

**Explanatory report of the Board of Directors prepared pursuant to article 125-ter of Legislative Decree no. 58 of February 24, 1998 (Consolidated Law on Finance or “TUF”), as subsequently amended, on the first item on the agenda of the Ordinary Shareholders' Meeting convened for August 28, 2023, on first call and, if necessary, for 29 August 2023, on second call:**

- 1. Integrated financial statements of Sesa S.p.A. as of April 30, 2023 and reports by the Board of Directors and the Independent Auditors: 1.1. Approval of the integrated financial statements as of April 30, 2023; presentation of the consolidated integrated financial statements as of April 30, 2023; 1.2. Allocation of the profits for the year.**

\*\*\*

Dear Shareholders,

the Board of Directors of your Company has convened the Ordinary Shareholders' Meeting to propose the approval of the draft of the integrated financial statements of Sesa S.p.A. as of April 30, 2023.

In particular, we would like to point out that the financial statements as of April 30, 2023, show a net profit for the year of Euro 21,437 thousand. On this point, we refer you to the report on operations drafted by the Board of Directors, which will be made available to the Shareholders within the terms of the law.

In requesting your approval of our actions through your assent to the draft financial statements and our report, we ask you:

1. to allocate the current year's profit of Euro 21,437 thousand as follows:
  - Euro 1,072 thousand to the legal reserve;
  - a maximum total of Euro 15,495 thousand to the distribution of dividends, with the amount determined precisely on the basis of the number of shares entitled to the dividend based on the evidence of the accounts at the end of the record date of September 19, 2023;
  - Euro 4,870 thousand to the extraordinary reserve.
2. to distribute a dividend of Euro 1 (one) per share, payable as of September 20, 2023 (record date September 19, 2023, ex-dividend date September 18, 2023), for a maximum total amount of Euro 15,495 thousand, taking into account that the amount distributed will be determined precisely on the basis of the number of shares entitled to the dividend also pursuant to Article 83-terdecies TUF.
3. That the dividend amounts be made payable to those entitled, based on the evidence of the accounts at the end of the record date of September 19, 2023, with payment starting on September 20, 2023, ex-dividend date September 18, 2023.

It should also be noted that all the documentation required by Article 154-ter, paragraph 1, TUF, including the Report on Corporate Governance and Ownership Structures referred to in Articles 123-bis TUF, as subsequently amended, will be made available at the registered office, on the website of Sesa S.p.A. at [www.sesa.it](http://www.sesa.it) (section “*Investors - Shareholders' Meetings*”) within the terms of the law.

\*\*\*

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

“The Shareholders' Meeting of Sesa S.p.A. meeting in an ordinary session:

- *having heard and approved the matters reported by the Board of Directors;*
- *having acknowledged the independent auditors' report and the consolidated integrated financial statements as of April 30, 2023;*

***resolves***

1. *to approve the Board of Directors' Report on Operations and the draft integrated financial statements as of April 30, 2023 in all their parts and findings with a net profit for the current year of Euro 21,437 thousand;*
2. *to allocate the current year's profit of Euro 21,437 thousand as follows:*
  - *Euro 1,072 thousand to the legal reserve;*
  - *Euro 15,495 thousand to the distribution of dividends, considering that the amount distributed will be determined precisely on the basis of the number of shares entitled to the dividend based on the evidence of the accounts at the end of the record date of September 19, 2023;*
  - *Euro 4,870 thousand to the extraordinary reserve;*
2. *to distribute a dividend of Euro 1 (one) before tax, to all shares entitled in accordance with the law and the Articles of Association, for a maximum total of Euro 15,495 thousand. This amount will be determined precisely on the basis of the number of shares entitled to the dividend as of the so-called record date envisaged by Article 83-terdecies of Legislative Decree 58/1998 as a result of the Company's share buyback plan;*
3. *to make the dividend payable to those entitled, based on the evidence of the accounts at the end of the record date of September 19, 2023, with payment starting on September 20, 2023, ex-coupon date September 18, 2023.*
4. *to grant the Chairman and the Chief Executive Officer, jointly and severally, all the broadest powers to implement the above resolution”.*

Empoli, July 18, 2023

On behalf of the Board of Directors

The Chairman, Paolo Castellacci