

Informazione Regolamentata n. 20076-80-2023	Data/Ora Inizio Diffusione 27 Ottobre 2023 20:23:52	Euronext Milan
---	--	----------------

Societa' : GIGLIO GROUP

Identificativo : 182663

Informazione
Regolamentata

Nome utilizzatore : GIGLION04 - Mazzitelli

Tipologia : 3.1

Data/Ora Ricezione : 27 Ottobre 2023 20:23:51

Data/Ora Inizio
Diffusione : 27 Ottobre 2023 20:23:52

Oggetto : Giglio Group SPA - Information Document
& CCR opinion EN

Testo del comunicato

Vedi allegato.



INFORMATION DOCUMENT RELATING TO A TRANSACTION OF GREATER SIGNIFICANCE WITH RELATED PARTIES

(prepared pursuant to Article 5 and in accordance with the scheme set out in Annex 4 of the Regulation adopted by Consob with resolution no. 17221 of 12 March 2010, as subsequently amended and supplemented, as well as pursuant to Article 12.2 of the "Procedure for transactions with related parties" of Giglio S.p.A. adopted by the Board of Directors and last amended on 30 June 2021)

SUBSCRIPTION OF THE CAPITAL INCREASE WITH EXCLUSION OF PRE-EMPTION RIGHTS PURSUANT TO ART. 2441, PARAGRAPHS 5 AND 6 OF THE ITALIAN CIVIL CODE. PROPOSED TO THE SHAREHOLDERS' MEETING OF 17 NOVEMBER 2023 BY THE CONTROLLING SHAREHOLDER MERIDIANA HOLDING S.R.L. AND THE COMPANY LUXURY CLOUD S.R.L. HEADED BY A DIRECTOR

Publication date – Release Date – October 27, 2023

This Information Document is available to the public at the registered office of Giglio S.p.A., in Milan (MI), Piazza Diaz no. 6, 20123, on the website (www.giglio.org), as well as on the authorized storage mechanism eMarket STORAGE (www.emarketstorage.com).

INDEX

WARNINGS	5
1.1 RISKS RELATED TO POTENTIAL CONFLICTS OF INTEREST ARISING FROM TRANSACTIONS WITH RELATED PARTIES	5
2 TRANSACTION INFORMATION	6
2.1 DESCRIPTION OF THE CHARACTERISTICS, METHODS, TERMS AND CONDITIONS OF THE TRANSACTION ...	6
2.2 AN INDICATION OF THE RELATED PARTIES WITH WHOM THE TRANSACTION IS CONDUCTED, THE NATURE OF THE CORRELATION, AND THE NATURE AND EXTENT OF SUCH PARTIES' INTERESTS IN THE TRANSACTION	7
2.3 INDICATION OF THE ECONOMIC REASONS AND CONVENIENCE OF THE OPERATION FOR GIGLIO	8
2.4 METHODS FOR DETERMINING THE FEE AND ASSESSING ITS FAIRNESS	9
2.5 ECONOMIC, EQUITY AND FINANCIAL EFFECTS OF THE TRANSACTION, PROVIDING THE APPLICABLE MATERIALITY INDICES	13
2.6 IMPACT OF THE TRANSACTION ON THE REMUNERATION OF THE MEMBERS OF THE ADMINISTRATIVE BODIES OF GIGLIO AND/OR ITS SUBSIDIARIES.....	16
2.7 INFORMATION RELATING TO THE COMPANY'S FINANCIAL INSTRUMENTS HELD BY THE MEMBERS OF THE ADMINISTRATIVE AND CONTROL BODIES, GENERAL MANAGERS AND EXECUTIVES OF THE COMPANY WHO MAY BE INVOLVED IN THE TRANSACTION AND THE INTERESTS OF THE LATTER IN EXTRAORDINARY TRANSACTIONS	16
2.8 INDICATION OF THE BODIES AND DIRECTORS WHO CONDUCTED OR PARTICIPATED IN THE NEGOTIATIONS AND/OR INSTRUCTED AND/OR APPROVED THE TRANSACTION, SPECIFYING THEIR RESPECTIVE ROLES, WITH PARTICULAR REGARD TO THE INDEPENDENT DIRECTORS.....	16
2.9 IF THE SIGNIFICANCE OF THE TRANSACTION DERIVES FROM THE CUMULATION, PURSUANT TO ARTICLE 5, PARAGRAPH 2, OF THE OPC REGULATION OF SEVERAL TRANSACTIONS CARRIED OUT DURING THE YEAR WITH THE SAME RELATED PARTY, OR WITH PARTIES RELATED TO BOTH THE LATTER AND THE COMPANY, THE INFORMATION INDICATED IN THE PREVIOUS POINTS MUST BE PROVIDED WITH REFERENCE TO ALL THE AFOREMENTIONED TRANSACTIONS	17

DEFINITIONS

Below is a list of the main definitions and terms used in this Information Document. These definitions and terms, unless otherwise specified, have the meanings set forth below. Terms defined in the singular are also understood in the plural, and vice versa, where the context requires it.

Committee	Giglio's Control, Risk and Related Parties Committee is made up of independent directors.
Advisory	This information document.
Giglio or Giglio Group or the Company	Giglio S.p.A., with registered office in Milan (MI), Piazza Diaz n. 6, 20123.
Operation	As defined in the preamble.
OPC Procedure	The "Procedure for transactions with related parties" adopted by the Company's Board of Directors is in force as of the date of this Information Document in the version last approved by the Board of Directors on 30 June 2021.
Issuers' Regulation	The regulation adopted by Consob with resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented.
OPC Regulation	The regulation adopted by Consob with resolution no. 17221 of 12 March 2010, as subsequently amended and supplemented.
TUF	Legislative Decree no. 58 of 24 February 1998.

PREMISE

This Information Document has been prepared by Giglio pursuant to Article 5 and in accordance with the scheme set out in Annex 4 of the RPT Regulation, as well as pursuant to Article 12.2 of the RPT Procedure.

This Information Document refers in particular to the subscription of the capital increase (the "**Transaction**" or "Capital Increase") **by (i) the majority shareholder Meridiana Holding S.r.l. ("Meridiana" or the "Majority Shareholder") and/or Mr. Alessandro Giglio, controlling shareholder of the Company and Meridiana and (ii) the company Luxury Cloud S.r.l. ("Luxury"), headed by the director Anna Maria Lezzi (Meridiana and Luxury, jointly, the "OPC Shareholders")**.

