



**DHH S.p.A.**

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**BOARD OF DIRECTORS INFORMATION REPORT  
ON ITEMS ON THE AGENDA**

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**Ordinary Shareholders' Meeting**

28 April 2023 - single call

Milan, 21 March 2023

DHH S.p.A. - Via Caldera No. 21, 20154 Milan

Tax code and VAT No. 09150720960

## **BOARD OF DIRECTORS OF DHH S.P.A. INFORMATION REPORT ON THE PROPOSALS FOR THE SHAREHOLDERS' MEETING RESOLUTIONS**

*Dear Shareholders,*

this report presents the proposals that the Board of Directors of DHH S.p.A. ("**DHH**" or the "**Company**") intends to submit for your approval with reference to the Shareholders' Meeting to be held, in ordinary session, on 28 April 2023 at 11:00 in a single call, with respect to the matters on the following Agenda.

### **AGENDA**

1. Approval of the financial statements of December 31, 2022. Presentation of the consolidated financial statements; related and consequent resolutions.
2. Authorization to purchase and dispose of treasury shares, subject to the revocation of the previous resolution of the Shareholders Meeting held on April 28, 2022; related and consequent resolutions.

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**First item on the Agenda: “Approval of the financial statements as of December 31, 2022. Presentation of the consolidated financial statements; related and consequent resolutions”.**

*Dear Shareholders,*

With reference to the **first item** on the Agenda, you have been called to the meeting to approve DHH’s financial statements and to take note of the consolidated group financial statements relating to the financial year ended on 31 December 2022 (reviewed by the Company’s Board of Directors on 21 March 2023).

For DHH, the financial year as of 31 December 2022 ended with 2.178.492 of EUR, which we propose to allocate it to Extraordinary Reserve.

For all detailed information and comments, reference should be made to the management report, which is made available to the public together with the financial statements, the consolidated financial statements, the Board of Statutory Auditors report, and the Independent Auditors report, at the Company’s registered office, as well as on the Company’s website and in other ways, in accordance with the terms under the laws in force.

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In light of the above, with reference to the item on the Agenda under examination, the Board of Directors submits the following for your approval

- resolution proposal -

“The Ordinary Shareholders’ Meeting of DHH S.p.A.,

- having heard the Chairman’s presentation,
- having examined the draft financial statements, the consolidated group financial statements as at 31 December 2021 and the management report,
- having acknowledged the reports of the Board of Statutory Auditors and the Independent Auditors,
- having acknowledged the Board of Directors information report

resolves

1. to approve the financial statements as at 31 December 2022 comprising the balance sheet, the profit and loss account, the notes to the financial statements and the cash flow statement and accompanied by the management report, taking note of the reports of the Board of Statutory Auditors and the Independent Auditors as well as the pertaining ancillary documentation;
2. to allocate the 2022 financial year profit of the Company, amounting to EUR 2.178.492 to Extraordinary Reserve;
3. to take note of the group consolidated financial statements, and the pertaining ancillary documents;
4. to grant the pro-tempore Chairman of the Board of Directors any power, with the right to sub-delegate to third parties, including those external to the board of directors, to provide for the concrete and full implementation of all it was resolved above, including all the relevant fulfilments and formalities pertaining to communication, filing and disclosure, pursuant to applicable laws”.

**Second item on the Agenda: “Authorisation to purchase and dispose of treasury shares, subject to the revocation of the previous resolution of the Shareholders Meeting held on April 28 2022; related and consequent resolutions”**

Dear Shareholders,

With reference to the **second item** on the Agenda, it should be noted that on 28 April 2022, DHH’s Shareholders’ Meeting, among others, granted the Board of Directors authorization to purchase and dispose of treasury shares, including for the purpose of intervening through authorized intermediaries to contain abnormal price movements and to regularize trading trends and prices against momentary distortions linked to excessive volatility or low trading liquidity, for a maximum period of 18 months. The Board of Directors deemed it appropriate to call the Shareholders’ Meeting in order to authorize the administrative body once again, pursuant to Articles 2357 and 2357-ter of the Italian Civil Code and for a period of 18 months from the date of the adoption of the relevant resolution, to carry out transactions involving the purchase and disposal of treasury shares, subject to withdrawal of the corresponding authorization granted on April 28, 2022.

The terms and conditions of the proposed transaction are set out below.

