

ETHAN ALLEN®

— THE INTERIOR DESIGN DESTINATION —

October 12, 2026

Dear Fellow Shareholders,

Ethan Allen has substantially completed a major repositioning: refreshing and right-sizing more than 100 design centers, consolidating logistics and expanding digital capabilities while preserving profitability and a debt-free balance sheet. Record close rates and higher order values show progress, and an independent CEO search is underway.

DGB is asking you to give their nominees control of the business and the CEO selection without a CEO and no operating plan, while simultaneously lauding the work done by your Board and leadership team.^{1,2}

Mr. Bergeron himself recognizes Ethan Allen's iconic brand, national retail footprint and domestic manufacturing advantage. Ms. Brockway acknowledges its quality and craftsmanship, while Ms. Ward recognizes that the company's foundation is already there.³

Your Board has delivered measurable progress, with record close ratios, higher order values, and gross margins above 59% for five straight years, and is focused on turning that momentum into sustained, profitable growth. **Your Board is best positioned to oversee the business and the CEO selection.** Vote **FOR** the Company's nominees on the **BLUE** card today, and discard any card you receive from DGB.



DGB HAS NOT PRESENTED AN EXECUTABLE FINANCIAL PLAN OR A CAPITAL ALLOCATION CASE

DGB proposes brand revitalization, a stronger omnichannel customer experience and greater investment in growth, promising significant shareholder upside within 24 to 36 months. But claiming the potential to triple shareholder value is not an operating plan.⁴ The table below shows Ethan Allen's executable plan and what DGB leaves unanswered. Shareholders should not have to elect the slate to discover the economics of its strategy.

DGB'S PROPOSAL VERSUS ETHAN ALLEN'S EXECUTABLE PLAN

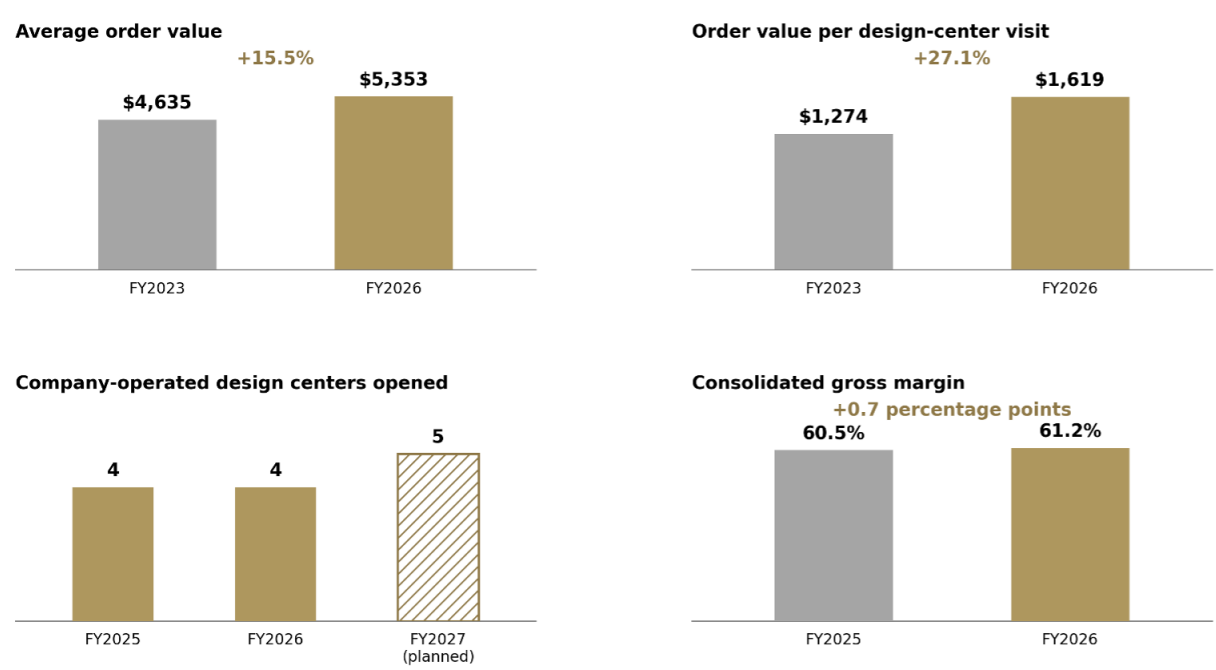
What an executable plan requires	DGB September 22 letter and proxy		Ethan Allen September 24 letter and filings	
Named CEO successor or candidate	Not disclosed	Announced own search and unnamed search firm; no candidate identified.	Search underway	Independent director-led search with a nationally recognized search firm; CEO to be announced by June 30, 2027.
Quantified revenue and margin milestones	Not disclosed	Points to "significant" upside in 24-36 months; no revenue or margin figures.	Metrics reported	Operating metrics disclosed (order value, visit productivity). Operating margin averaged 12.8% the last five years.
Capital required and expected returns	Not disclosed	Cites spending ratios (ETD advertising 2.9% vs. Peers 5.1% of revenue; ETD capex 75% vs. Peers 170% of depreciation and amort.); no funded budget or returns.	Budgeted	FY2027 capex of \$12-\$14M; Marketing spend expected to increase approximately 15%; Estimated \$85M of cash expected after Sept'26 special dividend of \$76M paid.
Cost and economics of the digital program	Not disclosed	No incremental spend, customer-acquisition cost or contribution profit.	Deployed	Appointments, 3D planning, visualization and MyDesigner clienteling tools deployed; customer-data integration underway.
Dated checkpoints shareholders can hold the Board to	Not disclosed	No implementation sequence or milestones.	Deadlines set	CEO to be named by June 30, 2027; Mr. Kathwari leaves the Board at the 2027 annual meeting; five retail design center openings planned for FY2027.
Access to internal succession work and nonpublic data	No access	Nominees have not served on the Board.	Has access	Board has management assessments, nonpublic operating data and prior succession work.

