

THE ITALIAN SEA GROUP S.P.A.

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

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

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

Directors' Explanatory Report on proposals 1, 2, 3 and 4 on the Agenda of the Ordinary Shareholders' Meeting convened on April 29th, 2022 (single call).

Dear Shareholders,

the Board of Directors of The Italian Sea Group S.p.A. (“**TISG**” or “**The Company**”) has prepared this report (the “**Report**”) pursuant to Art. 125-ter of the Legislative Decree dated February 24th, 1998 n. 58 as subsequently amended and integrated (“**TUF**”) and pursuant to Art. 84-ter of the regulation adopted by Consob with deliberation n. 11971 of May 14, 1999, as subsequently amended and integrated (the **Issuers’ Regulation**”) with reference to the Shareholders’ Meeting convened on April 29th, 2022 (single call) at 3.00 pm CET in Milan, at ZNR Notaries in via Metastasio n. 5, to discuss and resolve on the following

AGENDA

1. **Approval of the financial statements for the financial year at December 31st 2021 and presentation of the consolidated financial statements at December 31st 2021. Related and consequent resolutions.**
2. **Allocation of profit and proposal for dividend distribution. Related and consequent resolutions.**
3. **Report on the policy in terms of remuneration and compensation paid, compliant to Article 123-ter of Legislative Decree n. 58 of February 24th, 1998, as subsequently amended:**
 - 3.1 **First section: Report on the Policy in terms of remuneration. Binding resolution.**
 - 3.2 **Second section: Report on compensation paid. Non-binding resolution.**
4. **Approval of Meeting Regulations. Related and consequent resolutions.**
5. **Authorisation for the purchase and disposal of own shares pursuant to Article 2357 of the Italian Civil Code.**

1. Approval of the financial statements for the financial year at December 31st 2021 and presentation of the consolidated financial statements at December 31st 2021. Related and consequent resolutions.

Dear Shareholders,

with reference to the first item on the agenda, the Board of Directors of TISG on March 24th 2022 has approved the financial statements and the consolidated financial statements of the Company at December 31st 2021.

In detail, the Company's financial statements at December 31st 2021 records a Net Income equal to 16.331.595,98 Euros. A copy of the document of the financial statements and the consolidated financial statements at December 31st, 2021 along with the Report from the Board of Statutory Auditors and the Auditing Firm in charge of legal auditing is available at the Company's Registered Office, on the website (www.theitalianseagroup.com) as well as on "eMarket SDIR" Storage mechanism (www.emarketstorage.com) along with the annual report on corporate governance and ownership structure for 2021, which have been made available for those who may want to examine them.

Therefore, you have been invited to resolve on the following:

"The Ordinary Shareholder Meeting of The Italian Sea Group S.p.A.:

- having examined the financial statements at December 31st 2021;*
- having examined the consolidated financial statements at December 31st 2021;*
- having acknowledged the Report from the Board of Statutory Auditors and the Auditing Firm,*

Resolves

- to approve the financial statements at December 31st 2021 and the management report;*
- to grant the Board of Directors and the Chairman and the Chief Executive Officer, acting severally, with the widest possible powers to concretely and integrally execute the above resolutions in compliance with the applicable legislation and, in particular, to deposit and publish the financial statements and, the general, all the documents related to it pursuant to the current legislation and regulations."*

2 Allocation of profit and proposal for dividend distribution. Related and consequent resolutions.

Dear Shareholders,

with reference to the second item on the agenda, we wish to remind you that the financial statements at December 31st, 2021 records a Net Income of 16,331,595.98 Euros.

The Board of Directors proposes to:

- Increase the legal reserve by 950,000 Euros;
- Distribute to shareholders a dividend of Euro 0.185 per share;
- Agree that the ex-dividend date will be May 9th, 2022 with record date on May 10th, 2022, pursuant to Art. 83-terdecies of the Legislative Decree n.58 of February 24th, 1998 as subsequently amended, and that the dividend will be paid on May, 11th 2022.

