

THE ITALIAN SEA GROUP S.P.A.

Registered office in Marina di Carrara, Viale C. Colombo, 4bis

Share Capital Euro 26,500,000.00 subscribed and fully paid-in

Number of registration in the Company Register of Massa Carrara and Tax Code 00096320452

Explanatory Report of the Board of Directors on Proposal No. 5 on the Agenda of the Ordinary Shareholders' Meeting convened for April 29th, 2022 (on single call).

The Italian Sea Group S.p.A.

Headquarters - Facilities

Viale Cristoforo Colombo, 4BIS
54033 Marina Di Carrara (MS) - Italy
Tel. +39 0585 5062
Fax +39 0585 506250
theitalianseagroup.com

Perini Navi - Facilities

Darsena Italia, 42
55049 Viareggio (LU)
Tel. +39 0584 4241
Fax. + 39 0187 424200

Picchiotti - Facilities

Viale San Bartolomeo, 428
19126 La Spezia (SP)
Tel. +39 0187 28371
Fax. +39 0187 2837348

Share capital € 26.500.000 f.p.
Massa | Carrara Business Register
REA MS 65218
VAT no. 00096320452

5. Authorisation to purchase and dispose of own shares, pursuant to art. 2357 of the Italian Civil Code. Related and consequent resolutions.

Dear Shareholders, with reference to the fifth item on the agenda, the Board of Directors prepared this Report (i) pursuant to art. 125-ter of the Consolidated Law on Finance (TUF), as well as (ii) pursuant to art. 73 and Scheme 4 of Annex 3A of the Issuers' Regulation, in order to illustrate the proposal to grant the Board of Directors the power to purchase and dispose of own shares for the purposes, within the terms and according to the methods described below.

5.1 Reasons for the proposed authorization

The purpose of the authorisation request is to grant the Board of Directors the power to purchase and dispose of own shares, in compliance with the national and European regulations in force and the market practices accepted from time to time, where applicable, for the following purposes:

- (i) activities to support the liquidity of the stock;
- (ii) to carry out medium- and long-term liquidity investment transactions, also in order to set up long-term equity investments, or in any case to gather value maximisation opportunities that may arise from market trends;
- (iii) to allow the use of own shares within the framework of current operations or of extraordinary operations in line with the strategic guidelines of the Company, including, by way of example only, exchanges, trade-ins, offsets, contributions and/or for capital transactions or other corporate operations and/or financial operations and/or other extraordinary operations that involve the attribution or disposal of own shares;
- (iv) to fulfil any obligations arising from debt instruments convertible into shares;
- (v) to fulfil obligations arising from potential and future stock option programs or other grants of shares to employees or members of the governing bodies of the Company and/or its direct or indirect subsidiaries, as well as from any free share grant programs to shareholders.

5.2 Maximum number of shares subject to the proposed authorisation

As of the date of this report, the share capital amounts to EUR 26,500,000.00, fully subscribed and paid-in, divided into 53,000,000 ordinary shares without par value. In this regard, we propose that the Shareholders' Meeting authorises the purchase of own shares, in one or more tranches, up to the maximum allowed by law, equal to 20% of the share capital, pursuant to art. 2357, paragraph 3 of the Italian Civil Code.

Purchase transactions will be carried out within the limits of distributable profits and available reserves resulting from the latest approved financial statements.

The authorization includes the right to subsequently dispose of all or part of the shares in the portfolio, even before having exhausted the maximum number of shares that can be purchased, and possibly to repurchase these shares to such an extent that the own shares held by the Company do not exceed the limit set by the authorisation.

5.3 Further useful information for the assessment of compliance with art. 2357, paragraph 3 of the Italian Civil Code

As at the date of this report, The Italian Sea Group S.p.A. (“TISG” or the “Company”) and its subsidiaries do not hold own shares. Subsidiaries will receive specific instructions to promptly report any purchase of Company shares made pursuant to art. 2359-bis of the Italian Civil Code.

5.4 Duration for which authorisation is requested

The authorisation to purchase own shares is requested for a period of 18 (eighteen) months starting from the date of the Shareholders' Meeting's resolution authorising the purchase. The Board of Directors can proceed with the purchase on one or more occasions and at any time, in an amount and timing freely determined in compliance with the national and European regulations in force and the market practices accepted from time to time, where applicable. The authorisation to dispose of own shares is requested without time limits.

5.5 Minimum and maximum share price

Purchases must be made on price terms in accordance with the provisions of Article 5(1) of Regulation (EU) No. 596/2014 ("MAR"), Article 3 of Delegated Regulation (EU) 1052/2016 or other provisions applicable from time to time at the time of the transaction. In particular, the previous article provides that the issuer shall not purchase shares at a price higher than the highest price between the price of the last independent transaction and the price of the highest current independent bid on Euronext Milan organised and managed by Borsa Italiana S.p.A.

The disposal of own shares, if carried out by means of cash transactions, shall not be carried out at a price that is 20% lower than the reference price recorded by the security on Euronext Milan in the stock exchange session preceding each single transaction. This parameter is considered adequate to identify the value range within which the sale is of interest for the Company.

