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Vedi allegato.

EMARKET SDIR CERTIFIED

GIGLIO GROUP S.p.A.

Report of the Independent Auditors on the issue price of the shares relating to the capital increase with the exclusion of pre-emption rights pursuant to art. 2441, fifth and sixth paragraphs, of the Italian Civil Code, and art. 158, first paragraph, Legislative Decree 58/98

Report of the independent auditors on the issue price of the shares relating to the capital increase with the exclusion of pre-emption rights

Pursuant to art. 2441, fifth and sixth paragraphs, of the Italian Civil Code and art. 158, first paragraph, Legislative Decree 58/98

To the Shareholders of

GIGLIO GROUP S.p.A.

1. Reason and purpose of the assignment

In relation to the proposal for a divisible share capital increase for payment with the exclusion of pre-emption rights 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 ordinary shares of Giglio Group S.p.A. ("Giglio" or the (Company) in circulation and regular dividend rights, to be paid in cash, reserved for the controlling shareholder and other qualified or institutional investors, we have received from the Company the report of the Board of Directors dated 2 October 2023, updated on 22 October 2023, pursuant to art. 2441, sixth paragraph, of the Italian Civil Code (hereinafter the "Directors' Report"), which illustrates and justifies the above-mentioned proposal for a capital increase with the exclusion of pre-emption rights, indicating the criteria adopted by the Board of Directors for determining the price of newly issued shares.

In particular, on 17 November 2023, the extraordinary shareholders' meeting of the Company (the "Shareholders' Meeting") will be called to resolve on (i) the share capital increase 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 (as defined below) and other qualified or institutional investors (the "Capital Increase" or the "Transaction"), 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").

Audirevi S.p.A. (hereinafter "Audirevi"), in its capacity as the person appointed to audit the separate and consolidated financial statements of Giglio Group S.p.A., has been appointed by the Board of Directors of the Company to prepare, pursuant to the combined provisions of art. 2441, fifth paragraph and sixth paragraph, of the Civil Code and art. 158, first paragraph, of the TUF, this opinion on the adequacy of the criteria proposed by the Directors for the purpose of determining the price of the newly issued shares for the purposes of the Capital Increase.

2. Summary of the transaction

As reported in the Board of Directors' Report, as of September 12, 2023, prior to the approval of the Half-Year Financial Report, a number of expressions of interest were received for a total of Euro 4.9 million, of which two of a binding nature for Euro 1.4 million received from related parties Meridiana Holding S.p.A. ("Meridiana" or the "Majority Shareholder") and Luxury Cloud S.r.l. ("Luxury"), the company headed by the executive director and vice-president Anna Maria Lezzi; moreover, Meridiana has undertaken to guarantee, if no other investors participate, the Capital Increase up to a maximum amount of Euro 3 million. For this reason, the Extraordinary Shareholders' Meeting will be called to approve a capital increase of up to €5 million, which may be carried out, in part, following the resolution of the Shareholders' Meeting and, in a second part, in the event of failure to subscribe in full, through the exercise of the Proxy at a later stage.

The divisible share capital increase for a fee with the exclusion of the pre-emption right pursuant to paragraphs 5 and 6 of art. 2441 of the Italian Civil Code and through the issue of ordinary shares having the same characteristics as 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 will be carried out through a private placement procedure in accordance with market practice, including, if applicable, the accelerated bookbuilding (hereinafter "ABB") is evaluated with the support of MIT SIM S.p.A., which has been appointed as "Advisor" and "Arranger" of the Transaction. The Directors' Report also provides that the subscription by Meridiana and Luxury (jointly the "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 this price.

On the other hand, with regard to the divisible capital increase for payment with the exclusion of the resolved option right, equal to Euro 5,000,000.00 including any share premium, not subscribed by the deadline of 31 December 2023, the Directors' Report indicates that it will be carried out in the manner deemed most appropriate in relation to the market context by the Board of Directors, in exercise of the power of attorney pursuant to Article 2443 of the Italian Civil Code, while ensuring consistency with the procedures established by the Shareholders' Meeting in relation to the increase referred to in item no. 1 of the agenda.

