



**DISCLOSURE DOCUMENT RELATING TO A RELATED-PARTIES TRANSACTION OF MAJOR IMPORTANCE**

*(drafted pursuant to Art. 5 and in compliance with the format set out in Annex 4 of the Regulation adopted by Consob with resolution no. 17221 of 12 March 2010, as subsequently amended and integrated, as well as pursuant to Art. 12.2 of the "Procedure for Transactions with Related Parties" of Giglio Group S.p.A. adopted by the Board of Directors and lastly amended on 30 June 2021)*

**SUBSCRIPTION OF THE CAPITAL INCREASE WITH EXCLUSION OF THE OPTION RIGHT PURSUANT TO ART. 2441, PAR. 5 AND 6 OF THE ITALIAN CIVIL CODE PROPOSED TO THE MEETING OF 17 NOVEMBER 2023 BY THE CONTROLLING SHAREHOLDER MERIDIANA HOLDING S.P.A. AND THE COMPANY LUXURY CLOUD S.R.L. HEADED BY A DIRECTOR**

*Publication Date - 27 October 2023*

*This Information Document is available to the public at the registered office of Giglio Group S.p.A., in Milan (MI), Piazza Diaz n. 6, 20123, on the Company's website ([www.giglio.org](http://www.giglio.org)), as well as on the authorized storage mechanism eMarket STORAGE ([www.emarketstorage.com](http://www.emarketstorage.com)).*

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## DEFINITIONS

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

<b>Committee</b>	The Internal Control, Risk and Related-Parties Committee of Giglio, made up of independent directors.
<b>Disclosure Document</b>	This disclosure document
<b>Giglio or Giglio Group or Company</b>	Giglio Group S.p.A., with registered office in Milan (MI), Piazza Diaz 6, 20123.
<b>Transaction</b>	As defined in the foreword.
<b>RPT Procedure</b>	The "Procedure for Transactions with Related Parties" adopted by the Board of Directors of the Company and in force as of the date of this Disclosure Document in its version approved by the latest Meeting of the Board of Directors on 30 June 2021.
<b>Issuers' Regulation</b>	The Regulation adopted by Consob with resolution no. 11971 of 14 May 1999, as amended and integrated.
<b>RPT Regulation</b>	The Regulation adopted by Consob with resolution no. 17221 of 12 March 2010, as amended and integrated.
<b>CFA</b>	The Italian Legislative Decree no. 58 of 24 February 1998.

## PREAMBLE

This Disclosure Document was prepared by Giglio pursuant to Art. 5 and in compliance with the scheme referred to in Annex 4 of the RPT Regulation, as well as pursuant to Art. 12.2 of the RPT Procedure.

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

Taking into account the qualification of Alessandro Giglio and Anna Maria Lezzi and the companies controlled by them (i.e. Meridiana and Luxury) as related parties to the Company, the latter, ever since the first expression of interest received from the RPT Shareholders, has adopted the safeguards referred to in the RPT Regulation and the RPT Procedure, involving the Committee and keeping it constantly informed on the relationships between the Company and the RPT Shareholders.

Since the RPT Shareholders are related parties to the Company, as described in the following par. 2.2, the subscription of the Share Capital Increase by the latter constitutes transactions between relevant related parties pursuant to the RPT Procedure and the Issuers' Regulations. In particular, the amount of the possible subscription of the Share Capital Increase by Meridiana leads to the qualification of the subscription as a Transaction of Greater Importance pursuant to Art. 8.1 of the RPT Procedure, while any subscription by Luxury constitutes a Transaction of Lesser Importance pursuant to Art. 8.2 of the RPT Procedure. Nevertheless, the two transactions are taken into account together. For this reason, before the approval of the resolution proposal on the Transaction by the Board of Directors, the Committee issued a reasoned opinion (attached to this Disclosure Document **under Annex 1**) on Giglio's interest in completing the Transaction as well as on the convenience and substantial correctness of the relevant conditions (the "**Committee Opinion**").

The resolution proposal submitted to the Extraordinary Shareholders' Meeting of Giglio regarding the Transaction was approved by the Board of Directors of the Company on 22 October 2023, pursuant to Art. 8.3 (namely "Transactions falling within the remit of the Shareholders' Meeting") of the RPT Procedure (for further details regarding the approval procedure of the Transaction, please refer to the

following par. 2.8).

