

RESIGNATION OF BDO ITALIA S.P.A. FROM THE STATUTORY AUDITING AGREEMENT CURRENTLY IN PROGRESS WITH GIGLIO GROUP S.P.A. AND REASONED PROPOSAL FOR THE CONFERMENT OF THE NEW APPOINTMENT OF STATUTORY AUDIT OF THE ACCOUNTS .

At the Shareholders' Meeting of Giglio Group S.p.a.

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1. Resignation of BDO ITALIA S.p.A. from the statutory auditing contract currently in progress with Giglio Group S.p.A.

This Report of the Board of Statutory Auditors contains the observations formulated pursuant to the Ministerial Decree of 28 December 2012, n. 261 - Regulation concerning the cases and methods of revocation, resignation and consensual termination of the statutory audit assignment, in implementation of art. 13, paragraph 4 of the legislative decree 27 January 2010, n. 39 and in particular, the case of early termination of the statutory audit assignment covered by this Report is that of "Resignations", governed by art. 5 of the aforementioned Ministerial Decree, as well as the reasoned proposal for the assignment of the new statutory auditing assignment pursuant to article 13, paragraph 1, Legislative Decree 39 of 27 January 2021, and in compliance with EU Regulation no. 537 of 16 April 2014, aimed at guaranteeing the continuity of the statutory auditing activity.

On 2 May 2023 BDO ITALIA S.p.A. issued its audit report on the separate and consolidated financial statements as at 31 December 2022, declaring the impossibility of expressing a basic opinion on a series of elements, for reading which reference is made to the audit reports in full.

On 11 May 2023, the Company sent the Independent Auditors a communication by PEC in which it stated the need to highlight "certain facts that make BDO's decision not to express its opinion on the separate and consolidated financial statements of Giglio Group as at 31 December 2022 (claiming that it was unable to "acquire sufficient and appropriate audit evidence on which to base the [...] opinion on the financial statements") seriously erroneous and, therefore, in violation of the professional audit engagement given to you."

With the aforementioned communication, the Company invited BDO ITALIA S.p.A. "if necessary, subject to replacement of the team of auditors appointed for this purpose, to promptly and without further delay reissue your Reports relating to the financial statements and consolidated financial statements of Giglio Group as at 31 December 2022" reserving the right, in the event of non-reissue " to undertake the most appropriate initiatives to protect the Company and its image. In the opinion of the undersigned Company, any confirmation of the Reports in question, especially in consideration of the foregoing, would in fact integrate the prerequisites for proceeding with the revocation for just cause of the assignment conferred on your company, with any consequent claim for damages all damages suffered (and already manifested) and suffered, including the very serious damage caused to the image and commercial reputation of Giglio Group, a company listed on the stock exchange."

In response to this letter, on 16 and 17 May 2023 BDO ITALIA S.p.A. resigned by PEC both from the role of auditing the financial statements of Giglio Group S.p.A. both with reference to any other audit assignment relating to the Giglio group and the parent company Meridiana Holding S.p.A., pursuant to art. 5 Ministerial Decree 261/2012, deeming "the independence of BDO Italia compromised due to intimidation".

For this reason, the Company, having consulted the Board of Statutory Auditors, promptly proceeded with the request for offers for a new auditing assignment, identifying the Independent Auditors: Audirevi S.p.A., Ria GrantThornton S.p.A., RSM Società Di Revisione e organisation Contabile S.p.A., as candidates, by virtue of art. 13, co. 1, of Legislative Decree 27 January 2010, n. 39, companies that had essentially expressed their availability in advance.

Subsequently, the Company also requested offers for a new auditing assignment from Mazars Italia S.p.A., PKF Italia S.p.A. and Crowe Bompani S.p.A.

During the process, the Board of Statutory Auditors met on several occasions, in order to examine the aforesaid documentation and to carry out interviews with the candidate auditing firms and, in compliance with current regulations, to issue the reasoned proposal for the appointment of the new reviewer.