Taking into account the qualification of Mr. Alessandro Giglio, Anna Maria Lezzi and the companies controlled by them (i.e. Meridiana and Luxury) as related parties of the Company, the latter, since the first expression of interest received from the OPC Shareholders, although not yet recognizing the prerequisites, has prudently adopted the safeguards referred to in the RPT Regulations and the OPC Procedure, involving the Committee and keeping it constantly informed of the relations between the Company and the OPC Shareholders.

Since the OPC Shareholders are related parties of the Company, as described in paragraph 2.2 below, the subscription of the Capital Increase by the latter could constitute transactions between relevant related parties pursuant to the RPT Procedure and the Issuers' Regulation. In particular, the amount of any subscription to the Capital Increase by Meridiana could result in the qualification of the subscription as a Transaction of Greater Significance pursuant to art. 8.1 of the RPT Procedure, while any subscription by Luxury could constitute a Transaction of Minor Significance pursuant to art. 8.2 of the OPC Procedure. In any case, the two transactions are treated together. For this reason, prior to the approval of the proposed resolution on the Transaction by the Board of Directors, the Committee issued a reasoned opinion (attached to this Information Document **under Annex 1**) on Giglio's interest in the completion of the Transaction as well as on the convenience and substantial fairness of the related conditions (the "**Committee's Opinion**").

The proposed resolution submitted to the extraordinary shareholders' meeting of Giglio regarding the Transaction was approved by the Company's Board of Directors on 22 October 2023, pursuant to Article 8.3 (entitled "*Transactions within the competence of the Shareholders' Meeting*") of the RPT Procedure (for further details on the procedure for approving the Transaction, please refer to paragraph 2.8 below).

This Information Document has been prepared by Giglio pursuant to and for the purposes of art. 5 of the OPC Regulation as well as art. 12.2 of the OPC Procedure.

WARNINGS

1.1 Risks related to potential conflicts of interest arising from transactions with related parties

As already pointed out in the preamble, the Transaction involves (i) Meridiana, the majority shareholder of the Company, currently owning 55.66% of the share capital held 99% by Alessandro Giglio; (ii) Alessandro Giglio, Director and Chairman of the Board of Directors of the Company and (iii) Anna Maria Lezzi, member of the Board and Vice-Chairman of Giglio as well as sole director and majority shareholder of Luxury.

The Transaction may also constitute (a transaction with related parties) "of greater significance" as described in paragraph 2.2 below.

The Committee, called upon to express its opinion pursuant to Article 8.3 of the RPT Procedure, has been informed of the terms and conditions of the Transaction, has received a timely and adequate flow of information and has issued its favourable opinion, which is binding, on the Transaction, attached to this Information Document **under Annex 1**.

In accordance with the rules and safeguards set out in the RPT Procedure: (i) the Committee, consisting exclusively of non-executive and independent directors, was involved in the negotiation and preliminary phase of the Transaction through the receipt of a complete, adequate, up-to-date and timely flow of information and documents relating to the Transaction; (ii) the Committee was able to request clarifications and make comments from the *management* in charge of conducting the negotiations; (iii) the Committee examined the documentation and the various aspects relating to the Transaction; (iv) at its meeting of 19 October 2023, the Committee unanimously approved the Committee's Opinion, noting the interest in carrying out the Transaction itself as well as the convenience and substantial fairness of the related conditions; (v) the Board of Directors of Giglio, at its meeting of 22 October 2023, approved the proposed resolution submitted to the extraordinary shareholders' meeting of Giglio regarding the Transaction, on the basis of the preliminary documentation received and the reasoned favourable and binding opinion of the Committee.

Giglio believes that the Transaction does not present any particular risks associated with potential conflicts of interest other than those typically inherent in transactions between related parties.

2 TRANSACTION INFORMATION

2.1 Description of the characteristics, methods, terms and conditions of the Transaction

2.1.1 The Capital Increase

On 17 November 2023, the extraordinary shareholders' meeting of Giglio (the "**Shareholders' Meeting**") is called to resolve (i) to increase the share capital for payment and in divisible form, with the exclusion of the pre-emption right pursuant to paragraphs 5 and 6 of art. 2441 of the Italian Civil Code, by the deadline of 31 December 2023 for an amount up to a total of Euro 5,000,000.00, including any share premium, through the issue of ordinary shares having the same characteristics as the Giglio ordinary shares in circulation and regular dividend rights, to be paid in cash, reserved for the Majority Shareholder and other qualified or institutional investors, as well as (ii) to confer on the Board of Directors a delegation pursuant to art. 2443 of the Italian Civil Code to increase the share capital, for payment and in divisible form with the exclusion of the pre-emption right pursuant to paragraphs 5 and 6 of art. 2441 of the Italian Civil Code, for the part of the Capital Increase not subscribed by the deadline of 31 December 2023, to be executed in one or more tranches, within five years from the date of the resolution, through the issue of ordinary shares having the same characteristics as those in circulation and regular dividend rights, to be paid in cash, reserved for the Majority Shareholder and other qualified or institutional investors (the "**Proxy**").

The Capital Increase, up to €5 million, may be carried out, (i) in part following a shareholders' resolution through the use of a *private placement* procedure in accordance with market practice, including, where appropriate, that of *accelerated bookbuilding* (hereinafter "**ABB**"), valued with the support of MIT SIM S.p.A. ("**MIT SIM**") which has been appointed as *advisor* and arranger of *the Transaction*, and (ii) for a second part, in the event of failure to fully subscribe by the deadline of 31 December 2023, through the exercise of the Proxy in the manner deemed most appropriate in relation to the market context by the Board of Directors.

The Transaction also provides that: (i) *the Board will identify the qualified or institutional parties to whom the shares deriving from the Capital Increase will be offered for subscription, it being understood that the Capital Increase will be addressed, in any case, to all parties who have submitted expressions of interest, binding or non-binding, including the companies Meridiana and Luxury*, (ii) *the issue price of the new shares corresponds to a value determined according to a market procedure carried out by a specially appointed intermediary, starting from the "weighted average of the official price of Giglio Group's shares in the last three months of the market prior to the day of issue for the daily volume traded on the same dates, from which a discount of between 5% and 20% must be subtracted as a corrective amount"*. The subscription by OPC Shareholders will take place at the price established through the aforementioned ABB

procedure without any possibility for them to participate in any way in the negotiation of such price.

