

**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 the article 73 of Consob Regulation no. 11971/99 of May 14, 1999 (the “Issuers Regulation”), in compliance with scheme no. 4 of annex 3A of the same Regulation, on the third item on the agenda of the Ordinary Shareholders' Meeting convened for August 28, 2024, respectively on first call and, if necessary, for August 29, 2024, on second call:**

**3. Authorisation to purchase and dispose of ordinary treasury shares. Pertinent and consequent resolutions.**

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Dear Shareholders,

the Ordinary Shareholders' Meeting has been convened to consider and approve the proposal to authorise the purchase and disposal of ordinary shares of Sesa S.p.A. (“Sesa” or also the “Company”) pursuant to the combined provisions of articles 2357 and 2357-ter of the Italian Civil Code and art. 132 of Legislative Decree. 58/1998 (“TUF”) and its implementing provisions.

In this regard, we remind you that the Ordinary Shareholders' Meeting of August 28, 2023, had authorised the purchase of ordinary treasury shares for a period commencing from the aforementioned Shareholders' Meeting resolution until the date of approval of the financial statements for the financial year ended April 30, 2024, and for a maximum of eighteen months from the aforementioned Shareholders' Meeting resolution. It should also be noted that the authorisation to dispose of ordinary treasury shares purchased was granted without any time limit.

In view of the appropriateness - for the reasons explained below - of granting the Company the power to proceed with the purchase of its ordinary treasury shares, also beyond the time limit indicated above, we propose that the resolution authorising the purchase and disposal of ordinary treasury shares be renewed.

**1. Reasons for requesting authorisation to engage in treasury share transactions**

The purpose of the request for new authorisation to purchase and dispose of ordinary treasury shares is to enable the Company to equip itself with treasury shares for the purposes contemplated by art. 5, paragraph 2, lett. c), of EU Regulation no. 596/2014 of April 16, 2014 (“MAR Regulation”) and its implementing provisions, where applicable, also for the purpose of executing the incentive plans based on financial instruments pursuant to art. 114-bis of the TUF, approved or to be approved by the Shareholders' Meeting.

Any cancellations of treasury shares will not result in a reduction of share capital.

**2. Maximum number, category and par value of shares to which the authorisation refers**

As of the date of this Report, Sesa's share capital amounts to Euro 37,126,927.50 and is divided into 15,494,590 ordinary shares, without any indication of their par value. As of the same date, Sesa held 56,250 ordinary treasury shares in its portfolio, accounting for 0.36303% of the share capital. Sesa's subsidiaries do not hold shares in the Company. Sesa's ordinary shares are admitted to trading on

Euronext Milan organised and managed by Borsa Italiana S.p.A. (“EXM”).

The authorisation is requested for the purchase, also in multiple tranches, of a number of Sesa ordinary shares, not exceeding 10% of the share capital, and for a maximum countervalue of Euro 10 (ten) million.

We would, therefore, like to propose that a mandate be given to the Board of Directors, and to its Chairman and Managing Director, acting severally on its behalf, to identify the amount of shares to be purchased in relation to each of the purposes indicated in the previous paragraph, prior to the start of each individual purchase programme, pursuant to the maximum limit referred to above.

### **3. Useful information for the purposes of a full assessment of compliance with the provision of art. 2357, paragraph 3, of the Italian Civil Code**

The maximum number of treasury shares held by the Company will never exceed the maximum limit established by the pro tempore regulations in force. As of the date of this Report, said limit is set, pursuant to art. 2357, paragraph 3, of the Italian Civil Code, at one-fifth of the share capital, taking into account, for this purpose, also any shares that may be held by subsidiaries.

The purchase of treasury shares must always take place within the limits of law. At the time of the purchase and disposal of treasury shares, the necessary accounting entries will be made in accordance with the applicable legal provisions and accounting standards.

### **4. Duration for which authorisation is requested**

The authorisation for the purchase of treasury shares is requested until the date of approval of the financial statements for the financial year ending April 30, 2025 and for a maximum of eighteen months, commencing from the date of the resolution, if any, by which the Ordinary Shareholders' Meeting authorises the purchase, while the duration of the authorisation for the disposal of any ordinary treasury shares held in the portfolio is requested without time limits.

The Board of Directors may proceed with the transactions authorised in one or more moments and at any time, in an amount and with timing freely determined in observance of the applicable regulations, with the gradual approach deemed appropriate in the interest of the Company.

### **5. Minimum and maximum consideration for treasury shares to be purchased**

The Board of Directors proposes that purchases of ordinary treasury shares, in accordance with the provision of the art. 3 of EU Delegated Regulation no. 1052/2016 (“**Delegated Regulation**”), are made at a consideration that is not higher than the highest price between the price of the last independent transaction and the price of the highest current independent purchase offer on the trading floors where the purchase is made, on the understanding that the per-unit consideration cannot be below a minimum of 20% or above a maximum of 10% with respect to the arithmetic average of the official prices recorded by Sesa stock on EXM in the ten trading days prior to each individual purchase transaction.