Reasons for which authorisation to purchase and dispose of treasury shares is required

The authorisation for the purchase and disposal (to be understood, by way of example and not limited to, as sale, exchange, contribution and/or other use) of treasury shares covered by this proposal is appropriate in order to allow the Company to:

- (a) implement share incentive plans in whatever form they may be structured (whether stock options, stock grants or work-for-equity plans), as well as use the shares in the portfolio as an incentive and in service of the payment of emoluments/remuneration or bonuses to directors, employees and/or collaborators or make free allocations to shareholders or fulfil obligations deriving from warrants, convertible financial instruments, with compulsory conversion or exchangeable with shares (on the basis of existing transactions or those to be resolved/implemented);
- (b) to allow the use of treasury shares as part of transactions related to ordinary operations or projects that are consistent with the Company’s strategic guidelines, in relation to which the opportunity to exchange shares may arise, with the main purpose of acquiring a portfolio of treasury shares that may be used in the context of extraordinary financial transactions and/or other uses that are deemed to be of financial, managerial and strategic interest to the Company, with the purpose of finalising corporate integration transactions with potential strategic partners, exchanges of shareholdings or agreements of a commercial and/or professional nature that are deemed to be strategic for DHH;
- (c) to be able to use its treasury shares as an investment object for the efficient use of the cash generated by the Company’s characteristic activity; and
- (d) intervene (where possible and provided for by the applicable legal and regulatory provisions), in compliance with the provisions in force, including through intermediaries, to contain abnormal price movements and to regularise trading and price trends, as a consequence of momentary distortions linked to excessive volatility or poor trading liquidity or, more generally, to support the liquidity of the security and the efficiency of the market.

It should be noted that, at present, the request for authorisation to purchase treasury shares does not target share capital reduction transactions through cancellation of the treasury shares purchased.

Maximum number, class, and nominal value of shares to which the authorisation relates

The proposal is to authorise DHH’s administrative body to purchase (fully paid up) ordinary shares of the Company, on one or more occasions and also through tranches, to an extent freely determinable by the Board of Directors up to a maximum number of (treasury) shares such as not to exceed 15% of the number of outstanding shares from time to time, taking into account the treasury shares held directly and those held by its subsidiaries, if any.

In any case, purchases will be made - in accordance with the provisions of Article 2357, paragraph 1, of the Italian Civil Code, as well as any other applicable provisions, including regulatory provisions – with a turnover of EUR 1.000.000 within the limits of distributable profits and available reserves resulting from the latest duly approved financial statements of the Company.

The request for authorization by the Shareholders' Meeting concerns the power of the Board of Directors to proceed with repeated and subsequent purchase and sale transactions (or other acts of disposal) of treasury shares on a revolving basis, even for fractions of the amount indicated above.

It should be noted that, when transactions involving the purchase and disposal of treasury shares are carried out, the Company, in compliance with the provisions of law and applicable accounting standards, will make the appropriate accounting entries. In case of disposals or write-downs, further purchase transactions may be carried out until the expiry of the term of the Shareholders' Meeting authorisation, without prejudice to the legal quantitative limits, including those relating to the number of treasury shares which, from time to time, may be held by the Company or its subsidiaries, as well as the conditions established by the Shareholders' Meeting.

#### Useful information for a complete assessment of the compliance with Article 2357, paragraph 3, of the Italian Civil Code

DHH's subscribed and paid up share capital currently amounts to EUR 489,277.20, divided into 4.892.772 ordinary shares with no indication of their expressed nominal value.

It should be noted that, to date, the Company holds 100.957 treasury shares (collectively representing 2,06% of the share capital).

It should also be noted that the Company's financial statements for the year ended on 31 December 2022 - which is subject to approval by the Shareholders' Meeting to be called as part of the first item on the Agenda - include profits and reserves available and freely distributable for a total amount of EUR 9.864.247.

It is therefore proposed to fix the total amount that may be used to purchase treasury shares at EUR 1,000,000.00, to be allocated from the reserves available for this purpose.

#### Term of the authorisation

The Board of Directors proposes that the authorisation to purchase treasury shares will be granted for the maximum term allowed under Article 2357, paragraph 2, of the Italian Civil Code and therefore for a period of 18 months from the date on which the Shareholders' Meeting adopts the corresponding resolution. The administrative body may carry out the authorized transactions on one or more occasions and at any time.