For an amount of the Capital Increase equal to a maximum of 20% of the shares currently existing on the market (equal to 21,968,022 ordinary shares, 20% of which is therefore equal to 4,393,604 ordinary shares), the admission to listing of the relevant shares on the Euronext Milan segment will be requested immediately after execution.

If the value of 20% of the shares currently existing on the market is exceeded by the sum of the sum between it and that subscribed by investors, admission to listing will not be requested immediately, and shares with a different ISIN will be issued, although it is not excluded that such admission may be requested subsequently.

2.1.2 Meridiana and Luxury's binding expressions of interest

On 11 May 2023, Meridiana presented the "Binding Expression of Interest for Participation in a Capital Increase up to a maximum of Euro 700,000.00" *with which – following the previous "Binding Expression of Interest for Participation in a Capital Increase up to a maximum of Euro 500,000.00" – was willing to subscribe to a capital increase up to a maximum amount of Euro 700,000.00, taking into account that Euro 472,000.00 is already present in the Company's coffers as a shareholder loan and can therefore be converted into a capital account. Meridiana has also committed to guarantee the Capital Increase in the minimum amount of Euro 3 million as already indicated in Giglio Group's Half-Year Financial Report as at 30 June 2023.*

On April 12, 2023, Luxury submitted the "*Binding Expression of Interest for participation in a Capital Increase up to a maximum of Euro 700,000.00*" with which – subjecting the purchase to the accounting and management Due Diligence activity with a positive outcome necessary for the completion of the Transaction [**Note to Giglio: to be confirmed whether it has been made or if the condition is exceeded**] – was willing to subscribe to a capital increase up to a maximum of Euro 700,000.00.

2.2 An indication of the related parties with whom the Transaction is conducted, the nature of the correlation, and the nature and extent of such parties' interests in the Transaction

The Transaction is a transaction between related parties, identified in accordance with the definitions set out in (i) the international accounting standards adopted in accordance with the procedure referred to in Article 6 of Regulation (EC) No 1606/2002 referred to in Article 3 of the RPT Regulation and (i) in Articles 2 and 3 of the RPT Procedure.

With specific reference to the nature of the correlation, it should be noted that

the Transaction is carried out by the Company with (i) Meridiana, the majority shareholder of the Company, currently owning 55.66% of Giglio's shares – of which a total of 12,226,459 ordinary shares of Giglio with increased voting rights for a total of 24,452,918 voting rights, equal to 71.511% of the total voting rights – 99% of whose share capital (of Meridiana) is held by Mr. Meridiana). Alessandro Giglio; (ii) Alessandro Giglio, Director and Chairman of the Board of Directors of the Company and (iii) Anna Maria Lezzi, member of the Board and Vice-Chairman of Giglio as well as sole director and majority shareholder of Luxury.

The Transaction, in particular, falls within the scope of application of the rules provided for by the RPT Procedure for transactions of greater significance, considering that a transaction with a related party of greater significance means, pursuant to art. 8.1 of the RPT Procedure and art. 3, paragraph 1, letter b) of the RPT Regulation, transactions in which at least one of the relevance indices indicated in Annex 3 of the RPT Regulation exceeds the threshold of 5%; the possible subscription by Meridiana of the Capital Increase, for a maximum amount of Euro 3 million, would in fact be considered a Transaction of Greater Significance, as the value of the transaction represented by the Majority Shareholder [**Note for Giglio: insert value if it has been calculated**], would exceed the relevance ratio of the countervalue indicated in Annex 3 of the RPT Regulation (in particular with reference to market capitalization as at 30 June 2023).

As for the possible subscription by Luxury of the Capital Increase, for a maximum amount of Euro 700 million, it would not be considered a Transaction of Greater Significance pursuant to art. 8.1 of the OPC Procedure and art. 3, paragraph 1, letter b) of the RPT Regulation, not resulting in the above-mentioned threshold of 5% being exceeded, in light of the value of the market capitalization as at 30 June 2023; however, it could still be a Transaction of Minor Significance pursuant to art. 8.2 of the RPT Procedure, again taking into account the market capitalization as at 30 June 2023.

In any case, the Transaction, as a whole, is treated as a major OPC.

2.3 Indication of the economic reasons and convenience of the Operation for Giglio

With regard to the economic reasons and the convenience of the Capital Increase for the Company, it should be noted that this decision is motivated by the need to strengthen the company's capital, connected to the existence of the condition of business continuity, as shown most recently by the Half-Year Financial Report as at 30 June 2023 (see in particular Par. 16 on "business continuity") and by the Report of the independent auditors containing the unqualified opinion on the condensed consolidated half-year financial statements as at 30 June 2023 (see in particular paragraph 4 of the "disclosure notice") taking into account (i) the need to quickly implement the Capital Increase, considering the Company's interest in strengthening the Group's shareholders' equity by the end of the 2023 financial year; (ii) the interest in directing the Capital Increase also

to persons willing to support the Company in the medium to long term, taking into account the need to have both shareholders with the characteristics of institutional or professional investors and reference shareholders who guarantee a stable and lasting shareholding structure; (iii) the opportunity to consider the expressions of interest binding and the guarantee of the Majority Shareholder to subscribe to a capital increase, also through the use of receivables already transformed into shareholder loans on a capital account, as well as the expression of interest of the Luxury company headed by the executive director and vice-chairman Anna Maria Lezzi. With regard to Meridiana's expression of interest, the Board noted the importance for the Company of the presence and continuous support of the Majority Shareholder; in fact, it is convenient for the Company and for the Giglio Group for the subscription of the Capital Increase by the OPC Shareholders if the subscription of the Capital Increase takes place at the price established as part of the ABB procedure and in any case in compliance with the criterion of determination of the price approved by the Board of Directors.

