

Explanatory Notes of the Board of Directors of Giglio Group S.p.A., drafted pursuant to Art. 72, par. 1 and 6 of Annex 3A, models 2 and 4 of the regulation adopted by CONSOB with resolution no. 11971/1999, as amended and integrated, with regard to the exercise of the proxy, pursuant to Art. 2443 of the Italian Civil Code, for the paid share capital increase in separate issues, without option rights, pursuant to Art. 2441, par. 4, second sentence of the Italian Civil Code.

1. Preamble

• The Proxy and its Exercise

On 12 November 2020, the Extraordinary Shareholders' Meeting (hereinafter also referred to as the "**Meeting**") of Giglio Group S.p.A. (hereinafter also referred to as the "**Company**") resolved:

- “ 1. *To vest the Board of Directors, pursuant to Art. 2443 of the Italian Civil Code and to Art. 6.7 of the By-laws, as well as to Art. 44, par. 3 of Decree Law no. 76/2020, converted by Law no. 120/2020, until 30 June 2021, with the power to increase the share capital upon payment, without option rights pursuant to Art. 2441, par. 4, second sentence of the Italian Civil Code, in separate issues pursuant to Art. 2439, par. 2 of the Italian Civil Code, within the limits of 20% (twenty percent) of the existing share capital, through the issue, also in more tranches, of ordinary shares without any nominal value, with the same characteristics of the ordinary shares already issued by the issue date, with regular dividend, to be offered in subscription to entities identified by the Board of Directors - including qualified industrial and/or financial Italian and international investors, and/or current shareholders and collaborators of the Company - possibly also through the conversion of loan payables into risk capital by shareholders, provided that the issue price of the shares corresponds to the market value of those already issued, also taking into account the general context and the price at which the institutional investors would be willing to purchase said shares, and that this is confirmed by a specific report from a statutory auditor or an auditing company;*
- 2 *To establish that the issue price of the shares resulting from the capital increase (and their division at share capital and share premium) shall be determined by the Board of Directors, provided that the issue price of the shares corresponds to the market value of those already issued, also taking into account the general context and the price at which the institutional investors would be willing to purchase said shares, and that this is confirmed by a specific report from a statutory auditor or an auditing company;*
- 3 *To vest the Board of Directors - and on its behalf the legal representative pro tempore, also with separate signing power - any widest authority for the execution of any required formality for the inscription of the adopted resolutions in the Companies' Register, accepting and introducing in the same any amendment, addition or non-substantive cancellation required by the competent authorities, as well as any authority required for the performance of the regulatory activities arising from the adopted resolutions. "*

The proxy granted by the Meeting (hereinafter also referred to as "**Proxy**") shall grant to the Board of Directors of the Company (hereinafter also referred to as the "**Board of Directors**" or as the "**Board**") the powers needed to increase, upon payment, the share capital of the Company, in separate issues, for a maximum amount equal to 20% of the pre-existing share capital, without option rights pursuant to Art. 2441, par. 4, second sentence of the Italian Civil Code.

It is noted that the 20% limit replaces, until 30 June 2021, the 10% limit by virtue of the amendments introduced by Art. 44, par. 3 of the Legislative Decree no. 76/2020, converted with Law no. 120/2020, to Art. 2441, par. 4, second sentence of the Italian Civil Code.

Moreover, the Proxy shall grant the Board of Directors with the powers: (i) To identify the possible subscribers of the share capital increase, including Italian, foreign, industrial and financial investors, as well as the current shareholders and collaborators of the Company; (ii) To allow for the subscription of the share capital increase through the conversion of loan payables into risk capital by shareholders.

The Board shall also be vested, from time to time, with the powers to establish that the issue price of the shares resulting from the capital increase (and their division at share capital and share premium), provided that the issue price of the shares corresponds to the market value of those already issued by Giglio Group S.p.A., also taking into account

the general context and the price at which the institutional investors would be willing to purchase said shares, and that this is confirmed by a specific report from a statutory auditor or an auditing company.

On 21 December 2020, the Board resolved to exercise its Proxy, thus resolving on a paid share capital increase in separate issues, for a maximum nominal value of € 660,000 without option rights, pursuant to Art. 2441, par. 4, second sentence of the Italian Civil Code, through the issue of a maximum number of 3,300,000 new ordinary shares of the Company, equalling to 18.026% of the pre-existing share capital as of 31 December 2020.

Upon the end of the share capital increase resolved on 21 December 2020, the Company increased its capital with the issue of no. 2,439,790 newly-issued ordinary shares, without nominal value, for a price of € 1.97 per share, for a total countervalue of € 4,806,386.30. The value of the capital increase thus amounted to € 487,958.00 in nominal value and € 4,318,428.30 at share premium. The Proxy granted in separate issues, then, still allows for a 6.67% share capital increase if compared to the pre-existing capital.

Hence, the Board of Directors is willing to resolve upon a further paid share capital increase in separate issues, for a maximum amount of € 244,309.40 in nominal value, without option rights, pursuant to Art. 241, par. 4, second sentence of the Italian Civil Code, through the issue of a maximum of no. 1,221,547 new ordinary shares of the Company, equalling to 6.67% of the pre-existing share capital (equal to no. 18,306,685 ordinary shares) before 30 June 2021 (hereinafter also referred to as the "**Capital Increase**" or the "**Transaction**").