This Disclosure Document was prepared by Giglio Group S.p.A. pursuant to Art. 5 of the RPT Regulation, as well as pursuant to Art. 12.2 of the RPT Procedure.

## 1. WARNINGS

### 1.1 Risks associated with potential conflicts of interest deriving from transactions with related parties

As already highlighted in the introduction, the Transaction entails the involvement of (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 President of the Board of Directors of the Company and (iii) Anna Maria Lezzi, member of the board and vice-president of Giglio as well as sole director and majority shareholder of Luxury.

The Transaction thus constitutes (a related-party transaction) "of major importance" as described in the following par. 2.2..

The Committee, called to express its opinion pursuant to Art. 8.3 of the RPT Procedure, was informed of the terms and conditions of the Transaction, received a timely and adequate flow of information and issued its favourable opinion, of a binding nature, regarding the Transaction, attached to this Disclosure Document under **Annex 1**.

In compliance with the rules and safeguards established by the RPT Procedure: (i) the Committee, made up exclusively of non-executive and independent directors, was involved in the negotiation phase and in the preliminary phase of the Transaction through the receipt of a complete, adequate, updated and timely flow of information and documents relating to the Transaction; (ii) the Committee was able to request clarifications and formulate observations from the management responsible for conducting the negotiations; (iii) the Committee examined the documentation and the various profiles relating to the Transactions; (iv) in the meeting of 19 October 2023, the Committee unanimously approved the Committee's Opinion, noting the interest in completing the Transaction as well as the convenience and substantial correctness of the related conditions; (v) the Board of Directors of Giglio, in the meeting of 22 October 2023, approved the resolution proposal 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 particular risks connected to potential conflicts of interest other than those typically inherent to transactions between related parties, in addition to what is reported above, also with reference to the projection of the strengthening in terms of percentage of

ownership of the shareholder majority owned by Meridiana and the related company Luxury Cloud.

## 2. INFORMATION RELATING TO THE TRANSACTION

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

#### 2.1.1 The Share Capital Increase

On 17 November 2023, the Extraordinary Shareholders Meeting of Giglio (the "**Meeting**") is called to resolve upon (i) the paid share capital increase in tranches and with the exclusion of the right of option, pursuant to the par. 5 and 6 of Art. 2441 of the Italian Civil Code, by the final deadline of 31 December 2023 for an amount up to a total of € 5,000,000.00, including any share premium, through the issue of ordinary shares having the same characteristics as the ordinary outstanding Giglio shares and regular dividend, to be released in cash, reserved for the Majority Shareholder and other qualified or institutional investors, as well as (ii) the granting of the proxy to the Board of Directors pursuant to Art. 2443 of the Italian Civil Code to increase the share capital for a fee and in tranches with the exclusion of the right of option, pursuant to par. 5 and 6 of the art. 2441 of the Italian Civil Code, for the part of the Share Capital Increase not subscribed by the deadline of 31 December 2023, to be carried out 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 the outstanding ones and regular dividend, to be released in cash, reserved for the Majority Shareholder and other qualified or institutional investors (the "**Proxy**").

The Share Capital Increase, up to € 5 million, may be carried out, (i) in part, following a shareholders' resolution through recourse to a private placement procedure compliant with market practice, including, possibly, accelerated bookbuilding ( hereinafter "**ABB**"), evaluated 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 Delegation 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 identifies the qualified or institutional subjects to whom the shares resulting from the Share Capital Increase will be offered for subscription, it being understood that the Share Capital Increase will be addressed, in any case, to all the subjects who have presented expressions of interest, binding or non-binding, including the Meridiana and Luxury companies, (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 shares of the last three market months 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 deducted". The subscription by the RPT 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 this price.

For an amount of the Share Capital Increase equal to a maximum of 20% of the shares currently on the market (equal to 21,968,022 ordinary shares whose 20% 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 between it and that subscribed by investors exceeds the value of 20% of the shares currently on the market, admission to listing will not be requested immediately, and shares with a different ISIN will be issued, although it is not ruled out that such admission may be requested subsequently.