With the support of the entity that will act as *arranger*, identified in the company MIT SIM, the Board of Directors has also decided – in consideration of the status of a company listed on the Italian Stock Exchange's Mercato Telematico Italiano, the liquidity of the shares, and the base of institutional investors currently present – to carry out the Capital Increase through the ABB procedure, considering that this procedure makes it possible to identify, according to market criteria, the subscription price for all the recipients of the Capital Increase.

In this regard, during the committee meeting on October 19, 2023, it was specified that MIT SIM will manage ABB's procedure in such a way as to ensure that Meridiana's and Luxury's offerings do not contribute to forming the issue price of the shares resulting from the Capital Increase.

In light of the above considerations, it is considered convenient for the Company and the Giglio Group for the subscription of the Capital Increase by OPC Shareholders if the subscription of the Capital Increase takes place at the price established as part of the ABB procedure and in any case in compliance with the price determination criterion approved by the Board of Directors.

2.4 Methods for determining the fee and assessing its fairness

2.4.1. The activities carried out by the Council, also in the light of the comparison with similar transactions

With regard to the issue price of the shares resulting from the Capital Increase, the sixth paragraph of Article 2441, fifth paragraph, of the Civil Code provides that, in such circumstances, the issue price of the shares must be determined on the basis of the value of the shareholders' equity, taking into account, for shares listed on regulated markets, also the price trend of the last six months.

As stated in the Directors' Report on the proposal and made available to the public in the manner and within the terms of the law, given that Giglio's shares,

as provided for by Article 6 of the Company's Articles of Association, are without indication of the par value, the same based on the ratio between the share capital and the number of shares issued is equal to € 0.20 for each share and that the shareholders' equity On 22 October 2023, the Board of Directors, with the support of MIT SIM, decided to refer to the market values of the stock and in particular to the market values that take into account the most recent information on the economic, financial and equity situation of the Company, considering that the average of the previous six months was for this reason not significant.

Therefore, the market performance of the stock in the three months prior to the date of 13 October 2023, on which the calculation was made for the first time, was analysed.

The table below shows the average prices and the volume-weighted average prices of Giglio Group shares compared to the indicated reference periods.

Values in Euro	Simple Average	Volume-weighted average traded	Maximum price of the period	Minimum price for the period
Last Month ⁽¹⁾	0,583	0,591	0,638	0,536
Last three months ⁽²⁾	0,614	0,628	0,678	0,536

(1) Averages and maximum and minimum values refer to a range between 13/05/2023 and 13/10/2023

(2) Averages and maximum and minimum values refer to a range between 13/05/2023 and 13/10/2023

MIT SIM has evaluated various methods used in practice to determine the market value of the issue price, coming to believe that the most representative one, in the current market context and in relation to the investment attitudes of institutional investors for similar transactions, is the so-called "Stock Exchange Price" method" (hereinafter referred to as the "Stock Exchange Price Method"). This method is in fact considered suitable to represent the economic value of the Company as the price value of the shares expresses the value attributed by the market to the shares traded, reflecting the market's expectations regarding the economic and financial performance of the Company at a given time.

The Board, in order to correctly assess the issue price, has carried out an analysis of a number of transactions carried out over the last 12 months, taking as a reference both capital increase transactions (with and without exclusion of pre-emption rights) and transactions involving the transfer of share packages by significant shareholders.

The sample examined showed that the average price at which the transactions took place was calculated on the basis of the market price net of a discount of between 5% and 20%.

In light of the above, the Board of Directors, also considering that the Company, as highlighted above, is in the situation provided for by art. 2446, paragraph 1, of the Italian Civil Code and presents the capitalization needs well highlighted most recently in the Half-Year Financial Report as at 30 June 2023 and in the Auditor's Report, in order to deal with the aforementioned situation, deems it appropriate to apply a discount rate of up to 20% as a correction to the formula used to calculate the issue price, in line with the indications of the previous paragraph; The percentage indicated is within the sample analyzed and takes into account that the current market context is characterized by a condition of reduced liquidity of securities and a contraction in investments by institutional investors.

In addition, in line with a more prudent approach and in order to dampen any periods of greater volatility that may occur on the Company's shares, the Board of Directors decided to consider the volume-weighted average in the period three months prior to the subscription date, adjusted for a discount factor, considered in line with comparable transactions carried out on the Italian Telematic Market in the period analyzed.

The Board of Directors has identified as the reference period the last pieces recorded in the last three months, weighted by the volumes recorded at the close of each trading day. In fact, considering that in the last month the average volumes of the Company's shares traded on the market and the average prices are slightly lower than the corresponding data relating to the last 3 months of trading, the Board of Directors considers the survey carried out taking as a reference the weighted average of the prices of the last three months as the most appropriate one, since this value is perfectly within the range of minimum and maximum price recorded for both time horizons considered.

The criterion for determining the issue price that the Board of Directors intends to adopt is therefore as follows:

*"Weighted average of the official price of Giglio Group's shares in the last three months of the market prior to the day of issue for the daily volume traded on the same dates, minus a corrective discount of between 5% and 20%" (the "**Price Criterion**")*

The Board of Directors believes that the formula adopted is appropriate and in

line with market practice for similar transactions.

2.4.2. Final pricing by ABB

With the support of MIT SIM, which will act as arranger, the Board of Directors on 22 October 2023 also decided – in consideration of its *status* as a company listed on the Italian Stock Exchange's Mercato Telematico Italiano, the liquidity of the shares, and the base of institutional investors currently present – to carry out the Capital Increase through a private placement *procedure* in accordance with market practice, including, where appropriate, that of ABB, considering that this procedure makes it possible to identify, according to market criteria, the subscription price for all recipients of the Capital Increase.

In this regard, MIT SIM will manage ABB's procedure in such a way as to ensure that Meridiana's offer and Luxury's offer do not contribute to forming the issue price of the shares resulting from the Capital Increase.

This procedure allows, in a particularly short time (usually 1-2 days), to collect investors' purchase intentions at various price levels (within the *discount range* on the weighted average price of the envisaged period), to optimize the placement of the shares and at the same time to determine a fair market price for the purpose of issuance.

The part of the Capital Increase offered with the aforementioned procedure that has not been subscribed by the investors and the remaining part up to a maximum of 5 million Euros will be offered to the Majority Shareholder and to the Luxury company that have committed themselves for the amounts indicated above in paragraph 2.1.

