

**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”), of Article 72 and schedule no. 3 of annex 3A of Consob Regulation no. 11971 of May 14, 1999 (the “Issuers’ Regulation”), as subsequently amended, on the second item on the agenda of the Extraordinary Shareholders’ Meeting convened for August 28, 2023, on first call and, if necessary, for 29 August 2023, on second call:**

**2. Proposal to delegate the Board of Directors, pursuant to art. 2443 of the Italian Civil Code, to increase the Share Capital for free and divisible purposes, also in multiple tranches, pursuant to art. 2349 of the Italian Civil Code, for a maximum nominal amount of Euro 491,400, by issuing a maximum of 204,750 ordinary shares, through allocation to the share capital of an equivalent amount taken from reserves of profits, to be assigned to employees, of Sesa S.p.A. or of its main subsidiaries, holding a senior position, as beneficiaries of the “Stock Grant Plan 2024-2026”. Subsequent amendments of Art. 6 of the Articles of Association. Related and consequent resolutions.**

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Dear Shareholders,

the Board of Directors has convened you to submit for your approval the proposal to delegate the Board of Directors, pursuant to art. 2443 of the Italian Civil Code, to increase the share capital for free and divisible purposes, also in multiple tranches, pursuant to art. 2349 of the Italian Civil Code, for a maximum amount of Euro 491,400, by issuing a maximum of 204,750 new ordinary shares, through the allocation to the share capital of an equivalent amount taken from reserves of profits, to be assigned to the beneficiaries of the “Stock Grant Plan 2024-2026” (“**Beneficiaries**”), with the consequent amendment of Article 6 of the Articles of Association currently in force.

In this respect, it should be noted that at its meeting of July 18, 2023, the Board of Directors resolved, among other things, to submit to the Shareholders’ Meeting, for consideration and approval, an incentive and loyalty plan (the “**Stock Grant Plan 2024-2026**”) reserved for those who are permanently employed by or hold office as executive directors of Sesa S.p.A. (“**Sesa**” or the “**Società**”) and/or the subsidiaries Computer Gross S.p.A., Var Group S.p.A., Base Digitale Group S.r.l. and Adiacent S.r.l. (the “**Subsidiaries**”) pursuant to art. 114-bis of the TUF, to be implemented by means of a free assignment of Sesa ordinary shares, which will be served by: (i) treasury shares held in the Company’s portfolio; (ii) shares arising from a free capital increase.

The details of the Stock Grant Plan 2024-2026 are described in the specific explanatory report and the disclosure document prepared pursuant to art. 84-bis of the Issuers’ Regulations - to which reference should be made for further information - made available to Shareholders for consideration of the related item on the agenda of the Shareholders’ Meeting.

It is reported here that the Stock Grant Plan 2024-2026 is an instrument which, by attributing instruments representing the value of the Company on the basis of the achievement of set performance targets, makes it possible to focus the attention of the Beneficiaries on factors of strategic interest, favouring loyalty and encouraging them to remain within the Company and its Subsidiaries. In particular, the Stock Grant Plan 2024-2026 has the following main goals: (i) to align the remuneration of Beneficiaries with the interests of the shareholders and the indications of the Corporate Governance Code; (ii) to constitute the prevailing incentivising remuneration of the executive directors necessary to achieve the Company’s aims; (iii) to make management loyal to decisions that pursue the creation of value for the Sesa group in the medium to long term and to contribute to the growth of sustainable value.

The Stock Grant Plan 2024-2026 envisages the free allocation to each of the Beneficiaries of the right to receive Sesa ordinary shares from the Company (again free of charge). In particular, at the service of the Stock Grant Plan 2024-2026, at the discretion of the Board of Directors, it may be possible to use (a) shares arising from a free capital increase, and/or (b) subject to the authorisation of the Shareholders' Meeting, pursuant to and in accordance with art. 2357 et seq. of the Italian Civil Code, Treasury Shares of which the Company has acquired ownership.

In order, therefore, to ensure a sufficient supply of shares to assign to the Beneficiaries of the Stock Grant Plan 2024-2026, the Board of Directors intends to submit to your attention the proposal to delegate the Board of Directors, pursuant to art. 2443 of the Italian Civil Code, to increase the share capital for free and divisible purposes, also in multiple tranches, pursuant to art. 2349 of the Italian Civil Code, for a maximum amount of Euro 491,400, by issuing a maximum of 204,750 new ordinary shares, through the allocation to the share capital of a corresponding amount taken from the reserves of profits, to be assigned to the top management of Sesa S.p.A. and/or its Subsidiaries, as Beneficiaries of the “Stock Grant Plan 2024-2026”.