As illustrated in the Directors' Report on the granting of powers to the Board of Directors 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.

According to the Directors' Report, the capital increase in question appears to be useful as a whole for the Company, as it would allow it to raise financial resources to allow it to strengthen its capital position, connected to the existence of the condition of business continuity.

The strengthening of the group's capital structure generally leads to a significant improvement in one of the main parameters that credit institutions take into account when assessing a company's creditworthiness.

In addition, if the capital increase were to actually be carried out to the extent of at least €3 million, the Company would have to overcome the situation of losses of more than one third of the share capital determined, in the parent company's financial statements, as a result of the losses recorded in the financial years 2020 and 2021, carried forward pursuant to the liquidity decree, according to the numerical indications in the parent company's annual financial report as at 31 December 2022, which shows shareholders' equity of 408 thousand euros on a current share capital of 4,394 thousand euros.

At present, as shown in the Half-Year Financial Report as at 30 June 2023 and the Independent Auditors' Limited Audit Report containing unqualified conclusions on the condensed consolidated half-year financial statements as at 30 June 2023, the Company needs to implement the capital strengthening initiatives already envisaged and made possible by the commitments received and the non-binding expressions of interest collected.

With the support of MIT SIM S.p.A., an Italian company that provides investment services, which constantly supports the Company and will act as Arranger, the Board of Directors has also decided – in consideration of the status of a company listed on Euronext Milan, the liquidity of the shares, the base of institutional investors currently present – 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, 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. It should be noted that the Company, in assessing the advisability of executing a capital increase, has availed itself, as already mentioned, of the activity of MIT SIM S.p.A. (the "Advisor").

The Board of Directors, in identifying the parties to whom the Capital Increase should be reserved, has therefore 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 above-mentioned binding expressions of interest and the guarantee of the Majority Shareholder to subscribe to a capital increase, also through the use of receivables already transformed into shareholder financing on a capital account, as well as the expression of interest of the Luxury company headed by the executive director and vice-president Anna Maria Lezzi.

In light of these considerations, the Board of Directors has decided to address the Capital Increase to institutional investors, and in particular to the following categories of subjects: (i) "qualified investors" - as defined in art. 34-ter, paragraph 1, letter b), of the Consob Regulation – (ii) foreign "institutional investors" (with the exception of the United States and any other country in which the offer or sale of the shares subject to the offer are prohibited by law or in the absence of exemptions), and, in any case, to all parties who have submitted expressions of interest, binding or non-binding, including the Luxury company headed by the executive director and vice-president Anna Maria Lezzi.

The Board of Directors also deemed it appropriate to maintain, albeit in the form of a residual guarantee, the support of the shareholder in possession of the right control, which contributes to creating a shareholding structure that is as stable as possible and willing to support the growth of the Company in the medium to long term. In this sense, the Capital Increase may also be subscribed by the Majority Shareholder, in execution of the expression of interest transmitted and the commitment to guarantee, if no other investors participate, up to a maximum amount of Euro 3 million.

The majority shareholder will therefore, at the end of the Transaction, be obliged to inject the agreed financial resources as risk capital, regardless of exogenous variables, including extraordinary ones, which could eventually lead him to reconsider the opportunity of his investment.

The purpose of the proposed Capital Increase is to allow the Company to quickly and efficiently raise risk capital to be used in order to strengthen shareholders' equity for the reasons indicated above, and more generally for the development of the Company and the group.

With this in mind, the Board of Directors has, as already pointed out, decided to address the Capital Increase: (i) to institutional investors; and (ii) to the Majority Shareholder and Luxury on a residual basis, in accordance with the provisions of the expressions of interest issued by the OPC Shareholders themselves.

The Capital Increase pursues both the Company's interest in acquiring immediate liquidity and that of encouraging the permanence and entry into the capital of shareholders who, due to their nature as institutional investors, have an interest in preserving their investment in Giglio in the medium to long term, open to dialogue with the Company, without speculative purposes and thus also favoring greater stability of the shares.

