities	(524)	(215)
Net Cash Flows used in Operating Activities	(42,836)	(33,970)
Investments in Property, Plant and Equipment and Intangible Assets	(3,068)	(2,284)
Financial income	372	278
Net Cash Flows used in Investing Activities	(2,696)	(2,006)
Change in Equity (Dividend paid and own shares)	-	(29,451)
Financial Expense	(3,700)	(5,409)
Financial Expense IFRS16	(823)	(907)
Net Cash Flows used in Financing Activities	(4,523)	(35,767)
Exchange differences and other variations	(5,488)	1,741
Total Net Cash Flows	(55,543)	(70,003)
Free cash flow to equity	(55,543)	(40,552)
Effect of exchange gains (losses)	3,486	(3,501)
Change in amortized cost	(292)	654
Mark to mark hedging adjustment	(202)	2,394
NFD change due to IFRS16 FTA	2,932	10,851
NFD from Change in Consolidation Scope (Deconsolidation of Russian company Fila Stationary O.O.O.)	(133)	-
Change in Net Financial Debt - F.I.L.A. Group	(49,750)	(59,604)

Net Cash outflow in Q1 2025 from “Operating Activities” of Euro 42,836 thousand (outflow of operating cash in Q1 2024 of Euro 33,970 thousand) concerns:

- Inflows of Euro 16,844 thousand (Euro 16,231 thousand in Q1 2024) 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 59,680 thousand (outflow of Euro 50,201 thousand in Q1 2024) attributable to “Working Capital movements”, primarily related to the increases in “Trade Receivables and Other Assets”, of “Inventories” and the reduction of “Trade Payables and Other Liabilities”.

“Investing activities” used net cash flows of Euro 2,696 thousand (Euro 2,006 thousand in Q1 2024), mainly due to the use of cash for Euro 3,068 thousand (Euro 2,284 thousand in Q1 2024) for net property, plant and

equipment and intangible asset investment, particularly regarding the parent F.I.L.A. S.p.A., the Mexican subsidiary Grupo F.I.L.A.-Dixon, S.A. de C.V. and the French subsidiary Canson SAS.

Net Operating Cash Flow from “Financing Activities” reports outflows of Euro 4,523 thousand (outflows of Euro 35,767 thousand in Q1 2024), due to interest paid on loans and credit facilities granted to Group companies, amounting to Euro 3,700 thousand, mainly concerning the parent 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), in addition to interest expense in application of IFRS 16 of Euro 823 thousand.

“Free Cash Flow to Equity” was a negative Euro 55,543 thousand (negative Euro 40,552 thousand at March 31, 2024), and is calculated as the difference between the Total Net Operating Cash Flow for a negative Euro 55,543 thousand (negative Euro 70,003 thousand at March 31, 2024), and the changes to Equity which reduced to zero at March 31, 2025 (Euro 29,451 thousand at March 31, 2024).

Excluding exchange gains and losses regarding the translation of the Net Financial Debt in currencies other than the Euro (positive for Euro 3,486 thousand), the movement in the Net Financial Debt due to the application of IFRS 16 for a positive Euro 2,932 thousand, the Mark to Market Hedging adjustment for a negative Euro 202 thousand, the “Amortised cost” movement for a negative Euro 292 thousand, as well as the overall negative impact generated by the change in the consolidation scope of Euro 133 thousand (relating to the deconsolidation of the Russian subsidiary Fila Stationary O.O.O.), the Net Financial Debt of the F.I.L.A. Group therefore increased Euro 49,750 thousand (increase of Euro 59,604 thousand at March 31, 2024).

Changes in net cash and cash equivalents are detailed below:

<i>Euro thousands</i>	March 31, 2025	December 31, 2024	March 31, 2024
Opening Cash and Cash Equivalents	172,854	124,807	124,807
Cash and cash equivalents	176,344	125,851	125,851
Current account overdrafts	(3,490)	(1,044)	(1,044)
Closing Cash and Cash Equivalents	124,501	172,854	64,981
Cash and cash equivalents	128,254	176,344	65,787
Current account overdrafts	(3,753)	(3,490)	(806)

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 geographical area, at March 31, 2025 and December 31, 2024, are reported below:

March 31, 2025	Europe	North America	Central - South America	Asia	Rest of the World	Consolidation	F.I.L.A. Group
<i>Euro thousands</i>							
Intangible Assets	123,604	212,529	859	40	-	27,647	364,679
Property, plant & equipment	59,505	30,108	13,204	1,673	493	(33)	104,950
Total non-current assets	183,109	242,637	14,063	1,713	493	27,614	469,629
<i>of which Infragroup</i>	<i>(76)</i>						
Inventories	115,253	121,019	38,267	8,427	1,469	(13,542)	270,893
Trade receivables and Other assets	74,307	48,646	42,654	9,142	1,217	(47,175)	128,791
Trade payables and Other liabilities	(73,989)	(39,747)	(26,983)	(8,094)	(1,889)	46,663	(104,039)
Other Current Assets and Liabilities	(2,289)	2,189	(164)	(28)	(22)	-	(314)
Net Working Capital	113,282	132,107	53,774	9,447	775	(14,054)	295,331
<i>of which Infragroup</i>	<i>(17,641)</i>	<i>(9,414)</i>	<i>12,765</i>	<i>(1,413)</i>	<i>1,649</i>		
Net Financial (Position) Debt	(65,692)	(154,611)	(20,138)	10,181	(5,360)	4,791	(230,829)
<i>of which Infragroup</i>	<i>(49,665)</i>	<i>35,819</i>	<i>12,941</i>	<i>-</i>	<i>5,696</i>		

December 31, 2024	Europe	North America	Central - South America	Asia	Rest of the World	Consolidation	F.I.L.A. Group
<i>Euro thousands</i>							
Intangible Assets	124,866	222,718	849	49	-	27,264	375,746
Property, plant & equipment	59,844	33,008	13,437	2,120	291	(33)	108,667
Total non-current assets	184,710	255,726	14,286	2,169	291	27,231	484,413
<i>of which Infragroup</i>	<i>(76)</i>						
Inventories	108,868	113,465	35,563	11,476	1,560	(13,579)	257,353
Trade Receivables and other assets	55,648	26,699	35,922	9,650	1,340	(34,281)	94,978
Trade payables and other liabilities	(65,742)	(43,103)	(25,264)	(9,405)	(1,999)	34,712	(110,801)
Other Current Assets and Liabilities	(1,886)	2,222	(212)	24	(22)	-	126
Net Working Capital	96,888	99,283	46,009	11,745	879	(13,148)	241,656
<i>of which Infragroup</i>	<i>(17,544)</i>	<i>(2,536)</i>	<i>6,666</i>	<i>(1,459)</i>	<i>1,726</i>		
Net Financial (Position) Debt	(52,480)	(126,846)	(14,159)	7,992	(5,286)	9,700	(181,079)
<i>of which Infragroup</i>	<i>(37,606)</i>	<i>28,194</i>	<i>13,243</i>	<i>-</i>	<i>5,869</i>		

Business Segments – Income Statement

The income statement for the F.I.L.A. Group by geographical area for Q1 2025 and Q1 2024 is reported below:

March 31, 2025	Europe	North America	Central - South America	Asia	Rest of the World	Consolidation	F.I.L.A. Group
<i>Euro thousands</i>							
Revenue	73,981	66,539	22,459	10,274	898	(37,827)	136,324
<i>of which Infragroup</i>	(19,002)	(3,028)	(5,954)	(9,306)	(537)		
Gross operating profit (loss)	7,626	10,038	3,299	782	78	(87)	21,736
Operating profit (loss)	3,573	5,513	2,610	374	14	(77)	12,008
Net financial income (expense)	(6,458)	(3,999)	267	3	(145)	406	(9,926)
<i>of which Infragroup</i>	(171)	324	177	-	77		
Profit (loss) for the year	(3,608)	1,240	2,342	284	(130)	398	526
Profit (loss) attributable to Non-controlling interests	926	91	15	24	-	-	1,056
Profit (loss) attributable to the owners of the Parent	(4,533)	1,149	2,327	260	(130)	398	(530)

March 31, 2024	Europe	North America	Central - South America	Asia	Rest of the World	Consolidation	F.I.L.A. Group
<i>Euro thousands</i>							
Revenue	72,145	59,550	25,335	8,713	818	(34,663)	131,898
<i>of which Infragroup</i>	(20,501)	(2,405)	(6,028)	(5,730)	(1)	-	-
Gross operating profit (loss)	7,449	9,040	3,478	1,159	2	(696)	20,432
Operating profit (loss)	3,317	6,095	2,826	765	(56)	(284)	12,663
Net financial income (expense)	(1,013)	(2,046)	(519)	(7)	(247)	(18)	(3,850)
<i>of which Infragroup</i>	(610)	301	194	-	97	-	-
Profit (loss) for the year	1,735	2,929	1,925	636	(303)	(467)	6,455
Profit (loss) attributable to Non-controlling interests	144	78	-	55	-	-	277
Profit (loss) attributable to the owners of the Parent	1,591	2,851	1,925	581	(302)	(467)	6,178

