ITALIAN WINE BRANDS

Creatori di Eccellenze

FY Results 2022

Alessandro Mutinelli – Chairman & CEO
Pier Paolo Quaranta – MD & IR
Gabriella Fabotti – Group CFO

Milan, March 24, 2023

FY 2022 at a glance

*2022 was a **challenging year**, characterized by the **scarcity of materials** and the **increase in costs** which **penalized the economic results in the short term.***

*In this contingent situation, the Group has **kept faith with its vision** and has **preserved** the most important asset even at the expense of greater immediate earnings: **customers and the presence of our products on the markets**, the real drivers of growth and margins in the medium term.*

*2022 was a fundamental year in the development path of your company: with **two successful M&A deals**, Enovation Brands Inc and Barbanera, Italian Wine Brands has been able to acquire a diversified presence on the markets (USA, Canada) and on the channels (Ho.Re.Ca.) putting down roots in a territory, Tuscany, which today is the most recognized Italian wine region on a global scale.*

The results of these first months of 2023 and the prospects for the year are confirming the goodness of the choices made over the last few years.

IWB FY 22 Pro-Forma financial results

Eur 430.2 m
NET SALES 2022 (+5% YOY)

> 80%
SALES ON INTERNATIONAL MARKETS

Eur 37.2 m
Adj. EBITDA 2022 (-11,1% YOY)

Eur 129.5 m
NET CONSOLIDATED DEBT as at 31.12.22. