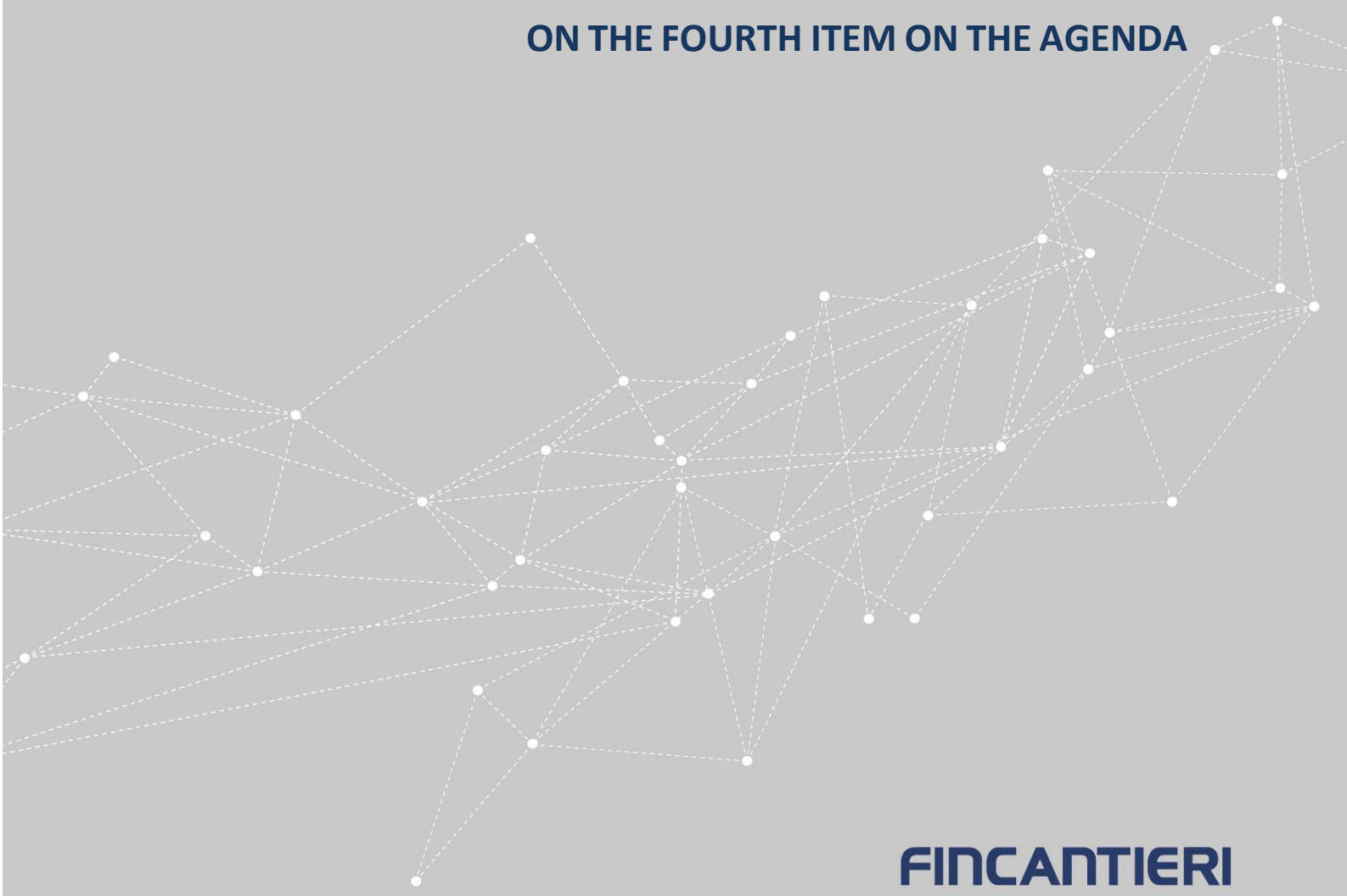


ORDINARY SHAREHOLDERS' MEETING

8 APRIL 2021

EXPLANATORY REPORT BY THE BOARD OF DIRECTORS ON THE FOURTH ITEM ON THE AGENDA



FOURTH ITEM ON THE AGENDA

FINCANTIERI S.p.A.
Registered office Via Genova 1, Trieste
Share Capital EUR 862,980,725.70
fully paid-up
V.A.T. No. 00629440322
Tax Code and Venezia Giulia Business Registry No. 00397130584
Trieste Economic and Administrative Index No. 89063