Business Segments – Other Information

The “Other Information”, concerning tangible and intangible fixed asset investments of Group companies by geographical area for March 31, 2025 and March 31, 2024 is reported below:

March 31, 2025	Europe	North America	Central - South America	Asia	Rest of the World	F.I.L.A. Group
<i>Euro thousands</i>						
Intangible assets	773	-	-	(2)	-	771
Property, plant and equipment	1,476	130	694	-	10	2,310
Net investments	2,249	130	694	(2)	10	3,081

March 31, 2024	Europe	North America	Central - South America	Asia	Rest of the World	F.I.L.A. Group
<i>Euro thousands</i>						
Intangible assets	1,047	-	3	-	-	1,050
Property, plant and equipment	519	379	364	4	7	1,272
Net investments	1,566	379	367	4	7	2,322

Subsequent events

On April 25, 2025, the shareholders' meeting of DOMS Industries Limited approved the new shareholders' agreements, which strengthen the strategic collaboration between F.I.L.A. and DOMS. These agreements, which have no predetermined expiration date, govern the relationship between F.I.L.A. and DOMS in matters of governance, commercial relations, industrial and production agreements, M&A transactions, and dividend distribution.

On April 30, 2025, the closure of the Chinese subsidiary Fila Dixon Stationery (Kunshan) Co., Ltd. and its production plant was approved, effective September 30, 2025. This decision stems from, among other factors, the decline in sales on the local market and the increasing competitive pressure from local producers over recent years, and is considered within the scope of the reorganisation plan set out by the F.I.L.A. Group which focuses resources in business areas deemed strategic and targets new development opportunities. The operations at the Chinese plant will be transferred to other F.I.L.A. Group production plant, in line with the reorganisation plan.

On May 6, 2025, the non-operational subsidiary in the United Kingdom Creative Art Products Limited was closed.

Outlook

It is confirmed that the entire FY 2025 will be shaped by a complex macroeconomic environment, characterized by limited visibility and heightened uncertainty, primarily due to the persistence of geopolitical tensions, particularly the ongoing conflicts in Ukraine and the Gaza Strip, as well as tariff policies enacted by the U.S. Government.

The Group's operating performance over the coming months will be influenced by developments the United States, the growth of operations in Central-South America, and the continued recovery in Europe. In the US, the introduction of tariffs is generating significant market uncertainties, causing the supply chain to partially await developments and with consumption slowing.

The F.I.L.A. Group in this regard however, thanks to the global spread of its production facilities, is well equipped to minimize the negative impacts from tariff increases. In the coming months, the Group will remain focused on implementing its organizational efficiency program aimed at cost reduction, a project that will unfold over the coming years, as well as initiatives dedicated to operational and process optimization.

Treasury shares

On March 31, 2025, the Group held 330,766 treasury shares, for a total value of Euro 2,966 thousand (equal to the “Negative reserve for treasury shares in portfolio” deducted from consolidated shareholders’ equity).

It should be noted that the treasury shares currently held are largely allocated to serve the 2022-2026 Performance Shares Plan, which, in the event of reaching the related targets, calls for the assignment of a minimum number of shares (equal to approximately 165,000-170,000 shares for each of the three three-year cycles).

Accounting standards and basis of preparation

The Interim Financial Statements of the F.I.L.A. Group at March 31, 2025, 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 March 31, 2025

Consolidated Financial Statements

Statement of Financial Position

<i>Euro thousands</i>	March 31, 2025	December 31, 2024
Assets	1,164,129	1,179,702
Non-current assets	630,471	645,545
Intangible assets	364,679	375,746
Property, plant and equipment	104,950	108,667
Non-current financial assets	1,015	1,032
Equity-accounted investments	139,476	139,476
Other equity investments	26	26
Deferred tax assets	20,326	20,598
Current assets	533,658	534,157
Current financial assets	1,230	1,137
Current tax assets	4,488	4,346
Inventories	270,893	257,353
Trade receivables and other assets	128,791	94,978
Cash and cash equivalents	128,254	176,344
Liabilities and equity	1,164,129	1,179,702
Equity	623,789	632,803
Share capital	46,986	46,986
Negative reserve for treasury shares in portfolio	(2,966)	(2,966)
Reserves	135,347	144,782
Retained earnings	441,682	359,914
Profit for the period	(530)	81,767
Equity attributable to the owners of the parent	620,518	630,483
Equity attributable to non-controlling interests	3,271	2,320
Non-current liabilities	381,793	390,212
Non-current financial liabilities	310,008	316,766
Financial Instruments	1,462	1,260
Employee benefits	8,380	8,493
Provision for risks and charges	997	994
Deferred tax liabilities	60,815	62,567
Other liabilities	131	131
Current liabilities	158,547	156,686
Current financial liabilities	48,844	40,533
Current provision for risks and charges	861	1,132
Current tax liabilities	4,802	4,220
Trade payables and other liabilities	104,039	110,801