2. The selection conducted

The Board, through the Chief Executive Officer and the Manager responsible for accounting records, invited the aforementioned auditing firms to formulate a binding proposal concerning:

- Statutory audit of the separate and consolidated financial statements as at 31 December of Giglio Group S.p.A. for the financial years from 31 December 2023 to 31 December 2031;
- Limited audit of the condensed consolidated interim financial statements of Giglio Group S.p.A. for each of the interim periods ending from 30 June 2023 to 30 June 2031;
- Desk review of the annual IFRS reporting packages on the companies controlled by Giglio Group and included in the scope of consolidation (IBOX SA, Giglio USA LLC, Giglio (Shanghai) Technology Limited Company, Media 360 HK Limited).

It should be noted that the request included the formulation of the proposal for the statutory audit of the financial statements of the subsidiaries Salotto di Brera Srl and E-Commerce Outsourcing Srl, whose offers have not been considered for the purposes of this report as they are the responsibility of the respective shareholders' meetings.

Among the subjects questioned, all subjects registered in the register referred to in art. 7 of Legislative Decree 27 January 2010, n. 39, Audirevi S.p.A. (hereinafter also referred to as "Audirevi") issued a definitive offer on 7 June 2023, while the other requests were not answered within the deadline set, with the exception of Ria Grant Thornton S.p.A. which, on 6 June 2023, communicated that it was not "in the position today to be able to issue the proposal" and that RSM S.p.A. and Crowe Bompani S.p.A., which sent the same communication, albeit informally.

Finally, Mazars Italia S.p.A., on 14 June 2023, communicated "the absence of the independence requirement necessary for the performance of the proposed assignment" and "the impossibility of following up on your invitation to present the offer in question", given the previous position held as IA of the Company.

The proposal received contains the explicit commitment of the proposing parties to verify the occurrence of the situations governed by articles 10 ("Independence and objectivity"), 10-bis Preparation of the statutory audit and assessment of the risks to independence and 17 ("Independence") of Legislative Decree no. 39 and Articles 4, 5 and 6 of EU Regulation 537/2014.

Furthermore, for the purpose of verifying and constantly monitoring the absence of causes of incompatibility that could compromise the statutory auditing assignment, Audirevi has:

- transmitted the list of the names of its shareholders as well as the members of the administrative body;
- invited the Company conferring the task of statutory auditing of the accounts to promptly communicate any changes to the lists of directors and statutory auditors of the Company;
- assumed the commitment to report annually to the internal control and auditing committee as required by art. 6, par. 2, of EU Regulation 537/2014, the annual declaration of independence, as well as the additional report required by art. 11 of the aforementioned Regulation.

In compliance with the art. 11 of Legislative Decree 27 January 2010, n. 39, moreover, the same refers to the adoption of the International Auditing Standards (ISA Italy) adopted with the Determination of the State General Accountant of 23 December 2014.

The acquisition of the necessary information was therefore completed through a meeting held by the Board of Statutory Auditors, via video conference organized by the company in the presence of the Financial Reporting Manager:

- with Audirevi, on 12 June 2023, which was also attended by the Technical Department, to which it requested clarifications and information necessary for the assessment referred to in this reasoned proposal;
- with the manager in charge of accounting decisions, with whom it decided to discuss their respective competences and responsibilities

as well as, of course, various meetings between the members of the Board of Statutory Auditors, in order to better consider the documents and information acquired during the entire process carried out.

3. Outcome of the selection

The Board of Statutory Auditors, in this report, acknowledges having monitored the procedure followed by the Company in having consulted the aforementioned independent auditors, having acknowledged the responses and proposals received, also in light of the particular situation in which the Company currently finds itself, in order to formulate its proposal, it considered the offer from the only auditing firm that became available.

Motivated proposal for the appointment of the statutory auditor

In particular, the Board of Statutory Auditors examined the Audirevi proposal (as supplemented with a subsequent communication received today) with reference to the fees relating to each financial year included in the mandate, to be considered in addition to out-of-pocket and/or ancillary expenses, contributions (Casse di social security, Consob or other supervisory authorities), VAT and adjustment based on the change in the Istat index and estimated total hours for the financial year and for the entire scope of the audit, which are summarized below.