With regard to the second requirement, also taking into account the expressions of interest of the aforementioned related parties, their participation in the Transaction guarantees the positive outcome of the Transaction itself, up to 3 million Euros, which is the amount indicated in the Half-Year Financial Report as at 30 June 2023 and in the Independent Auditors' Limited Audit Report with unqualified conclusions on the condensed consolidated half-year financial statements as at 30 June 2023 in in relation to the above-mentioned capitalisation needs of the Issuer.

For all these reasons, the Board of Directors believes that the Capital Increase can be carried out by excluding the pre-emption right, in accordance with the provision contained in Giglio's Articles of Association (the "Articles of Association") in accordance with paragraphs 5 and 6 of art. 2441 of the Italian Civil Code.

As indicated in the Directors' Report, for an amount of the Capital Increase equal to a maximum of 20% of the shares currently existing on the market (equal to 21,968,0202 ordinary shares, 20% of which is therefore equal to 4,393,604 ordinary shares), immediately after execution, the admission to listing of the relevant shares on the Euronext Milan segment will be requested; the Directors also indicate that, 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 immediately, and shares with a different ISIN will be issued, although it is not excluded that such admission may be requested subsequently.

The new shares will have regular dividend rights and, therefore, will guarantee the same rights as the Company's ordinary shares outstanding on the date of issue.

The aforementioned proposal will be submitted for approval to the Company's Extraordinary Shareholders' Meeting, convened for 17 November 2023 in single call.

3. Nature and scope of this opinion

This fairness opinion, issued pursuant to Article 2441, sixth paragraph, of the Italian Civil Code and Article 158, first paragraph, of Legislative Decree 58/98, is intended to strengthen the information in favour of Shareholders excluded from the pre-emption right, pursuant to Art. 2441, fifth paragraph, of the Italian Civil Code, with regard to the methodologies adopted by the Directors for determining the issue price of the shares for the purposes of the planned capital increase.

In view of the specificity and characteristics of the transaction outlined above, as illustrated in the Directors' Report, this fairness opinion therefore indicates the methods followed by the Directors for determining the issue price of the shares and any valuation difficulties encountered by them, as well as our considerations on the adequacy, in the circumstances, of such methods, from the point of view of their reasonableness and non-arbitrariness, as well as their correct application.

In examining the valuation methods adopted by the Directors, also on the basis of the indications of their Advisor, we have not carried out, for the purposes related to the performance of this assignment, an economic valuation of the Company. This assessment was carried out exclusively by the Directors and the appointed Advisor.

4. Documentation Used

In the course of our work, we have obtained from the Company the documents and information deemed useful in this case. To this end, we have analysed the documentation made available to us and, in particular:

- the Explanatory Report of the Board of Directors approved on 2 October 2023, updated on 22 October 2023, on the proposals on the agenda of the Shareholders' Meeting, prepared pursuant to and for the purposes – inter alia;
- the Company's Articles of Association, for the purposes of this work;
- the Half-Year Financial Report as at 30 June 2022 of Giglio Group approved by the Board of Directors of the Company on 12 September 2023, subject to a limited audit of the condensed consolidated half-year financial statements as at 30 June 2023 by this independent auditors and the related limited audit report with unqualified conclusions issued on 27 September 2023;
- the trend of the market prices of the shares of Giglio Group S.p.A., and other information such as stock volatility and average daily volumes, recorded in the periods prior to the date of the Directors' Report;
- the report issued by the Advisor relating to the assessment of the actual market value of the shares for the purpose of their placement;

- the information document drawn up in accordance with Article 12.2. the Company's RPT Procedure, Article 5 of the Regulation adopted by Consob with Resolution no. 17221 of 12 March 2010, as subsequently amended and supplemented;
- the opinion of the Control, Risk and Related Parties Committee, which unanimously expressed a favourable opinion, which is binding, on the company's interest, economic convenience and correctness, including substantive, of the transaction and its completion;
- additional accounting and non-accounting information deemed useful for the purposes of this report.

We have also obtained specific and express certification, by letter issued by the Company on 27 October 2023, that, to the best of the Company's Directors and Management, there have been no significant changes, nor facts and/or circumstances that make it appropriate to make significant changes to the data and information taken into account in carrying out our analyses and/or that could have a significant impact on the valuations.

5. Valuation method adopted by the Directors for determining the issue price of the shares

In the event of exclusion of the pre-emption right pursuant to Article 2441, fifth paragraph, of the Italian Civil Code, the sixth paragraph of the same article states that the issue price of the shares is determined by the Directors "*on the basis of the value of the shareholders' equity, taking into account, for shares listed on the stock exchange, also the performance of the prices of the last six months*".

To support its assessment of the criteria for determining the issue price of the new shares, the Board of Directors availed itself of the analyses and determinations of the Advisor, who identified the valuation methodology commented on below.

<u>The Stock Exchange Quotation Method</u>

The Board of Directors has decided to adopt the stock exchange listing criterion as the method for determining the issue price of the new shares, considering this method suitable for providing an indication of the value attributed by the market to the Company, as it incorporates in the price, at least in part, the information available to investors and the expectations they have accrued in relation to future company performance.

In this regard, the Directors specify that Giglio's shares, as provided for by Article 6 of the Company's Articles of Association, are not indicated by the par value, which on the basis of the ratio between the share capital and the number of shares issued is equal to € 0.20 for each share.

In relation to the failure to take into account the value of shareholders' equity explicitly referred to by the Code in this case, the Directors specify that the value of the group's shareholders' equity resulting from the Consolidated Half-Year Financial Report as at 30 June 2023 is negative (equal to Euro 3.707 million): therefore, on the basis of the consideration of this element, the outstanding shares would have, both pre-money and post-money, asset value below zero, and, therefore, can hardly be considered as a *benchmark* for setting the price, since a determination of the same on the basis of the book values of the assets would lead to a negative valuation of the Company.

The Advisor evaluated various methods used in practice to determine the market value of the issue price, coming to believe that the most representative, 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 "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. In efficient financial markets, the prices that are created for shares with a good degree of liquidity, in particular, tend to reflect the economic value attributable to the company.

With this in mind, the Board of Directors, with the support of the Advisor, 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 Company's economic, financial and equity situation. The Directors therefore proceeded with the analysis of the market performance of the share in the three months prior to 13 October 2023, the date on which the last reference date available for the relevant calculation was made for the first time. The following table shows the average prices and volume-weighted average prices of Giglio Group shares compared to the reference periods indicated:

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

The Board of Directors has identified as the reference period the prices 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 inclusion, in the calculation, of averages with a longer time horizon than the one identified, such as, for example, the period of 6 months explicitly referred to in Article 2441 of the Civil Code, would entail the criticality of considering values and information that are not sufficiently up-to-date, deriving from an economic and financial context, both national and international, that is no longer current, due, in particular, to the high volatility of share prices recorded over the last few months due to elements of an eminently extraordinary nature that would make these prices not representative of the trend of the stock, volatility generated, in particular (i) by the unfavorable feedback from investors following the publication of the audit report of the draft financial statements as at 31 December 2022, which contains the declaration of the impossibility of expressing an opinion on this balance sheet and (ii) the tensions that characterise the international geopolitical context following the recent war events in the Middle East. The observation of the weighted average over a shorter period of time also makes it possible, in the specific case, to incorporate sufficiently up-to-date information on the underlying trends of the relevant financial markets (linked, inter alia, to recent fluctuations in interest rates), as well as to discount in the prices of the reference time window the existence of up-to-date accounting information (in particular that found in the financial report as of September 30, 2023).

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 %.

The application of a discount on the market price, in accordance with the prevailing practice for similar transactions recently observed on the market, is mainly to be sought: (i) as a form of incentive for investors to invest in an alternative mode of investment to buying directly on the market during trading; ii) as a measure to compensate for the risk of price fluctuations that the Company would bear if it were to place on the market a number of shares equivalent to the number underlying the offer in a diluted manner, and not accelerated through the aforementioned ABB procedure.

