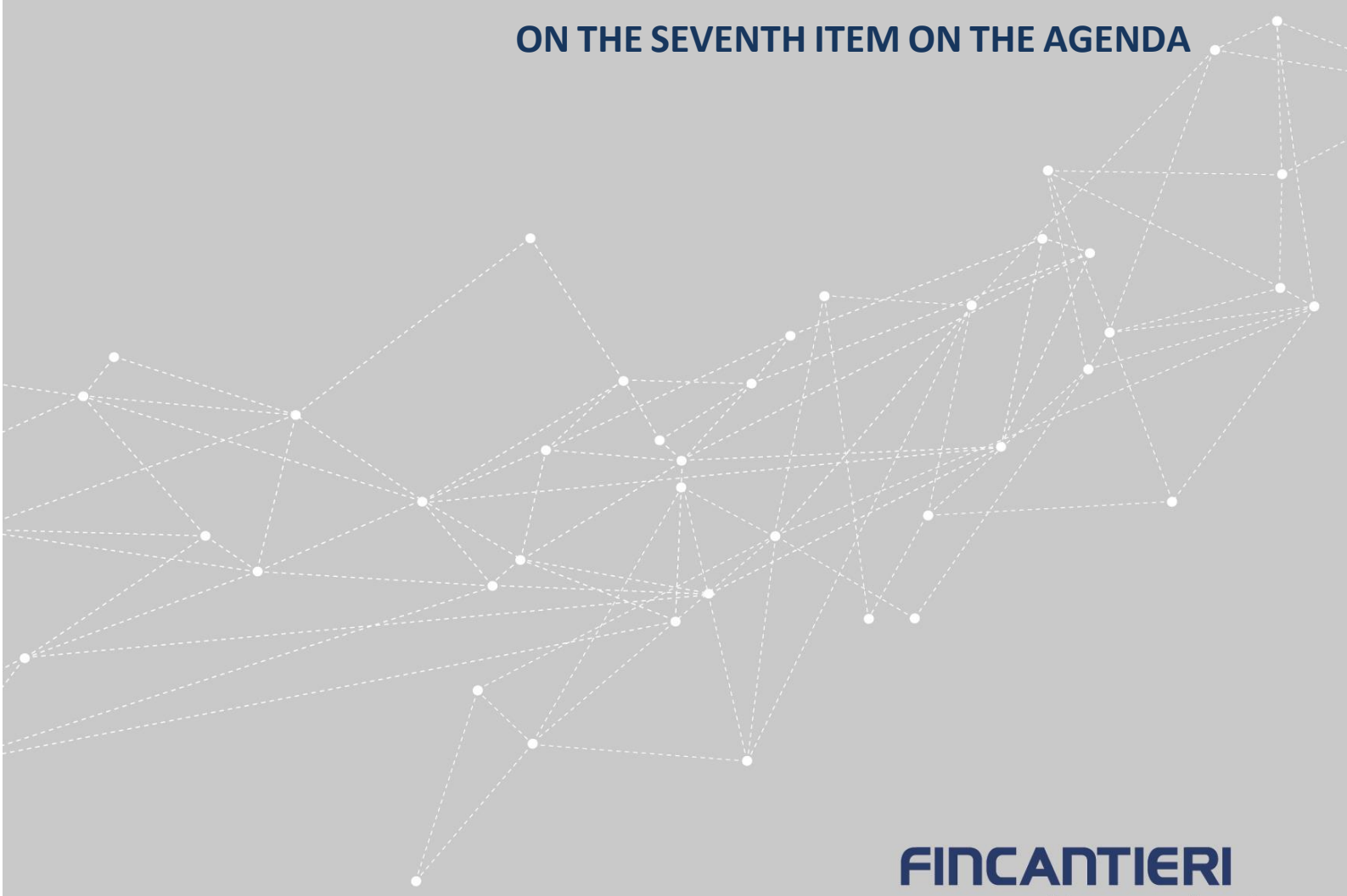


ORDINARY SHAREHOLDERS' MEETING

31 MAY 2023

**EXPLANATORY REPORT
BY THE BOARD OF DIRECTORS
ON THE SEVENTH ITEM ON THE AGENDA**



FINCANTIERI

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SEVENTH ITEM ON THE AGENDA

FINCANTIERI S.p.A.
Registered office Via Genova 1, Trieste
Share Capital EUR 862,980,725.70
fully paid-up
VAT No. 00629440322
Tax Code and Venezia Giulia Companies' 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

SEVENTH ITEM ON THE AGENDA

Increase of the fee of the auditing firm Deloitte & Touche S.p.A. for the limited audit of the Non-Financial Statement for the financial years 2022-2028.

