

**DIRECTORS' REPORT**  
**ON THE SECOND ITEM ON THE AGENDA FOR THE EXTRAORDINARY PART OF THE**

**ANNUAL GENERAL MEETING**  
**CONVENED IN ORDINARY AND EXTRAORDINARY SESSION**  
**FOR 19 APRIL 2024**

*(Report prepared in accordance with Article 125-ter of the Consolidated Law on Finance and Article 72 of the Issuers' Regulation)*

SECOND ITEM ON THE AGENDA FOR THE EXTRAORDINARY PART

*‘Proposal to grant powers to the Board of Directors, pursuant to Article 2443 of the Civil Code, for a period of 5 years from the date of the resolution, to increase the share capital, free of charge and also in multiple tranches, pursuant to Article 2349 of the Civil Code, with the issue of a maximum of 1,200,000 ordinary shares, with a nominal value of €1.50 each and thus for a maximum amount of €1,800,000.00, to be assigned to employees of De’ Longhi S.p.A. and of its subsidiaries who are beneficiaries of the share-based incentive plan concerning the ordinary shares of De’ Longhi S.p.A. called ‘2024-2026 Performance Share Plan’; consequent amendment of Article 5-quater of the Articles of Association. Resolutions thereon.’*

Dear Shareholders,

This report is provided in accordance with Article 125-ter of Legislative Decree No. 58 of 24 February 1998 (the ‘**Consolidated Law on Finance**’) and Article 72 of the Implementation Regulation of the Consolidated Law on Finance concerning the regulation of issuers, adopted by Consob with Resolution No. 11971 of 14 May 1999, as subsequently amended (the ‘**Issuers’ Regulation**’), and has been drafted in accordance with Annex 3A, Schemes 2 and 3 of the Issuers’ Regulation.

At the meeting on 12 March 2024, the Company’s Board of Directors (the ‘**Board of Directors**’) decided to convene you, in extraordinary session, to submit for your approval the proposal to grant powers to the Board of Directors, pursuant to Article 2443 of the Civil Code, for a period of 5 years from the date of the resolution, to increase the share capital, free of charge and also in multiple tranches, pursuant to Article 2349 of the Civil Code, for a maximum of €1,800,000.00, with the issue of a maximum of 1,200,000 ordinary shares, with a nominal value of €1.50 each (the ‘**Capital Increase**’), to be assigned to employees of De’ Longhi S.p.A. and of its subsidiaries who are beneficiaries of the share-based incentive plan concerning the ordinary shares of De’ Longhi S.p.A. called ‘2024-2026 Performance Share Plan’ (the ‘**2024-2026 Performance Share Plan**’ or the ‘**Plan**’) with the consequent amendment of Article 5-quater of the Articles of Association of De’ Longhi S.p.A. (the ‘**Articles of Association**’).

### ***1. Reasons for and purpose of the Capital Increase***

The resolution submitted to the extraordinary session of the Annual General Meeting of Shareholders of De’ Longhi S.p.A. (the ‘**Company**’ or ‘**De’ Longhi**’) is related to the implementation of the new 2024-2026 Performance Share Plan that, during the meeting held on 12 March 2024, the Board of Directors, upon the proposal of the Remuneration and Appointments Committee and having consulted the Board of Statutory Auditors as appropriate, resolved to submit to the Shareholders for their examination and approval, as the fourth item on the agenda of the ordinary part of the Annual General Meeting.

The Plan is reserved for the Chief Executive Officer and the General Manager of the Company, as well as for a limited number of managers in the De’ Longhi Group – to be identified from among managers in the Group who hold roles that are strategically relevant or otherwise able to make a significant contribution to the pursuit of the Group’s strategic objectives – (the ‘**Beneficiaries**’), and its implementation is envisaged by means of the allotment, free of charge, of ordinary shares of De’ Longhi (the ‘**Shares**’) upon the

achievement of certain predefined performance objectives (the ‘**Performance Objectives**’).