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 related Limited Audit Report, deemed 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 increased volatility that may occur on the Company's shares, the Board of Directors has decided to consider the volume-weighted average, in the three-month period prior to the date of subscription, adjusted for a discount factor, considered to be in line with comparable transactions carried out on the Italian Telematic Market in the period analysed.

6. Assessment difficulties encountered by the Directors

In their Report, the Directors do not highlight any particular difficulties encountered in carrying out their duties.

7. Results of the evaluation carried out by the Directors

On the basis of the above, the criterion for determining the issue price that the Board of Directors has decided 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.

8. Work done

In order to carry out our assignment, we have:

- examined the minutes of the Company's Board of Directors' meeting, approving and subsequently amending the Directors' Report;
- carried out a critical reading of the Directors' Report and the documentation received from the Company;
- examined, for the purposes referred to in this assignment, the Company's current Articles of Association and the proposed amendments;
- examined, through a discussion with the Directors and the Advisor appointed by the Company, the work carried out by them to identify the criterion for determining the issue price of the new shares for the purposes of the Capital Increase in order to ascertain its content, in the circumstances, reasonable, motivated and not arbitrary;
- found that the Board of Directors' reasoning regarding the choice of the aforementioned criterion was complete and non-contradictory;
- carried out checks on the performance of the stock market prices of the Company's shares in the period prior to the Directors' Report, and collected other information such as, by way of example, the time period of reference, the significance of the prices considered, the type of average used, the characteristics of the free float, the volatility of the stock and the average daily volumes;
- carried out sensitivity analyses on the trend of the stock market prices of the Company's shares in the months prior to the date of the Directors' Report and, to this end, calculated the weighted average of the share prices in the various intervals prior to the date of the Directors' Report;
- examined the information document prepared pursuant to Article 12.2 of the Company's RPT Procedure, Article 5 of the Regulation adopted by Consob with Resolution no. 17221 of 12 March 2010, as subsequently amended and supplemented;
- examined the opinion of the Control, Risk and Related Parties Committee, which unanimously expressed a favourable opinion, which is binding, on the company's interest, economic convenience and correctness, including substantive, of the transaction and its completion;
- collected, through interviews with the Company's Management, information about the events that occurred after the approval of the half-year financial report as at 30 June 2023, with reference to any facts or circumstances that may have a significant effect on the assumptions underlying the data processing and on the information taken into account in carrying out our analyses, as well as on the results of the assessments;
- received formal certification from the legal representative of the company that, to the best of the Company's management, at the date of our opinion, there have been no significant changes to the data and information used in carrying out our analysis, or other facts and circumstances that may have a significant impact on the criterion for determining the issue price of the shares indicated in the Directors' Report which, As such, they may be relevant to the purposes of this report.

The activities described above have been carried out to the extent necessary to achieve the purposes of the assignment, indicated in paragraph 1.

9. Comments on the adequacy of the method adopted by the Directors for determining the issue price of the shares

The Directors' Report, prepared to illustrate the Capital Increase in question, describes the reasons underlying the methodological choices made by them and the logical process followed for the purpose of determining the issue price of the shares for the purposes of the capital increase.

In commenting on the methodology chosen by the Directors for the determination of the issue price of the shares, it should be noted at the outset that the wording of art. 2441, fourth paragraph, second part, of the Italian Civil Code refers to the "market value" without providing further information in this regard, and therefore leads to consider admissible multiple criteria, even different from each other, to be established also according to the characteristics of the individual capital increase transactions.

