

**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”), on the first item on the agenda of the Extraordinary Shareholders' Meeting of Sesa S.p.A. convened for August 27, 2025, on first call and, if necessary, for August 28, 2025, on second call:**

**1. Cancellation of treasury shares without reducing share capital; consequent amendment of Art. 6 of the Articles of Association indicating the number of shares into which the share capital is divided. Inherent and consequent resolutions.**

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Dear Shareholders,

the Extraordinary Shareholders' Meeting has been convened to pass resolution on the proposed cancellation of treasury shares purchased and held by the Company pursuant to the shareholders' authorisation requested under the third item on the agenda of the ordinary session of today's Shareholders' Meeting.

The cancellation proposal is consistent with the purposes indicated in the proposal to grant the Board of Directors a new authorisation to purchase and dispose of treasury shares, as better described in the explanatory report on the third item on the agenda of the ordinary part of today's Shareholders' Meeting.

In the presence of shares without any indication of par value, the cancellation will be carried out without any reduction in the nominal share capital, reducing the number of existing shares, with a consequent increase in their implicit accounting parity. The cancellation will have no effect on the results of operations and will not determine any change in the overall value of the shareholders' equity, despite altering composition.

We therefore propose the resolution of the cancellation of up to a maximum of 309,000 of treasury shares, equal to approximately 2% of the share capital, which may be purchased pursuant to the resolution submitted to the Ordinary Shareholders' Meeting or otherwise held in the Company's portfolio, and to grant mandate to the Board of Directors, and, on its behalf, the Chairman and the Chief Executive Officer, also acting severally, to implement the cancellation transactions, which may also be implemented in several instalments and before the maximum number of shares approved have been purchased, to be no later than 18 months from this resolution. Every cancellation of treasury shares will be subject to the amendment of Article 6 of the Articles of Association indicating the number of shares into which the share capital is divided.

The Company will notify the market of the cancellation of its treasury shares in compliance with the regulations in force, update the Articles of Association and disclose the new composition of the share capital.

It should be noted that the proposed changes to the Articles of Association do not generate a right of withdrawal.

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If you are in agreement with the proposal made, we invite you to adopt the following resolution:

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

***resolves***

- 1. to cancel up to a maximum of 309,000 of treasury shares, equal to approximately 2% of the share capital, which may be purchased (and not used) on the basis of the resolution of today’s Ordinary Shareholders’ Meeting or otherwise held in the Company’s portfolio, granting mandate to the Board of Directors, its Chairman and the Chief Executive Officer, also acting severally, to: (i) determine the effective number of treasury shares to be cancelled at any given time and to (ii) proceed with the relative cancellation in several instalments or in a single solution, within 18 months of this resolution;*
- 2. proceed with said cancellation without recognising any profit or loss in the income statement and without any change in the overall value of the shareholders’ equity, despite altering its composition, without prejudice to the amount of the share capital, with the consequent automatic increase of the “implicit accounting parity” of the shares issued by the Company;*
- 3. amend Article 6 of the Articles of Association, introducing a new last paragraph as follows: “The Extraordinary Shareholders’ Meeting of August 27/28, 2025 approved the cancellation of a maximum number of 309,000 of the Company’s treasury shares, equal to approximately 2% of the share capital, delegating the Board of Directors and, on its behalf, the Chairman and the Chief Executive Officer, also severally, to implement such cancellation, also by means of several individual acts, by [February 27/28 2027]”;*
- 4. hereby appoint the Chairman and the Chief Executive Officer, also severally, to: i) perform, for all legal purposes, the adjustment of the numerical expressions of Article 6 of the Articles of Association in the part relating to the number of shares into which the share capital is divided as a consequence of the execution of such cancellation; ii) proceed, after completion of the cancellation, with the repeal of the aforesaid paragraph of Article 6 of the Articles of Association; iii) introduce into this resolution any amendments, changes or additions that may be necessary to comply with any regulatory changes or indications of the competent authorities, and also iv) envisage any necessary formality so that the resolutions passed are registered in the Register of Companies”.*

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Empoli, July 25, 2025

On behalf of the Board of Directors

The Chairman, Paolo Castellacci