

THE ITALIAN SEA GROUP S.P.A.

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

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

No. of Registration in the Company Register of Massa Carrara and Tax Code 00096320452

Board of Directors' Explanatory Report

On Item no. 1 on the Agenda

Of the Ordinary Shareholders' Meeting convened for 27 April 2023, in a single call.

The Italian Sea Group S.p.A.

Headquarters - Facilities

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Tel. +39 0585 5062
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theitalianseagroup.com

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

1. Financial Report at 31 December 2022.

1.1. Approval of the Financial Statements at 31 December 2022. Presentation of the Consolidated Financial Statements at 31 December 2022 and the Non-Financial Report for Financial Year 2022 pursuant to Legislative Decree 254/2016. Reports of the Board of Directors, the Board of Statutory Auditors, and the Auditing Firm.

1.2. Allocation of Net Income for the Year. Related and consequent resolutions.

Dear Shareholders,

The Shareholders' Meeting will be convened to approve the Financial Statements for the year ending 31 December 2022.

All documentation related to this item on the agenda will be made available to the public, within the terms provided for in the current law and pursuant to legal provisions and the applicable regulations, at the Company's Registered Offices, on the Company's website at www.investor.theitalianseagroup.com in the "Corporate Governance/Annual General Meeting" section, on Borsa Italiana's website and through the authorised storage mechanism "eMarket STORAGE", together with the Report of the Board of Statutory Auditors and the Report of the Auditing Firm for the audit of the accounts related to the draft financial statements at 31 December 2022. The shareholders have the right to obtain copies.

With reference to the above mentioned documentation, we invite You to approve the Financial Statement at 31 December 2022, drafted in accordance with IFRS International Accounting Standards, together with the accompanying reports, recording a Net Income of EUR 24,247 thousand.

Furthermore, we ask You to acknowledge the Consolidated Financial Statement at 31 December 2022, drafted in accordance with IFRS International Accounting Standards, recording a Net Income of EUR 24,046 thousand.

In this regard, the Board of Directors of The Italian Sea Group S.p.A., convened on 21 March 2023, has deemed appropriate to approve a proposal of resolution to the Shareholders' Meeting related to the allocation of the Net Income for 2022, equal to EUR 24,247 thousand, of which EUR 14,427,794.50 to be distributed as a dividend, and EUR 9,819,290.47 as retained earnings.

In light of the above, we submit the following resolution proposals for your approval:

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1.1 Resolution proposal for the approval of the Annual Financial Statements

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

- *Having examined the data recorded in The Italian Sea Group S.p.A.’s Financial Statement at 31 December 2022, accompanied by the Directors’ Report, the Report of the Board of Statutory Auditors, the Report of the Auditing Firm and the additional documentation required by law,*

resolves

- 1- *To approve the Financial Statements of The Italian Sea Group S.p.A. at 31 December 2022, which records a Net Income of EUR 24,247,084.97;*
- 2- *To give to the Chairman of the Board of Directors and to the Chief Executive Officer, even separately, all the necessary powers to execute these resolutions.”*

1.2 Resolution proposal for the approval of the allocation of Net Income

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

- *Having examined the data recorded in The Italian Sea Group S.p.A.’s Financial Statement at 31 December 2022, accompanied by the Directors’ Report, the Report of the Board of Statutory Auditors, the Report of the Auditing Firm and the additional documentation required by law,*
- *Having acknowledged that the Legal Reserve has already reached one fifth of the Share Capital in compliance with art. 2430 of the Italian Civil Code,*

resolves

- 1- *To approve the allocation of the Net Income for the year, equal to EUR 24,247,084.97 as follows:*
 - *For EUR 0.272 per share outstanding, equal to a total estimated value of EUR 14,427,794.50 to distribute as ordinary dividend, gross of any retention under law, to pay on 4 May 2023, ex-dividend date on 2 May 2023 and record date 3 May 2023;*
 - *For the remaining part, equal to EUR 9,819,290.47, to allocate as retained earnings;*
- 2- *To give to the Chairman of the Board of Directors and to the Chief Executive Officer, even separately, all the necessary powers to execute these resolutions.”*

Marina di Carrara, 21 March 2023

Chairman of the
Board of Directors
(Filippo Menchelli)

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

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