The aforementioned 18-month time limit does not apply to any transactions involving the disposal and/or use of treasury shares that may have been purchased during this period, since this authorisation is required without time limits.

#### Minimum and maximum consideration

The purchase price of the shares will be determined on a case-by-case basis, taking into account the procedure chosen to carry out the transaction and in compliance with any regulatory requirements or accepted market practices (which may be applicable to the Company or used by it). However, it shall not be over 15 % lower or higher than the official stock market price of the shares recorded by Borsa Italiana S.p.A. in the session preceding each individual transaction - except in cases where the shares are subject of an exchange, contribution, assignment, or other acts of disposal other than in cash. In the latter case, the economic terms of the transaction will be determined in compliance with the laws in force, on the basis of the nature and characteristics of the transaction - and, in any case, in compliance with the terms and conditions set forth under the Delegated Regulation (EU) No. 2016/1052 and other applicable regulations (including those of a European or supranational nature) and the aforementioned accepted practices (where applicable), without prejudice to the possibility of exceeding such limits in the event of extremely low liquidity in the market, again under the conditions referred to in the aforementioned regulations.

As to the acts of disposal and/or use of treasury shares, these may be carried out at the price or, in any case, according to criteria and conditions set forth by the Board of Directors, having regard to the procedures actually used, the trend in share prices in the period prior to the transaction and the best interests of the Company.

#### Procedure to carry out the transactions

Considering the different purposes that can be pursued through transactions on treasury shares, the Board of Directors proposes that authorisation be granted for the purchase of treasury shares according to any of the procedures allowed under the laws in force to be identified from time to time at the discretion of the Board of Directors (or the person delegated to do so). Accordingly, the authorisation to purchase treasury shares also includes the ones carried out by means of a public purchase or exchange offer or by means of purchases made on Euronext Growth Milan, according to market practices that do not permit the direct combination of offers to purchase with specific offers to sell, and in any

case with the procedures set forth under Article 132 of Legislative Decree No. 58 of 24 February 1998, the so-called "Consolidated Law on Finance" (the "TUF"), Article 144-bis of Consob Regulation No. 11971 of 14 May 1999 (the "Issuers' Regulation"), the EU Regulation No. 596 of 16 April 2014, as well as the pertaining implementing rules.

Still from the point of view of operating procedures, it is proposed that a wide freedom of action be granted - for the purpose of better pursuing the purposes of the buyback plans - therefore including all the possibilities provided by the system and therefore purchases in bulk or by auction (including the so-called "Dutch" auction), all in accordance with procedures that can be assessed from time to time in relation to the best implementation of the Shareholders' Meeting's proxy in this sense.

As far as transactions involving the disposal and/or use of treasury shares are concerned, the Board of Directors proposes that the authorisation allow the adoption of any method that is appropriate for the purposes pursued - including the use of treasury shares to service share incentive plans or for free allocations to shareholders - to be carried out also through intermediaries, in compliance with the provisions of the law and regulations in force on the subject, both national and of the European Union.

More specifically, with regard to the disposal operational procedures, these could be carried out, among others, through the sale of the same on the market, in blocks or otherwise off the market, accelerated bookbuilding, or transfer of any rights in rem and/or individual rights relating to the same (including, by mere way of example, securities lending), granting the Board of Directors (or its delegate on its behalf) the power to establish, in compliance with the provisions of the law and regulations, the terms, procedures and conditions of the disposal and/or use of treasury shares deemed most appropriate in the interest of the Company (including the exchange, swap or donation of treasury shares in kind or compensation). In addition, if the treasury shares are exchanged, compensated, given in kind, conferred or are subject to any other non-cash disposition, the economic terms of the transaction shall be determined, again in the Company's interest, based on the nature and characteristics of the transaction, also taking into account the market performance of DHH's shares and, therefore, exceeding the price limits of the shares to be sold indicated above. In case of sale, exchange or contribution, the corresponding amount may be reused for further purchases, up to the expiry of the term of the Shareholders' Meeting's authorisation, without prejudice to the quantitative limit and the conditions set out above.

The transactions to purchase and dispose of treasury shares for which authorisation is requested will be carried out in compliance with applicable laws and, more specifically, in compliance with national and EU laws and regulations, including those concerning market abuse, and in accordance with accepted market practices (where applicable). More specifically, purchases will be made on Euronext Growth Milan in compliance with the laws and regulations in force, in order not to allow the direct matching of the buy order proposals with predetermined sell order proposals.