5.6 Methods to purchase and dispose of own shares

Purchase transactions shall be done in compliance with art. 132 of the Consolidated Law on Finance (TUF), art. 144-*bis* of the Issuers' Regulation, art. 5 MAR and any other applicable regulation, as well as with the market practices accepted by Consob, where applicable. More specifically, the purchase of own shares shall be carried out in compliance with the operating procedures set out in art. 144-*bis*, paragraph 1, letters a), b), c), d) and d-*ter*) of the Issuers' Regulation.

Purchases could be done using methods other than those indicated above, where permitted by art. 132, paragraph 3, of the Consolidated Law on Finance (TUF) or other provisions applicable from time to time at the time of the transaction.

The acts of disposal and/or use could be done, on one or more occasions, even before having exhausted the quantity of own shares that can be purchased, according to the methods deemed most appropriate in the interest of the Company and, in any case, in compliance with national and European regulations and market practices in force from time to time, if applicable.

5.7 Information on the instrumentality of the purchase to the reduction of the share capital

This request for authorisation to purchase own shares is not instrumental to the reduction of the share capital.

5.8 Other Information

Please note that, in general, the own shares held by the Company, also indirectly, are excluded from the share capital on which the relevant shareholding is calculated for the purpose of art. 106 of the Consolidated Law on Finance (TUF), for the purpose of the regulation on the takeover bid. However, pursuant to art. 44-bis of the Issuers' Regulation, the aforementioned provision does not apply if the exceeding of the thresholds indicated in art. 106 of the Consolidated Law on Finance (TUF) results from the purchase of own shares carried out by the Company, also indirectly, in execution of a resolution that was approved with the favourable vote of the majority of the Issuer's shareholders attending the meeting, other than the shareholder or shareholders who hold, also jointly, the majority shareholding, even if relative, provided that it is higher than 10% (so-called whitewash). Therefore, the Shareholders are informed that, in application of the aforementioned whitewash, if the Shareholders - who are called to express their opinion on the authorisation for the purchase and disposal of treasury shares - approve the related proposal with the majorities provided for by the aforementioned art. 44-bis, paragraph 2 of the Issuers' Regulation, the own shares purchased by the Company in execution of said authorisation resolution shall not be excluded from the share capital (and shall therefore be counted in it) if, due to the purchase of own shares, a shareholder exceeds the relevant thresholds pursuant to art. 106 of the Consolidated Law on Finance (TUF).

* * *

Dear Shareholders, if you agree with what has been proposed, we invite you to resolve on the following:

“The Ordinary Shareholders' Meeting of The Italian Sea Group S.p.A., having examined the report of the Board of Directors,

Resolves

1. *to authorise the purchase of ordinary shares of The Italian Sea Group S.p.A. up to the maximum number allowed by law, on one or more occasions, for a period of 18 months from the date of this resolution, for one or more of the purposes indicated in the Board of Directors' report. Purchases must be done in the according to Article 144-bis, paragraph 1, letters a), b), c), d) and d-ter) of the Issuers' Regulations, at price conditions that comply with the provisions of Article 5, paragraph 1, of Regulation (EU) No. 596/2014 of April 16th, 2014, Article 3, paragraph 2, of Delegated Regulation (EU) No. 1052/2016 of the European Commission of March 8th, 2016 or other provisions applicable from time to time at the time of the transaction. The purchase transactions will be done in compliance with articles 2357 et seq. of the Italian Civil Code, article 132 of the Consolidated Law on Finance (TUF), article 144-bis of the Issuers' Regulations, article 5 of Regulation (EU) no. 596/2014 of April 16th, 2014 and any other applicable regulations, including market practices permitted by Consob, where applicable;*
2. *to authorise the disposal of own shares, on one or more occasions, without time limits, even before having exhausted the maximum number of shares that may be purchased, in the manner deemed most appropriate in the interest of the Company and in compliance with applicable regulations, by means of the following alternative procedures:*

- by means of cash transactions; in this case, the sale of own shares shall not be carried out at a price 20% lower than the reference price recorded on Euronext Milan during the stock exchange session preceding each single transaction;
 - by means of exchange, trade-in, offsetting, contribution or any other act of disposal not in cash or at the service of capital transactions or other corporate and/or financial transactions and/or other transactions of an extraordinary nature or in any case for any other act of disposition not in cash, including any programs of free assignment to the shareholders also in dividends. In this case, the economic terms of the transaction shall be based on the nature and characteristics of the transaction, also taking into account the market performance of The Italian Sea Group S.p.A. stock; without prejudice, in any case, in compliance with the limits that may be provided for by the regulations, including European ones, and the market practices allowed from time to time in force, where applicable;
3. to grant the Board of Directors and, on its behalf, the Chairman and the Chief Executive Officer, acting severally and with the right to sub-delegate, the widest possible powers to execute the above resolutions in their entirety, taking all steps required, appropriate, instrumental and/or connected with a view to the successful outcome of such resolutions, as well as to provide the market with the information required by law, including European law, and by current market practices, where applicable".

Milan, March 30th 2022

For the Board of Directors
The Chairman (Filippo Menchelli)

This document is an English translation from Italian. The Italian original shall prevail in case of difference in interpretation and/or factual errors.