In particular, the Plan concerns the assignment, free of charge, of rights which, upon the achievement of the Performance Objectives and upon the occurrence of predefined conditions, allow the Beneficiaries to receive one (1) Share, free of charge, for each right assigned (the ‘**Rights**’). It being understood that the actual number of Shares to be allocated, if any, will be determined based on the level of achievement and/or surpassing of the aforementioned Performance Objectives.

The Plan envisages that the Shares servicing it will be taken from the treasury shares held in the Company’s portfolio following purchases made on the market, also to service the Plan, pursuant to Article 2357 of the Civil Code, the provisions of the Consolidated Law on Finance and the Issuers’ Regulation or, should these not be sufficient, from a capital increase, free of charge and also in multiple tranches to be executed pursuant to Article 2349 of the Civil Code and, therefore, through the use of profits and profit reserves.

Therefore, in order to ensure that the Company has a sufficient supply of Shares to assign to the Beneficiaries of the Plan in the event that the Performance Objectives are achieved, the Board of Directors resolved to submit to your attention the proposal to grant the Board, pursuant to Article 2443 of the Civil Code, the power to increase the share capital, free of charge, for a period of 5 years from the date of the resolution, also in multiple tranches, pursuant to Article 2349 of the Civil Code, for a maximum amount of €1,800,000.00 by issuing a maximum number of 1,200,000 ordinary shares with a par value of €1.50 each, to be allotted to the Beneficiaries of the Plan, in the event that the Company does not hold a sufficient number of treasury shares in its portfolio to cover the allotment of Shares to the Beneficiaries.

For more details on the Plan and, in particular, on the reasons for its adoption, reference is made to the ‘*Directors’ Report on the fourth item on the agenda for the ordinary part*’ of the Annual General Meeting, as well as the information document on the Plan drafted pursuant to Article 84-bis(1) of the Issuers’ Regulation in accordance with Scheme 7 of Annex 3A of the same regulation, annexed to it, made available to the public at the Company’s registered office and published on the website [www.delonghigroup.com](http://www.delonghigroup.com), in the section ‘*Governance*’ – ‘*Corporate Bodies*’ – ‘*Annual General Meeting 2024*’, as well as on the IINFO authorised storage mechanism available on the website ([www.linfo.it](http://www.linfo.it)).

## ***2. Characteristics of the Capital Increase reserved for the Beneficiaries of the Plan***

In order to implement the capital increase to service the Plan, it is therefore proposed to grant the Board of Directors, pursuant to Article 2443 of the Civil Code, the power to increase the share capital, free of charge, also in multiple tranches, by drawing from the profits or profit reserves to be allocated for this purpose and to be identified by the Board of Directors, pursuant to Article 2349 of the Civil Code, for a maximum amount of €1,800,000.00 by issuing a maximum of 1,200,000 ordinary shares, with a par value of €1.50 each. The Plan is structured over a 3-year period (2024, 2025, 2026) and provides for the assignment of the Rights to the Beneficiaries to be carried out in FY 2024 (without prejudice to the right of the Board of Directors to extend this period until the 18th month following the date of approval of the Plan by the Annual General Meeting), and the possible allotment of the Shares to be carried out in 2027 after verifying the degree of achievement of the pre-established Performance Objectives. The maximum total number

of Shares to be allotted to the Beneficiaries is 1,200,000. The Capital Increase pursuant to Article 2349(1) of the Civil Code must be implemented through the utilisation of profits and/or profit reserves as resulting from the last approved financial statements during the financial year in which the Shares are to be allotted. For this reason, it is believed that the instrument most technically effective for this purpose is to grant the Board of Directors, pursuant to Article 2443 of the Civil Code, the power to increase the share capital, free of charge, to service the Plan. The Board of Directors shall also be vested with the power to identify, in due time and on each occasion, the profits and/or profit reserves to be allocated for this purpose, with the power to make the appropriate accounting entries following the share issue transactions, in compliance with the provisions of the law and the accounting standards applicable at the time.

**3. Characteristics of the newly issued shares**

The Shares to be allotted to the Beneficiaries of the Plan have regular dividend rights and, therefore, the rights related to them belong to each Beneficiary from the moment in which they become the owner of such shares and shall be accompanied by the coupons in force on said date.