Statement of Comprehensive Income

<i>Euro thousands</i>	March 31, 2025	March 31, 2024
Revenue	136,324	131,898
Income	2,587	1,903
Total revenue	138,911	133,801
Raw materials, consumables, supplies and goods	(74,433)	(76,183)
Services and use of third party assets	(25,623)	(25,892)
Other costs	(1,889)	(1,350)
Change in raw materials, semi-finished products, work in progress and finished goods	19,036	23,201
Personnel expense	(34,266)	(33,145)
Amortisation and depreciation	(8,306)	(8,448)
Impairment losses on trade receivables and other assets	(1,402)	740
Other impairment losses	(21)	(62)
Total operating costs	(126,904)	(121,139)
Operating profit	12,008	12,663
Financial income	3,284	2,494
Financial expense	(13,191)	(6,344)
Gain on loss of control of subsidiary	(19)	-
Net financial expense	(9,926)	(3,850)
Pre-tax profit	2,081	8,812
Income taxes	(2,069)	(2,582)
Deferred taxes	513	224
Total taxes	(1,555)	(2,357)
Profit for the year	526	6,455
<i>Attributable to:</i>		
Non-controlling interests	1,056	277
Owners of the parent	(530)	6,178
Other comprehensive income (expense) which may be reclassified subsequently to Profit or Loss	(10,026)	7,295
Net exchange gains (losses)	(9,790)	5,192
Hedging reserve	(198)	2,397
Taxes	(38)	(294)
Other comprehensive income (expense) which may not be reclassified subsequently to Profit or Loss	171	315
Net actuarial gains	228	428
Taxes	(56)	(113)
Other comprehensive income (expense), net of tax effect	(9,855)	7,610
Comprehensive income (expense)	(9,329)	14,065
<i>Attributable to:</i>		
Non-controlling interests	951	239
Owners of the parent	(10,280)	13,826
Earnings per share:		
<i>basic</i>	<i>(0.01)</i>	<i>0.12</i>
<i>diluted</i>	<i>(0.01)</i>	<i>0.12</i>

Statement of Changes in Shareholders' 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, 2023	46,986	(2,966)	9,396	154,614	(1,670)	(23,980)	(7,935)	224,775	170,648	569,870	(3,906)	7,988	4,082	573,953
Profit for the year									81,767	81,767		(921)	(921)	80,846
Other comprehensive income (expense)					1,339	(239)	11,312			12,413	187		187	12,600
Other changes						1,942				1,942	(7)		(7)	1,935
Profit for the year and gains (losses) recognised directly in equity	-	-	-	-	1,339	1,704	11,312	-	81,767	96,122	180	(921)	(741)	95,381
Allocation of the 2023 profit								170,648	(170,648)	-	7,988	(7,988)	-	-
Dividends								(35,509)		(35,509)	(1,021)		(1,021)	(36,530)
December 31, 2024	46,986	(2,966)	9,396	154,614	(331)	(22,276)	3,378	359,914	81,767	630,483	3,242	(921)	2,320	632,803
<i>Euro thousands</i>														
December 31, 2024	46,986	(2,966)	9,396	154,614	(331)	(22,276)	3,378	359,914	81,767	630,483	3,242	(921)	2,320	632,803
Profit for the year									(530)	(530)		1,056	1,056	526
Other comprehensive income (expense)					171	(236)	(9,685)			(9,750)	(105)		(105)	(9,855)
Other changes						315				315	-		-	315
Profit for the year and gains (losses) recognised directly in equity	-	-	-	-	171	79	(9,685)	-	(530)	(9,965)	(105)	1,056	951	(9,014)
Allocation of the 2024 profit								81,767	(81,767)	-	(921)	921	-	-
Dividends										-			-	-
March 31, 2025	46,986	(2,966)	9,396	154,614	(160)	(22,197)	(6,307)	441,682	(530)	620,518	2,214	1,056	3,271	623,789