Sources: [1] [2] [5] [6] [7]. "Not disclosed" means not set out in DGB's September 22 letter or proxy.

ADVANCING DIGITAL EXECUTION

DGB nominee Ms. Ward asserts that Ethan Allen has shut its “digital front door.”³ Yet online designer appointments, live chat, 3D floor planning, custom product visualization and the MyDesigner clienteling app are already deployed, as detailed in our September 24 shareholder letter.⁵ These tools are designed to connect digital discovery with personalized design services, the relationship Ms. Ward says digital should strengthen.³ Customer-data integration is underway, and marketing investments are increasing to attract qualified customers.⁵ **Our product assortment has nearly doubled over five years across Home Accents, Lighting, Outdoor and Area Rugs, with expanded customization across Upholstery and Case Goods.**⁵ Our priority is to convert these operating gains into profitable, sustainable growth.⁸

OPERATING GAINS THE BOARD IS BUILDING ON



Sources: [5] [7] [8]. Percentage changes calculated from the figures shown. FY2027 openings are planned, not completed.

DGB cites advertising expense of approximately 2.9% of revenue versus 5.1% for its selected peers, and five-year capital expenditures of approximately 75% of depreciation and amortization versus 170% for those peers. These ratios show spending differences, not which investments Ethan Allen should make or the returns shareholders would earn.

Marketing spend increased 10% in fiscal 2026, with plans for a projected 15% increase in fiscal 2027.⁵ We generated \$52.5 million of operating cash flow in fiscal 2026 and ended June with \$187.5 million of cash and investments and no debt.⁷ **Our capital allocation priority is profitable growth.**

CHANGING THE BOARD DURING AN ACTIVE CEO TRANSITION CREATES UNNECESSARY RISK

Any change to the Board would transfer oversight of the business and CEO selection to newcomers that have not had the Board’s access to internal leadership assessments, nonpublic operating information or existing succession work.⁵ This is a material transition decision, not merely a fresh perspective.

All four independent directors lead our CEO search through the Corporate Governance, Nominations and Sustainability Committee, supported by a nationally recognized search firm evaluating internal and external candidates. **Succession planning predates this contest**, and the Board has committed to announcing the next CEO by June 30, 2027.⁵ DGB must explain how any change to your Board would improve the search and transition while maintaining growth execution.