As of the reporting date, the share capital of Giglio Group S.p.A. amounts to € 4,149,295.00, divided into 20,746,475 ordinary shares without express nominal value. The Capital Increase, should it be entirely subscribed, would provide for the issue of no. 1,221,547 new ordinary shares that, if summed with the shares already issued, would bring the total shares of the Company to 21,968,022 (with consequent nominal capital increase of € 244,309.40, which would lead to a total nominal amount of € 4,393,604.40).

The shares issued through the Capital Increase shall be ordinary Giglio Group S.p.A. shares, and shall have the same dividend as the ordinary outstanding shares of the Company; the shares must be paid for upon their subscription, at the price that shall be determined upon exercise of the Proxy by the Board of Directors, according to the determination criterion described in par. 4 of these Explanatory Notes, upon confirmation of the auditing company EY S.p.A. of its fair value, keeping into account the general context and the price at which institutional investors would be willing to purchase said shares.

Within the scope of the powers vested to it through the Proxy, the Board of Directors has identified the recipients of the Capital Increase, taking into account, on the one hand, the outcomes of the first contacts made with Italian and foreign institutional investors and the commitment of the majority shareholder of the Company, Meridiana Holding S.r.l. and, on the other hand, the reasons underlying the Transaction, as better explained in par. 2 of these Notes. Following these assessments, the Board, in the interest of the Company, shall reserve the subscription of the Capital Increase to the following operators: (i) Italian "*qualified investors*" - as defined in Art. 34-ter, par. 1, letter b) of the Issuers' Regulation adopted with Consob resolution no. 11971 of 14 May 1999 as amended and integrated (hereinafter also referred to as the "**Issuers' Regulation**"); and (ii) foreign "*institutional investors*" (with the exception of the United States of America and of any Country in which offering or selling shares to be offered would be prohibited pursuant to the Law or absent exemptions), (hereinafter, jointly, also referred to as the "**Institutional Investors**"); (iii) the majority shareholder of the Company, Meridiana Holding S.r.l., on a residual basis (hereinafter also referred to as "**Meridiana**" or the "**Majority Shareholder**").

The Capital Increase must be resolved before 30 June 2021, final term of validity of the Proxy, and shall be reserved to Institutional Investors and to the Majority Shareholder on a residual basis, with the terms and conditions described herewith. The transaction shall be carried out via a private-placement procedure in compliance with market standards including, if required, the Accelerated Book-Building procedure (hereinafter also referred to as "ABB"). Taking into account the status of listed company on the STAR segment of Borsa Italiana S.p.A., of the liquidity of the stock and of the basis of the currently present institutional investors, the method is deemed adequate for carrying out this Transaction; moreover, it is believed that said method shall help in determining the subscription price for all the

recipients of the Capital Increase, in accordance with market standards. The choice to adopt this procedure was assessed with the support of Integrae SIM S.p.A., which was vested with the task of "Advisor" and "Arranger" of the Transaction.

Meridiana Holding S.r.l.'s Commitment to subscribe the Capital Increase

It is noted that the majority shareholder, owner of 56.59% of the Company's share capital, irrevocably guaranteed to subscribe 50% of the residual part of the paid capital increase, which would amount to 6.67% of the pre-existing capital, via a letter sent to the Board of Directors on 29 April 2021.

To this purpose, the Company assessed that the Transaction may be qualified as a Related-Parties Transaction of lesser importance pursuant to Art. 8.2 of the RPT Procedure of Giglio Group S.p.A. and to Consob Regulation adopted with resolution no. 17221 of 12 March 2010 (as amended and integrated), (the "**Consob Regulation**"). Indeed, the Company assessed that the eventual participation of Meridiana to the Capital Increase, for the amount to which it made its commitment, would be considered a Related-Parties Transaction of lesser importance, given that the transaction proposed by the Majority Shareholder does not exceed the 5% threshold for any significance indicator set forth in Annex 3 of the Consob Regulation.

The Company has adopted the provisions set forth in the RPT Procedure and in the Consob Regulation for Related-Parties Transaction of lesser importance.

2. Reason and Destination of Capital Increase

As stated in Directors' Report presented to the Shareholders during the Meeting of 12 November 2020, the Board of Directors believes that the Increase would be useful to the Company, as it could allow, on the one hand, for the strengthening of the Company's economic and financial position and, on the other hand, for the development and growth of the Company, without burdening the financial debt and the income statement, given that the financial resources shall be introduced as share capital and at share premium.

The strengthening of the Company's economic and financial position determines, in general, a significant improvement of one of the main parameters that credit institutions take into account when assessing the creditworthiness of an enterprise.

At the current stage, as reported in the "Annual and Consolidated Financial Statements as of 31 December 2020" of Giglio Group S.p.A., approved by the Board of Directors in the meeting held on 11 May 2021, and as confirmed by the "Consolidated Interim Report as of 31 March 2021" (both available to the market and the public on the website of the Company in the "Investor Relations - Financial Reports"), the Company has recorded a capital loss relevant pursuant to Art. 2446 of the Italian Civil Code equal to € 2,763,822, net of reserves, resulting from the Financial Statements as of 31 December 2020, as approved with resolution of the ordinary shareholders' meeting held on 21 June 2021. Moreover, the Consolidated Interim Report as of 31 March 2021 shows a further loss for the period of € 251,415.00.

As explained in the Directors' Explanatory Report presented to the Shareholders on the Meeting of 21 June 2021, with regard to the aforementioned situation, the Board of Directors, albeit not currently required by the law to take immediate action to write-off the loss and/or to recapitalize, resolved to exercise this "appropriate measure" in order to face said situation. The execution of the capital increase for the full value of the Proxy would allow, amongst other things, for stronger Company assets, as well as for the end of the situation provided by Art. 2446, par. 1 of the Italian Civil Code, thus reducing the recorded capital loss and strengthening the Company's assets on the basis of its current economic figures.