Therefore, you are kindly invited to resolve on the following:

“The Ordinary Shareholder Meeting of The Italian Sea Group S.p.A.:

- having examined the financial statements at December 31st, 2021;*
- having examined the consolidated financial statements at December 31st, 2021;*
- having acknowledged the report from the Board of Statutory Auditors and the Auditing Firm,*

Resolves

- To allocate the Net Income, equal to 16,331,595.98 Euros to increase the legal reserve by 950,000 Euros;*
- To distribute to shareholders a dividend of 0.185 Euro per share;*
- To agree that the ex-dividend date will be May 9th, 2022 with record date on May 10th, 2022, pursuant to Art. 83-terdecies of the Legislative Decree n.58 of February 24th, 1998 as successively modified, and that the dividend will be paid on May, 11th 2022.”*

3. Report on the policy in terms of remuneration and compensation paid, in accordance with Article 123-ter of Italian Legislative Decree n. 58 of February 24th, 1998, as subsequently amended:

Dear Shareholders,

In relation to the third item on the agenda, pursuant to Article 123-ter of the TUF and Article 84-quarter of the Issuers' Regulation, the Board of Directors has approved on March 24th, 2022 the "Report on the policy in terms of remuneration and compensation paid".

The report is deposited, in accordance with the current law, by the registered office, on the Company's website (www.theitalianseagroup.com) as well as the "eMarket SDIR" storage mechanism, available at the url www.emarketstorage.com. Please note that, pursuant to Article 123-ter of the TUF, the aforementioned Report is composed of two sections. The first section illustrates the Company's policy in terms of remuneration of the members of the Board of Directors, the Board of Statutory Auditors and the Directors with strategic responsibilities related to the 2022 financial year, as well as the procedures for the adoption and implementation of such policy. This section, pursuant to Article 123-ter, *commas 3-bis* and *3-ter*, of the TUF, introduced by the Italian Legislative Decree n. 49/2109, is subject to the Ordinary Shareholders' Meeting's binding vote. The second section contains the indication of the compensation paid to the members of the Board of Directors, the Board of Statutory Auditors and the Directors with strategic responsibilities (for the latter, in aggregate form) related to the 2021 financial year; this section, pursuant to new comma 6 of Article 123-ter of the TUF, as introduced by the Italian Legislative Decree n. 49/2019 is subject to the non-binding vote of the Ordinary Shareholders' Meeting. In light of the above, in relation to the current item on the agenda the Shareholders' Meeting will proceed with two different votes, on the basis of the proposals below.

3.1 First section: Report on the Policy in terms of remuneration. Binding resolution.

In reference to the first section, you are invited to resolve on the following:

"The Ordinary Shareholders' Meeting of The Italian Sea Group S.p.A.:

- *Having examined the first section of the "Report on the policy in terms of remuneration and compensation paid" of The Italian Sea Group S.p.A. prepared by the Company's Board of Directors, the Board of Statutory Auditors and the Directors with strategic responsibilities related to the 2022 Financial Year, as well as the procedures used for the adoption and implementation of such policy.*

Resolves

- *Pursuant to Article 123-ter, *commas 3-bis*) and *3-ter*) of the TUF, to approve the first section of the "Report on the policy in terms of remuneration and consumption paid", prepared by the Company's Board of Directors"*

3.2 Second section: report on remuneration and fees paid. Non-binding resolution.

With reference to the second section, you are therefore invited to resolve on the following:

“The Ordinary Shareholder Meeting” of The Italian Sea Group S.p.A.:

- having examined the second section of the “Report on the policy regarding remuneration and fees paid” of The Italian Sea Group S.p.A., prepared by the Company’s Board of Directors pursuant to Art. 123-ter, letter 4, of TUF, containing the indications of remuneration paid to the members of the Board of Directors and the Board of Statutory Auditors, as well as to Directors with strategic responsibilities in 2021 or in years related to it;

Resolves

- pursuant to Art. 123-ter, letter 6 of TUF, positively on the second section of the “Report on the policy regarding remuneration and fees paid” adopted by The Italian Sea Group prepared by the Company’s Board of Directors.”

4. Approval of Meeting Regulations. Related and consequent resolutions.

Dear Shareholders,

with reference to the fourth item on the agenda, on March 24th 2022 the Board of Directors has approved the Meeting Regulations which is attached to this Report under “Attachment A”.

In light of the Company’s IPO in 2021, it is deemed appropriate to adopt Meeting Regulations.

