

***Explanatory report of the Board of Directors drafted pursuant to Article 125-ter of Legislative Decree no. 58 of 24 February 1998 (“TUF”), as subsequently amended, on the first item on the agenda of the Ordinary Shareholders’ Meeting called for 26 August 2021 and 27 August 2021, on first call and, if necessary, on second call, respectively:***

***1. Financial statements of Sesa S.p.A. as at 30 April 2021 and related reports by the Board of Directors, the Board of Statutory Auditors and the Independent Auditors: 1.1. Approval of the financial statements as at 30 April 2021; Presentation of the consolidated financial statements as at 30 April 2021; 1.2. Allocation of the profit for the year and of the available reserves.***

Dear Shareholders,

Your Company’s Board of Directors has called you to an Ordinary Shareholders’ Meeting to propose that you approve the draft financial statements of Sesa S.p.A. as at 30 April 2021.

In particular, the financial statements as of 30 April 2021 show a net profit for the year equal to € 11,627 thousand. On this point, we refer to the report on operations prepared by the Board of Directors, which will be made available to shareholders within the terms of the law.

In asking for your approval of our work through the approval of the draft financial statements and our report, we ask you:

1. to allocate the current year’s profit of € 11,627 thousand as follows:
  - € 582 thousand to the legal reserve;
  - a maximum amount of € 11,045 thousand as dividend distribution, with the amount accurately calculated on the basis of the number of shares entitled to receive dividends based on the evidence available on the record date of 21 September 2021.
2. to distribute a dividend of € 0.85 per share, payable as of 22 September 2021 (record date 21 September 2021, ex-dividend date 20 September 2021), for a maximum total amount of € 13,170 thousand, taking into account that the amount distributed will be accurately calculated on the basis of the number of shares entitled to receive the dividend, also pursuant to Article 83-terdecies of Legislative Decree 58/1998, by drawing from the extraordinary reserve for a maximum amount of € 2,125 thousand, to be accurately calculated on the basis of the number of shares entitled to receive the dividend based on the evidence available at the end of the accounting day of 21 September 2021 (record date), with a consequent maximum reduction of the reserve from € 9,882 thousand to € 7,757 thousand in the case of maximum distribution.
3. that the amounts by way of dividend be paid to those entitled thereto, based on the evidence available at the end of the accounting day of 21 September 2021 (record date), the payment date starting from 22 September 2021, with ex-dividend date on 20 September 2021.

Please also note that all the documentation required by Article 154-ter, paragraph 1, of Legislative Decree 58/1998, including the Report on Corporate Governance and Ownership Structure pursuant to Article 123-bis of Legislative Decree 58/1998, as subsequently amended, will be made available at the Company's registered office, on the website of Sesa S.p.A. at [www.sesa.it](http://www.sesa.it) (section "Investor relations - Shareholders' Meeting") in accordance with the law.

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

*"The Shareholders' Meeting of Sesa S.p.A., convened in ordinary session,*

- *having heard and approved the presentation of the Board of Directors;*
- *having acknowledged the report of the Board of Statutory Auditors and of the Independent Auditors, as well as the consolidated financial statements as at 30 April 2021;*

***resolves***

1. *to approve the Board of Directors' Report on Operations and the draft financial statements as at 30 April 2021 in their entirety and results, with a net profit for the current year of € 11,627 thousand;*
2. *to distribute the profit for the current year, amounting to € 11,627 thousand, as well as to distribute part of the extraordinary reserve, amounting to € 9,882 thousand made up of profits from previous years, as follows*
  - a) *As regards the profit:*
    - *€ 582 thousand to the legal reserve;*
    - *€ 11,045 thousand as dividend distribution, taking into account that the amount distributed will be accurately calculated on the basis of the number of shares entitled to receive the dividend based on the evidence available at the end of the accounting day of 21 September 2021 (record date);*
  - b) *as regards the reserve, resulting in a maximum reduction from € 9,882 thousand to € 7,757 thousand:*
    - *distribution for a maximum amount of € 2,124 thousand, to be accurately calculated on the basis of the number of shares entitled to receive the dividend based on the evidence available at the end of the accounting day of 21 September 2021 (record date);*
2. *to distribute a dividend of € 0.85 per share before tax to all shares entitled to it pursuant to the law and the Articles of Association, for a total maximum amount of € 13,170 thousand. This total amount will be accurately calculated on the basis of the number of shares entitled to receive the dividend at the record date provided for by Article 83-terdecies of Legislative Decree 58/1998 as a result of the Company's share buyback plan;*
3. *to pay the dividend to those entitled, on the basis of the evidence available at the end of the accounting day of 21 September 2021 (record date), starting from 22 September, with an ex-dividend date of 20 September 2021;*
4. *to confer on the Chairman and the Managing Director, severally, all the widest powers to implement the above resolution".*

Empoli, 12 July 2021

For the Board of Directors

The Chairman Paolo Castellacci