ADVERSE RESULTS IN DGB NOMINEE RECORDS WARRANT SCRUTINY

DGB’s nominees claim their operating records support their ability to restore growth.³ DGB says they have been “held accountable for results.”¹ Shareholders should apply that standard to the records below. These results do not establish individual causation, but raise questions about the nominees’ ability to provide strong governance and oversight.

RED FLAGS IN DGB NOMINEE RECORDS

DGB nominee	Role and period	Concern
Douglas Bergeron	VeriFone CEO until March 2013	During Bergeron’s CEO tenure, VeriFone restated three quarters of 2007 results. The SEC charged the company over its accounting and internal controls; VeriFone settled without admitting or denying the allegations. Bergeron was not charged in that action. In 2013, he acknowledged disappointing execution and resigned as CEO and director.
Anna Brockway	Former Chairish president	Acquirer disclosed unaudited 2024 revenue of \$51.2M and negative adjusted EBITDA of -\$0.4M.
Kristine Miller	Grove Collaborative board since June 2022; Cable One board	Grove revenue fell 33.0% from 2023 to 2025. Cable One: \$100 invested at year-end 2019 fell to \$49.08 by year-end 2022 (-50.9%) vs. \$76.70 for its peer group (-23.3%).
Stephen Oblak	Wayfair chief commercial officer, Mar 2021 to Oct 2023	2022 (full year in role): revenue fell from \$13.7B to \$12.2B, GAAP net loss of \$1.33B, and TSR of -82.7% vs. -31.7% for its peer group.
Stefanie Tsen Ward	Neiman Marcus EVP, chief integrated retail and customer officer, Jul 2023 to Mar 2025	No evidence of growth, margin or return measures for the operations she oversaw. Her disclosed biography does not establish experience with owned custom-furniture factories or an integrated furniture-delivery network.

Sources: [1][2][9][10][11][12][13][14][15][16][17].

These records raise questions about financial discipline, profitable growth and governance. Shareholders should ask DGB for evidence on each point.^{1,2}

OUR NOMINEES' EXPERIENCE IS DIRECTLY ALIGNED WITH THE PILLARS OF ETHAN ALLEN'S STRATEGY

Ethan Allen needs directors who can oversee customer acquisition, disciplined investment, real-estate economics and CEO succession across a vertically integrated manufacturer-retailer. **Our nominees combine those capabilities with firsthand knowledge of this business.** Three of the four independent directors joined in 2021 or 2022.^{5,18} Each deserves an individual assessment.

HEAD-TO-HEAD: NOMINEE EXPERIENCE AGAINST THE REQUIREMENTS OF THE REPOSITIONING

What the repositioning needs	Ethan Allen nominees Experience indicated in disclosed biographies	DGB nominees Experience indicated in disclosed biographies
Vertical integration and global operations Integrated enterprise built around interior design	● ● ● ● ● All	● ● ● ● ● None indicated
Manufacturing and logistics Platform makes ~75% of its custom furniture in North America	● ● ● ● ● Kathwari, Casar	● ● ● ● ● None indicated
Design-center real estate and site strategy Eight openings in FY2025-26; five more planned	● ● ● ● ● Kathwari, Stacom	● ● ● ● ● None indicated
Brand and digital customer acquisition Central growth challenge; data integration underway	● ● ● ● ● Kathwari, Sable, Stacom, Tsai	● ● ● ● ● Brockway, Oblak, Ward
Board financial and governance oversight FY2027 capex plan; strong margins and dividends	● ● ● ● ● Casar, Sable, Stacom, Tsai	● ● ● ● ● Bergeron, Miller
CEO succession and Company-specific knowledge CEO to be named by June 30, 2027	● ● ● ● ● All; Board access to succession work	● ● ● ● ● None; no Board access to succession work
Requirements covered by at least one nominee	5 of 5	2 of 5

Sources: [1] [2] [5] [18] [19] [20] [21] [22]. Each dot is one of five nominees with experience indicated in a disclosed biography; dots show breadth, not depth. Public-company executive or board service is credited under finance and governance for both slates. Succession row reflects that DGB’s nominees have not served on the Board or had access to its internal succession work.