For the 2023 financial year:

AUDIREVI		
Prestazione/Servizio	ORE	IMPORTI
Revisione legale del bilancio d'esercizio e del bilancio consolidato della Giglio Group S.p.A. e verifica della coerenza della relazione sulla gestione e della sezione relativa al governo societario e gli assetti proprietari con il bilancio	696	64.000,00
Verifiche della regolare tenuta della contabilità e della corretta rilevazione dei fatti di gestione nelle scritture contabili	126	9.000,00
Revisione contabile limitata del bilancio semestrale abbreviato della Giglio Group S.p.A.	272	25.000,00
Limitate procedure di verifica sui bilanci delle Società controllate e collegate alla data di chiusura di ogni esercizio annuale	408	38.000,00
Totale	1502	136.000,00
Spese forfetarie		6.800,00
Totale	1502	6.800,00
fee oraria		90,55

For the 2024-2031 financial years:

AUDIREVI		
Prestazione/Servizio	ORE	IMPORTI
Revisione legale del bilancio d'esercizio e del bilancio consolidato della Giglio Group S.p.A. e verifica della coerenza della relazione sulla gestione e della sezione relativa al governo societario e gli assetti proprietari con il bilancio	696	56.000,00
Verifiche della regolare tenuta della contabilità e della corretta rilevazione dei fatti di gestione nelle scritture contabili	126	9.000,00
Revisione contabile limitata del bilancio semestrale abbreviato della Giglio Group S.p.A.	272	22.000,00
Limitate procedure di verifica sui bilanci delle Società controllate e collegate alla data di chiusura di ogni esercizio annuale	408	33.000,00
Totale	1502	120.000,00
Spese forfetarie		6.000,00
Totale	1502	126.000,00
fee oraria		79,89

These data were considered together with the analysis of professional and organizational profiles specifically carried out with regard to:

- i. Adequacy of coverage of corporate activities;
- ii. Previous experience in the e-commerce sector;
- iii. Efficiency of services (expected hours, qualitative and quantitative composition of the team, type of professional figure envisaged);
- iv. Absence of impediments due to conflicts of interest, the presence of incompatibility and independence, according to professional standards and the relevant legislation;
- v. Offer of similar services in companies listed in Italy;
- vi. Internal presence of technical accounting structures and participation in national and international consultation bodies between auditing professionals;
- vii. Audit strategy/plan and provision of any tools used to support the audit process;
- viii. Process of interaction with corporate and/or control functions;
- ix. Composition of the team that will actually be employed in the audit activity.

During the meeting of 12 June 2023, Audirevi specified that the offer presented was also parameterised to the increase in the degree of risk compared to the previous offer presented in 2021 and, therefore, in consideration of the degree of risk and the current situation in which the Company pays, the offer presented provides for higher costs for the 2023 financial year than for subsequent years, in the hoped-for expectation that the current condition and the opinion expressed on the financial statements by the previous auditing firm will be overcome. The Board of Statutory Auditors considered it a positive element that, as anticipated, the meeting was also attended by the head of quality control of the auditing firm in addition to the partner of Audirevi.

4. Conclusion and reasoned proposal

The Board of Statutory Auditors, having guaranteed the continuity of the statutory auditing activity with the appointment of the new auditor, following the outcome of the assessment carried out both in qualitative and quantitative terms, summarized above, therefore considering that:

- the offer examined appears appropriate to the object of the assignment, also due to the consideration of the degree of complexity of the procedures for carrying out the assignment;
- on the basis of the information acquired, there are no elements that could compromise the candidate's independence or the existence of causes of incompatibility;

recommends

to the Shareholders' Meeting of Giglio Group S.p.a. pursuant to art. 16, paragraph 5 of EU Regulation no. 537/2014, as well as the art. 13 co. 1 and of the art. 17, co. 1, of Legislative Decree 39/2010, the proposal, relating to the financial years from 2023 to 2031, formulated by Audirevi, which is deemed structurally suitable for the needs of the Company.

The Board of Statutory Auditors declares that the above proposal has not been influenced by third parties and that no contractual clause of the type referred to in Article 16 paragraph 6 of EU Regulation no. 537/2014.

This report, together with the explanatory report of the Directors and the resolution of the Shareholders' Meeting for early consensual termination and assignment of the new office, will be transmitted by Giglio Group S.p.A. to CONSOB pursuant to the applicable legislation.

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Milan, 19 June 2023

The Board of Statutory Auditors of Giglio Group S.p.a.

Giorgio Mosci

Marco Andrea Centore

Lucia Tacchino