2.4.3. The opinion issued by the independent auditors pursuant to art. 2441, paragraph 6, of the Italian Civil Code and art. 158, paragraph 1 of the TUF

Furthermore, on the correspondence to the market value of the issue price of the shares relating to the capital increase with the exclusion of the pre-emption right, pursuant to Article 2441, paragraph 6, of the Italian Civil Code and Art. 158, paragraph 1 of the TUF, the Report of the independent auditors Audirevi S.p.A. was positively expressed.

Audirevi is the company appointed to audit the Company's accounts.

The aforementioned Report of the Independent Auditors has been made public in accordance with the law, through publication on the authorised storage mechanism, www.emarketstorage.it and on the Company's website, www.giglio.org, Corporate Governance/Shareholders' Meetings – Shareholders' Meeting – Shareholders' Meeting of 17 November 2023, where it is available in full.

The conclusions are as follows: ""Based on the documentation examined and the procedures described above, taking into account the nature and scope of our work indicated in this report, notwithstanding what was highlighted in the previous paragraph 10, we believe that the methods of application of the criteria adopted by the Administrators, also based on the indications provided by the

Advisor, are adequate, as they are reasonable and not arbitrary, for the purpose of determining an issuance price of the shares corresponding to the market value of the same at the time of the execution of the Capital Increase."

2.5 Economic, equity and financial effects of the Transaction, providing the applicable materiality indices

The effects on the group's debt and financial structure in the event of a capital increase in cash of Euro 3,000,000.00 subscribed with the issue of 5,976,095 shares, without par value, at a unit issue price of Euro 0.502 are shown below. This value was determined in application of the price criterion by taking as a reference the weighted average of the official market price of Giglio Group's shares prior to 13 October 2023 (and assuming the maximum applicable correction of 20%).

The simulations (in this as well as in the following paragraph) are carried out on the assumption of an increase of 3 million Euros corresponding to the amount guaranteed by the Majority Shareholder, it being understood that, if the increase were to be higher than 5 million, the effects would be more beneficial.

It should be noted that the data of the company's Annual Financial Report as at 30 June 2023 approved by the Board of Directors on 12 September 2023 and audited by the Independent Auditors have been taken as a reference (the same is available from the authorised storage mechanism www.emarketstorage.it, as well as on the Company's website, Investor Relations section – Financial Statements and Reports).

Pro-forma debt benefited from higher liquidity of Euro 2,850 thousand. The capital increase for a total of 3,000 thousand euros entails a potential increase in liquidity of 2,850 thousand euros, taking into account the estimated costs to be incurred for the same in an amount of 150 thousand euros;

Financial indebtedness

(in thousands of Euro)	Giglio Group 30.06.22	Capital in- crease	Giglio Group 30.06.2022 Pro-forma
Cash equivalents	2.361	2.850	5.211
Cash equivalents and cash equivalents			-

Other current financial assets	2		2
Liquidity (A + B + C)	2.363	2.850	5.213
Current financial debt	(3.425)		(3.425)
<i>of which with Related Parties</i>	<i>(85)</i>		<i>(85)</i>
Current portion of non-current financial debt	(3.256)		(3.256)
Current financial debt (E + F)	(6.681)	-	(6.681)
Net current financial debt (G - D)	(4.318)	2.850	(1.468)
Non-current financial debt	(8.280)		(8.280)
<i>of which with Related Parties</i>	<i>(626)</i>		<i>(626)</i>
Debt instruments	(3.147)		(3.147)
Trade payables and other non-current payables	(76)		(76)
Non-current financial debt (I + J + K)	(11.503)	-	(11.503)
Total financial indebtedness (H + L)	(15.822)	2.850	(12.972)

The financial and economic effects of the Group are shown below in the event of a capital increase in cash of Euro 2,850 thousand, net of charges for the same; the improvement in shareholders' equity is offset by an increase in cash and cash equivalents, as shown in the table below:

Balance Sheet

(values in thousands of euro)	Giglio Group 30.06.22	Capital in- crease	Giglio Group 30.06.2022 Pro-forma
Intangible assets	15.401		15.401
Property, plant and equipment	663		663
Financial fixed assets	261		261
Total fixed assets	16.325	0	16.325
Inventories	953		953
Trade receivables	12.053		12.053

Trade payables	-13.300		-13.300
Operating/trading working capital	-294	0	-294
Other current assets and liabilities	-5.362		-5.362
Net working capital	-5.656	0	-5.656
Provisions for risks and charges	-507		-507
Deferred tax assets/liabilities	800		800
Net invested capital	10.962	0	10.962
Total Net invested capital	10.962	0	10.962
Equity	2.493	-2.850	-357
Minority interests	-63		-63
Cash equivalents	2.361	2.850	5.211
Current financial receivables	2		2
Current IFRS16 financial payables	-230		-230
Current financial payables	-6.451		-6.451
IFRS16 non-current financial payables	-137		-137
Non-current financial payables	-11.290		-11.290
Trade payables and other non-current payables	-76		-76
Net financial debt	-15.821	2.850	-12.971
Total Sources	-13.391	0	-13.391

The pro-forma reclassified Balance Sheet refers to the data of the Half-Year Financial Report as at 30 June 2023. Values are expressed in thousands of Euros.

Below is a description of the items that make up the pro-forma balance sheet:

- A. shareholders' equity of Euro 2,850. The capital increase of 3,000 thousand euros resulting from the issue of 5,976,096 shares at a unit value of 0.502 euros must take into account estimated costs to be incurred for the same in the amount of 150 thousand euros. These charges, being incremental costs directly related to the Capital Increase, will, in compliance with IAS/IFRS, be charged directly to shareholders' equity as a reduction in the share premium reserve;
- B. cash and cash equivalents of Euro 2,850. The capital increase for a total of 3,000 euros entails a potential increase in liquidity of 2,850 euros, taking into account the estimated costs to be incurred for the same in an amount of 150 thousand euros.