As a consequence of the proposed resolution submitted for your approval, it will be necessary to supplement Article 6 of the Articles of Association with the addition of a clause relating to the resolution by the Shareholders' Meeting to delegate the Board of Directors, pursuant to art. 2443 of the Italian Civil Code, to increase the share capital, free of charge, pursuant to art. 2349 of the Italian Civil Code, at the service of the Stock Grant Plan 2024-2026.

The following is the current wording of Article 6 of the Articles of Association compared with the wording in the version that the Board of Directors proposes you adopt, with the introduction of a new paragraph to Article 6 of the Articles of Association:

CURRENT WORDING	PROPOSED WORDING
<p style="text-align: center;"><i>Article 6) Share capital.</i></p> <p>The share capital amounts to Euro 37,126,927.50 (thirty-seven million, one hundred and twenty-six thousand, nine hundred and twenty-seven euros and fifty cents) and is divided into n. 15.494.590 (fifteen million, four hundred and ninety-four thousand, five hundred and ninety) Ordinary Shares with no indication of par value.</p> <p>The increase in share capital is resolved by the Extraordinary Shareholders' Meeting in the form and manner established by law; the rules and conditions relating to the issue of the new shares, the date and method of payments (where not bindingly within the competence of the Extraordinary Shareholders' Meeting) are</p>	<p style="text-align: center;"><i>Article 6) Share capital.</i></p> <p>The share capital amounts to Euro 37,126,927.50 (thirty-seven million, one hundred and twenty-six thousand, nine hundred and twenty-seven euros and fifty cents) and is divided into n. 15.494.590 (fifteen million, four hundred and ninety-four thousand, five hundred and ninety) Ordinary Shares with no indication of par value.</p> <p>The increase in share capital is resolved by the Extraordinary Shareholders' Meeting in the form and manner established by law; the rules and conditions relating to the issue of the new shares, the date and method of payments (where not bindingly within the competence of the Extraordinary Shareholders' Meeting) are</p>

<p>determined by the Board of Directors.</p> <p>In the event of a capital increase, newly issued shares may be assigned in an amount that is not proportional to the contributions, subject to the consent of the shareholders concerned.</p> <p>The resolution to increase the share capital, passed with the majorities pursuant to art.s 2368 and 2369 of the Italian Civil Code, may exclude the pre-emption right within the limit of 10% (ten percent) of the pre-existing share capital, on condition that the issue price corresponds to the market value of the shares and this is confirmed in a specific report by an independent auditor or auditing firm.</p> <p>The assignment of reserves of profits to the employees of the company or its subsidiaries is allowed, in the form and manner envisaged by law, through the issue of shares pursuant to the first paragraph of art. 2349 of the Italian Civil Code.*</p> <p>The Ordinary Shares are subject to the dematerialisation regime pursuant to art. 83-bis et seq. of Legislative Decree 58/1998, and subsequent amendments (“TUF”).</p>	<p>determined by the Board of Directors.</p> <p>In the event of a capital increase, newly issued shares may be allocated in an amount that is not proportional to the contributions, subject to the consent of the shareholders concerned.</p> <p>The resolution to increase the share capital, passed with the majorities pursuant to art.s 2368 and 2369 of the Italian Civil Code, may exclude the pre-emption right within the limit of 10% (ten percent) of the pre-existing share capital, on condition that the issue price corresponds to the market value of the shares and this is confirmed in a specific report by an independent auditor or auditing firm.</p> <p>The allocation of profit reserves to the employees of the Company or its subsidiaries is allowed, in the form and manner envisaged by law, through the issue of shares to be allocated to them free of charge, in accordance with Article 2349 of the Italian Civil Code.*</p> <p>The Ordinary Shares are subject to the dematerialisation regime pursuant to Articles 83-bis et seq. of Legislative Decree 58/1998, and subsequent amendments (“TUF”).</p> <p><b>The Extraordinary Shareholders' Meeting of August 28, 2023 resolved to delegate the Board of Directors, pursuant to art. 2443 of the Italian Civil Code, for five years period from the resolution, to increase the share capital, for free and divisible purposes, also in multiple tranches, at the service of the implementation of the plan named “Stock Grant Plan 2024-2026”, for a maximum amount of Euro 491,400, by issuing a maximum of 204,750 new ordinary shares with no par value, with the same characteristics as those in circulation and regular enjoyment, through allocation to the share capital, pursuant to art. 2349 of the Italian Civil Code, of an equivalent amount taken from reserves of profits, as resulting from the last approved financial statements, to be assigned to employees and senior management of Sesa S.p.A. or its subsidiaries, as beneficiaries, within the terms, at the conditions and in accordance with the procedures envisaged in said Plan.</b></p>
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\* The approval of the previous resolution in the extraordinary part, indicating a text that already incorporates this amendment, is assumed.

