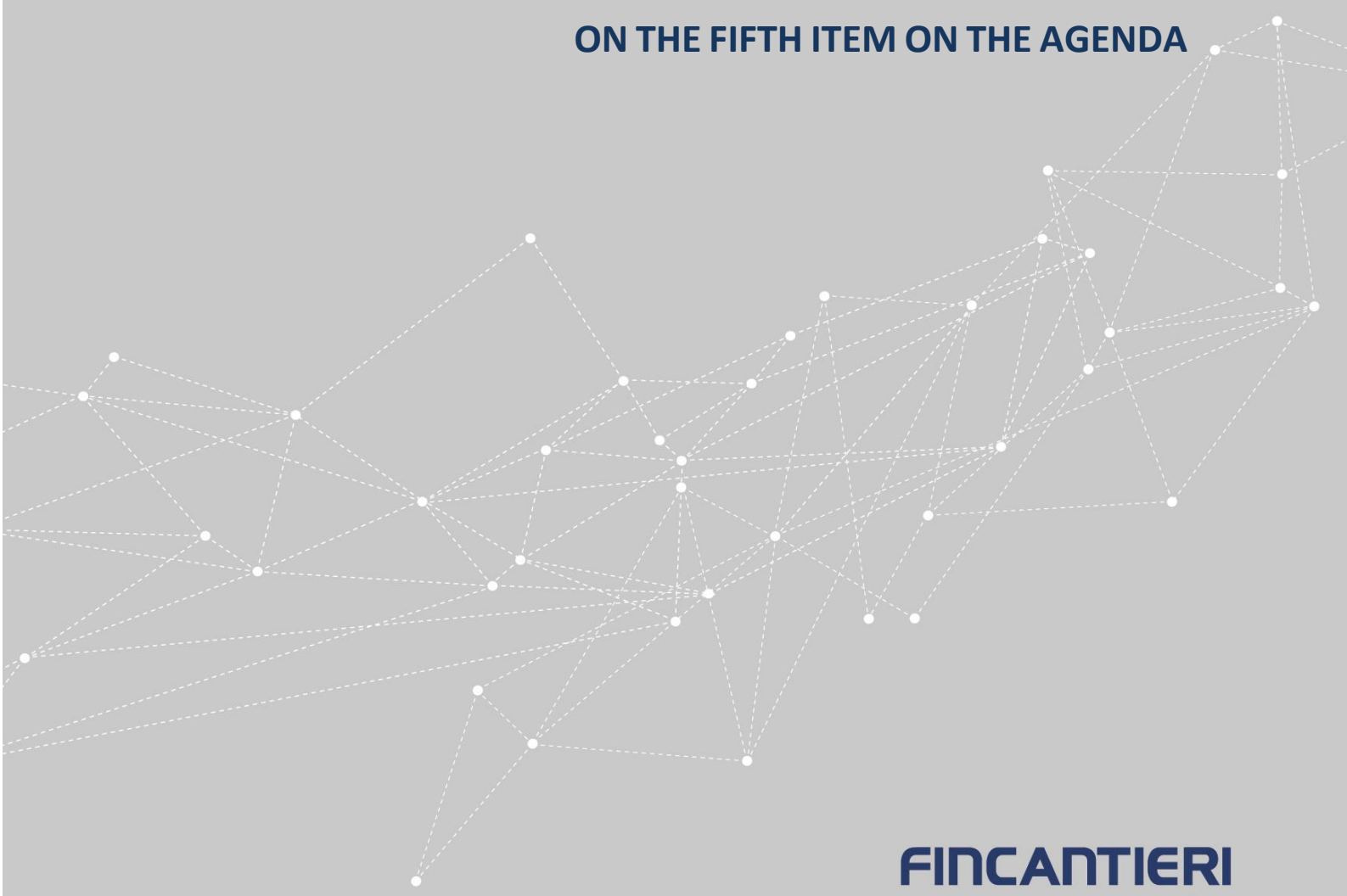


ORDINARY SHAREHOLDERS' MEETING

31 MAY 2023

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



FINCANTIERI
The sea ahead



FIFTH 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

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Explanatory report prepared in accordance with Article 125-ter of Legislative Decree No. 58 of 24 February 1998 (the "Italian Consolidated Law on Finance") and Article 73 of the Regulation issued by the Italian Stock Exchange Regulatory Authority (Consob) with resolution No. 11971 of 14 May 1999 (the "Consob Issuers' Regulation") in accordance with Annex 3A, Schedule 4 of the Consob Issuers' Regulation

FIFTH ITEM ON THE AGENDA

Approval to purchase and dispose of the Company's shares after revoking the previous approval adopted at the Ordinary Shareholders' Meeting on 16 May 2022 for the portion not implemented. Related and consequent resolutions.