2.6 Impact of the Transaction on the remuneration of the members of the administrative bodies of Giglio and/or its subsidiaries

[Following the execution of the Transaction, no changes are expected to be made to the remuneration of the directors of Giglio S.p.A. and/or of other Group companies belonging to it.] **[Note for Lily: TBC]**

2.7 Information relating to the Company's financial instruments held by the members of the administrative and control bodies, general managers and executives of the company who may be involved in the transaction and the interests of the latter in extraordinary transactions

Without prejudice to the provisions of paragraphs 1.1 and 2.2 of this Information Document, the Transaction does not involve, as related parties, other members of the Board of Directors, members of the Board of Statutory Auditors and/or managers of Giglio.

As described in paragraph 2.2 above, 55.66% of Giglio's shares – of which a total of 12,226,459 Giglio ordinary shares with increased voting rights for a total of 24,452,918 voting rights, equal to 71.511% of the total voting rights – whose share capital (of Meridiana) is held at 99% by Alessandro Giglio.

2.8 Indication of the bodies and directors who conducted or participated in the negotiations and/or instructed and/or approved the Transaction, specifying their respective roles, with particular regard to the independent directors

As illustrated in the previous paragraphs of this Information Document, the Transaction has been subject to the safeguards provided for by the RPT Regulation and the RPT Procedure for transactions with related parties of "greater importance" and, therefore, to the approval procedure prescribed by art. 8.1, 8.2 and 8.3 of the OPC Procedure in compliance with the OPC Regulations.

In particular, Article 8.3 of the RPT Procedure provides that if the transaction falls within the competence of the Shareholders' Meeting or must be authorised by it, the same procedures provided for in the previous paragraphs must be complied with, *mutatis mutandis*, depending on whether the transaction is qualified as of greater or lesser importance, enabling the Committee to express its reasoned opinion, in time for the meeting of the Board of Directors in which the proposed resolution to be submitted to the Shareholders' Meeting is resolved.

As far as the Committee's activities are concerned, the latter immediately took action in order to carry out the activities required by the OPC Procedure, having been involved in the preliminary phase of the Transaction, through the receipt of a complete and up-to-date information flow, since the receipt of the expressions of interest from the OPC Shareholders.

In particular, the Committee immediately proceeded to assess the existence of requirements for the application of the RPT Procedure, as well as to carry out

checks relating to the non-correlation of its members with the counterparties to the Transaction and their non-involvement in the Transaction itself.

In addition, the Committee regularly met with the Company's *management*, making the relevant observations and requesting any additional information.

The information received by the Committee concerned, in particular, the execution methods and conditions envisaged for the Transaction, as well as the related interests and motivations. The Committee has constantly examined the documentation and the various aspects relating to the Transaction and, at its meeting of 19 October 2023, unanimously approved the Committee's Opinion on the Transaction (attached to the Information Document **under Annex 1**).

The proposed resolution to be submitted to the extraordinary shareholders' meeting of Giglio regarding the Transaction was therefore approved by the Company's Board of Directors on 22 October 2023, with the sole exclusion of Mr. Alessandro Giglio and Anna Maria Lezzi, as they have their own interest pursuant to art. 2391 bis of the Italian Civil Code and the combined provisions of art. 7 paragraph 1 letter d) bis and art. 8 of the OPC Regulation.

2.9 If the significance of the Transaction derives from the cumulation, pursuant to Article 5, paragraph 2, of the RPT Regulation, of several transactions carried out during the year with the same related party, or with parties related to both the latter and the Company, the information indicated in the previous points must be provided with reference to all the aforementioned transactions

The case described is not applicable to the Transaction.

Mr. Carlo Maria Micchi, manager responsible for preparing the corporate financial reports of Giglio Group S.p.A., declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the financial information contained in this information document corresponds to the document results, books and accounting records.

ATTACHMENTS

- 1. Opinion of the Committee on Giglio's interest in the completion of the Transaction as well as on the convenience and substantial fairness of the related conditions**

OPINION OF THE CONTROL, RISK AND RELATED PARTIES COMMITTEE ON THE SUBSCRIPTION OF THE CAPITAL INCREASE WITH THE EXCLUSION OF PRE-EMPTION RIGHTS PURSUANT TO THE COMBINED PROVISIONS OF ART. 2441, PARAGRAPHS 5 AND 6, OF CIVIL CODE. PROPOSED AT THE SHAREHOLDERS' MEETING OF 17 NOVEMBER 2023 BY THE CONTROLLING SHAREHOLDER MERIDIANA HOLDING S.R.L. AND THE COMPANY LUXURY CLOUD S.R.L. HEADED BY A DIRECTOR

1. PREAMBLE

This opinion has been prepared pursuant to Consob Regulation no. 17221 of 12 March 2010, as subsequently supplemented and amended (the "**Consob Regulation**"), as well as pursuant to the "*Procedure for Transactions with Related Parties*" (the "**RPT Procedure**") **adopted by Giglio Group S.p.A. ("Giglio Group" or the "Company")**) and in force in the version last approved by the Company's Board of Directors at its meeting of 30 June 2021.

In particular, the RPT Procedure provides that, in accordance with the provisions of the Consob Regulation, in the event that transactions with related parties are intended to be concluded, the Control, Risk and Related Parties Committee (the "**Committee**") expresses its opinion on such transactions through a reasoned opinion, which may be binding (for POCs of Greater Importance) or non-binding (for RPCs of Minor Importance).

The Committee's opinion must concern the Company's interest in the completion of the transaction with related parties, the convenience and substantial fairness of the related conditions, and will not be able to express any opinion on further aspects and, in particular, on the management choices attributed exclusively to the discretionary power of the executive directors.

With this reasoned opinion issued pursuant to Articles 8.1, 8.2 and 8.3 of the RPT Procedure, the Committee expresses its interest in the Company's interest in the subscription of the Capital Increase as described below by (i) the majority shareholder Meridiana Holding S.r.l. ("**Meridiana**" or the "**Majority Shareholder**") and/or Mr. Alessandro Giglio, controlling shareholder of the company and of Meridiana and (ii) of the company Luxury Cloud S.r.l. ("**Luxury**"), **headed by the director Anna Lezzi**, (Luxury, jointly with Meridiana, the "**OPC Shareholders**"), **as** well as on the convenience and substantial fairness of the related conditions.