#### 2.1.2 The binding expressions of interest of Meridiana and Luxury

On 11 May 2023, Meridiana presented the "Binding Expression of Interest for participation in the Share Capital Increase up to a maximum of € 700,000.00" with which - following the previous "Expression of Binding Interest for participation in the Share Capital Increase up to to a maximum of € 500,000.00" - it made itself available to subscribe a capital increase for a maximum amount of € 700,000.00, taking into consideration that € 472,000.00 is already present in the Company's coffers as shareholder financing and can therefore be converted into capital expenditure. Moreover, Meridiana has undertaken to guarantee the Share Capital Increase for a minimum amount of € 3 million, as already indicated in Giglio Group's Interim Condensed Consolidated Financial Statements as of 30 June 2023.

On 12 April 2023, Luxury presented the "Binding expression of interest for participation in the Share Capital Increase up to a maximum of € 700,000.00" with which - however subjecting the purchase to the accounting and management due diligence activity of positive outcome necessary for the completion of the Transaction (positive outcome obtained) - it made itself available to subscribe a share capital increase for a maximum amount of € 700,000.00.

## **2.2 Indication of the related parties with which the Transaction is implemented, the nature of the correlation and the nature and extent of the interests of such parties in the Transaction**

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

With specific reference to the nature of the correlation, it is 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 shares - of which a total of no. 12,226,459 are ordinary Giglio shares with increased voting rights for a total of no. 24,452,918 voting rights, equal to 71.511% of the total voting rights - whose share capital (of Meridiana) is held by Alessandro Giglio for 99%; (ii) Alessandro Giglio, Director and President of the Board of Directors of the Company and (iii) Anna Maria Lezzi, member of the board and vice-president of Giglio as well as sole director and majority shareholder of Luxury.

The Transaction, more specifically, falls within the scope of application of the regulations established by the RPT Procedure for transactions of major importance considering that a transaction with a related party of major importance means, pursuant to Art. 8.1 of the RPT Procedure and Art. 3, par. 1, letter b) of the RPT Regulation, a transaction in which at least one of the relevance indicators indicated in Annex 3 of the RPT Regulation exceeds the 5% threshold; the possible subscription by Meridiana of the Capital Increase, for the maximum amount of Euro 3 million, must in fact be considered a Transaction of Major Importance, as the value of the transaction represented by the Majority Shareholder exceeds the relevance indicator of the countervalue indicated in Annex 3 of the RPT Regulation. More specifically given that as of 30 June 2023 the company market capitalization was equal to €15 million, taking into account the subscription by Meridiana of the share capital increase of € 2.3 million, the 5% threshold established in the Significance Thresholds and indicated in the 'Annex 3 of the RPT Regulation is in fact largely exceeded as the threshold is equal to 15.3%.

As for the possible subscription of the Share Capital Increase by Luxury for a maximum amount of € 700,000, the same must not however be considered a Transaction of Major Importance pursuant to Art. 8.1 of the RPT Procedure and Art. 3, par. 1, letter. b) of the RPT Regulation, not resulting in the aforementioned

5% threshold being exceeded, in light of the value of the market capitalization as of 30 June 2023; however, a Transaction of Lesser Importance can still be configured pursuant to Art. 8.2 of the RPT Procedure, always taking into account the market capitalization as of 30 June 2023.

In any case, the Transaction, as a whole, is treated as an RPT of major importance.

### **2.3 Indication of the economic reasons and convenience of the Transaction for Giglio**

With regard to the economic reasons and the convenience of the Share Capital Increase for the Company, it is highlighted that this decision is motivated by the need to strengthen the company's assets, connected to the existence of the assumption of business continuity, as most recently shown in the Interim Condensed Consolidated Financial Statements as of 30 June 2023 (see in particular par. 16 on "Going concern") and by the Auditing Company's Limited Audit Report containing the opinion (which did not highlight any finding) on the Interim Condensed Consolidated Financial Statements as of 30 June 2023 (see in particular par. 4 of the "Information Request") taking into account (i) the need to quickly implement the Share Capital Increase, considering the Company's interest in strengthening the Group's net equity by the end of the 2023 financial year; (ii) the interest in addressing the Share Capital Increase also to parties willing to support the Company in the medium-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 long-lasting shareholder structure; (iii) the opportunity to consider the binding expressions of interest mentioned in the Foreword amounting to € 1,400,000, of which the guarantee of the Majority Shareholder to subscribe a capital increase of € 700,000, also through the use of credits already transformed into capital financing for shareholders, as well as the expression of interest of Luxury Cloud for € 700,000, company headed by the executive director and vice-president Anna Maria Lezzi. Regarding 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 Giglio Group S.p.A. that the RPT Shareholders subscribe the Share Capital Increase if the subscription to the Increase takes place at the price established within the ABB procedure and in any case in compliance with the determination criterion of the price approved by the Board of Directors.