OUR NOMINEES' CAPABILITIES ALIGNED WITH THE WORK AHEAD

What the repositioning needs	M. Farooq Kathwari Chairman, President & CEO	David M. Sable Lead Independent Director and Compensation Committee Chair	Tara I. Stacom Independent Director	Maria Eugenia Cesar Audit Committee Chair	Cynthia Ekberg Tsai Corporate Governance, Nominations and Sustainability Chair
Vertical integration and global operations Integrated enterprise built around interior design	Direct operating knowledge of the global vertically integrated business	Senior Advisor to WPP, a multinational communications company, American Eagle Board member, oversight of global brand	Executive Vice Chairman of Cushman & Wakefield since 2013, served on the firm's Board from 2003-2008	National Treasurer of Mexico; and Executive Director for the Mexican Agency for International Cooperation	Brings more than 40 years of experience in global finance and technology
Manufacturing and logistics Platform makes ~75% of its custom furniture in North America	Led the manufacturing and retail business for decades			Deputy Executive Director of the World Food Programme	
Design-center real estate and site economics Eight openings in FY2025-26; five more planned in FY2027	Oversight of design-center strategy and right-sizing		Cushman & Wakefield Executive Vice Chairman; notable portfolio execution strategist; anchor lease at One World Trade Center		
Brand and digital customer acquisition Central growth challenge; data integration underway	Provides extensive knowledge of the brand's history and furniture industry	Wunderman Vice Chairman and COO; global CEO of Y&R, one of the world's largest marketing agencies	Inveniam Capital Partners Board experience, a digital data infrastructure solutions provider		Founded and led Tana Systems (software and IT)
Board financial and governance oversight FY2027 capex plan; strong operating margins and cash dividends		Public-company board (American Eagle Outfitters)	Advised on complex corporate, business and real estate decisions, executing some of the largest leasing, sales, and corporate finance real estate transactions	UN Controller; World Food Programme CFO; Grupo Bimbo board	16 years at Merrill Lynch and Kidder Peabody; MassTech Ventures partner
CEO succession and Company-specific knowledge CEO to be named by June 30, 2027	Operating knowledge for the handover; leaves Board in 2027	Search committee member	Search committee member	Search committee member	Chairs the search committee

Sources: [5] [18] [19] [20] [21] [22]. The matrix shows relevant disclosed experience, not each director's full record.

- M. Farooq Kathwari brings operating leadership for a defined handover. He has led the manufacturing and retail business for decades.¹⁸ The platform manufactures approximately 75% of its custom furniture in its own North American manufacturing facilities and operates through three national distribution centers, down from ten in 2006.⁵ Reelection of him preserves operating knowledge while the independent directors select his successor.

- David M. Sable brings digital and customer-acquisition experience to the growth challenge.^{18,21} Ms. Brockway's assertion that our Board lacks digital expertise overlooks his record at Wunderman, WPP's digital customer-relationship-management business.^{3,5,18} As Lead Independent Director and Compensation Committee chair, his data-led marketing experience positions him to challenge acquisition costs, conversion and marketing returns.^{5,19} Fiscal 2026 performance had compensation consequences: the CEO's annual incentive paid 46.2% of target, and the adjusted-operating-income component paid nothing.⁶

- Tara I. Stacom brings commercial-property execution to design-center economics.²⁰ Her experience structuring major property transactions is directly relevant to scrutinizing lease terms, occupancy costs and location economics as the network expands. We ask you to retain that expertise.

- Maria Eugenia Casar brings financial control and resource-allocation experience. As Audit Committee chair, she can oversee growth investment, risk and cash generation.^{19,22} Shareholders should retain that capability to scrutinize investment assumptions and returns as the Board evaluates capital deployment and the next CEO.

- Cynthia Ekberg Tsai combines technology-company leadership with financial experience and chairs the independent committee conducting the CEO search.^{5,18,19} That combination is relevant to testing technology investments and evaluating executives who must connect digital initiatives with operating performance, while completing a search with a public deadline.