As will be illustrated, taking into account the qualification of Mr. Alessandro Giglio, Anna Maria Lezzi and their subsidiaries (i.e. Meridiana and Luxury) as related parties of the Company, the Capital Increase described below could in fact also be subscribed by OPC Shareholders with the consequence that the related subscription could constitute transactions between relevant related parties pursuant to the RPT Procedure and the Consob Regulation. In particular, taking into account the commitment made by (i) Meridiana (x) through the "**Binding Expression of Interest for Participation in a Capital Increase up to a maximum of Euro 700,000.00**" presented to the Company on 11 May 2023, considering that Euro 472,000.00 are already present in the Company's coffers as a shareholder loan and can therefore be converted into capital account, and (y) to guarantee the Capital Increase up to a maximum amount of Euro 3 million, as well as by (ii)

Luxury through the "Binding Expression of Interest for participation in a Capital Increase up to a maximum of Euro 700,000.00" presented to the Company on April 12, 2023, the amount of any subscription of the Capital Increase by Meridiana could result in the qualification of the subscription as a Transaction of Greater Significance Pursuant to art. 8.1 of the RPT Procedure, while any subscription by Luxury could constitute a Transaction of Minor Significance pursuant to art. 8.2 of the OPC Procedure.

2. THE CAPITAL INCREASE AND OPC TRANSACTIONS

2.1. The Capital Increase

On 17 November 2023, the extraordinary shareholders' meeting of Giglio Group (the "**Shareholders' Meeting**") is called to resolve (i) to increase the share capital for payment and in divisible form, with the exclusion of the pre-emption right pursuant to paragraphs 5 and 6 of art. 2441 of the Italian Civil Code, by the deadline of 31 December 2023 for an amount up to a total of Euro 5,000,000.00, including any share premium, through the issue of ordinary shares having the same characteristics as the Giglio ordinary shares in circulation and regular dividend rights, to be paid in cash, reserved for the Majority Shareholder and other qualified or institutional investors (the "**Capital Increase**").), as well as (ii) to confer on the Board of Directors a delegation pursuant to art. 2443 of the Italian Civil Code to increase the share capital, for payment and in divisible form with the exclusion of the pre-emption right pursuant to paragraphs 5 and 6 of art. 2441 of the Italian Civil Code, for the part of the Capital Increase not subscribed by the deadline of 31 December 2023, to be executed in one or more tranches, within five years from the date of the resolution, through the issue of ordinary shares having the same characteristics as those in circulation and regular dividend rights, to be paid in cash, reserved for the Majority Shareholder and other qualified or institutional investors (the "**Proxy**").

The Capital Increase also provides that: (i) the Board identifies the qualified or institutional entities to whom the shares deriving from the Capital Increase will be offered for subscription; (ii) the issue price of the new shares corresponds to a value determined according to a market procedure carried out by a specifically appointed intermediary, starting from the *weighted average of the official price of Giglio Group's shares in the last three months of the market prior to the day of issue for the daily volume traded on the same dates, from which a corrective discount of between 5% and 20% must be subtracted*".

2.2. Identification of subscribers and pricing

The method proposed to the Shareholders' Meeting to identify the subscribers and set the price is as follows.

Identification of subscribers

In identifying the parties to whom the Capital Increase should be reserved, the Board of Directors considered: (i) the need to quickly implement the Capital Increase, taking into account the Company's interest in strengthening the Group's shareholders' equity by the end of the 2023 financial year; (ii) the interest in addressing the Capital Increase also to persons willing to support the Company in the medium to long term, taking into account the need to have both shareholders with the characteristics of institutional or professional investors and reference shareholders who guarantee a stable and lasting shareholding

structure; (iii) the opportunity to consider the expressions of interest as binding and the guarantee of the Majority Shareholder to subscribe to a capital increase, also through the use of receivables already transformed into shareholder loans on a capital account, as well as the expression of interest of the Luxury company headed by the executive director and vice-chairman Anna Maria Lezzi. With regard to Meridiana's expression of interest, the Board noted the importance for the Company of the presence and continuous support of the Majority Shareholder.

Pricing

An amount of the Capital Increase up to a maximum of 20% of the existing share capital, equal to 21,968,022 ordinary shares (20% of which is therefore equal to 4,393,604 ordinary shares), will be offered through the appointed intermediary through a private placement procedure in accordance with market practice, including, where appropriate, accelerated *bookbuilding* ("**ABB**"), in which only institutional and professional investors may participate. The portion of the Capital Increase offered through the aforementioned procedure, which has not been subscribed by the investors, and the remaining part up to a maximum of 5 million Euros will be offered to the Majority Shareholder and to the Luxury company that have committed themselves for the amounts indicated above.

For the first part of the Capital Increase and in any case for an amount equal to a maximum of 20% of the shares currently existing on the market, the admission to listing of the relevant shares on the Euronext Milan segment will be requested immediately after execution.

For the second part of the Capital Increase, if the value of 20% of the shares currently existing on the market is exceeded by the sum between it and that subscribed by investors, admission to listing will not be requested, and shares with a different ISIN will be issued, although it is not excluded that such admission may be requested subsequently.

With regard to the fixing of the price, it will be proposed to the Shareholders' Meeting that the same will be carried out through the aforementioned market procedure organized by an authorized intermediary who will perform the function of *arranger*, identified in the company MIT SIM S.p.A. (the "**Arranger**"), using, as a criterion for determining the price, the *"Weighted average of the official price of Giglio Group's shares in the last three months of the market prior to the day of issue for the daily volume traded on the same dates, minus a discount by way of correction of between 5% and 20%"*.

This provision will be the subject of the auditor's fairness opinion pursuant to Article 2441, paragraph 6, of the Italian Civil Code and Article 158, paragraph 1 of Legislative Decree no. 58 of 24 February 1998.tag.

The subscription by OPC Shareholders will take place at the price established through the ABB procedure, without any possibility for them to participate in any way in the negotiation of such price.

2.3. Reasons for the increase

This decision was motivated by the need to strengthen the company's capital, connected to the existence of the condition of going concern, as is most recently shown in the Half-Year Financial Report as at 30 June 2023 (see in particular Par. 16 on "going concern") and the Independent Auditors' Report containing the unqualified opinion on the condensed

consolidated half-year financial statements as at 30 June 2023 (see in particular paragraph 4 of the "Notice Reference").