**4. Amendments to the Articles of Association**

The approval of the illustrated proposal will entail the amendment and integration of the Article of the Company’s Articles of Association entitled ‘Art. 5-*quater*’ contained in Title II, as highlighted in red in the right column of the following table, whereas the current text of each article is shown in the left column:

<b>Current Text</b>	<b>Proposed Text</b>
<p data-bbox="268 1267 815 1301"><b>Title II – SHARE CAPITAL – SHARES</b></p> <p data-bbox="456 1346 627 1379"><b>Art. 5-<i>quater</i></b></p> <p data-bbox="256 1420 831 1977">On 22 April 2020, the Shareholders’ Meeting approved the “Stock Options Plan 2020-2027” (hereinafter the Plan), for the Chief Executive Officer of the Company and a limited number of Top Managers of the De’ Longhi Group (hereinafter, jointly, the Beneficiaries), which provides for the Beneficiaries being granted a maximum of 3,000,000 (three million) Options, which give the holder the right to: (i) purchase De’ Longhi shares (the “Shares”) in the Company’s portfolio following purchases made on the market, also to service the Stock Options Plan, pursuant to Art. 2357 of the Civil Code, the provisions of the TUF and the</p>	<p data-bbox="874 1267 1422 1301"><b>Title II – SHARE CAPITAL – SHARES</b></p> <p data-bbox="1062 1346 1233 1379"><b>Art. 5-<i>quater</i></b></p> <p data-bbox="860 1420 1450 1977">On 22 April 2020, the Shareholders’ Meeting approved the “Stock Options Plan 2020-2027” (hereinafter the Plan), for the Chief Executive Officer of the Company and a limited number of Top Managers of the De’ Longhi Group (hereinafter, jointly, the Beneficiaries), which provides for the Beneficiaries being granted a maximum of 3,000,000 (three million) Options, which give the holder the right to: (i) purchase De’ Longhi shares (the “Shares”) in the Company’s portfolio following purchases made on the market, also to service the Stock Options Plan, pursuant to Art. 2357 of the Civil Code, the provisions of the TUF and the</p>

<p>Issuers' Regulations (the "Treasury Shares") on the date on which the Beneficiary will exercise the Options, or, if the Treasury Shares at that date are not sufficient, (ii) to subscribe newly issued Shares with a nominal value of €1.50 (one euro fifty cents) each at the rate of one Share per Option.</p> <p>To this end, to service "Stock Options Plan 2020-2027", it was therefore resolved to increase the share capital by payment, in one or more tranches, for a maximum nominal amount of €4,500,000.00 (four million five hundred thousand euros/zero cents), with the issue of a maximum of 3,000,000 (three million) ordinary shares with a par value of €1.50 (one euro fifty cents) each, having the same characteristics as the ordinary shares in circulation at the date of issue, excluding the pre-emption rights pursuant to Art. 2441, paragraphs 4, second subparagraph, and 8 of the civil code, and Art. 5-bis, paragraph 3 of the articles of association.</p> <p>The Board of Directors has the power to assign the related subscription rights according to criteria and in the manner provided in the "Rules for the Stock Options Plan 2020-2027", indicated here as the Rules.</p> <p>The capital increase can be subscribed based on the rights as assigned by 31st (thirty-first) December 2027 (twenty twenty-seven) and, if not fully subscribed by that date, will be determined as the lower amount resulting from the actual subscriptions.</p> <p>Upon the terms and conditions referred to in Article 11 of the Rules, and except as specified in Articles 15, 16 and 17 of the Rules, the Options may be exercised by the Beneficiaries – in one or more tranches – only and exclusively in the Exercise Period, between:</p> <ol style="list-style-type: none"> <li>1) 15 May 2023 and 31 December 2027, for a maximum of 50% of the total Options assigned to each Beneficiary, except for the suspension periods described in Article 12 of the Rules;</li> <li>2) 15 May 2024 and 31 December 2027, for</li> </ol>	<p>Issuers' Regulations (the "Treasury Shares") on the date on which the Beneficiary will exercise the Options, or, if the Treasury Shares at that date are not sufficient, (ii) to subscribe newly issued Shares with a nominal value of €1.50 (one euro fifty cents) each at the rate of one Share per Option.</p> <p>To this end, to service "Stock Options Plan 2020-2027", it was therefore resolved to increase the share capital by payment, in one or more tranches, for a maximum nominal amount of €4,500,000.00 (four million five hundred thousand euros/zero cents), with the issue of a maximum of 3,000,000 (three million) ordinary shares with a par value of €1.50 (one euro fifty cents) each, having the same characteristics as the ordinary shares in circulation at the date of issue, excluding the pre-emption rights pursuant to Art. 2441, paragraphs 4, second subparagraph, and 8 of the civil code, and Art. 5-bis, paragraph 3 of the articles of association.</p> <p>The Board of Directors has the power to assign the related subscription rights according to criteria and in the manner provided in the "Rules for the Stock Options Plan 2020-2027", indicated here as the Rules.</p> <p>The capital increase can be subscribed based on the rights as assigned by 31st (thirty-first) December 2027 (twenty twenty-seven) and, if not fully subscribed by that date, will be determined as the lower amount resulting from the actual subscriptions.</p> <p>Upon the terms and conditions referred to in Article 11 of the Rules, and except as specified in Articles 15, 16 and 17 of the Rules, the Options may be exercised by the Beneficiaries – in one or more tranches – only and exclusively in the Exercise Period, between:</p> <ol style="list-style-type: none"> <li>1) 15 May 2023 and 31 December 2027, for a maximum of 50% of the total Options assigned to each Beneficiary, except for the suspension periods described in Article 12 of the Rules;</li> <li>2) 15 May 2024 and 31 December 2027, for</li> </ol>
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the remaining 50% of the total Options assigned to each Beneficiary, except for the suspension periods described in Article 12 of the Rules.

The issue price of the shares, including any premium, when exercising the option rights assigned to the Beneficiaries of the Plan, will be determined by the company's board of directors at the price per share that will be equal to the arithmetical average of the official prices recorded for the Shares on the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A. in the 180 calendar days before the date the "Stock Options Plan 2020-2027" and its Rules were approved by the Meeting of the Company's Shareholders.

The shares will have regular dividend rights and, therefore, the rights related to them will belong to each beneficiary from the moment in which the beneficiary becomes the owner of the shares, subject to the clarifications set out below concerning their transfer.

Furthermore:

- the Options may be exercised by the Beneficiaries using the so-called "sell to cover" method, which consists in the possibility for the Beneficiary to exercise the Options assigned (whether all or part of them) by means of the simultaneous sale on the market of a part of the Opted Shares, in order to cover the costs related to the exercise of the Options assigned (i.e. the total price of the exercise, prepayment of withholding taxes, any capital gains and brokerage fees), thus keeping the remainder of the Shares not sold in their own securities account, in accordance with Article 14 of the Rules;
- without prejudice to Articles 17 and 18 of these Rules, when Options are exercised using the sell to cover method, 55% (fifty-five percent) of the remaining unsold Shares cannot be transferred and/or sold under the following conditions (these restrictions are defined below as the Holding Period).

The Holding Period is:

- \* 24 months for Shares purchased and/or

the remaining 50% of the total Options assigned to each Beneficiary, except for the suspension periods described in Article 12 of the Rules.

The issue price of the shares, including any premium, when exercising the option rights assigned to the Beneficiaries of the Plan, will be determined by the company's board of directors at the price per share that will be equal to the arithmetical average of the official prices recorded for the Shares on the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A. in the 180 calendar days before the date the "Stock Options Plan 2020-2027" and its Rules were approved by the Meeting of the Company's Shareholders.

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- without prejudice to Articles 17 and 18 of these Rules, when Options are exercised using the sell to cover method, 55% (fifty-five percent) of the remaining unsold Shares cannot be transferred and/or sold under the following conditions (these restrictions are defined below as the Holding Period).

The Holding Period is:

- \* 24 months for Shares purchased and/or

<p>subscribed by the Beneficiary during the first exercise period indicated above (15 May 2023 - 31 December 2027), and</p> <p>* 12 months for Shares purchased and/or subscribed by the Beneficiary during the second exercise period indicated above (15 May 2024 - 31 December 2027).</p> <p>Shares subject to the Holding Period will be freely available and therefore freely transferrable by the Beneficiary only at the end of the Holding Period.</p> <p>In any case, the assigned options can be exercised by the beneficiaries within the times and under the conditions envisaged in the “Rules for the Stock Options Plan 2020-2027”.</p> <p>The Board of Directors is granted the power to implement this resolution, including the power to: (i) determine when to assign the subscription rights, taking into account the period in which these can be exercised; (ii) upon the proposal of the Remuneration and Appointments Committee or the Company’s Chief Executive Officer, having consulted the Board of Statutory Auditors according to their respective responsibilities, identify by name the individual beneficiaries belonging to the Top Management; (iii) determine the quantity of subscription rights to assign to the Beneficiaries upon the proposal of: a) the Remuneration and Appointments Committee, having consulted the Board of Statutory Auditors, limited to the options to be assigned to the Beneficiaries that fall within their respective responsibilities, or b) upon the proposal of the Chief Executive Officer, having consulted the Remuneration and Appointments Committee, in the other cases, while respecting the maximum number of Options envisaged under the Plan; and (iv) issue the new shares – also in coordination with any placement of the shares in execution of the “Stock Options Plan 2016-2022” as resolved on 16 April 2016, guaranteeing the principle of implementation of the increase issued after the full release of the shares subscribed</p>	<p>subscribed by the Beneficiary during the first exercise period indicated above (15 May 2023 - 31 December 2027), and</p> <p>* 12 months for Shares purchased and/or subscribed by the Beneficiary during the second exercise period indicated above (15 May 2024 - 31 December 2027).</p> <p>Shares subject to the Holding Period will be freely available and therefore freely transferrable by the Beneficiary only at the end of the Holding Period.</p> <p>In any case, the assigned options can be exercised by the beneficiaries within the times and under the conditions envisaged in the “Rules for the Stock Options Plan 2020-2027”.</p> <p>The Board of Directors is granted the power to implement this resolution, including the power to: (i) determine when to assign the subscription rights, taking into account the period in which these can be exercised; (ii) upon the proposal of the Remuneration and Appointments Committee or the Company’s Chief Executive Officer, having consulted the Board of Statutory Auditors according to their respective responsibilities, identify by name the individual beneficiaries belonging to the Top Management; (iii) determine the quantity of subscription rights to assign to the Beneficiaries upon the proposal of: a) the Remuneration and Appointments Committee, having consulted the Board of Statutory Auditors, limited to the options to be assigned to the Beneficiaries that fall within their respective responsibilities, or b) upon the proposal of the Chief Executive Officer, having consulted the Remuneration and Appointments Committee, in the other cases, while respecting the maximum number of Options envisaged under the Plan; and (iv) issue the new shares – also in coordination with any placement of the shares in execution of the “Stock Options Plan 2016-2022” as resolved on 16 April 2016, guaranteeing the principle of implementation of the increase issued after the full release of the shares subscribed</p>
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<p>previously – and amend the Articles of Association with the amount of share capital resulting from the subscription operations.</p>	<p>previously – and amend the Articles of Association with the amount of share capital resulting from the subscription operations.  <b>The directors are given the power, for five years starting from 19 April 2024, to increase the share capital, free of charge and also in multiple tranches, to service the implementation of the share-based incentive plan called the “2024-2026 Performance Share Plan”, for a maximum amount of €1,800,000.00, by issuing a maximum of 1,200.000 new ordinary shares with a nominal value of €1.50 (one euro fifty cents) each, having the same characteristics as those in circulation, with regular dividend rights, by allocating to capital the corresponding amount of profits and/or profit reserves resulting from the last financial statements approved on each occasion, according to the terms, conditions and procedures set out in the Plan itself, all pursuant to Article 2349 of the Civil Code.</b></p>
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It should be noted that, if approved by the Annual General Meeting, the proposed amendment to the Articles of Association shall be effective as of the recording of the relevant resolution of the Annual General Meeting in the relevant Company Register.