Lastly, the Board of Directors proposes to the Shareholders' Meeting that transactions involving the disposal of treasury shares may be carried out at any time, in whole or in part, even before the purchases have been made, in the manner and form deemed most appropriate in the interest of the Company, in pursuit of the purposes set forth in the proposed resolution and in compliance with the relevant laws in force from time to time.

Adequate notice will be given of any transactions involving the purchase and disposal of treasury shares in compliance with applicable disclosure requirements.

#### Information on how to resolve on the transaction

Considering the existence of specific Articles of Association provisions on takeover bid within the company as set forth under Articles 14 et seq. of DHH's Articles of Association in force, it should be noted that - pursuant to the applicable laws (as referred to in the aforementioned provision of the Articles of Association) - the treasury shares held by the Company, also indirectly, are excluded from the share capital on which the relevant shareholding is calculated pursuant to Article 106 of the TUF. However, pursuant to Article 44-bis of the Issuers' Regulation, the aforementioned provision does not apply in the event that the exceeding of the thresholds referred to in the aforementioned Article 106 of the TUF results from the purchase of treasury shares, carried out, even indirectly, by the Company in the performance of a resolution that *"has been approved also with the favourable vote of the majority of the Issuer's shareholders, in attendance of the shareholders' meeting, other than the shareholder or shareholders holding, even jointly, the majority shareholding, even relative, provided that it is greater than 10%"* (so-called "whitewash").

Accordingly, DHH shareholders are informed that, in application of the aforementioned whitewash, if - when called upon to express their opinion on the authorisation to purchase and dispose of treasury shares - they approve the pertaining proposal with the majorities envisaged by the aforementioned Article 44-bis, paragraph 2, of the Issuers' Regulations, the treasury shares purchased by the Company in the performance of such authorization resolution will

not be excluded from the share capital (and therefore will be counted in the share capital) if, as a result of the purchases of treasury shares, the thresholds relevant for the purposes of Article 106 of the TUF are exceeded by a shareholder.

In any event, without prejudice to the provisions of Article 44-bis, paragraph 4, of the Issuers' Regulations, according to which treasury shares acquired as a result of transactions carried out in order to comply with obligations deriving from compensation plans approved by the Shareholders' Meeting are not excluded (and therefore are counted) from the share capital on which the relevant shareholding is calculated for the purposes of Article 106 of the TUF.

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In light of the foregoing, with reference to the item on the Agenda under examination, the Board of Directors submits the following for your approval

- resolution proposal -

"The Ordinary Shareholders' Meeting of DHH S.p.A.,

- having heard the Chairman's statement,
- having regard to the provisions of Articles 2357 and 2357-ter of the Italian Civil Code,
- having acknowledged the Board of Directors information report

resolves

1. to withdraw, for the part not performed, the previous resolution authorizing the purchase and disposal of treasury shares adopted by DHH's Shareholders' Meeting on April 28, 2022, with effect from the date of approval of this resolution;
2. to authorise the Board of Directors and, on its behalf, the pro-tempore Chairman of the Board of Directors, with broad powers of sub-delegation to third parties, including those external to the administrative body, to carry out transactions involving the purchase and disposal of treasury shares for the purposes of *(i)* implementing share incentive plans in whatever form they may be structured (whether stock options, stock grants or work-for-equity plans), as well as using the shares in portfolio as an incentive and for the payment of emoluments/remuneration or bonuses to directors, as well as to use the treasury shares for incentive purposes and to service the payment of emoluments/remuneration or bonuses to directors, employees and/or collaborators or to proceed with free allocations to shareholders or to fulfil obligations deriving from warrants, convertible financial instruments, with compulsory conversion or exchangeable with shares (on the basis of existing transactions or transactions to be resolved/implemented), *(ii)* to allow the use of the treasury shares within the framework of transactions connected to ordinary management or of projects consistent with the strategic lines that the Company intends to pursue, in relation to which the opportunity to exchange shares arises, with the main purpose of acquiring a portfolio of treasury shares that can be used in the context of extraordinary financial transactions and/or other uses deemed to be of financial-management and strategic interest for the Company with the purpose of finalising corporate integration transactions with potential strategic partners, exchanges of equity investments or commercial and/or professional agreements deemed to be strategic for DHH, *(iii)* to be able to use its shares as an investment object for the efficient use of the liquidity generated by the Company's core business as well as *(iv)* to take action (where possible and provided for by the applicable provisions of law and regulations), in compliance with the provisions in force, also through intermediaries, to contain abnormal movements in the prices and to regulate the trend of the negotiations and of the prices, in case of momentary distorting phenomena linked to an excess of volatility or to a low liquidity of the exchanges or, more in general, to support the liquidity of the share and the efficiency of the market (all as better indicated in the narrative), establishing that
  - a. the purchase may be made, in one or more occasions, within 18 months from the date of the resolution, up to a maximum amount of treasury shares which, also taking into account the shares held from time to time in the portfolio by the Company and its subsidiaries, is not higher than 10% of the number of outstanding shares from time to time, at a unit price not lower than 15% lower and not higher than 15% higher than the reference price recorded by the share during the market session on the day prior to each individual transaction;
  - b. the purchase may be made, in any case in compliance with the equal treatment of shareholders, in any of the following ways: *(i)* public purchase or exchange offer; *(ii)* purchases made on Euronext Growth