You are therefore invited to resolve on the following:

“The Ordinary Shareholder Meeting of The Italian Sea Group S.p.A.:

Resolves

- to approve the Meeting Regulations in the text proposed by the Board of Directors and attached to the Explanatory Report of the Board of Directors in the items on the agenda.”

Milan, March 30th 2022

For the Board of Directors
The Chairman (Filippo Menchelli)

Meeting Regulations

Adopted with resolution on [●]

Index

1. Call of the Shareholders' Meeting	10
2. Right of participation	11
3. Participation modalities	12
4. Discussion	12
5. Right to speak	13
6. Conduct of the Shareholders' Meeting	14
7. Voting	15
8. End of the meeting	15

Foreword

This regulation (hereinafter the “**Regulation**”) disciplines the carrying out of the Ordinary and Extraordinary Shareholders’ Meeting of The Italian Sea Group S.p.A. (hereinafter the “**Company**”), in compliance with the law, regulatory standards, and the Articles of Association (hereinafter the “**Articles**”).

For anything not expressly governed by this Regulation, the current law, regulatory standards, voluntary and statutory norms apply and are expressly referred to. In case of contrast between the provisions of this Regulation and the legal provisions, regulatory standard or statutory provisions, the latter will prevail.

This Regulation is available to the Shareholders and those who are entitled to participate in the Shareholders’ Meeting at the Company’s registered offices and the locations where the Shareholders’ Meetings take place and is available on the Company’s website.

The modifications to this Regulation are approved by the Ordinary Shareholders’ Meeting.

1. Call to the Shareholders’ Meeting

The Ordinary Shareholders’ Meeting must be convened at least once a year, within a hundred and twenty days from the closing of the financial year, or a hundred and eighty years in case the Company is required to prepare the consolidated financial statements or where there are specific needs related to the Company’s structure and business object, notwithstanding the provisions of Article 154-*ter* of Italian Legislative Decree 58/98, as amended (“TUF”) and, in any case, of any legislative or regulatory provision occurring over time.

Without prejudice to the power to convene provided by specific legal dispositions, the Shareholders’ Meeting must be convened by the Directors through a notice which indicates:

- The date,
- The time,
- The location of the meeting,
- The items on the agenda,
- Further information prescribed in accordance to the legislation – also regulatory legislation – occurring over time.

The notice must be published, in the modalities and terms provided by the legislation, even regulatory, occurring over time.

The Ordinary and Extraordinary Shareholders’ Meeting are held in a single call. In any case, the Board of Directors can convene the Shareholders’ Meeting also in second and third call in accordance with the current legislation, indicating in the notice the date, time and location of the meeting.

The Shareholders’ Meeting can be convened even outside of the registered offices, provided that it is located in national territory.

There is room for the possibility that the Ordinary and Extraordinary Shareholders' Meeting can take place, if provided in the notice of call, with participants from different locations, whether nearby or distant, linked by means of audioconference and/or videoconference, provided that all participants can be identified and can follow the discussion, intervene in real time to the handling of the items in the agenda, receive and submit documents and participate in the voting, and that all of the above is recorded in the related record.

In any case, the Shareholders' Meeting is considered duly constituted whenever it represents the totality of the share capital and there is the presence of the majority of the Directors and the effective incumbent members of the Board of Statutory Auditors, pursuant to Article 2366 of the Italian Civil Code.

2. Right of participation

The rights to participate and be represented in the Shareholders' Meeting are disciplined by the legislation, even regulatory, from time to time in force.

Each person who is entitled to vote and for which the Company receives – in compliance with the current legislation, even regulatory – the communication effected by the lawfully authorised intermediary can participate in the Shareholders' Meeting. It is the duty of the Chairman of the Shareholders' Meeting, who can avail of specific officers, to ascertain the right to participate in the Shareholders' Meeting, and resolve any complaints.

For representation in the Shareholders' Meeting the legislations – even regulatory – from time to time in force apply.

The proxy may be notified to the Company even by way of certified e-mail pursuant to the applicable provisions from time to time in force.

In any case, the person who intervenes in the Shareholders' Meeting, in person or by proxy, must be identifiable by presenting an appropriate document, also for what concerns the powers given in the event of representation of a legal entity.