Dear Shareholders,

the Ordinary Shareholders' Meeting of FINCANTIERI S.p.A. ("Fincantieri" or the "Company") held on 15 November 2019 resolved, on the reasoned proposal of the Board of Statutory Auditors, to grant to Deloitte & Touche S.p.A. ("Deloitte"), for the financial years 2020-2028, the engagement of external statutory auditor, as well as the engagement relating to the certification of compliance of the consolidated statement containing non-financial information prepared pursuant to Legislative Decree No. 254 of 30 December 2016 (the "Non-Financial Statement" or "NFS"), determining the related fee (the "Engagement").

Since the Engagement, Fincantieri has expanded and developed the information contained in the Non-Financial Statement, bringing it into line with regulatory developments and reporting best practices, and introducing a new tool for its collection.

More specifically:

- (i) the Non-Financial Statement submitted by the Company includes information with respect to (i) climate-related financial information as recommended by the Task Force on Climate-related Financial Disclosures (TCFD), (ii) the Communication on Progress as required by the United Nations Global Compact, and (iii) the categories reported within the indirect emissions occurring in the value chain, so-called Scope 3;

- (ii) as of 2021 the Company, in compliance with Article 8 of Regulation (EU) 2020/852 governing the European Taxonomy, will comply with the reporting requirements by highlighting in the NFS the contents and criteria for defining its economic activities as environmentally sustainable;
- (iii) it was also necessary to comply with the new reporting standard used for the preparation of non-financial disclosures as set forth in the GRI Sustainability Reporting Standards 2021 defined by the GRI - Global Reporting Initiative, which came into force on 1 January 2023.

In addition, as from the 2022 financial year, the Company uses a new software for non-financial reporting and for the collection and consolidation of non-financial data.

In view of the above changes, on 5 December 2022, Deloitte submitted to the Company a request for an increase of its fees relating to the part of the Engagement relating to the limited audit of the NFS, attached to this report (the "Increase Request").

Deloitte made that Increase Request based on the additional activities it is required to perform due to the aforesaid novelties, which constitute grounds for adjusting the auditing firm's fee under the Engagement in accordance with the Italian Stock Exchange Regulatory Authority (Consob) Communication No. DAC/RM/96003556 of 18 April 1996.

Similarly to what occurred when the Engagement was granted, the Increase Request was examined and evaluated by the Board of Statutory Auditors, which made the following reasoned proposal to adjust the fee, which is submitted to the Shareholders' Meeting for approval.

* * * * *

"OPINION OF THE BOARD OF STATUTORY AUDITORS ON THE PROPOSAL TO ADJUST THE FEE OF THE AUDITING FIRM DELOITTE & TOUCHE S.P.A. WITH RESPECT TO THE PROPOSED LIMITED AUDIT OF THE COMPANY'S CONSOLIDATED NON-FINANCIAL STATEMENT FOR THE FINANCIAL YEARS 2022 - 2028"

Following the grant to Deloitte & Touche S.p.A. ("Deloitte"), for the financial years 2020-2028, of the engagement relating to, inter alia, the certification of compliance of the consolidated statement containing the non-financial information of FINCANTIERI S.p.A. ("Fincantieri" or the "Company") prepared pursuant to Legislative Decree No. 254 of 30 December 2016, (the "Non-Financial Statement"), approved, at the proposal of the Board of Statutory Auditors, by the Shareholders' Meeting held on 15 November 2019, the Company has expanded and developed the information contained in the Non-Financial Statement, bringing it into line with regulatory developments and reporting best practices, and introducing a new tool for its collection.