* * * * *

Explanatory Report prepared in accordance with Article 125-ter of Legislative Decree No. 58 of 24 February 1998 (“Italian Consolidated Financial Act”) and Article 73 of Regulation issued by Consob with Resolution No. 11971 of 14 May 1999 (“Issuers’ Regulations”)

FOURTH ITEM ON THE AGENDA

Approval to purchase and dispose of the Company’s treasury shares after revoking the previous approval resolved at the Ordinary Shareholders’ Meeting of 9 June 2020.

Dear Shareholders,

You have been convened in ordinary session, in accordance with the combined provisions of (i) Articles 2357 et seq. of the Italian Civil Code, (ii) Article 132 of the Italian Consolidated Financial Act, and (iii) Article 144-*bis* of the Issuers’ Regulations to discuss and resolve upon, among other things, the proposal to authorise the purchase and disposal of the Company’s treasury shares for the purposes and in accordance with the procedures and deadlines set forth below, subject to revocation of the prior authorisation resolved by the Ordinary Shareholders’ Meeting of 9 June 2020.

In this regard, we remind you that the aforementioned Shareholders’ Meeting granted the Board of Directors the authorisation to purchase treasury shares for a period starting on 1 January 2021 and ending on 9 December 2021. The authorisation to purchase treasury shares will therefore expire on 9 December 2021, while the authorisation to dispose of the shares was granted without time limits.

Given the opportunity, for the reasons specified in detail in this report, to renew the authorisation on the part of the Board of Directors to purchase treasury shares for a further period, we propose to revoke the existing authorisation, which has not been put to use thus far, and to resolve on a new authorisation to purchase and dispose of treasury shares.

Reasons for the authorisation proposal

The proposal to authorise the purchase and disposal of the Company's treasury shares is based on the view that the Board of Directors of FINCANTIERI S.p.A. ("Fincantieri" or the "Company") should be given the power to purchase and dispose of treasury shares in compliance with applicable regulatory provisions and in the manner set out below, for the following purposes:

- to facilitate share incentive schemes approved by the Company or by subsidiaries of the latter;
- to meet obligations deriving from debt instruments convertible into equity instruments;
- to take action to support market liquidity;
- to establish an inventory of securities for the sale, disposal and/or utilisation of treasury shares, in conformity with the Company's anticipated strategic lines, in the context of extraordinary transactions, including, for example, exchanges, barter, contributions or to service capital transactions or other corporate and/or financial transactions and/or other extraordinary transactions, e.g., acquisitions, mergers, demergers, issuance of convertible debenture loans, bonds, warrants, etc.;
- to conduct market operations based on a medium and long-term investment strategy, also in order to create durable investments or in the context of transactions associated with day-to-day management, or to reduce the average cost of the Company's share capital or take the opportunity to maximise share value based on favourable market trends.

Maximum number of shares involved in the authorisation proposal

At the date of this report, the Company's share capital consists of 1,699,651,360 ordinary shares, without par value, for a total value of EUR 862,980,725.70 fully subscribed and paid-up.

It is proposed, in this context, that the Shareholders' Meeting should authorise the purchase of treasury shares in one or more tranches, up to a maximum number that - taking into account the number of Fincantieri shares periodically held in the portfolio by the Company and its subsidiaries - does not in total exceed one fifth of the Company's share capital, pursuant to Article 2357, paragraph 3, of the Italian Civil Code or any other maximum ceiling provided for by applicable rules in force.