### **6. Purchase and disposal methods**

The Board of Directors proposes that purchases be made, with the gradual approach deemed appropriate in the interest of the Company, with the formalities established in art. 144-*bis*, paragraph 1, letter b) of Consob Regulation 11971/1999 (as subsequently amended) and in compliance with the legal and regulatory provisions, also at European level, however applicable, taking into account, also, the conditions indicated in art. 5 of the MAR Regulations and the relevant implementing provisions.

The Board of Directors also proposes to authorise the use, pursuant to and by the effects of art. 2357-*ter* of the Italian Civil Code, of all or part of the ordinary shares purchased on the basis of this authorising resolution, or held in the Company's portfolio, at any time, in one or more moments, by: (i) selling them on or off the stock exchange, also via the transferral of real and/or personal guarantees, including, by way of example, stock loans; (ii) allocation or use thereof, with the terms, methods and conditions of the deed of disposal of the treasury shares considered most appropriate in the interest of the Company, for the pursuit of the purposes as indicated in this resolution proposal, on the understanding that (a) the per-unit sale price (or the per-unit value established within the scope of the disposal transaction) cannot be below a minimum of 20% with respect to the arithmetic mean of the official prices registered by Sesa stock on EXM during the twenty business days of the stock exchange prior to each transaction; (b) the deeds of disposal of treasury shares placed at the service of any programmes for the allocation of stock options or stocks to Company directors or employees, may take place at the price determined by the pertinent corporate bodies within the scope of the aforesaid programmes, or free of charge, where envisaged in the relevant plans.

It should be noted that the authorisation to dispose of treasury shares pursuant to this proposal shall also be understood to be issued with reference to the treasury shares already held by Sesa on the date of the authorising shareholders' meeting resolution.

The transactions for the disposal of treasury shares held in the portfolio will be carried out in observance of current legislation and regulations on the conduct of negotiations involving listed stocks and may take place in one or more solutions, and with the gradual approach deemed appropriate in the interest of the Company.

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If you agree with the proposal made, we invite you to adopt the following resolution:

*“The Shareholders Meeting of Sesa S.p.A., meeting in ordinary session, having seen and approved the Report of the Board of Directors,*

***resolves***

- 1) to authorise, in accordance with, by the effects and within the limits of art. 2357 of the c.c., the purchase, in one or more moments, until the date of approval of the financial statements relating to the year as at April 30, 2025 and not beyond a period of eighteen months from the resolution date, of a number of Sesa shares, not in excess of 10% of the share capital and for a maximum countervalue of Euro 10 (ten) million, issuing mandate to the Board of Directors and, on its behalf, to its Chairman and the Chief Executive Officer, severally, to*

*identify the amount of shares to purchase in relation to the purposes contemplated by art. 5, paragraph 2, lett c), of EU regulation no. 596/2014 of April 16, 2014, and its implementing provisions, prior to the start of each individual purchase programme, at a price no higher than the highest between the price of the last independent transaction and the price of highest independent purchase offer on the trading floors where the purchase takes place, on the understanding that the per-unit price cannot be below a minimum of 20% or above a maximum of 10% with respect to the arithmetic mean of the official prices registered by Sesa S.p.A. stock on Euronext Milan during the ten business days of the stock exchange prior to each individual purchase;*

- 2) to issue mandate to the Board of Directors and, on its behalf, to its Chairman and the Managing Director, severally, to proceed with the purchase of ordinary shares, at the conditions and for the purposes mentioned above, assigning them the broadest powers for the performance of the purchase transactions and for every other formality, with the power to appoint special proxies; the purchases will be made with the methods envisaged by art. 144-bis, par. 1, lett. b) of Consob Regulation 11971/1999 and pursuant to the legislative provisions and regulations applicable, also at European level, also taking into account the conditions indicated by art. 5 of European Regulation no. 596/2014;*
- 3) to authorise the Board of Directors and, on its behalf, its Chairman and the Managing Director, severally, so that, pursuant to and by the effects of art. 2357-ter c.c., they may dispose of all or part of the ordinary treasury shares purchased on the basis of this resolution, or held in the Company's portfolio, at any time, in one or more moments, by: (i) selling them on or off the stock exchange, also via the transferral of real and/or personal guarantees; (ii) use thereof for the pursuit of the aims pursuant to this resolution, with the terms, methods and conditions of the deed of disposal of the treasury shares considered most appropriate in the interest of the Company, all of the above attributing to them, severally, the broadest powers for the implementation of the disposal transactions, and for every other formality relating to them, with the faculty to appoint special proxies, on the understanding that (a) the per-unit sale price (or the per-unit value established within the scope of the disposal transaction) cannot be below a minimum of 20% with respect to the arithmetic mean of the official prices registered by Sesa S.p.A. stock on Euronext Milan during the twenty business days of the stock exchange prior to each transaction; and (b) the deeds of disposal of treasury shares placed at the service of any programmes for the distribution of stock options or stocks to Company directors or employees, may take place at the price determined by the pertinent corporate bodies within the scope of the aforesaid programmes, or free of charge, where envisaged in the relevant plans.*

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Empoli, July 18, 2024

On behalf of the Board of Directors

The Chairman, Paolo Castellacci