

**DIRECTORS' REPORT
ON THE ITEM ON THE AGENDA**

**SHAREHOLDERS' MEETING
CONVENED IN ORDINARY SESSION
FOR 15 DECEMBER 2020**

(Report prepared in accordance with Article 125-ter of the TUF and Article 84-ter of the Issuers' Regulation)

Dear Shareholders,

In compliance with Article 125-*ter* of Legislative Decree No. 58 of 24 February 1998, (the “**TUF**”), as later amended, and with Article 84-*ter* of the regulation implementing the TUF regarding regulation of issuers, adopted by Consob with Resolution No. 11971 of 14 May 1999, as amended, (the “**Issuers’ Regulation**”), the Board of Directors of De’ Longhi S.p.A (the “**Company**” or the “**Issuer**”) hereby provides you with an report (the “**Report**”) explaining the item on the agenda for the Shareholders’ Meeting convened in ordinary session - by notice published on **13 November 2020** on the Company’s website (www.delonghigroup.com, section “*Governance*” – “*Corporate Bodies*” – “*Shareholders’ Meeting*”) and on the IInfo authorised storage mechanism (accessible via the website www.1info.it), and on **14 November 2020** in extract form in the “*Italia Oggi*” newspaper – at the Company’s registered office in Via L. Seitz 47, Treviso, Italy for **15 December 2020** at **8:45am**, in single call (the “**Shareholders’ Meeting**”).

In particular, the item on the **agenda** of the above Shareholders’ Meeting is the following:

1. Proposed dividend distribution. Resolutions thereon.

This Report will be, on **13 November 2020**, filed at the registered office and made available to the public on the Company’s website at the following address www.delonghigroup.com (section “*Governance*” - “*Corporate Bodies*” - “*Shareholders’ Meeting*”), and on the IINFO authorised storage mechanism accessible via the website www.1info.it.

ITEM ON THE AGENDA OF THE SHAREHOLDERS' MEETING

“Proposed dividend distribution. Resolutions thereon.”

Dear Shareholders,

You are asked to discuss and resolve on the proposed distribution of a dividend.

This proposal stems from the observation that, despite the COVID-19 pandemic, the current year has shown a particularly positive trend for the company and the De' Longhi Group.

We remind you that the Board of Directors had proposed the distribution of a dividend of €0.54 for each share in circulation in view of the Shareholders' Meeting held on 22 April 2020 for the approval of the financial statements for the year ended 31 December 2019.

Accepting the proposal of the majority shareholder De Longhi Industrial S.A., the Shareholders' Meeting nevertheless decided, as a precautionary measure, not to distribute any dividend, given the general uncertainty resulting from the current pandemic.

Today the Board of Directors examined and approved the “*Interim Financial Report at 30 September 2020*” - available to shareholders and the public at the Company's registered office and on its website www.delonghigroup.com (section “*Investors*”, “*Results*”), and on the IINFO authorised storage mechanism accessible via the website www.info.it – which shows strong growth in revenues, margins and cash generation.

In light of the good performance of the Company and the De' Longhi Group during the current year, confirmed by the results achieved at 30 September 2020, the Board of Directors believes that the Shareholders' Meeting should renew the proposal to distribute a dividend of the same amount as that proposed at the time of approving the financial statements for the year ending 31 December 2019 (equal to €0.54 for each share in circulation), since the reasons for caution behind the decision not to distribute the dividends accrued at that time no longer apply.

The total amount of the dividend will be drawn from the extraordinary reserve and will vary according to the number of shares entitled to it, this amount being defined when the dividend is actually paid on the basis of the shares in circulation on the ex-coupon date (excluding the Company's treasury shares in portfolio on that date following the repurchases made on the market).

Considering that, at the date of approval of this report, the De' Longhi shares in circulation amount to 150,537,956 and the company holds 895,350 treasury shares, the total amount of dividend now stands at €80,807,007.24.

Finally, we would like to inform you that, should the Shareholders' Meeting vote in favour of the proposal to distribute the dividend, the detachment of coupon no. 20 will take place on **21 December 2020**, with payment starting on **23 December 2020** and with the record date, pursuant to Article 83-terdecies of the TUF, on **22 December 2020**.

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The Shareholders' Meeting is therefore invited to adopt the following proposed resolution:

"The Meeting of the Shareholders of De' Longhi S.p.A.,

- having noted the Report by the Board of Directors;

- having noted that the net profit realised by De' Longhi S.p.A. in the financial year 2019, equal to €119,094,082, the amount of €2,276,869 was set aside for the legal reserve, and the remaining part, equal to €116,817,213 was set aside for the extraordinary reserve;

RESOLVES

- 1) to distribute a gross dividend of €0.54 for share in circulation (net of any treasury shares held by the Company at the ex-coupon date), drawn from the extraordinary reserve;*
- 2) to determine that the dividend shall be paid, for each share entitled to it, on 23 December 2020, with ex-coupon date on 21 December 2020 in accordance with the calendar of Borsa Italiana, and record date, pursuant to Article 83-terdecies of Legislative Decree no. 58/98, of 22 December 2020".*

Treviso, 10 November 2020

For the Board of Directors

The Chairman

Giuseppe de' Longhi