Moreover, this Capital Increase is a fundamental component of the financial

planning already expressed in the 2023-2027 Industrial Plan approved by the shareholders on 30 March 2023, which provides for the coverage of the group's financial needs through both its own resources and third-party financing, as well as one of the components indicated in the Interim Condensed Consolidated Financial Statements as of 30 June 2023 as "Activities implemented to allow the Group to operate as a going concern".

With the support of the person who will act as arranger, identified in the company MIT SIM, the Board of Directors also considered - in consideration of the status of company listed on the Italian Telematic Market of Borsa Italiana, the liquidity of the share security and the institutional investors currently present - to carry out the Share Capital Increase by resorting to the ABB procedure, believing that this procedure allows the identification, according to market criteria, of the subscription price for all recipients of the Capital Increase.

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

In light of the considerations set out above, it is considered convenient for the Company and for Giglio Group that the RPT Shareholders subscribe the Share Capital Increase if the subscription to the 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 Method for the determination of the issue price and adequacy assessments**

### 2.4.1. Activities carried out by the Board, also in light of the comparison with similar transactions

As regards the issue price of the shares resulting from the Capital Increase, Art. 2441, par. 5 of the Italian Civil Code provides that, in such circumstances, the issue price of the shares must be determined on the basis of the value of the net assets, taking into account, for shares listed on regulated markets, also the price performance of the last half-year.

As can be read in the Directors' Report concerning the proposal, made available to the public in the manner and within the terms of the law, it is noted that Giglio Group S.p.A.'s shares, pursuant to Art. 6 of the Company's By-laws, have no nominal value; on the basis of the ratio between the share capital and

the number of shares issued, said value amounts to € 0.20 per share.

The Group Net Equity resulting from the Interim Condensed Consolidated Financial Reports as of 30 June 2023 highlights a negative value (equal to € 3,707,000): therefore, based on this element, the shares in circulation would have, both pre and post money, an asset value lower than zero; thus it can hardly be considered as a reference parameter for setting the price since a determination of the same on the basis of the asset values would lead to a negative evaluation of the Company. The Board of Directors decided, with the support of the Advisor, 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, deeming that the average of the previous six months was for this reason not significant.

Therefore, we proceeded with the analysis of the market performance of the share in the three months preceding the date of 13 October 2023, the last reference date available for the relative calculation.

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

Euro thousands	Simple average	Weighed average for traded volumes	Maximum price for the period	Minimum price for the period
Last month (1)	0.583	0.591	0.638	0.536
Last three months (2)	0.614	0.628	0.678	0.536

(1) The averages and the maximum/minimum values refer to a time period that goes from 13/05/2023 to 13/10/2023.

(2) The averages and the maximum/minimum values refer to a time period that goes from 13/05/2023 to 13/10/2023.

The Advisor assessed various methods used in practice to determine the market value of the issue price and the data obtained and indicated are the result of its own sensitivity formed through daily comparison with the market and with institutional investors as there is no "issuer – capital increase – discount required" database.

More specifically, since the discount is a variable that is defined moment by moment, the indication expressed by the Advisor was formulated on the basis

of past operations in which it was directly involved during the year 2023 and on the constant comparison with institutional investors.

Now therefore; the Advisor arrived at the conclusion that the most representative one, in the current market context and in relation to the investment attitudes of institutional investors for similar operations, is the so-called "stock-market prices" method. As a matter of fact, this method is believed to be adequate to represent the economic value of the Company, as the shares' listing price expresses the value that the market attributes to the traded shares, thus reflecting on the market's expectations with regard to the financial and economic performance of the Company at a given moment. In efficient financial markets, the prices that are created for shares with a good degree of liquidity tend to reflect the economic value attributable to the company from time to time.