Pursuant to Article 2357, paragraph 1, of the Italian Civil Code, the purchase transactions will be carried out within the limits of distributable profits and available reserves as showed in the most recently approved financial statements.

The authorisation includes the power to dispose of all or some of the shares in the portfolio at a later stage, and on different occasions, even before the maximum quantity of purchasable shares has been used up and, potentially, to repurchase those shares up to the authorised limit of treasury shares that the Company and its subsidiaries can hold.

Further information useful for assessing compliance with Article 2357, paragraph 3, of the Italian Civil Code

At the date of this report, the Company holds 4,540,441 treasury shares, representing 0.27% of the shares comprising the Company's share capital. The subsidiaries do not hold treasury shares of the Company. The subsidiaries will be given special instructions to ensure that they promptly notify any purchase of shares pursuant to Article 2359-*bis* of the Italian Civil Code, as well as within the limits and according to the conditions thereunder.

Period of validity of the authorisation sought

Authorisation to purchase treasury shares is requested for a period of 18 (eighteen) months from the date of the shareholders' meeting's resolution authorising the purchase. The Board of Directors may, within the period of validity of the authorisation possibly granted, purchase shares on one or more occasions and at any time, in numbers and at times which it freely determines in compliance with applicable regulatory provisions, and in a progressive manner that accords with the Company's interest.

The authorisation for sale is requested without time constraints.

Minimum and maximum price

Purchases shall take place at a price that does not vary upwards or downwards by more than 10% over the reference price registered on the Electronic Stock Market (MTA) organised and managed by the Borsa Italiana S.p.A. (Italian Stock Exchange) in the trading session preceding each individual purchase transaction.

Furthermore, purchases of treasury shares on the market shall comply with the terms, conditions and requirements provided under applicable laws as well as, if applicable, accepted market practices in force at the relevant time.

The sale or other forms of disposal of treasury shares will occur:

- if in cash, at a price no less than 10% below the reference price registered on the Electronic Stock Market organised and managed by the Borsa Italiana S.p.A. (Italian Stock Exchange) in the trading session preceding each individual transaction;
- if part of an extraordinary transaction - including e.g. exchanges, barter, contributions or to service capital transactions or other corporate and/or financial transactions and/or other extraordinary transactions or any other non-cash disposal - according to economic terms and conditions which the Board of Directors will determine based on the nature and features of the transaction, also taking into account the market performance of Fincantieri stock;
- in relation to shares facilitating share incentive plans, based on the terms and conditions indicated by the regulations of those plans. For information on the Company's share incentive and retention plans called the "Performance Share Plan 2016-2018", "Performance Share Plan 2019-2021" and "Performance Share Plan 2022-2024", please refer to the respective explanatory reports prepared in accordance with Article 114-bis of the Italian Consolidated Financial Act and Article 84-bis of the Issuers' Regulations, made available within the terms and with the procedures provided for by the legislation in force;

and, in any case, in accordance with the terms, conditions and requirements provided under applicable laws as well as, if applicable, accepted market practices at the relevant time.

Methods of purchasing and disposing of treasury shares

The purchase transactions will conform to the provisions of Article 132 of the Italian Consolidated Financial Act, Article 144-bis of the Issuers' Regulations and any other applicable laws as well as, if appropriate, accepted market practices at the relevant time.

The aforementioned operating procedures will not apply to purchases of treasury shares that are held by employees of the Company or of its subsidiaries and allotted or subscribed pursuant to Articles 2349 and 2441, paragraph 8, of the Italian Civil Code, or deriving from remuneration plans approved under Article 114-bis of the Italian Consolidated Financial Act. Shares under the share incentive plans will be allotted in accordance with the procedures and deadlines provided for by the regulations of the plans in question.

The shares may be disposed of, on one or more occasions, even before the quantity of purchasable treasury shares has been used up. The disposal may occur in the manner deemed in the Company's best interests and, in any case, in compliance with applicable laws as well as, if appropriate, accepted market practices at the relevant time.

Information on relevance of the purchase to a share capital reduction

Note that the purchase of treasury shares subject of the aforementioned authorisation request is not made for the purpose of reducing the share capital.