Moreover, the exercise of the residual part of the Proxy is part of the corrective actions set forth by the Board of Directors in order to strengthen the going concern and the profitability of the Company, as better explained in the Annual and Consolidated Financial Statements as of 31 December 2020 and in the Directors' Explanatory Report published pursuant to Art. 2446 of the Italian Civil Code.

More specifically, it has been explained that Art. 2446, par. 1 of the Italian Civil Code states that the Company shall call a Shareholders' Meeting in order to take the "appropriate measures" on this issue, but, at the same time, it allows for the

postponement of all offsetting measures because, pursuant to par. 2 of the same article, should the loss be smaller than a third of the share capital, measures should be taken only if the loss is still recorded at the end of the following fiscal year; said deadline for the losses accrued as of 31 December 2020, shall be postponed to the following fifth fiscal year, pursuant to the provisions set forth in Art. 6 of Legislative Decree no. 23 of 8 April 2020 (the so-called "Liquidity Decree", converted with amendments in Law no. 40 of 5 June 2020) "Temporary provisions on capital reductions", as amended by Law no. 178 of 30 December 2020, which allows listed companies to temporarily suspend some provisions on capital reductions for losses (Art. 2446 and 2-bis), thus postponing to the following fifth fiscal year the obligation to offset the losses.

The recorded losses as of 31 December 2020 of € 8,419.120 mainly arise from the writedown of assets recorded in the financial statements, and it is believed that they shall be offset over the course of the following five fiscal years.

Notwithstanding the above, the execution of the residual part of the proxy represents, as far as the Directors are concerned, a suitable and appropriate action for the full development of the Industrial Plan in the specific current corporate context, and is in line with the reasons that led to the grant of said proxy in the first place (and, mainly, with the need to "find financial resources that could allow, on the one hand, for the strengthening of the Company's economic and financial position and, on the other hand, for the development and growth of the Company").

In the exercise of its proxy, the Company shall follow the procedure set forth in Art. 2446, par. 1 of the Italian Civil Code (not excluded by Art. 6 of the Law Decree no. 23/2020), which calls for the prompt involvement of the Shareholders' Meeting in a merely informational function; for this reason, the Capital Increase must be exercised between the Meeting of 21 June 2021 and 30 June 2021.

With regard to the Proxy's exercise, the Company also received the formal commitment of its Majority Shareholder to guarantee a paid subscription of up to 50% of the increase. To this extent, the participation of the Majority Shareholder must be considered to be on a residual basis.

The Board of Directors, when identifying the operators to which the Capital increase is reserved, took into consideration the following:

- (i) The need to promptly carry out the Capital Increase with liquid assets, given that, as highlighted before, the Company is aiming at strengthening its consolidated net equity before the deadline for the Proxy's exercise and also before the end of 2021 H1;
- (ii) The fact that the Capital Increase is instrumental to the Industrial Plan of the Company;
- (iii) The interest to offer the Capital Increase to qualified parties that are willing to support the Company in the medium/long-term for the purpose of avoiding speculative behaviours from the investors who would thus increase the volatility of the stock on the one hand and, on the other hand, for the purpose of maintaining and increasing the stability of its ownership structure;
- (iv) The opportunity to take into consideration the commitment made by the Majority Shareholder.

For this purpose, it is noted that the Company, in assessing the opportunity to carry out a Capital Increase, made use of the activity of Integrae SIM S.r.l., an Italian company providing investments services that has been constantly supporting the Company after its appointment as Specialist of the Company starting from 29 April 2021. As of the reporting date, Integrae SIM has already started to talk with the Institutional Investors.

In light of the above, the Board of Directors has decided to reserve the Capital Increase to Institutional Investors and, more specifically, to Italian and foreign "qualified investors" as defined in Art. 34-ter, par. 1, letter b) of the Issuers' Regulation of Consob, which, in turn, refers to Art. 35, par. 1, letter d) and Annex 4 of Consob's Intermediaries Regulation (excluding the United States of America and any other County in which offering or selling shares to be offered would be prohibited pursuant to the Law or absent exemptions). Moreover, the Board of Directors deemed it fit to maintain, albeit as a residual guarantee, the support of the majority shareholder who shall thus help create a stable ownership structure that is willing to support the Company's growth on the medium/long-term. To this purpose, the

Capital Increase may be subscribed in any case also by the Majority Shareholder, in execution of the commitment made.

3. Reasons for the Exclusion of Option Rights

The envisaged transaction of Capital Increase pursues the aim - coherent with the appointment to the administrative body of a proxy for this purpose, pursuant to Art. 2443 of the Italian Civil Code, related to the special exclusion of option rights pursuant to Art. 2441, par. 4, second sentence of the Italian Civil Code - to allow to the Company to find, promptly and effectively, risk capital to be used for the purpose of strengthening the net equity of the Group for the aforementioned reasons and, more in general, for the development of the Company.

In this spirit, the Board, as already mentioned, decided to reserve the Capital Increase: (i) to national and international institutional investors, not only because this accounts for a fast and efficient way to find risk capital to be employed for the strengthening of the consolidated net equity, but also because these investors are more willing to sustain their investment for a medium/long-term; and (ii) to the Majority Shareholder on a residual basis, as provided by the commitment made by Meridiana Holding S.r.l..

The Capital Increase pursues the Company's interest in purchasing immediate liquidity both for favouring the permanence and the introduction within the capital of shareholders who, due to their nature of institutional investors, have an interest in preserving their investment in Giglio Group S.p.A. in the medium/long-term, are open to dialogue with the Company and do not have any speculative purposes, so as to give a greater stability to the stock.

With regard to the second requirement, taking into account also Meridiana Holding's commitment, its participation to the Transaction guarantees the positive outcome of the Capital Increase itself, as well as guaranteeing the Company's going concern.

For all these reasons, the Board believes that the Capital Increase can be completed without option rights, in accordance with the provision of the By-laws pursuant to Art. 2441, par. 4, second sentence of the Italian Civil Code.

4. Criteria for the Determination of the New Shares' Issue Price

The Proxy granted by the Meeting of the Company on 12 November 2020 vests the Board with the power to determine the issue price of the new shares (and their share capital and share premium values), taking into account also the general context and the price at which institutional investors would be willing to purchase said shares, given that said price corresponds to the shares' market value and that this fact is confirmed with an ad hoc report made by an auditor or an auditing company.

It is noted that Giglio Group S.p.A.'s shares, pursuant to Art. 6 of the Company's By-laws, have no nominal value; on the basis of the ratio between the share capital and the number of shares issued, said value amounts to € 0.20 per share.

The Board of Directors proceeded, with the support of its Advisor and having kept into account the market value of Giglio's shares, to analyse the market performance of the stock in the three months preceding these Notes.

The following tables show average prices and weighed average prices according to the volumes traded of Giglio Group's shares with regard to the reference periods pointed out.

Euro thousands	Simple average	Weighed average for traded volumes	Maximum price for the period	Minimum price for the period
Last month ⁽¹⁾	2.14	2.16	2.28	2.04
Last three months ⁽²⁾	2.22	2.22	2.37	2.04

(1) The averages and the maximum/minimum values refer to a time period that goes from 05 May 2021 to 07 June 2021.

(2) The averages and the maximum/minimum values refer to a time period that goes from 05/03/2021 to 07 June 2021.

The Advisor assessed the different methods frequently used for determining the market value of the issue price, reaching the conclusion that the more representative is the so-called "stock-market prices" method. As a matter of fact, this method is believed to be adequate to represent the economic value of the Company, as the shares' listing price expresses the value that the market attributes to the traded shares, thus reflecting on the market's expectations with regard to the financial and economic performance of the Company at a given moment.

For the purpose of correctly assessing the issue price, the Board carried out an analysis on some transactions that took place between 2020 and 2021 H1, taking as point of reference both capital increase transactions (with or without exclusion rights) and the transfer of block of shares by relevant shareholders, including in their analysis also the capital increase transaction carried out by the Company in December 2020.

From the assessed sample, it emerged that the average price at which the transactions took place was calculated on the basis of the market price, net of a discount ranging from 7-17%, with a maximum of about 24% and an average of 13%, taking into account also the reserved capital increase made by the Company on December 2020, which boasted a 17.4% discount if compared to the closing price of the last trading date before the execution of the Capital Increase.

In light of the above, albeit the financial markets in 2021 H1 are recovering if compared to 2020 (year in which the COVID-19 pandemic deeply influenced its performance) and are thus currently returning to pre-pandemic performances, the Board of Directors, taking into account also the fact that the Company, as highlighted above, is in the situation described by Art. 2446, par. 1 of the Italian Civil Code, and that the Board, albeit not currently required by the law to take immediate action to write-off the losses, is determined to exercise the residual part of the Proxy as "appropriate measure" to face the aforementioned situation, taking into account, lastly, that its exercise would strengthen the Company's assets and would save the Company from the situation set forth in Art. 2446, par. 1 of the Italian Civil Code; moreover, the Board believes it adequate to apply a discount rate of up to 15% as a corrective measure. This discount is within the assessed sample and slightly below the discount applied on 2020, which reflected more advantageous market conditions.

Moreover, in line with a more conservative approach and for the purpose of waning any eventual period of greater volatility that may be recorded on the Company's stock, the Board of Directors decided to give more consideration to the weighed average rather than on the traded volumes in the month before the subscription date, adjusted to the discount factor in line with the comparable transactions carried out on the Italian stock-exchange market in the assessed period and with the Company's capital increase of December 2020.

The Board of Directors identified as its reference period the prices recorded over the last month, weighed by the volumes recorded at the closing of each trading day. Indeed, considering that over the last month the average volumes of the Company's stock traded on the market and the average prices are slightly lower than the figures from the last three months of trading, the Board of Directors considers the recording made taking as reference the weighed average of the prices of the last month as the most adequate one, given that the price is also in perfect line with the min/max price range recorded for both time horizons.

The criterion for the determination of the price that the Board shall adopt is as follows:

*"Weighted average of the official price of Giglio Group's shares recorded on the last market month before the day of issue times the daily volumes exchanged in the same period, to which a corrective discount between 8% and 15% must be deducted" (the "**Price Criterion**").*

The Board of Directors believes that the formula thus adopted is adequate and in line with the market standards for similar transactions.

5. Effects of the Transaction on the Group's Financial Liabilities and Structure

The following table shows the effects of an hypothetical Capital Increase in kind of € 2,243,289, subscribed with the issue of no. 1,221,547 shares without nominal value and with a unit price of € 1.836 per share on the Group's financial liabilities and structure. This amount was determined by applying the Price Criterion based on the weighed average of

the official price of Giglio Group's shares over the month before 7 June 2021 and hypothesising a 15% maximum applicable corrective.

It is noted that the figures of the Financial Statements as of 31 December 2020 were used as a reference; the Statements were approved by the Board on 29 April 2021 and audited by the Auditing Company (and are available on the authorised storage mechanism at www.emarketstorage.it, but also on the Company's website in the "Investor Relations - Financial Reports" section).

The Company's pro forma financial liabilities benefited from a greater liquidity equal to € 2,079,000. The Capital Increase for a total of € 2,243,000 entails a potential cash and cash equivalents increase of € 2,079,000, taking into account the estimated burdens to be borne (equal to € 164,000);

(Euro thousands)	Giglio Group 31.12 2020	Share capital increase	Giglio Group 31.12 2020 pro forma
A. Cash	5,085	2,079	7,164
B. Bank and short-term deposits and cheques	-	-	-
C. Securities held for trading	2	-	2
D. Cash & cash equivalents (A)+(B)+(C)	5,087	2,079	7,166
E. Current financial receivables	480	-	480
F. Current bank payables	(826)	-	(826)
G. Current portion of non-current liabilities	(1,851)	-	(1,851)
H. Current bond loan	(500)	-	(500)
I. Other current financial payables	(919)	-	(919)
<i>of which with Related Parties</i>	<i>(493)</i>	<i>-</i>	<i>(493)</i>
J. Current financial liabilities (F)+(G)+(H)	(4,096)	-	(4,096)
K. Net current financial liabilities (I) + (E) + (D)	1,471	2,079	3,549
L. Non-current bank payables	(6,412)	-	(6,412)
M. Bonds issued	(4,304)	-	(4,304)
N. Other non-current payables	(1,467)	-	(1,467)
<i>of which with Related Parties</i>	<i>(417)</i>	<i>-</i>	<i>(417)</i>
O. Non-current financial liabilities (K)+(L)+(M)	(12,183)	-	(12,183)
P. Net financial liabilities (J)+(N)	(10,712)	2,079	(8,633)

6. Pro forma Financial and Economic Effects

The following table shows the financial and economic effects of a Capital Increase in kind of € 2,079,000 on the Group; the improvement of the net equity is counterbalanced by an increase in liquidity as shown below:

(Euro thousands)	Giglio Group 31.12 2020	Share capital increase	Giglio Group 31.12 2020 pro forma
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Intangible Assets	15,411	-	15,411
Property, Plant and Equipment	1,356	-	1,356
Financial Fixed Assets	671	-	671
Total Fixed Assets	17,438	-	17,438
Inventories	1,754	-	1,754
Trade and other receivables	9,951	-	9,951
Trade payables	(13,591)	-	(13,591)
Operating/Commercial Working Capital	(1,886)	-	(1,886)
Other current assets and liabilities	(4,072)	-	(4,072)
Net Working Capital	(5,958)	-	(5,958)
Provisions for risks and charges	(885)	-	(885)
Deferred tax assets and liabilities	442	-	442
Net Invested Capital	11,037	-	11,037
Total Net Invested Capital	11,037	-	11,037
(A) Equity	(325)	(2,079)	(2,404)
(B) Cash and cash equivalents	5,085	2,079	7,164
Current financial receivables	482	-	482
Current IFRS 16 financial liabilities	(414)	-	(414)
Current financial liabilities	(3,683)	-	(3,683)
Non-current IFRS 16 financial liabilities	(587)	-	(587)
Non-current financial liabilities	(11,595)	-	(11,595)
Net financial liabilities	(10,712)	2,079	(8,633)
Total Sources	(11,037)	-	(11,037)

The reclassified pro forma Statement of Financial Position used as a reference the figures of the Annual Financial Statements as of 31 December 2020. The values are in Euro.

The accounts that constitute the pro forma Statement of Financial Position are described below:

A. Net equity equal to € 2,079,000. The Capital Increase for a total of € 2,243,000 given by the issue of no. 1,221,547 shares with a unit price of € 1.836 must take into account the estimated burdens to be borne (equal to € 164,000). These burdens, being incremental costs directly related to the Capital Increase, shall be recognised directly to net equity as a reduction of the share premium reserve, pursuant to IAS/IFRS accounting standards;

B. Cash and cash equivalents for € 2,079,000. The Capital Increase for a total of € 2,243,000 entails a potential cash and cash equivalents increase of € 2,079,000, taking into account the estimated burdens to be borne (equal to € 164,000);

7. Effects on the Unit Price of the Shares and Dilution

The dilution effect for Giglio Group S.p.A.'s shareholders arising from the Capital Increase can be quantified in a maximum of 5.56% of the Company's share capital.

As a matter of fact, by taking into consideration an hypothetical shareholder who owns, before the Capital Increase, 1% of the Company's shares, equal to no. 207,465 shares, should the Capital Increase be carried out in its totality, said shareholder would own 0.9444% of the Company's shares (with a 5.56% dilution) given that he/she would then own the same number of shares against no. 21,968,022 total outstanding shares.

8. Amendments to Art. 6 of the By-laws and Right to Cancel

By exercising the proxy for the aforementioned share capital increase, the Art. 6 of the By-laws shall be amended by introducing a new paragraph accounting for the adoption of the relevant resolution on behalf of the Board of Directors, within the time-frame described above.

The following table allows for the comparison between the current text of Art. 6 of the By-laws and the text that the Board of Directors proposes for adoption, in which the amendments related to the exercise of the proxy for the aforementioned capital increase are highlighted.

ARTICLE 6 - CAPITAL AND SHARES	
CURRENT TEST	AMENDMENTS PROPOSAL

<p>6.1 The Share Capital amounts to € 3,661,337 (threemillionsixhundredsixtyonethousandthreehundredandthirtyseven/00) and is divided into no. 18,306,685 (sixteenmillionsevenhundredninetyseventhousandtwohundredandfifty) without express nominal value.</p>	
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<p>6.2 Each share gives the right to one vote and may not be divided, except as provided for in the following paragraphs 6.2.1 and 6.2.4; the case of joint ownership is regulated by Art. 2347 of the Civil Code.</p>	
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<p>6.2.1 In derogation from the previous paragraph, each share gives the right to two votes if the share was held by the same entity by virtue of a real right legitimising the exercise of the voting right for a continuous period of at least 24 months. The recurrence of this precondition shall also be attested by: (i) the continuous inclusion for a period of at least 24 months in the special list (hereinafter also referred to as the "List"); (ii) a specific notice attesting the continuous holding for a period of 24 months, released by the financial intermediary, with whom the shares are deposited pursuant to the current Law.</p>	
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The acquisition of the increased voting rights shall be obtained after three trading days of the month following the date of the beginning of the continuous period of 24 months, upon inclusion in the special list.

The definition of share ownership shall be understood with reference to those shares whose voting right was held by the same entity on the basis of a real legitimising right, such as: (i) the full ownership of the share with voting rights, (ii) the bare ownership of the share with voting rights; o (iii) usufruct of the share with voting rights.

For this purpose, the Company shall establish and keep in its registered office, in the form and content foreseen by the applicable law, the List, where the shareholders who wish to benefit from shares with increased voting rights shall be included. For the purpose of being included in the Special List, the entity empowered pursuant to this article shall submit the appropriate application, attaching a notice attesting its shares' ownership - that can concern also only part of the shares owned by the shareholder - issued by the intermediary with whom the shares are deposited pursuant to the current Law. Increased voting rights can be requested also for only part of the shares owned by the shareholder. In the event of entities other than natural persons, the application shall specify whether the entity is under direct or indirect third-party control or not, and shall provide identification data for the eventual controlling party.

The Company shall remove a shareholder from the Special List in the following cases: (i) waiver by the interested party; (ii) notice of the

ARTICLE 6 - CAPITAL AND SHARES

CURRENT TEST

AMENDMENTS PROPOSAL

interested party or of the intermediary attesting the absence of the preconditions for the increased voting right or the loss of ownership of the real legitimising right and/or of the relative voting right; (iii) automatically, if the Company gave notice of the occurrence of the absence of the preconditions for the increased voting right or the loss of ownership of the real legitimising right and/or of the relative voting right.

6.2.2 Pursuant to Art. 127-*quinquies*, par. 3, of Legislative Decree no. 58 of 24 February 1998, as amended (the "CFA"), the benefit of the increased voting right shall cease: (i) in case of transfer, free of charge or not, of the share, it being understood that "transfer" also means the granting of a pledge, an usufruct or any other restriction on the share, when this entails the loss of voting right on behalf of the shareholder. In the hypotheses of free or paid transfer of only a part of shares with increased voting rights, the transferor shall maintain the increased voting rights on the remaining shares, and (ii) in case of transfer, direct or indirect, of controlling shareholdings in companies or entities that hold more shares with increased voting right than the threshold laid down in Art. 120, par. 2 of the CFA.

6.2.3 Increased voting rights:

- a) Shall be kept in the event of inheritance due to death and in case of merger and division of the shareholder;
- b) Shall be extended to newly-issued shares in the event of capital increase pursuant to Art. 2442 of the Italian Civil Code;
- c) Shall be extended also to shares granted in exchange for shares with increased voting rights in the event of merger or division, if the related project so provides;
- d) Shall be extended proportionally to the shares issued upon execution of capital increase through new contributions (considering otherwise less incentivising the participation in the gathering of new risk capital by the shareholder who attained, or is about to attain, shares with increased voting rights).

6.2.4 The increased voting rights shall be counted after calculating the voting quorums, for constitution and passing resolutions, that refer to the share capital's rates but that do not have any effect on the rights, other than the voting one, entitled to shareholders in possession of specific share capital's rates.

6.3 Shares can be freely transferred pursuant to the Law and can be subject to pledge, usufruct and seizing.

6.4 Shares are nominal, indivisible and are placed in the book entry system subject to the current law and issued in the centralised management system of financial tools referred to in Art. 83-bis et seq. of the CFA.

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6.5 The quality of shareholder constitutes acceptance of these By-laws.

6.6 The Share Capital can be increased upon resolution of the Meeting also with the issuance of shares with different rights from the ordinary ones and with different contributions other than money, to the extent permitted by the Law. In the event of a Share Capital increase, upon resolution of the Meeting, the norms and conditions related to the issuance of the new capital, the dates and the payment modalities shall be determined by the Board of Directors. In the event of a paid Share Capital increase, the option right may be excluded with a Meeting resolution or, if appointed by proxy, with a Board of Directors' resolution, within the limits and the terms and conditions foreseen by Art. 2441, par. 4, first and second sentence, par. 5 and par. 8 of the Italian Civil Code.

6.7 The Meeting can grant directors with the power to increase once or more times the Share Capital pursuant to Art. 2443 of the Civil Code.

6.8 The Meeting shall be able to resolve the Share Capital decrease with the terms and conditions established by the Law.

6.9 On 12 November 2020, the Extraordinary Meeting resolved:

- 1. To vest the Board of Directors, pursuant to Art. 2443 of the Italian Civil Code and to Art. 6.7 of the By-laws, as well as to Art. 44, par. 3 of Decree Law no. 76/2020, converted by Law no. 120/2020, until 30 June 2021, with the power to increase the share capital upon payment, without option rights pursuant to Art. 2441, par. 4, second sentence of the Italian Civil Code, in separate issues pursuant to Art. 2439, par. 2 of the Italian Civil Code, within the limits of 20% (twenty percent) of the existing share capital, through the issue, also in more tranches, of ordinary shares without any nominal value, with the same characteristics of the ordinary shares already issued by the issue date, with regular dividend, to be offered in subscription to entities identified by the Board of Directors - including qualified industrial and/or financial Italian and international investors, and/or current shareholders and collaborators of the Company - possibly also through the conversion of loan payables into risk capital by shareholders, provided that the issue price of the shares corresponds to the market value of those already issued, also taking into account the general context and the price at which the institutional investors would be willing to purchase said shares, and that this is confirmed by a specific report from a statutory auditor or an auditing company;*
- 2. to establish that the issue price of the shares resulting from the capital increase (and their division at share capital and share premium) shall be determined by the Board of Directors, provided that the issue price of the shares corresponds to the market value of those already issued, also taking into account the general context and the price at which the institutional investors would be willing to purchase said shares, and that this is confirmed by a specific report from a statutory auditor or*

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an auditing company;

to vest the Board of Directors - and on its behalf the legal representative pro tempore, also with separate signing power - any widest authority for the execution of any required formality for the inscription of the adopted resolutions in the Companies' Register, accepting and introducing in the same any amendment, addition or non-substantive cancellation required by the competent authorities, as well as any authority required for the performance of the regulatory activities arising from the adopted resolutions.

6.10 On 12 November 2020, the Extraordinary Meeting resolved:

- 1. to give authorisation for the Board of Directors, pursuant to Art. 2443 of the Italian Civil Code and to Art. 6.7 of the By-laws, for a period of five years starting from the date of the meeting's resolution (and, hence, until 12 November 2025), to increase the share capital upon payment in separate issues, without option rights pursuant to Art. 2441, par. 4, first sentence, for an amount of € 366,133.70 in principal, to be settled through contributions in kind (more specifically, company's branches, businesses or plants organised for the performance of the activities included in the Company's object, as well as receivables, investments in joint ventures, listed and not listed financial instruments and/or other assets considered as instrumental by the Board of Directors for the achievement of the Company's object may be object of a contribution on behalf of third parties.), through the issue, also in more tranches of a maximum of 1,830,668.50 ordinary shares without any nominal value, with the same characteristics of the ordinary shares already issued by the issue date, with regular dividend, in accordance with the criteria used to determine the issue price set forth by Art. 2441, par. 6 of the Italian Civil Code.*
- 2. to establish that the issue price of the shares resulting from the capital increase (and their division at share capital and share premium) shall be determined by the Board of Directors, provided that the issue price of the shares is based to the equity value, taking into account also the performance of the listings over the last six-months period;*
- 3. to vest the Board of Directors - and on its behalf the legal representative pro tempore, also with separate signing power - any widest authority for the execution of any required formality for the inscription of the adopted resolutions in the Companies' Register, accepting and introducing in the same any amendment, addition or non-substantive cancellation required by the competent authorities, as well as any authority required for the performance of the regulatory activities arising from the adopted resolutions.*

6.11 *On 21 December 2020, the Board of Directors, in execution of the proxy granted by the Meeting on 12 November 2020, resolved to increase the share capital upon payment, in separate issues, for a maximum nominal value of € 660,000, without option rights*

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pursuant to Art. 2441, par. 4, second sentence of the Italian Civil Code and to Art. 44, par. 3 of the Legislative Decree no. 76/2020, converted with Law no. 120/2020, with the issue of a maximum of no. 3,300,000 ordinary shares without express nominal value, with regular dividend, to be executed before 31 December 2020.

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6.12 *On [●], the Board of Directors, in execution of the residual part of proxy granted by the Meeting on 12 November 2020, resolved to increase the share capital upon payment, in separate issues, for a maximum nominal value of € 244,309.40, without option rights pursuant to Art. 2441, par. 4, second sentence of the Italian Civil Code and to Art. 44, par. 3 of the Legislative Decree no. 76/2020, converted with Law no. 120/2020, with the issue of a maximum of no. 1,221,547 ordinary shares without express nominal value, with regular dividend, to be executed before 05 July 2021.*

In the Board of Directors' opinion, this By-laws amendment cannot be ascribed to any amendment to which, pursuant to the current legislation, the shareholders' right to cancel can be applied.

RESOLUTION PROPOSAL

Dear Shareholders, Dear Statutory Auditors,

in light of the above, the following resolutions are submitted for your approval:

"The Board of Directors:

- acknowledging that on 12 November 2020 the Extraordinary Meeting resolved to grant to the Board of Directors a proxy to increase the share capital of the Company pursuant to Art. 2443 and 2441, par. 4, second sentence of the Italian Civil Code and to Art. 44, par. 3 of the Legislative Decree no. 76/2020, converted with Law no. 120/2020, within the limits of 20% of the pre-existing share capital;
- acknowledging that on 21 December 2020 the Board of Directors, in partial execution of the aforementioned proxy, resolved upon a share capital increase, in separate issues, for a maximum of € 660,000.00 through the issue of a maximum of no. 3,300 ordinary shares without express nominal value;
- acknowledging that the aforementioned capital increase was partially executed for € 487,958.00 with the subscription and consequent issue of no. 2,439,790 ordinary shares without express nominal value;
- acknowledging that the Board of Directors is authorised to further increase the share capital for a maximum of € 244,309.40 through the issue of a maximum of no. 1,221,547 ordinary shares without express nominal value and,

as such, for a maximum amount equal to 6.67% of the pre-existing share capital as of the date of the grant of the proxy;

- acknowledging that the share capital amounts to € 4,149,295.00 and is divided into no. 20,746,475 ordinary shares without express nominal value;
- acknowledging the Directors' Report drafted pursuant to Art. 2441, par. 4, second sentence of the Italian Civil Code, to Art. 72 of the Issuers' Regulation and to the favourable opinion of the auditing company EY S.p.A., hereby annexed under letters "A" and "B";
- acknowledging the favourable opinion given by the Internal Control, Risks and Related-Parties Committee on a preliminary basis on **28 June 2021** with regard to Giglio Group's interest in having Meridiana Holding S.r.l. subscribe its capital increase on **28 April 2021**;
- acknowledging the existence of a capital loss relevant pursuant to Art. 2446 of the Italian Civil Code that, net of reserves, is equal to € 2,763,822 as resulting from the Financial Statements as of 31 December 2020, as approved with resolution of the ordinary shareholders' meeting held on 21 June 2021;
- acknowledging the Consolidated Interim Report as of 31 March 2021, which shows a further loss for the period of € 251,415.00;
- acknowledging, finally, the supervisory body's certification that the share capital of the Company is fully subscribed and paid-up,

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- for the purpose of bringing the aforementioned loss within the materiality threshold set forth in Art. 2446 of the Italian Civil Code and, in execution of the residual part of the proxy granted by the Extraordinary Meeting on 12 November 2020, of increasing the share capital upon payment pursuant to Art. 2441, par. 4, second sentence of the Italian Civil Code and to Art. 44, par. 3 of the Legislative Decree no. 76/2020 converted with Law no. 120/2020 within the limits of 6.67% of the pre-existing share capital, without option rights, in separate issues, for a maximum of € 244,309.40 through the issue of a maximum of no. 1,221,547 ordinary shares without express nominal value, with regular dividend and at the unit price resulting from the application of the following formula:
 - "Weighted average of the official price of Giglio Group's shares recorded on the last market month before the day of issue times the daily volumes exchanged in the same period, with a discount between 8% and 15%"
 - to establish that the issue price shall be determined upon the execution of the capital increase on the basis of the aforementioned criterion, setting € 0.2 at share capital and the rest at share premium;
 - to establish that the share premium arising from each subscription is destined to write-off the aforementioned loss;
 - to establish that the shares shall be paid for in full upon their subscription;
 - to establish that the effectiveness of the subscriptions shall be produced progressively and, as such, at the moment of each single subscription;
 - to establish as final term for the execution of the Capital Increase transaction the date of 05 July 2021;
 - to offer the shares to be issued through a private-placement procedure in line with market standards and, eventually, through the Accelerated Book-Building procedure (ABB), taking into account the aforementioned price determination criterion and of the terms and conditions described above, in favour of:
 - (i) Italian and foreign "qualified investors" - as defined in Art. 34-ter, par. 1, letter b), of the Issuers' Regulation (excluding the United States of America and any other County in which offering or selling shares to be offered would be prohibited pursuant to the Law or absent exemptions); (ii) the Majority Shareholder Meridiana Holding S.r.l., on a residual basis, by virtue of its commitment;
 - to establish that the majority shareholder, Meridiana Holding S.r.l., shall not be able to contribute to the determination of the price, should the Company choose to use the Accelerated Book-Building procedure (ABB);

- to amend Art. 6 of the By-laws, introducing par. 6.12, that shall read as follows: "*On 28 June 2021, the Board of Directors, in execution of the proxy granted by the Meeting on 12 November 2020, resolved to increase the share capital upon payment, in separate issues, for a maximum nominal value of € 244,309.40, without option rights pursuant to Art. 2441, par. 4, second sentence of the Italian Civil Code and to Art. 44, par. 3 of the Legislative Decree no. 76/2020, converted with Law no. 120/2020, with the issue of a maximum of no. 1,221,547 ordinary shares without express nominal value, with regular dividend, to be executed before 05 July 2021*";
- to give a mandate to the CEO in order to execute the resolutions and to the deposit the updated By-laws, together with the certification of completion of the subscription of the Share Capital Increase, pursuant to Art. 2444, par. 4 of the Civil Code;

These Notes have been approved by the Board of Directors of Giglio Group S.p.A. with a resolution on 9 June 2021.

Milan, 09 June 2021

For the Board of Directors
CEO Marco Riccardo Belloni

Declaration of the Financial Reporting Officer with regard to the Company's accounting documents

I, the undersigned Carlo Maria Micchi, Financial Reporting Officer of Giglio Group S.p.A., hereby declare, pursuant to Art. 154-bis, par. 2 of Legislative Decree no. 58 of 1998 (CFA), that the accounting information contained in the present report corresponds to the accounting figures, books and documents.

Financial Reporting Officer

Carlo Maria Micchi