In this regard, we would like to point out the following considerations:

- The Transaction consists of raising new risk capital which, in the current context of the financial markets, can only take into account the conditions expressed by the stock market. The adoption of the stock exchange quotation method therefore appears to be justified and, in the circumstances, reasonable and not arbitrary, since, as widely recognized by valuation practice and legal literature, the values of stock market quotations constitute a more or less significant point of reference also in consideration of the specific characteristics of the security. In efficient financial markets, the prices that are formed for stocks with a good degree of liquidity tend to reflect the economic value attributable to the company. To confirm this, it should be noted that the percentage ratio between the turnover of trades and the average capitalization of the Company is in line with other operators in the reference market. In addition, the choice made by the Directors to use, in addition to the simple arithmetic average of prices, the average of prices weighted by the volumes traded, makes it possible to determine an average value that takes into account the "significance" of prices in the different transactions, attributing greater importance to prices formed in the face of a more significant volume of trades.

- With regard to the time horizon, the Directors' decision to use an observation period of three months appears reasonable and not arbitrary, in the specific circumstances, in order to represent the market value of the newly issued shares, also considering the current context of high volatility of stock market prices, because, in the period taken as a reference, the prices of the share did not show significant fluctuations, except for the current negative economic situation that influences the performance of the generality of transferable securities: these prices are not, therefore, influenced by anomalous movements as a result of extraordinary or speculative events. In particular, the Directors' choice to use average market values, which makes it possible to minimise the risks deriving from significant short-term fluctuations in stock market prices, appears to be in line with the positions taken by the doctrine expressed so far on the subject: the use of averages, therefore not considering punctual or very short-term values, also makes it possible to mitigate possible distortions from the results of the calculation.

- It should also be noted that the reference to market value made by art. 2441, fifth and sixth paragraphs of the Civil Code, if it seems to imply as a rule a reference to stock market prices, does not, however, exclude the applicability of some corrective to them. In this regard, the existing doctrine, supported by the experience found on the European markets, is in fact inclined to believe that the "correspondence of the issue price of the shares to the market value" should not be understood as an exact and absolute coincidence between these quantities. In fact, it is recognized that the issue price may show some deviation from the market value: for example, as a result of the application of a discount compared to the current market price, also in consideration of the terms of the offer, when it is addressed to a particular type of investor, such as institutional investors.

  In this regard, the possibility of using a discount range by the Directors in identifying the issue price of the shares appears reasonable and not arbitrary in the circumstances and is justified in the Directors' Report, since, although determined by negotiations with potential investors, it is in line with the methodologies adopted by third party companies both nationally, and in the European context.

The procedures described in this report have been carried out by us for the sole purpose of expressing an opinion on the valuation method adopted by the Company's Directors to determine the Issue Price of the shares and therefore have no validity for other purposes, and do not in any way constitute an assessment of the economic opportunity of the Capital Increase transaction with the exclusion of pre-emption rights, nor on the industrial, financial and managerial reasons for the transaction itself as expressed in the Company's Directors' Report.

10. Specific limitations encountered by the auditor and any other relevant aspects that have arisen in the performance of this engagement

As previously pointed out, in the execution of our assignment we have used data, documents and information provided by the Company, assuming their truthfulness, correctness and completeness, without carrying out checks in this regard. Nor have we carried out an economic evaluation of the Company. In the same way, no checks and/or assessments of the validity and/or effectiveness of the Board resolutions relating to the Transaction have been carried out, again because they are outside the scope of our mandate, we have not carried out any analyses or assessments of a legal nature regarding the fairness, the methods of carrying out and the timing of carrying out the Capital Increase transaction.

As previously pointed out, the Directors' Report for the purposes of the exercise of the Delegation by the Board of Directors for the Capital Increase does not indicate the issue price of the aforementioned shares, but the criterion for determining the same. Therefore, the purpose of this report is not to correspond the issue price of the shares, which has not yet been defined, to the market value of the shares, but to the adequacy of the criterion adopted by the Directors for determining an issue price of the shares corresponding to the market value of the shares at the time of execution of the increase.

The execution of the Capital Increase is delegated to the Board of Directors, which will have the task of executing the Proxy by identifying the Issue Price of the shares, in accordance with the indications of the Shareholders' Meeting. Considering that the criterion for determining the Issue Price is linked to future market trends, the execution of the Capital Increase resolution will therefore refer to a market value of the shares updated to the date of execution. However, the time frame in which the Capital Increase may be carried out does not exclude that, in the event that the considerations underlying the criterion adopted by the Directors have changed, what is indicated in this report regarding the adequacy of the criterion may no longer be applicable to the dates of execution of the Capital Increase itself.