In these circumstances, the Board of Directors did not apply control methodologies if compared to the stock market price method. This choice is attributable to the fact that, in the event of a capital increase with exclusion of the option right pursuant to par. 5 and 6 of Art. 2441 of the Italian Civil Code, the methodology based on stock market prices is generally considered adequate in itself in order to reflect the "market value" of the company pursuant to the aforementioned regulation and this decision of the Board of Directors is in line with the positions expressed in the legal theory and with what can be found in practice in similar operations.

For the purpose of correctly assessing the issue price, the Board carried out an analysis on some transactions that took place over the last 12 months, taking as point of reference both capital increase transactions (with or without exclusion rights) and the transfer of block of shares by relevant shareholders.

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

The application of a discount on the market price, in accordance with the prevailing practice for similar operations recently observed on the market, is mainly to be found: i) as a form of incentive for investors for an alternative investment method to direct purchase on the market in trading venue; ii) as a measure to compensate for the price fluctuation risk that the Company would bear if it placed on the market a number of shares equivalent to that 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 envisaged by the Art. 2446, par. 1 of the Italian Civil Code and presents the capitalization needs highlighted most recently in the Interim Condensed Consolidated Financial Statements as of 30 June 2023 and in the relevant Limited Audit Report by the Auditing Company, in order to deal with the aforementioned situation, it deems appropriate to apply as a corrective action to the formula used for the calculation of the issue price a discount rate of up to 20%, in line with the indications in the previous paragraph; the percentage indicated is within the sample analysed 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.

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

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

The inclusion, in the calculation, of averages with a longer time horizon than that identified, such as, for example, the 6-month period explicitly referred to in Art. 2441 of the Italian Civil Code, would entail the criticality of considering values and information that are not sufficiently updated, 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 during of the last few months due to elements of an eminently extraordinary nature which would make these prices not representative of the trend of the stock, volatility generated, specifically (i) by the unfavourable feedback from investors following the publication of the report on the audit of the draft consolidated financial statements as of 31 December 2022, which contains the

declaration of impossibility to express an opinion on said financial statements and (ii) by the tensions that characterize 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 allows, in the specific case, to incorporate sufficiently up-to-date information on the underlying trends of the reference financial markets (linked, inter alia, to recent fluctuations in interest rates), as well as to include in the prices of the reference time interval the existence of updated accounting information (in particular that deriving from the Interim Condensed Consolidated Financial Statements as of 30 September 2023).

In short, over the chosen time horizon:

- The share prices have not shown significant fluctuations, except for the current negative economic situation which influences the performance of all securities: these prices are not, therefore, influenced by "anomalous" speculative movements;
- The stock is characterized by a trading volume substantially in line with the recent past;

The market prices of the reference time interval include the existence of updated accounting information. Moreover, the use of averages in the calculation, therefore not considering specific or very short-term values, also allows for possible distortions to be mitigated from the calculation results.

Based on the foregoing, the criterion for the determination of the price that the Board shall adopt is as follows:

*"Weighted average of the official price of Giglio Group's shares recorded on the last three market months before the day of issue times the daily volumes exchanged in the same period, to which a corrective discount between 5% and 20% must be deducted" (the "Price Criterion").*

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

#### 2.4.2. The final price fixing via ABB

With the support of MIT SIM, who will act as arranger, the Board of Directors also considered - in consideration of the status of company listed on the Italian Telematic Market of Borsa Italiana, the liquidity of the share security and the



institutional investors currently present - to carry out the Capital Increase by resorting to a private placement procedure compliant with market practice, including, where appropriate, that of ABB, believing that this procedure allows for the identification, according to market criteria, of the subscription price for all recipients of the Capital Increase.

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

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

The part of the Capital Increase offered with the aforementioned procedure that has not been signed by the investors and the residual part up to a maximum of € 5 million shall be offered to the Majority Shareholder and Luxury, who have committed to the amounts indicated above in paragraph 2.1.