With the support of the same entity that will act as Arranger, the Board of Directors has also decided – in consideration of the status of a company listed on the Italian Stock Exchange's Mercato Telematico Italiano, the liquidity of the shares, and the current institutional investor base – to carry out the Capital Increase through the ABB procedure, considering that this procedure, or other similar ones, makes it possible to identify, according to market criteria, the subscription price for all the recipients of the Capital Increase.

In this regard, during the committee meeting of 19 October 2023, it was specified that the Arranger will manage ABB's procedure in such a way as to ensure that Meridiana's offer and Luxury's offer do not contribute to forming the issue price of the shares resulting from the Capital Increase.

3. NATURE OF CORRELATIONS AND MATERIALITY OF OPC TRANSACTIONS

Qualified as related parties of the same and subscribers are Meridiana, Mr. Giglio, Meridiana, Luxury and Anna Maria Lezzi.

With regard to their qualification as Related Parties of the Company, it should be noted that:

- **Meridiana** is the majority shareholder of the Company, currently owning 55.66% of the share capital. In addition, 99% of the share capital of the same is held by Alessandro Giglio, Director and Chairman of the Board of Directors of the Company;
- **Alessandro Giglio** is a member of the Board of Directors of the Company;
- **Anna Maria Lezzi** is a related party as she is a member of the board and vice-president of Giglio as well as sole director and majority shareholder of **Luxury**.

Considering that a transaction with a related party of greater significance means, pursuant to art. 8.1 of the OPC Procedure and art. 3, paragraph 1, letter b) of the Consob Regulation, transactions in which at least one of the relevance indices indicated in Annex 3 of the Consob Regulation exceeds the threshold of 5%, the Committee assessed that any subscription by Meridiana of the Capital Increase, for a maximum amount of Euro 3 million, would be considered a Transaction of Greater Significance, as the value of the transaction represented by the Majority Shareholder would exceed the relevance index of the countervalue indicated in Annex 3 of the Consob Regulation (in particular with reference to market capitalization as at 30 June 2023).

With regard to the possible subscription by Luxury of the Capital Increase, for a maximum amount of Euro 700 million, the same would not be considered a Transaction of Greater Significance pursuant to art. 8.1 of the RPT Procedure and the Consob Regulation, not entailing the above-mentioned threshold of 5% being exceeded, in light of the value of the market capitalization as of June 30, 2023; However, it could still be configured as a Transaction of Minor Significance pursuant to art. 8.2 of the RPT Procedure, again taking into account the market capitalization as at 30 June 2023.

In any case, the Committee considers the Transaction, as a whole, to be of greater importance.

4. THE COMPANY'S INTEREST IN THE COMPLETION OF OPC TRANSACTIONS

The Committee expresses itself favourably on the Company's interest in the subscription of the Capital Increase by OPC Shareholders given the need to strengthen the company's assets, connected to the existence of the prerequisite of business continuity.

The Committee takes note of the proposal to provide for the placement of the shares deriving from the Capital Increase through the ABB procedure addressed to institutional investors. In this regard, the Committee considers that, in the Company's current situation, the use of this procedure is justified, despite the limited size of the Capital Increase, by the need to complete the capital strengthening manoeuvre very quickly and in any case within the current financial year.

In this regard, it must be considered that the allocation of the Capital Increase – albeit partial and to an extent that cannot be determined *ex ante* – to the OPC Shareholders who have shown willingness to provide financial support to the Company and to the controlling shareholder itself is consistent with the corporate interest with a view to stabilizing the shareholding structure and sustainable growth in the medium to long term.

5. THE CONVENIENCE AND SUBSTANTIAL FAIRNESS OF THE CONDITIONS

With regard to the issue price of the shares resulting from the Capital Increase and the methods of placement of the same, the Committee takes note of the Board of Directors' decision to apply the determination criterion set out in paragraph 2 above, instead of setting a fixed price, and to resort to a private placement *procedure* in accordance with market practice, including, where appropriate, that of ABB.

This procedure allows, in a particularly short time (usually 1-2 days), to collect investors' purchase intentions at various price levels (within the *discount range* on the weighted average price of the envisaged period), to optimize the placement of the shares and at the same time to determine a fair market price for the purpose of issuance.

The part of the Capital Increase offered with the aforementioned procedure that has not been subscribed by the investors and the remaining part up to a maximum of 5 million Euros will be offered to the Majority Shareholder and to the Luxury company that have committed themselves for the amounts indicated above referred to in paragraph 1 above.

With regard to the convenience of subscribing to the Capital Increase by OPC Shareholders, this can be seen in the achievement of the objective of rebalancing the Group's assets, in connection with the commitment undertaken by them.

The Committee also acknowledges that the Company has put in place the necessary safeguards for the correct qualification of the subscription of the Capital Increase by the Majority Shareholder or the Luxury company, subjecting it to the specific procedure identified by the Consob Regulation and by Articles 8.1, 8.2 and 8.3 of the RPT Procedure, guaranteeing the Committee to act in an informed manner, second transparency and through a complete and timely flow of information, not detecting critical elements at the moment.

In relation to the possible subscription of the Capital Increase by the Majority Shareholder, which could qualify as a Transaction of Greater Significance pursuant to Article 3,

paragraph 1, letter b) of the Consob Regulation, as well as the possible subscription of the Capital Increase by the Luxury company, the Committee has in fact been involved since the receipt of the expressions of interest and is constantly informed about the relationship between the Company and OPC Shareholders.

In light of the above considerations, the Committee considers it convenient for the Company and the Giglio Group for the subscription of the Capital Increase by OPC Shareholders if the subscription of the Capital Increase takes place at the price established as part of the ABB procedure and in any case in compliance with the pricing criterion approved by the Board of Directors.

6. CONCLUSION

In the light of the above, the Committee, within its competence, expresses its favourable opinion

the Company's interest in the subscription of the Capital Increase by OPC Shareholders at the price established in the context of a *private placement* procedure in accordance with market practice, including, where appropriate, that of ABB, and in any case in compliance with the pricing criterion approved by the Board of Directors, as well as on the convenience and substantial fairness of the related conditions.

For the Control, Risk and Related Parties Committee of Giglio Group S.p.A.

The President

Dr. Francesco Gesualdi

Milan, 19 October 2023

Fine Comunicato n.20076-80

Numero di Pagine: 26