More specifically, the Non-Financial Statement submitted by Fincantieri includes information with respect to (i) climate-related financial information as recommended by the Task Force on Climate-related Financial Disclosures (TCFD), (ii) the Communication on Progress as required by the United Nations Global Compact, and (iii) the categories reported within the indirect emissions occurring in the value chain, so-called Scope 3.

In addition, as of 2021 Fincantieri, in compliance with Article 8 of Regulation (EU) 2020/852 governing the European Taxonomy, complies with the reporting requirements by highlighting in the Non-Financial Statement the contents and criteria for defining its economic activities as environmentally sustainable.

It was also necessary to comply with the new reporting standard used for the preparation of non-financial disclosures as set forth in the GRI Sustainability Reporting Standards 2021 defined by the GRI - Global Reporting Initiative, which came into force on 1 January 2023.

Finally, as from the 2022 financial year, Fincantieri uses a new software for non-financial reporting and for the collection and consolidation of non-financial data.

These novelties result in an increase in the work required to perform the limited audit of the Non-Financial Statement.

Specifically, starting in the 2022 financial year, Deloitte must conduct additional verification activities aimed at ascertaining the adequacy of the reporting process with respect to the included new disclosures, the new GRI Sustainability Reporting Standards 2021 and the Taxonomy provisions, as well as related to the operability of the new software for non-financial reporting.

In this regard, on 5 December 2022, Deloitte made a request for an additional fee for further audit activities in the amount of:

- for the 2022 financial year, EUR 16,000*
- for the subsequent financial years from 2023 to 2028, EUR 12,000 per year.*

This request represents an increase to the activities and fees established on the occasion of the grant of, inter alia, the engagement relating to the certification of compliance of the Non-Financial Statement for the financial years 2020-2028, approved by the Shareholders' Meeting on 15 November 2019, upon the proposal of the Board of Statutory Auditors.

The engagement for the limited audit of the Non-Financial Statement, as well as the determination of the related fee, was approved by the Shareholders' Meeting and therefore it is deemed that any changes to the aforementioned fee requested during the period of performance of the engagement must also be submitted to the Shareholders' Meeting for approval, again upon reasoned proposal of the Board of Statutory Auditors.

The Board of Statutory Auditors, having examined Deloitte's proposal, has verified with the competent corporate functions that, in formulating the request for the increase of the fee, Deloitte has provided suitable evaluative elements in relation to the assumptions of the same and the changing economic conditions, indicating an adequate additional commitment and hourly costs consistent with those envisaged in the original proposal formulated by the auditing firm for the nine-year period 2020-2028.

As a result of the above verifications, the Board of Statutory Auditors believes that Deloitte's request to increase the fees for the audit work is appropriate and consistent with the professional commitment required by legal developments and best practices and is also consistent with the originally agreed hourly rates.

The Board of Statutory Auditors therefore proposes the following to the Shareholders' Meeting:

- (i) to approve for the 2022 financial year an increase, amounting to EUR 16,000, to the fee payable to the auditing firm Deloitte & Touche S.p.A.;*
- (ii) to approve for the financial years from 1 January 2023 to 2028 an increase, amounting to EUR 12,000 per annum, to the fee payable to the auditing firm Deloitte & Touche S.p.A.;*
- (iii) to grant the Board of Directors and, on its behalf, the Chairman of the Board of Directors and the Chief Executive Officer, also severally among themselves and with the right to sub-delegate, the broadest powers necessary to sign the proposal to increase the fee."*

* * * * *

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 reasoned proposal of the Board of Statutory Auditors regarding the fee increase requested by Deloitte & Touche S.p.A.;*
- having examined the Board of Directors' Report prepared in accordance with Article 125-ter of Italian Legislative Decree No. 58 of 24 February 1998;*

resolves

- (i) to approve for the 2022 financial year an increase, amounting to EUR 16,000, to the fee payable to the auditing firm Deloitte & Touche S.p.A. for the engagement relating to the certification of conformity of the consolidated statement containing non-financial information prepared pursuant to Legislative Decree No. 254 of 30 December 2016;*
- (ii) to approve for the financial years from 1 January 2023 to 2028 an increase, amounting to EUR 12,000 per annum, to the fee payable to the auditing firm Deloitte & Touche S.p.A. for the engagement relating to the certification of compliance of the consolidated statement containing non-financial information prepared pursuant to Legislative Decree No. 254 of 30 December 2016;*
- (iii) to grant the Board of Directors and, on its behalf, the Chairman of the Board of Directors and the Chief Executive Officer, also severally among themselves and with the right to sub-delegate, the broadest powers necessary to sign the proposal to increase the fee".*