#### 2.4.3. Opinion issued by the auditing company pursuant to Art. 2441, par. 6 of the Italian Civil Code and Art. 158, par.1 of the CFA

Furthermore, with regard to the correspondence to the market value of the issue price of the shares relating to the capital increase with the exclusion of the option right, pursuant to Art. 2441, par. 6 of the Italian Civil Code and Art. 158, par. 1 of the CFA, the Report of the auditing company Audirevi S.p.A. gave a positive feedback.

Audirevi S.p.A. is the company appointed with the legal audit of the Company's accounts.

The aforementioned Independent Auditor's Report was made public within the terms of the law, through publication on the authorized storage mechanism, [www.emarketstorage.it](http://www.emarketstorage.it) and on the Company's website, [www.giglio.org](http://www.giglio.org), Corporate Governance/Shareholders' Meetings - Meeting of 17 November 2023, where it is available in full.

The conclusions are reported below: *"Moreover, we believe it appropriate to highlight the fact that the Stock Market Prices' Method is particularly suited for companies with high volumes traded: in the presence of more limited trading volumes, the price of said shares may not fully reflect their intrinsic value, especially in the case of a shares' and market's volatility determined by external events, or in the case of unusual circumstances such that the market context is*

characterized by levels of uncertainty and turmoil, which in turn could limit the capacity of the market prices to reflect the intrinsic values of shares. The application of such method can, hence, result less significant in the vent of unusual circumstances or speculative pressures. Considering that the issue price of the shares will be determined after the date of this report, the occurrence of unforeseeable circumstances, with eventual effects on the Issue Price or with any differences between the Issue Price and the stock market price on the date of execution of the Share Capital Increase, cannot be ruled out. In order to limit the potential distortive effects on the Issue Price of the shares caused by the recent volatility, the Directors have used a period of 3 months of open stock exchange as the time span of the stock market prices to be used as the basis for calculating the average. This Directors' choice, even though the interval chosen is included among those deemed acceptable by the dominant jurisprudential orientation, differs from the indication relating to the trend of the prices of the last half-year contained in the reference legislation, and, at the same time, moves away temporally from the price to the date on which the Capital Increase will actually be carried out, with the risk of using values less close to those actually expressed by the market in proximity to the Operation. This choice is supported, as indicated by the Directors, by the consideration that the inclusion, in the calculation, of averages with a longer time horizon than that 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 during of the last few months due to elements of an eminently extraordinary nature which would make these prices not representative of the trend of the stock, volatility generated, specifically (i) by the unfavourable feedback from investors following the publication of the report on the audit of the draft consolidated financial statements as of 31 December 2022, which contains the declaration of impossibility to express an opinion on 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 these considerations. Furthermore, the provision of a possible use of a maximum discount of 20% on the weighted average calculated as described above, even if positioned in the high range compared to similar operations recently carried out on the market, was further justified by the Directors as a form of incentive for investors for an alternative investment method to direct purchase on the market in trading venue, as well as a measure to compensate for the price fluctuation risk that the Company would bear if it placed on the market a number of shares equivalent to that underlying the offer in a diluted manner, and not accelerated through the aforementioned ABB procedure. It is also

*necessary to highlight the fact that Directors, for the purpose of determining the Issue Price of the new shares, did not adopt analytic control methods using economic and financial forecast data foreseen by any eventual industrial plan approved by the Company's Board, but rather used exclusively a criterion based on the Stock-Exchange Market's prices. On the basis of the examined documentation and of the aforementioned procedures, taking into account the nature and scope of our work as described in this report, notwithstanding the information highlighted in paragraph 10, we believe that the application methods of the criterion adopted by the Directors, also on the basis of the indications provided for by the Advisor, are adequate, as long as within reasonable and non-arbitrary circumstances, for the purpose of determining the shares' issue price corresponding to the market value of the same upon execution of the Share Capital Increase".*

## **2.5 Economic, equity and financial effects of the Transaction, providing the applicable relevance indicators**

The following table shows the effects of an hypothetical Capital Increase in kind of € 3,000,000, subscribed with the issue of no. 5,976,095 shares without nominal value and with a unit price of € 0.502 per share on the Group's financial liabilities and structure. This amount was determined by applying the price criterion based on the weighed average of the official price of Giglio Group S.p.A.'s shares over the last three months before 13 October 2023 (and hypothesising a 20% maximum applicable corrective).