Consolidated Statement of Cash Flows

<i>Euro thousands</i>	March 31, 2025	March 31, 2024
Profit for the period	526	6,455
Non-monetary and other adjustments:	21,695	13,786
Amortisation and depreciation of intangible assets and property, plant and equipment	5,908	5,987
Amortisation and depreciation of right-of-use assets	2,398	2,461
Net impairment losses on intangible assets and property, plant and equipment	21	62
Impairment gains/losses on trade receivables and write-downs of inventories	1,016	(1,117)
Accruals for post-employment and other employee benefits	431	463
Net exchange gains/losses on foreign currency trade receivables and payables	453	(239)
Net gains/losses on the sale of intangible assets and property, plant and equipment	(13)	(39)
Net financial expense	9,926	3,850
Taxes	1,555	2,358
Addition for:	(7,742)	301
Income taxes paid	(1,698)	(1,354)
Net unrealised exchange gains/losses on foreign currency assets and liabilities	(3,940)	1,760
Net realised exchange gains/losses on foreign currency assets and liabilities	(2,104)	(105)
Cash flows from operating activities before changes in net working capital	14,479	20,542
Changes in net working capital:	(59,680)	(50,201)
Change in inventories	(18,650)	(22,824)
Change in trade receivables and other assets	(36,673)	(24,122)
Change in trade payables and other liabilities	(3,833)	(3,040)
Change in other assets and liabilities	(257)	(41)
Change in post-employment and other employee benefits	(267)	(174)
Net cash flows from operating activities	(45,201)	(29,659)
Net increase/decrease in intangible assets	(771)	(1,050)
Net increase/decrease in property, plant and equipment	(2,297)	(1,234)
Net increase/decrease in other financial assets	627	(2,328)
Interest collected	372	278
Net cash flows used in investing activities	(2,069)	(4,334)
Change in equity	-	(29,451)
Financial expense	(3,700)	(5,409)
Interests paid on IFRS16	(823)	(907)
Net increase/decrease in loans and borrowings and lease liabilities	6,936	12,572
Net increase/decrease in IFRS16 liabilities	(2,367)	(2,187)
Net cash flows from (used in) financing activities	46	(25,383)
Net exchange gains/losses	(9,790)	5,192
Other non-monetary changes	8,661	(5,642)
Net cash flows for the period	(48,353)	(59,826)
Opening cash and cash equivalents net of current account overdrafts	172,854	124,807
Closing cash and cash equivalents net of current account overdrafts	124,501	64,981

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>	March 31, 2025	December 31, 2024	March 31, 2024
Opening Cash and Cash Equivalents	172,854	124,807	124,807
Cash and cash equivalents	176,344	125,851	125,851
Current account overdrafts	(3,490)	(1,044)	(1,044)
Closing Cash and Cash Equivalents	124,501	172,854	64,981
Cash and cash equivalents	128,254	176,344	65,787
Current account overdrafts	(3,753)	(3,490)	(806)

Attachments

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

Company	Country	Segment IFRS S 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	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%	Dixon Ticonderoga Company F.I.L.A. Chile Ltda	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%
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 Beneux 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%
Fila Group 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%
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 Ticonderoga Company Dixon Canadian Holding Inc.	Line-by-Line	0.00%
Princeton Hong Kong Co. Ltd.	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 ²	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%
DOMS Industries Limited	India	AS	2015	26.01%	0.00%	26.01%	Fila S.p.A.	Equity method	73.99%
Grupo FILA PERU S.A.C.	Peru	CSA	2024	0.00%	51.00%	51.00%	F.I.L.A. Chile Ltda	Line-by-Line	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, during Q1 2025 the F.I.L.A. Group did not undertake any atypical and/or unusual operations 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 company'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



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May 13, 2025

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

The undersigned Cristian Nicoletti, 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 March 31, 2025 corresponds to the underlying accounting records.

The Executive Officer responsible
for the preparation of the financial statements
Cristian Nicoletti

 **FILA GROUP** | COLORIAMO IL FUTURO DAL 1920.

GIOTTO **GIOTTO**  **DAS**  **PONGO** **MAIMERI** **DALER**  **ROWNEY** **FERRARIO**  **LYRA**
ARCHES  **ST CUTHBERTS MILL** **CANSON**  **Strathmore**