Milan, according to market practices that do not allow the direct matching of bids and offers to buy with specific bids and offers to sell; or *(iii)* with any other procedure provided for by the law and therefore through purchases in bulk or by auction (including the so-called “Dutch” auction), as evaluated from time to time in relation to the best implementation of the Shareholders’ Meeting proxy;

- c. the purchase, even in several tranches and on a revolving basis, must be made within the limits of the distributable profits and/or the available reserves resulting from the last duly approved financial statements at the time the transaction is carried out, constituting a treasury share reserve and in any case making the necessary accounting entries in accordance with the ways and limits of law;
  - d. only fully paid up shares may be purchased;
3. to authorise the Board of Directors and, on its behalf, the pro-tempore Chairman of the Board of Directors, with broad powers of sub-delegation, including to third parties external to the administrative body, so that, pursuant to and for the purposes of Article 2357-ter of the Italian Civil Code, they may dispose, at any time, in one or more occasions, even before the purchases have been completed (and on the basis of the so-called revolving procedure), of the treasury shares purchased based on this resolution or in the Company’s portfolio, through the sale of the same on the market, in blocks or otherwise off the market, accelerated bookbuilding, or transfer of any rights in rem and/or individual rights relating to the same (including, by mere way of example, securities lending), granting the administrative body and its representatives with the power to determine, in accordance with the provisions of the law and regulations, the terms, procedures and conditions of the disposal of treasury shares deemed most appropriate in the interest of the Company, with the power to appoint special attorneys to carry out the acts of disposal referred to in this resolution, as well as any other formalities relating thereto, it being understood that such transactions may take place at the price or value or, in any event, according to criteria and conditions that will be congruent and in line with the transaction, also taking into account the market trend and the prices of the shares and/or the issuer’s development prospects or the economic convenience of concluding the transaction in relation to the market scenario or the transaction (including integration) to be performed with regard to the actual procedures used;
  4. to grant the aforementioned representatives the power to make, also pursuant to Article 2357-ter, paragraph 3, of the Italian Civil Code, all necessary or appropriate accounting entries, in relation to transactions on treasury shares, in compliance with the provisions of the laws in force and the applicable accounting principles;
  5. to grant the Board of Directors and, on its behalf, the pro tempore Chairman of the Board of Directors, with the power to sub-delegate even to third parties external to the administrative body, the widest possible powers to carry out the above purchases and sales of treasury shares - with the power to appoint special attorneys to carry out the purchase transactions referred to in this resolution, as well as any other pertaining formalities - in the gradual manner deemed appropriate in the interest of the Company, as allowed by the laws in force, without prejudice to the equal treatment of shareholders;
  6. to expressly acknowledge that in application of the so-called “whitewash” procedure under Article 44-bis, paragraph 2, of the Consob Regulation No. 11971 of 14 May 1999, in case this resolution authorising the purchase of treasury shares is approved with the majorities envisaged by said provision, the treasury shares purchased by the Company in the performance of said authorisation resolution will not be excluded from the ordinary share capital (and will therefore be included in the same) if, as a result of the purchases of treasury shares, a shareholder exceeds the relevant thresholds for the purposes of Article 106 of Legislative Decree No. 58 of 24 February 1998.”

Milan, 21 March 2023

**for the Board of Directors**

**The Chairman**

(Giandomenico Sica)

