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

EXPLANATORY REPORT OF THE BOARD OF DIRECTORS ON POINT 1 OF THE AGENDA OF THE ORDINARY SHAREHOLDERS' MEETING OF F.I.L.A. - FABBRICA ITALIANA LAPIS ED AFFINI S.P.A., CALLED FOR SEPTEMBER 28, 2026 IN SINGLE CALL.

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

Report approved by the Board of Directors of F.I.L.A. – Fabbrica Italiana Lapis ed Affini S.p.A. at the meeting of August 6, 2026 and available on the website www.filagroup.it.

Point 1 on the Agenda of the Ordinary Shareholders' Meeting of F.I.L.A. - Fabbrica Italiana Lapis ed Affini S.p.A., called for September 28, 2026 in single call:

1. **Proposal to distribute an extraordinary dividend to be taken from available reserves; resolutions thereon.**

* * *

Dear Shareholders,

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

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

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As regards the first point on the Shareholders' Meeting Agenda, the Board of Directors intends to submit for your approval a proposal to distribute an extraordinary dividend, for stock market purposes, in the total amount of Euro 23,210,058, from the "Retained Earnings" reserve, as explained below.

In this regard, the Board of Directors preliminarily points out that:

- the financial statements for the year ended December 31, 2025 presented Shareholders' Equity of Euro 317,191 thousand and available reserves of Euro 261,789 thousand, and specifically, a "Retained earnings" reserve of Euro 93,811 thousand;
- the Board of Directors approved the Company's statement of financial position as of June 30, 2026, which indicates that at that date, the Company had available reserves totalling Euro 241,386 thousand and, specifically, a "Retained Earnings/Accumulated Losses" reserve of Euro 73,410 thousand; in this regard, upon approval of the financial statements for the year ended December 31, 2025, the Shareholders' Meeting had, among other matters, approved: (i) to cover the loss of Euro 8,228,852.88 reported in the financial statements at December 31, 2025 by utilising the "Retained Earnings/Accumulated Losses" reserve; and (ii) the distribution of a dividend of Euro 0.24 per Fila share (ordinary and special) in circulation at the relevant ex-dividend date, to be paid from the same available "Retained Earnings" reserve; consequently, the value of the "Retained Earnings" reserve was reduced by the aforementioned amount;
- this Company's statement of financial position at June 30, 2026 also presents a positive balance of Euro 71,354 thousand;
- the Company is not in the situation referred to in Article 2433, paragraph 3 of the Civil Code.

On this basis, the following tables present the Company's shareholders' equity as reported, respectively, the financial statements at December 31, 2025 and in Fila's statement of financial position at June 30, 2026; in addition, referring to the provisions of Article 2427, paragraph 7-*bis*, of the Civil Code, the relative possibility of use and availability is indicated for each item, as well as the total amount of reserves distributable to shareholders.

Status of distributable reserves at December 31, 2025

	Balance at 31.12.2025	Possibility of utilisation	Quota available
Share capital	**46,986**		
Treasury shares	(2,114)		
Capital Reserves:			
Legal reserve	9,397	B	9,397
Share Premium reserve	154,696	A, B, C	154,696
IAS 19 reserve	(574)		
NE reserve for Cash Flow Hedge	(624)	N	0
Other reserves	23,842	A, B, C	3,885
Retained Earnings/ (accumulated losses)	93,811	A, B, C	93,811
Total	**325,420**		**261,789**

Key
N - totally unavailable
A - for share capital increase
B - to cover losses
C - for distribution to shareholders

Status of distributable reserves at June 30, 2026

Shareholders' Equity items *(Euro thousands)*	Balance at 30/6/2026	Possibility of utilisation	Quota available
Share capital	**46,986**		
Treasury shares	(4,942)		
Capital Reserves:			
Legal reserve	9,397	B	9,397
Share Premium reserve	154,696	A, B, C	154,696
IAS 19 reserve	(629)		
NE reserve for Cash Flow Hedge	(….)	N	0
Other reserves	23,359	A, B, C	3,885
Retained Earnings/(accumulated losses)	73,410	A, B, C	73,410
Total	**302,275**		**241,386**

Key
N - totally unavailable
A - for share capital increase
B - to cover losses
C - for distribution to shareholders

As can be seen from the tables above, the statement of financial position for the year ended December 31, 2025 presented shareholders' equity, including the loss for the year, amounting to Euro 317,191 thousand and available reserves totalling Euro 325,420 thousand (of which Euro 261,789 thousand were available for distribution to shareholders), while the statement of financial position at June 30, 2026 presented total shareholders' equity of Euro 373,629 thousand and available reserves totalling Euro 302,275 thousand (of which Euro 241,386 thousand were available for distribution to shareholders).

Furthermore, as reported to the market, June 16, 2026 saw the conclusion of the placement via accelerated bookbuilding of ordinary shares of the Indian company DOMS Industries Limited (**"DOMS"**), which is listed on the BSE Limited and National Stock Exchange of India Limited. As part of this transaction, Fila - acting as the selling shareholder - placed 4,248,184 DOMS shares for a total consideration of approximately Euro 85.26 million.

In the light of the aforementioned extraordinary liquidity event, the Board of Directors, with a view to aligning the interests of Fila's shareholders with the achievement of the company objectives and the sharing of the related benefits, having examined the statement of financial position at June 30, 2026 (in particular with regard to the available reserves), deemed it appropriate to submit to the Shareholders the distribution, from the Retained Earnings reserve, of an extraordinary dividend of Euro 0.46 for each F.I.L.A. S.p.A. (ordinary and special) that will be in circulation on the ex-dividend date (net of treasury shares in portfolio on that date).

Therefore, considering the 51,058,297 F.I.L.A. S.p.A. shares outstanding as of today, less the 596,909 treasury shares held by Fila, the total maximum amount of the proposed dividend would be Euro 23,212,238. In light of the statement of financial position outlined above, the Company has liquidity that allows it to make the distribution, where approved by the Shareholders' Meeting and without jeopardising its equity, financial and operating equilibrium.

The dividend will be paid on October 28, 2026, with ex-dividend date of October 26 and record date, pursuant to Article *83-terdecies* of the CFA, of October 27, 2026.

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

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

— *noting that the financial statements at December 31, 2025, approved by the Shareholders' Meeting of April 29, 2026, report available and distributable reserves, which allow for the distribution of dividends as proposed;*

— *given the statement of financial position at June 30, 2026, which shows that the value of the above reserves has not changed significantly and that they still allow for the distribution of a special dividend in the proposed amount;;*

— *having reviewed the Explanatory Report of the Board of Directors;*

resolves

1. *to distribute to the shareholders, from the Retained Earnings reserve, an extraordinary dividend of Euro 0.46 for each F.I.L.A. S.p.A. share (ordinary and special) in circulation on the coupon date (net of treasury shares in portfolio on the record date indicated in point 2 of this resolution);*

2. *to stipulate that the ex-dividend date, the date of entitlement to the payment of the dividend (record date) and the payment date, shall be October 26, October 27 and October 28, 2026, respectively;*

3. *to grant the Board of Directors and, on its behalf, the Executive Directors, severally, all the broadest powers to concretely and fully implement the above resolutions in compliance with the applicable regulations*.

Pero, August 25, 2026

The Chairperson of the Board of Directors

(*Giovanni Gorno Tempini*)