Our nominees' capabilities match the work ahead: profitable revenue growth, returns on investment and CEO succession. Under the universal proxy card, shareholders can vote for each candidate individually.⁶ Before replacing an incumbent, consider what capability the substitution adds or removes, and what evidence establishes that the resulting Board would perform better.

We ask you to vote **FOR** M. Farooq Kathwari, David M. Sable, Tara I. Stacom, Maria Eugenia Casar and Cynthia Ekberg Tsai, and **WITHHOLD** on all five DGB nominees, using the **BLUE** proxy card. If you previously submitted a **WHITE** card, you may change your vote by submitting a later-dated **BLUE** card. **Only your latest valid vote will count.**⁶

Sincerely,

The Board of Directors of Ethan Allen Interiors Inc.



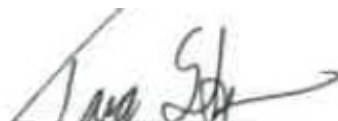
M. Farooq Kathwari,
Chairman & Chief Executive Officer



David M. Sable,
Lead Independent Director



Maria Eugenia Casar,
Independent Director



Tara I. Stacom,
Independent Director



Cynthia Ekberg Tsai,
Independent Director

YOUR VOTE IS IMPORTANT!

For more information regarding Ethan Allen's strategy and Board nominees,
please visit:

www.VoteEthanAllen.com

Please refer to the BLUE proxy card instructions on voting by internet, telephone, or mail.
If you have questions or need assistance voting your shares, please contact our proxy solicitor:

GEORGESON, LLC

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New York, NY 10019

Shareholders, banks may call toll-free at (888) 717-2572

FORWARD-LOOKING STATEMENTS

This communication contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the Company's strategic and operating priorities, growth initiatives and strategies, technology investments, marketing plans, capital allocation, governance enhancements, the execution risk that may result by replacing the entire board and expectations for fiscal 2027 and beyond. These statements are subject to risks and uncertainties, including those described in Item 1A of the Company's Annual Report on Form 10-K and in its other filings with the SEC, which could cause actual results to differ materially from those anticipated. Forward-looking statements speak only as of the date made, and the Company undertakes no obligation to update them except as required by law.

Sources

- [1] DGB shareholder letter, September 22, 2026
- [2] DGB definitive proxy statement, nominee biographies and election effect
- [3] DGB video transcripts, October 1, 2026, "Case for Change," Item 2, 00:23, 00:55, 02:39 and 04:40; Item 3, Bergeron individual video, 00:56, and Oblak individual video, 00:04. https://www.sec.gov/Archives/edgar/data/896156/000092189526002700/dfan14857002_10012026.htm
- [4] DGB open letter to shareholders from Doug Bergeron, August 5, 2026 (Schedule 14A soliciting material). https://www.sec.gov/Archives/edgar/data/896156/000092189526001971/dfan14a14857002_08052026.htm
- [5] Ethan Allen shareholder letter, September 24, 2026
- [6] Ethan Allen 2026 definitive proxy statement
- [7] Ethan Allen fiscal 2026 results, cash flow and tariff refunds
- [8] Ethan Allen fiscal 2026 Form 10-K, operating results and financial statements
- [9] VeriFone first quarter preliminary results, February 20, 2013
- [10] VeriFone Form 8-K, March 2013
- [11] Auction Technology Group announcement of Chairish acquisition, August 2025
- [12] Grove Collaborative 2023 annual report
- [13] Grove Collaborative 2025 annual report
- [14] Cable One 2023 proxy statement, pay versus performance table
- [15] Wayfair 2023 annual report
- [16] Wayfair 2024 proxy statement, pay versus performance table
- [17] SEC litigation release and accounting/internal-controls action concerning VeriFone, September 1, 2009
- [18] Ethan Allen director biographies
- [19] Ethan Allen committee membership and director biographies
- [20] Cushman & Wakefield biography of Tara Stacom
- [21] Stagwell biography of David Sable
- [22] United Nations announcement describing Gina Casar roles, September 2020

ETHAN ALLEN®