For the Board of Directors
Chairman of the Board of Directors
Claudio Graziano

5 December 2022

To
Fincantieri S.p.A.
Via Genova, 1
34121 – Trieste

To the kind attention of Giuseppe Dado and Manuela Bacci

Dear,

Further to the recent contacts between us, we hereby submit to you the variation of the fees provided for the performance of the activities envisaged in the engagement letter for the limited audit of the Consolidated Non-Financial Statement (hereinafter “CNFS”) of Fincantieri S.p.A., as indicated in the engagement letter (hereinafter also the “Agreement”) of our company adopted by the resolution of the ordinary Shareholders’ Meeting of 15 November 2019 of Fincantieri S.p.A. (hereinafter the “Company” or the “Client”).

Context and objectives

Over the last few years, the Client has improved and extended its non-financial information, in accordance with regulatory developments and reporting best practices, more specifically with reference to climate-related financial information as set forth by the Task Force on Climate-related Financial Disclosures (TCFD), to the Communication on Progress as governed by the Global Compact membership, to the categories reported within the indirect emissions so-called Scope 3.

As of 2021, moreover, as stipulated in Article 8 of the Regulation EU 2020/852 governing the topic of European taxonomy (“EU Taxonomy”), the CNFS complies with the reporting requirements by highlighting the contents and criteria for defining an economic activity as environmentally sustainable.

In addition, it should be noted that the reporting standard used for the preparation of non-financial disclosures pursuant to Legislative Decree No. 254/2016 (hereinafter “LD 254/16”) has been updated to the latest version of the GRI Sustainability Reporting Standards 2021 defined by the GRI - Global Reporting Initiative and must be mandatorily applied from 1 January 2023.

In addition, as from the 2022 financial year, a new software is used for non-financial reporting, collection and consolidation of non-financial information and data.

It is therefore necessary to conduct additional verification activities from 2022 onwards to identify: i) the adequacy of the reporting process with respect to the included new disclosures (e.g., climate-related disclosures) and the new GRI Sustainability Reporting Standards 2021, ii)

the Taxonomy provisions, and iii) the operability of the new software for non-financial reporting.

In this context, considering the need for a greater use of resources compared to what was estimated when setting the fees at the time of the original stipulation of the Agreement for the additional verification activities to be conducted on the Non-financial Statement, Deloitte, with this document, (hereinafter the "Agreement") hereby requests the payment of an increase in the fees for its professional services, already identified in the above-mentioned Agreement, for the remaining financial years covered by the engagement.

Fees

The determination of the fees hereunder is based on an estimate of the working hours for each professional category and the applied hourly rates of the Agreement, duly updated to take account of inflation. Furthermore, the increase in fees was estimated taking into account the presence of both recurring and non-recurring activities.

As a result of these considerations, the requested supplement therefore amounts to EUR 16,000 for the 2022 financial year and EUR 12,000 annually for the following financial years (2023-2028).

The estimate of our fees is based on the assumption that we will be able to count on the cooperation of the Company's personnel to make available all the data, documents and processing that will be necessary for the performance of our audits, as well as on the assumption that our personnel will be able to avail themselves of the assistance necessary to deal with and solve the problems connected with the performance of our engagement.

Except as expressly modified by this Agreement, all other terms and conditions of the Agreement shall remain unchanged and in full force and effect between the parties.

If you agree with the foregoing, please return the attached copy of the Agreement, signed by you for acceptance and confirmation.

Kind regards

DELOITTE & TOUCHE S.p.A.

Franco Amelio
Partner

For acceptance: _____ Date: _____