Following the Chairman's indication, the clerks and any poll workers who are not shareholders will attend the Shareholders' Meeting, to carry out the functions provided in the following articles of this Regulation.

The General Manager, if appointed, the Chief Financial Officer and the other Directors, if appointed, will attend the Shareholders' Meeting.

Other managers and officers of the Company, the Directors, the executives as well as the Company advisors can attend the Shareholders' Meeting, when their presence is deemed useful by the Board of Directors or by the Chairman of the Board of Directors in relation to the items to discuss. Qualified journalists for the Shareholders' Meeting from newspapers, even online, daily or magazines, Italian or foreign, nationally distributed or broadcasting channels, Italian or foreign, nationally distributed, can attend the Shareholders' Meeting without the right to speak. The accreditations shall be sent to the location where the Shareholders' Meeting is held in compliance with the Articles of Association within 24 hours of the day preceding the call of the Shareholders' Meeting.

The Company does not exercise the possibility to appoint the representative to which the entitled persons can confer a proxy with voting instruction, without prejudice to the application of regulations which derogate from the above.

3. Modalities of participation

Those who have the right to intervene in the Shareholders' Meeting in compliance with the above Article 2 must deliver to the appointed Company personnel, at the entrance of the location of the Shareholders' Meeting, the documents required by the current regulations attesting the entitlement to participate in the Shareholders' Meeting and exercise voting rights, with collection of the specific voting participation form to exhibit for any checks and, in any case, to return in case of removal from the Shareholders' Meeting before its conclusion. In case of temporary removal, the return in the Shareholders' Meeting location must be notified to the appointed personal which will provide for the restitution of the participation/voting form.

Those who have the right to attend the Shareholders' Meeting pursuant to the above Article 2 must be identified by the appointed Company personnel, at the entrance of the location of the Shareholders' Meeting and collect the specific mark for identification to be kept on file.

The participants proceed to any voting for the nomination of the Chairman and Secretary pursuant to the Articles of Association.

The Chairman of the Shareholders' Meeting, also relying on personally appointed employees, ascertains the lawfulness of the proxies, the entitlement of the participants to take part in the Shareholders' Meeting as well as its regular constitution.

Furthermore, the Chairman during the Shareholders' Meeting ascertain from time to time, with reference to the single items in the agenda, the right of the participants to take part in the discussion and the voting on the items.

A list is prepared, under the Chairman's direction, even in an electronic format, which indicates all persons who intervene in relation to the share ownership with the specification on the number of shares and the related voting rights, as well as all the other rights.

The Chairman, where appropriate, chooses the poll workers, even if they are not Shareholders.

Recording instruments of any nature, photography equipment or similar devices, cannot be introduced in the location of the Shareholders' Meeting without specific authorisation from the Chairman of the Shareholders' Meeting.

4. Discussion

After ascertaining the regular constitution of the Shareholders' Meeting, the Chairman reads the items on the agenda.

In discussing the items on the agenda, the Chairman, provided that the Shareholders' Meeting does not object, can follow a different order from the one resulting in the notice of call of the Shareholders' Meeting.

The Chairman and, upon invitation, the Directors, illustrate the items on the agenda relying on, where appropriate, of the General Manager when appointed, the Chief Financial Officer, the other Directors and Managers or advisors of the Company.

The Chairman regulates the discussion giving the word to those who have the right to participate in accordance to Article 5 below.

The Chairman shall intervene in order to avoid any abuse or disturbances to the regular conduct of the Shareholders' Meeting.

5. Right to speak

Those entitled to voting rights and their representatives have the right to speak on any of the items on the agenda.

Those who intend speaking may ask, to the Chairman, through the appointed personnel in the room through the request containing, apart from name and surname, the indication of the item in agenda to which the question refers, after the Chairman has read the items on the agenda and as long as the Chairman has not ended the discussion on the item to which the question refers. If one or more questions are presented at the same time, the Chairman will give the right to speak according to the alphabetical order of the applicants' surnames.

The Chairman can authorise the presentation of questions by show of hands; in that case the Chairman concedes the right to speak according to the alphabetical order of the applicants' surnames.