* * * * *

In consideration of the foregoing, we submit the following draft resolution for your approval:

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

- having examined the Board of Directors' Report prepared in accordance with Article 125-ter of Legislative Decree No. 58 of 24 February 1998 and Article 73 of the Regulation adopted by CONSOB by Resolution No. 11971 of 14 May 1999, and in conformity with Annex 3A - Scheme 4 of those regulations and the proposal therein contained;*
- in view of the provisions of Articles 2357 et seq. of the Italian Civil Code, of Article 132 of Legislative Decree No. 58 of 24 February 1998 and of Article 144-bis of the Regulation adopted by CONSOB by Resolution No. 11971 of 14 May 1999, and any other provision applicable,*

resolves

- 1. to revoke the resolution authorising the purchase and the disposal of treasury shares adopted by the Ordinary Shareholders' Meeting of 9 June 2020;*
- 2. to authorise the Board of Directors to purchase, on one or more occasions, for a period of eighteen months from the date of this resolution, ordinary shares of FINCANTIERI S.p.A., for the purposes referred to in the aforementioned Board of Directors' Explanatory Report and subject to the limitations and conditions referred to in said report, which are deemed to be wholly referenced herein and, in particular, as specified below:*
 - the maximum number of shares for purchase is the maximum allowed by law;*
 - purchases shall be at a price that does not vary upwards or downwards by more than 10% over the reference price registered on the Electronic Stock Market organised and managed by Borsa Italiana S.p.A. (Italian Stock Exchange) in the trading session preceding each individual transaction. Furthermore, purchases of treasury shares on the market shall comply with the terms, conditions and requirements laid down by applicable laws as well as, if appropriate, accepted market practices at the relevant time;*
 - the purchase transactions will conform to the provisions of Article 132 of Legislative Decree No. 58 of 24 February 1998, Article 144-bis of the Regulation adopted by Consob by Resolution No. 11971 of 14 May 1999, and any other applicable laws as well as, if appropriate, accepted market practices at the relevant time;*
- 3. to authorise the disposal of treasury shares in the Company's book, on one or more occasions and without time constraints and in the manner most in keeping with the Company's interests and in compliance with applicable regulatory provisions, for the purposes referred to in the Board of Directors' Explanatory Report*

and subject to the limitations and conditions referred to in said report, which are deemed to be wholly referenced herein and, in particular, as specified below:

- all or some of the shares acquired may be disposed of, on one or more occasions and without time constraints, even before the maximum quantity of shares purchased on foot of this resolution have been used up;*
- if a disposal, and in particular a sale of treasury shares, is made in cash, then that disposal cannot be for a price less than 10% lower than the reference price registered on the Electronic Stock Market organised and managed by Borsa Italiana S.p.A. (Italian Stock Exchange) in the trading session preceding each individual transaction;*
- if the shares are used in the context of extraordinary transactions including, e.g., exchanges, barter, contributions or to service capital transactions or other corporate and/or financial transactions and/or other extraordinary transactions or any other non-cash disposal, then the Board of Directors will determine the economic terms and conditions of the transaction based on the nature and characteristics thereof, also taking into account the market performance of FINCANTIERI S.p.A. stock;*
- the shares at the service of the share incentive plans will be assigned to the beneficiaries of the plans using the procedures and within the terms specified in the regulations of the plans themselves;*

and, in any case, in accordance with the terms, conditions and requirements laid down by applicable laws as well as, if appropriate, accepted market practices at the relevant time, particularly if the shares are used to facilitate activities in support of market liquidity;

- 4. to grant the Board of Directors and, through it, the Chairperson and the Chief Executive Officer, separately and with the power to sub-delegate, the widest powers necessary in order to concretely and fully implement the resolutions referred to in the preceding paragraphs and to brief the market of same, in accordance with applicable regulatory provisions, including EU provisions, and accepted market practices in force from time to time”.*

Trieste, 25 February 2021

For the Board of Directors
Chairperson of the Board of Directors
Giampiero Massolo