The proposed amendment to the Articles of Association does not give shareholders who did not participate in the resolution that is the subject of this report the right to withdraw under Article 2437 of the Civil Code.

### **5. Proposed resolution**

Dear Shareholders,

For the reasons illustrated above, the Board of Directors proposes that you pass the following resolution:

*‘The Extraordinary Annual General Meeting of the Shareholders of De’ Longhi S.p.A., duly convened and able to pass resolutions in extraordinary session:*

- based on the report by the Board of Directors, prepared in accordance with Article 125-ter of Legislative Decree No. 58 of 24 February 1998, as subsequently amended, and Article 72 of Consob Resolution No 11971 of 14 May 1999, as subsequently amended;
- having regard to the proposals for the adoption of the share-based incentive plan called the ‘2024-2026 Performance Share Plan’ and the introduction in the Company’s Articles of Association of the option to allocate profits and/or profit reserves to employees through the issue of shares reserved to them, pursuant to Article 2349(1) of the Civil Code, as set



forth in the fourth item on the agenda of the ordinary session and the first item on the agenda of the extraordinary session;

**RESOLVES**

1. to grant the Board of Directors, pursuant to Article 2443 of the Civil Code, for a period of 5 years starting from the date of this resolution, the power to increase the share capital, free of charge and in multiple tranches, to service the implementation of the plan called the '2024-2026 Performance Share Plan' for a maximum amount of €1,800,000.00, by issuing a maximum of 1,200.000 new ordinary shares with a nominal value of €1.50 (one euro fifty cents) each, having the same characteristics as those in circulation, with regular dividend rights, by allocating to capital the corresponding amount of profits and/or profit reserves resulting from the last financial statements approved on each occasion, pursuant to Article 2349 of the Civil Code, according to the terms, conditions and procedures set out in the 2024-2026 Performance Share Plan;

2. to amend Article 5-quater of the Articles of Association with the introduction of a new sentence to the following effect: 'The directors are given the power, for five years starting from 19 April 2024, to increase the share capital, free of charge and also in multiple tranches, to service the implementation of the share-based incentive plan called the '2024-2026 Performance Share Plan', for a maximum amount of €1,800,000.00, by issuing a maximum of 1,200.000 new ordinary shares with a nominal value of €1.50 (one euro fifty cents) each, having the same characteristics as those in circulation, with regular dividend rights, by allocating to capital the corresponding amount of profits and/or profit reserves resulting from the last financial statements approved on each occasion, according to the terms, conditions and procedures set out in the Plan itself, all pursuant to Article 2349 of the Civil Code';

3. to grant as of now to the Board of Directors, and on its behalf to the legal representatives pro tempore, jointly and severally, all powers to make, from time to time, any changes to Art. 5 of the Articles of Association relating to the amount of the share capital and consequent to the resolutions, execution and completion of the authorised capital increase, to this end carrying out all fulfilments and disclosures required by the law, and also to fulfil all formalities necessary for the adopted resolutions to be registered in the relevant Company Register, and to introduce into these resolutions any amendments, variations or additions that may be necessary or in any case required by the competent authorities, as well as all powers to carry out the legal and regulatory fulfilments consequent to the adopted resolutions, including the cancellation of the clause in the Articles of Association relating to the authorised increase once the deadline for execution has expired.'

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The Directors' Report will be made available to the public on **29 March 2024** at the Company's registered office and on its website [www.delonghigroup.com](http://www.delonghigroup.com) (section 'Governance' – 'Corporate Bodies' – 'Annual General Meeting 2024'), and on the IINFO authorised storage mechanism accessible via the website [www.1info.it](http://www.1info.it).

Treviso, 12 March 2024

For the Board of Directors

The Chairman

Giuseppe de' Longhi