### **Withdrawal right pursuant to art. 2349 of the Italian Civil Code**

It should be noted that this proposed amendment to the Articles of Association does not determine entitlement to withdrawal in accordance with the law.

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### **Proposed Resolutions**

That said, we submit the following proposed resolution for your approval:

*“The Shareholders' Meeting of Sesa S.p.A. meeting in an extraordinary session,*

- having acknowledged the Explanatory Report of the Board of Directors and the proposals contained therein;*
- considering the proposals for the adoption of the Plan named “Stock Grant Plan 2024-2026” pursuant to point 3 of the ordinary part of the agenda;*
- Considering the introduction into the company’s Articles of Association of the faculty to assign reserves of profits to the employees of the company or its subsidiaries through the issue of shares pursuant to the first paragraph of art. 2349 of the Italian Civil Code pursuant to item 1. of the extraordinary part of the agenda*

#### ***resolves***

*1- to delegate the Board of Directors, pursuant to art. 2443 of the Italian Civil Code, for five years from the resolution, to increase the Share Capital for free and divisible purposes, also in multiple tranches, pursuant to art. 2349 of the Italian Civil Code, for a maximum nominal amount of Euro 491,400, by issuing a maximum of 204,750 ordinary shares with no par value, with the same characteristics as those in circulation and regular enjoyment, through allocation to the share capital, pursuant to art. 2349 of the Italian Civil Code, of an equivalent amount taken from reserves of profits, as resulting from the last approved financial statements, to be assigned, within the terms, at the conditions and in accordance with the procedures envisaged by the “Stock Grant Plan 2024-2026”, to employees and senior management of Sesa S.p.A. or its subsidiaries, as beneficiaries of said plan;*

*2- to amend Article 6 of the Articles of Association as follows:*

*“Article 6.) Share Capital.*

*The share capital amounts to Euro 37,126,927.50 (thirty-seven million, one hundred and twenty-six thousand, nine hundred and twenty-seven euros and fifty cents) and is divided into 15,494,590 (fifteen million, four hundred and ninety-four thousand, five hundred and ninety) Ordinary Shares with no indication of par value.*

*The increase in share capital is resolved by the Extraordinary Shareholders' Meeting in the form and manner established by law; the rules and conditions relating to the issue of the new shares, the date and method of payments (where not bindingly within the competence of the Extraordinary Shareholders' Meeting) are determined by the Board of Directors.*

*In the event of a capital increase, newly issued shares may be assigned in an amount that is not proportional to the contributions, subject to the consent of the shareholders concerned. The resolution to increase the share capital, passed with the majorities pursuant to articles 2368 and 2369 of the Italian Civil Code, may exclude the pre-emption right within the limit of 10% (ten percent) of the pre-existing*

*share capital, on condition that the issue price corresponds to the market value of the shares and this is confirmed in a specific report by an independent auditor or auditing firm.*

*The allocation of profit reserves to the employees of the Company or its subsidiaries is allowed, in the form and manner envisaged by law, through the issue of shares to be allocated to them free of charge, in accordance with Article 2349 of the Italian Civil Code.*

*The ordinary shares are subject to the dematerialisation regime pursuant to art.s 83- bis et seq. of Legislative Decree 58/1998, and subsequent amendments (“TUF”).*

*The Extraordinary Shareholders' Meeting of August 28, 2023 resolved to delegate the Board of Directors, pursuant to art. 2443 of the Italian Civil Code, for five years from the resolution, to increase the share capital for freely and divisible purposes, also in several tranches, at the service of the implementation of the plan named “Stock Grant Plan 2024- 2026”, for a maximum amount of Euro 491,400, by issuing a maximum of 204,750 new ordinary shares with no par value, with the same characteristics as those in circulation and regular enjoyment, through the allocation to the share capital, pursuant to art. 2349 of the Italian Civil Code, of an equivalent amount taken from reserves of profits, as resulting from the last approved financial statements, to be assigned to employees and senior management of Sesa S.p.A. or its subsidiaries, as beneficiaries, within the terms, at the conditions and in accordance with the procedures envisaged by said Plan.”;*

*3- to hereby grant the Board of Directors and, on its behalf, the legal representatives of the company as far as possible, jointly and severally, the broadest powers to make the amendments to Article 6 of the Articles of Association consequent to the resolutions, execution and completion of the delegated capital increase, fulfilling all the obligations and issuing all the publications envisaged, and to carry out any formalities necessary for the resolutions adopted to be registered in the competent Register of Companies, and to introduce into this resolution any amendments, changes or additions that may be necessary or otherwise required by the competent authorities, as well as every power to fulfil the legislative and regulatory requirements consequent to the resolutions adopted”.*

Empoli, July 18, 2023

On behalf of the Board of Directors

The Chairman, Paolo Castellacci