The members of the Board of Directors, the Statutory Auditors, the General Manager where appointed, the Chief Financial Officer and other Directors can ask to intervene in the discussion.

When the Chairman deems it useful to the item under discussion, the right to speak is given to the other Directors and Officers, Directors, Managers or any advisors of the Company.

The Chairman and, upon invitation, the Directors, Statutory Auditors, General Manager where appointed, Chief Financial Officer, other Directors and other managers answer to the speakers at the end of each intervention or after the end of interventions on the single item on the agenda, taking into account also any questions formulated by the shareholders before the Shareholders' Meeting which have not yet been answered by the Company.

The Chairman, taking into account the subject and the importance of the single items on the agenda, as well as the number of persons asking to speak and any question formulated by the shareholders before the Shareholders' Meeting which have not yet been answered by the Company, can determine the period of time

– in any case not longer than 5 minutes – given to each speaker to carry out their intervention. After the end of the period of time, the Chairman can invite the speaker to conclude in the following two minutes.

Those who have already intervened in the discussion, can ask to speak a second time for the duration of two minutes also to carry out any voting declarations.

6. Conduct of the Shareholders' Meeting

The Shareholders' Meeting will be held in a single call, during which the Chairman, where there is the opportunity and the Shareholders' Meeting does not object, with resolution approved by the majority of the capital represented in the Shareholders' Meeting, can interrupt the meeting for no longer than 3 hours.

The Chairman must postpone the meeting no longer than five days in the case provided in Article 2374 of the Italian Civil Code and can do it in any other case when requested or there is an opportunity and as long as the Shareholders' Meeting with resolution approved by the majority of the capital represented does not object; in that case, he sets the date and the hour of the new meeting at the same time.

The Chairman has the duty to maintain the order in the Shareholders' Meeting in order to grant a correct conduct of the works and repress abuses and also to compose or avoid situations of conflict inside the Shareholders' Meeting. To this effect he, unless the Shareholders' Meeting objects, may forbid a speaker to speak in the following cases:

- Whenever the speaker talks without having the right to do so or continues to speak after the duration of the time appointed to them;
- Following a warning, in case of clear and evident departure from the subject under discussion;
- In case the speaker pronounces phrases or shows behaviour that is inconvenient or insulting;
- In case of incitement to violence or unrest.

Whenever one or more of the persons present prevents others from discussion or provokes with their behaviour a situation which does not allow the regular course of the Shareholders' Meeting, the Chairman warns those who showcase such behaviours to put an end to it.

Where such warning is in vain, the Chairman, unless the Shareholders' Meeting objects, disposes for the removal of the persons previously warned from the room for the entire duration of the discussion phase, relying on, where necessary, of the Company's security and surveillance staff.

With no interventions remaining, the Chairman concludes ending the discussion on the single item on the agenda.

7. Voting

Before the start of the voting, the Chairman re-admits to the Shareholders' Meeting those who have been removed by the norm of the above Article 6.

The measures of the above Article 6 can be adopted, where there are the conditions, also during the voting process, with such modalities to consent the possibility of the exercise of the voting right, where there is entitlement, to those who are affected by the aforementioned measures.

The Chairman can arrange, depending on circumstance, that the voting on each single item shall occur after the end of the discussion of each item or at the end of the discussion of all items on the agenda.

The voting occurs through the open ballot system. Taking into account the number of votes to which every person who has voting rights is entitled, the Chairman adopts one of the following methods:

- a) Roll call;
- b) Submission of a form;
- c) Show of hands;
- d) Sitting and standing;
- e) Use of appropriate electrical equipment.

The Chairman regulates the voting and adopts the appropriate measures for the orderly conduct of the voting process. Where deemed appropriate, he can set a maximum time to express the vote.

8. End of the meeting

After completing the votes and carrying out the related counts, where appropriate, the Chairman declares the approval of the proposal which has received favourable vote from the majority required by the law or the Articles of Association.

In case of election of the members of the Board of Directors, and the effective and alternate members of the Board of Statutory Auditors, the Chairman declares the election of the candidates who result winners on the basis of the voting mechanisms provided by the Articles of Association.

After finishing the discussion and the voting on all the items on the agenda and after proclaiming the related results, the Chairman declares the end of the meeting.

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