Dear Shareholders,

you have been called to an Ordinary Shareholders' Meeting, in accordance with the combined provisions of (i) Articles 2357 *et seq.* of the Italian Civil Code, (ii) Article 132 of the Italian Consolidated Law on Finance and (iii) Article 144-*bis* of the Consob Issuers' Regulation to discuss and resolve, among other things, on the proposal to authorise the purchase and disposal of the Company shares for the purposes and in accordance with the deadlines and the procedures described below, subject to revocation of the prior authorisation adopted by resolution at the Ordinary Shareholders' Meeting on 16 May 2022.

In this regard, we remind you that the Shareholders' Meeting authorised the Board of Directors to purchase the Company shares for a period of 18 months from the date of the Shareholders' Meeting's resolution. The authorisation to purchase the Company shares will therefore expire on 16 November 2023, while the authorisation to dispose of the shares was granted without time limits.

In implementation of and in compliance with the resolution of the Shareholders' Meeting of 16 May 2022, FINCANTIERI S.p.A. ("Fincantieri" or the "Company"), for the purpose of the Company's incentive plan called "Performance Share Plan 2019-2021", (i) during the period between 15 June and 23 June 2022, purchased No. 2,000,000 Company shares, equal to approximately 0.12% of the share capital and (ii) during the period between 20 March and 3 April 2023, purchased No. 10,000,000 Company shares, equal to approximately 0.59% of the share capital.

Given what we believe is the desirability, for the reasons specified in detail in this report, to renew the authorisation for the Board of Directors to purchase the Company shares for an additional period, we propose that you revoke, for the portion not implemented, the existing authorisation and resolve on a new authorisation to purchase and dispose of the Company shares.

Reasons for the authorisation proposal

The renewed request for authorisation to purchase and dispose of the Company shares is based on the desirability of granting the Board of Directors of Fincantieri the power to purchase and dispose of Company shares, even in multiple solutions, in accordance with the law in force and the procedures indicated below, for the following purposes:

- for share incentive plans approved by the Company or its subsidiaries;
- to meet obligations under debt instruments convertible into equity instruments;
- to carry out activities 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 No. 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, if appropriate, 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 No. 11,128,666 treasury shares, or approximately 0.65% of the share capital. The subsidiaries do not hold 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.

Upon each purchase or disposal transaction of treasury shares, the Company shall make the necessary or appropriate accounting entries, in compliance with Article 2357-*ter*, last paragraph, of the Italian Civil Code and applicable accounting standards.

Period of validity of the authorisation sought

Authorisation to purchase treasury shares is requested for the maximum duration allowed by art. 2357, paragraph 2, of the Italian Civil Code, and therefore for a period of 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 Euronext Milan market organised and managed by 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 laid down by applicable laws, as well as, if appropriate, accepted market practices 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 Euronext Milan market organised and managed by 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 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 Law on Finance and Article 84-*bis* of the Consob Issuers' Regulation, 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 the legislation in force 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 Law on Finance, Article 144-*bis* of the Consob Issuers' Regulation and any other legislation in force as well as, if appropriate, accepted market practices at the relevant time.

Given the different purposes that can be pursued through transactions in treasury shares, the Board of Directors proposes that authorisation be given to carry out the purchases, in compliance with the principle of equal treatment of Shareholders under Article 132 of the Italian Consolidated Law on Finance, according to any of the applicable methods set out in Article 144-*bis* of the Consob Issuers' Regulation (including through subsidiaries), to be determined, from time to time, in the Board's discretion.

Share purchase transactions may be carried out in compliance with the conditions set out in Article 3 of Commission Delegated Regulation (EU) No. 2016/1052 in order to benefit, if the conditions are met, from the exemption in Article 5(1) of Regulation (EU) No. 596/2014 on market abuse with regard to insider trading and market manipulation.

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 plans on fees approved under Article 114-*bis* of the Italian Consolidated Law on Finance. 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 interest and, in any case, in compliance with the legislation in force 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, the subject of the aforementioned authorisation request, is not made for the purpose of reducing the share capital.

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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 Italian Legislative Decree No. 58 of 24 February 1998, as well as Article 73 of the Regulation issued by the Italian Stock Exchange Regulatory Authority (Consob) with Resolution No. 11971 of 14 May 1999 and in accordance with Annex 3A - Schedule 4, of that Regulation and the proposal contained therein;*
- having regard to the provisions of Articles 2357 et seq. of the Italian Civil Code, Article 132 of Legislative Decree No. 58 of 24 February 1998 and Article 144-bis of the Regulation issued by the Italian Stock Exchange Regulatory Authority (Consob) with Resolution No. 11971 of 14 May 1999, as well as any other applicable provisions,*

resolves

- 1. to revoke the resolution authorising the purchase and the disposal of treasury shares adopted by the Ordinary Shareholders’ Meeting of 16 May 2022, for the portion not implemented;*
- 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 take place at a price that does not vary upwards or downwards by more than 10% over the reference price registered on the Euronext Milan 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 the legislation in force 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 Regulations adopted by the Italian Stock Exchange Regulatory Authority (Consob) by Resolution No. 11971 of 14 May 1999, and any*

other legislation in force also European 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 referenced herein in their entirety 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 subject 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 Euronext Milan 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 Chairman 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 at the relevant time”.*

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