The simulations (in the present as in the following paragraph) are carried out on the hypothesis of an increase of € 3 million corresponding to the amount guaranteed by the Majority Shareholder, provided that, if the increase were of a value greater than up to € 5 million, the effects would be of greater benefit.

It is noted that the figures of the Financial Statements as of 30 June 2023 were used as a reference; the Statements were approved by the Board on 12 September 2023 and subject to limited audit by the Auditing Company (and are available on the authorised storage mechanism at [www.emarketstorage.it](http://www.emarketstorage.it), but also on the Company's website in the "Investor Relations - Financial Reports" section).

The Company's pro forma financial liabilities benefited from a greater liquidity equal to € 2,378,000. The Share Capital Increase for a total of € 3,000,000 entails a potential cash and cash equivalents increase of € 2,378,000, taking into account the estimated burdens to be borne (equal to € 150,000) and the €

472,000 already paid as of 30 June 2023 into the future capital increases' account;

### Financial liabilities

<b>(Euro thousands)</b>	<b>Giglio Group 30/06/2023</b>	<b>Share capi- tal increase</b>	<b>Giglio Group 30.06 2023 pro forma</b>
A Cash and cash equivalents	3,068	2,378	5,446
B Cash and cash equivalents			-
C Other current financial assets	2		2
<b>D Cash &amp; cash equivalents (A)+(B)+(C)</b>	<b>3,070</b>	<b>2,378</b>	<b>5,448</b>
E Current financial liabilities	(1,928)		(1,928)
<i>of which with Related Parties</i>	-		-
F Current part of the non-current financial liabilities	(5,641)		(5,641)
<b>G Current financial liabilities (E)+(F)</b>	<b>(7,569)</b>	<b>-</b>	<b>(7,569)</b>
<b>H Net current financial liabilities (G) - (D)</b>	<b>(4,499)</b>	<b>2,378</b>	<b>(2,121)</b>
I Non-current financial liabilities	(8,501)		(8,501)
<i>of which with Related Parties</i>			-
J Debt instruments	(2,635)		(2,635)
K Non-current trade and other payables	(2)		(2)
<b>L Non-current financial liabilities (I)+(J)+(K)</b>	<b>(11,139)</b>	<b>-</b>	<b>(11,139)</b>
<b>M Total financial liabilities (H)+(L)</b>	<b>(15,638)</b>	<b>2,378</b>	<b>(13,260)</b>

The following table shows the financial and economic effects of a Capital Increase in kind of € 2,850,000 on the Group, net of charges; the improvement of the net equity is counterbalanced by an increase in liquidity as shown below:

### Statement of financial position

<b>(Euro thousands)</b>	<b>Giglio Group 30/06/2023</b>	<b>Share capital increase</b>	<b>Giglio Group 30.06 2023 pro forma</b>
Intangible Assets	15,401		15,401
Property, Plant and Equipment	663		663
Financial Fixed Assets	261		261

<b>Total Fixed Assets</b>	<b>16,325</b>	<b>0</b>	<b>16,325</b>
Inventories	953		953
Trade receivables	12,053		12,053
Trade payables	-13,300		-13,300
<b>Operating/Commercial Working Capital</b>	<b>-294</b>	<b>0</b>	<b>-294</b>
Other current assets and liabilities	-4,658		-4,658
<b>Net Working Capital</b>	<b>-4,952</b>	<b>0</b>	<b>-4,952</b>
Provisions for risks and charges	-382		-382
Deferred tax assets and liabilities	941		941
<b>Net Invested Capital</b>	<b>11,933</b>	<b>0</b>	<b>11,933</b>
<b>Total Net Invested Capital</b>	<b>11,933</b>	<b>0</b>	<b>11,933</b>
<b>Equity</b>	<b>3,746</b>	<b>-2,378</b>	<b>1,368</b>
<b>Minority interest in equity</b>	<b>-39</b>		<b>-39</b>
Cash and cash equivalents	3,068	2,378	5,446
Current financial receivables	2		2
Current IFRS 16 financial liabilities	-162		-162
Current financial liabilities	-7,408		-7,408
Non-current IFRS 16 financial liabilities	-293		-293
Non-current financial liabilities	-10,844		-10,844
Non-current trade and other payables	-2		-2
<b>Net financial liabilities</b>	<b>-15,640</b>	<b>2,378</b>	<b>-13,260</b>
<b>Total Sources</b>	<b>-11,933</b>	<b>0</b>	<b>-11,933</b>

The reclassified pro forma Statement of Financial Position used as a reference the figures of the Interim Financial Statements as of 30 June 2023. The values are in Euro.

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

- A. Net equity equal to € 2,850,000. The Capital Increase for a total of € 3,000,000 given by the issue of no. 5,976,096 shares with a unit price of € 0.502 must take into account the estimated burdens to be borne (equal to € 150,000). These burdens, being incremental costs directly related to the Capital Increase, shall be recognised directly to net equity as a reduction of the share premium reserve, pursuant to IAS/IFRS accounting standards;
- B. Cash and cash equivalents for € 2,378,000. The Share Capital Increase for a total of € 3,000,000 entails a potential cash and cash equivalents increase of € 2,378,000, taking into account the estimated burdens to be borne (equal to € 150,000) and the € 472,000 already paid as of 30 June 2023 into the future capital increases' account and recorded in the shareholders' equity as of that date.

## **2.6 Impact of the Transaction on the remuneration of the members of the administrative bodies of Giglio and/or companies controlled by the latter**

Following the execution of the Transaction, no changes are envisaged to the remuneration of the directors of Giglio Group S.p.A. and/or other Group companies controlled by it.

## **2.7 Information relating to the Company's financial instruments held by members of the administrative and supervisory bodies, general managers and managers of the company possibly involved in the operation and the interests of the latter in extraordinary transactions**

Without prejudice to what is specified in the previous paragraphs 1.1 and 2.2 of this Disclosure 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 the previous paragraph 2.2, 55.66% of Giglio shares - of which a total of no. 12,226,459 are ordinary Giglio shares with increased voting rights for a total of no. 24,452,918 voting rights, equal to 71.511% of the total voting rights - whose share capital (of Meridiana) is held by Alessandro Giglio for 99%.

## **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 Disclosure Document, the Transaction was subjected to the controls provided for by the RPT Regulation and the RPT Procedure for transactions with related parties of "major importance" and, therefore, to the approval process prescribed by Art. . 8.1, 8.2 and 8.3 of the RPT Procedure in compliance with the RPT Regulation.

In particular, Art. 8.3 of the RPT Procedure provides that if the transaction falls within the competence of the Board of Directors or must be authorized by it, the same procedures provided for in the previous paragraphs must be respected, mutatis mutandis, depending on whether the transaction is classified as of major or lesser importance, putting the Committee in a position to express its reasoned opinion in time to submit it to the meeting of the Board of Directors in which the resolution proposal is decided upon.

As regards the activity of the Committee, the latter immediately took action in order to carry out the activities required by the RPT Procedure, having been involved in the preliminary phase of the Transaction, through the receipt of a complete and updated information flow, starting from the receipt of expressions of interest from RPT Shareholders.

In particular, the Committee immediately proceeded to evaluate the existence of application requirements of the RPT Procedure, as well as to carry out checks relating to the profiles of non-correlation of its members with the counterparties of the Transaction and of their non-involvement in the same Transaction.

Moreover, the Committee regularly met with the Company's management, formulating the relevant observations and requesting any additional information.

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

The resolution proposal to be submitted to the Extraordinary Meeting of Giglio Group's Shareholders regarding the Operation was therefore approved by the Board of Directors of the Company, that had already met on 2 October 2023 to

approve the guidelines of the Operation and establish the date of the Meeting, on 22 October 2023 with the sole exclusion of Alessandro Giglio and Anna Maria Lezzi being stakeholders pursuant to Art. 2391-bis of the Italian Civil Code. and the combined provisions of Art. 7 par. 1, letter. d) bis and Art. 8 of the RPT Regulation.

**2.9 If the relevance of the Transaction derives from the accumulation, pursuant to Art. 5, par. 2 of the RPT Regulation, of several transactions carried out during the financial 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 operations**

The case described is not applicable to the Transaction.

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

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

**Financial Reporting Officer**

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**Carlo Maria Micchi**



## **ANNEXES**

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