The Directors report that the Capital Increase could constitute a transaction of greater significance with related parties pursuant to Article 8.1 of the RPT Procedure. Therefore, Giglio's Board of Directors approved the proposed Capital Increase subject to the reasoned favourable opinion of the Control, Risk and Related Parties Committee on the Company's interest in completing the transaction, as well as on the convenience and substantial fairness of the related conditions. The scope of our assignment does not include considerations regarding the Company's interest in carrying out the Capital Increase, as well as the convenience and substantial fairness of the related conditions.

We also believe it is appropriate to point out that the Stock Exchange Price Method is particularly suitable in the presence of companies with high trading volumes: in correspondence with more limited trading volumes, the price of these securities may not fully reflect their intrinsic value, especially in the presence of volatility of the stock and of the markets also determined by exogenous events, or in the presence of abnormal circumstances, such that the market environment is characterised by levels of uncertainty and strong turbulence, which could limit the ability of market prices to reflect intrinsic valuations. The application of this method may, therefore, be less significant in the case of abnormal circumstances or speculative pressures. Considering that the issue price of the shares will be determined after the date of this report, it cannot be excluded that unforeseeable circumstances may occur, with possible effects on the Issue Price or with any differences between the Issue Price and the stock exchange price on the date of the Capital Increase.

In order to limit the potential distorting effects on the Issue Price of the shares caused by the recent volatility, the Directors have used a period of 3 months of trading as the time amplitude of the stock market prices to be used as the basis for the calculation of the average. This choice of the Directors, although the range chosen is included among those considered acceptable by the dominant doctrinal orientation, differs from the indication relating to the trend of the prices of the last six months contained in the reference legislation, and, at the same time, moves away temporally from the price on the date on which the Capital Increase will actually be carried out, with the risk of using values less close to those actually expressed from the market in the vicinity of the Transaction. This choice is corroborated, as indicated by the Directors, by the consideration that the inclusion, in the calculation, of averages with a longer time horizon than the one identified, would imply the consideration of values deriving from an economic and financial context that is no longer current, due, in particular, to the high volatility of share prices recorded over the last few months due to elements of an eminently extraordinary nature that would make such prices not representative of the trend of the stock, volatility generated, in particular (i) by the unfavorable feedback from investors following the publication of the report on the audit of the draft financial statements as at 31 December 2022, which contains the declaration of impossibility to express an opinion on the said financial statements and (ii) by the tensions that characterize the international geopolitical context following the recent war events in the Middle East. The conclusions set out below are based, *inter alia*, on those considerations.

In addition, the provision of a possible use of a maximum discount of 20% on the weighted average calculated as described above, even if it is in the high range compared to similar transactions carried out recently on the market, has been further justified by the Directors as a form of incentive for investors for an alternative investment method to direct purchase on the market during trading, as well as as a measure to compensate for the risk of price fluctuations that the Company would bear if it were to place on the market a number of shares equivalent to the number underlying the offer in a diluted manner, and not accelerated through the aforementioned ABB procedure.

It should also be noted that the Directors, for the purposes of determining the Issue Price of the new shares, did not adopt analytical control methodologies using prospective economic and financial data provided for in any business plans approved by the Company's Directors, but exclusively used a criterion based on stock market prices.

11. Conclusions

On the basis of the documentation examined and the procedures described above, taking into account the nature and scope of our work indicated in this report, without prejudice to what has been highlighted in paragraph 10 above, we believe that the methods of application of the criterion adopted by the Directors, also on the basis of the indications provided by the Advisor, are adequate, as in reasonable and non-arbitrary circumstances, for the purpose of determining an issue price of the shares corresponding to the market value of the same at the time of execution of the Capital Increase.

Milan, 27 October 2023

Audirevi S.p.A.

Antonio Cocco
Partner – Statutory Auditor

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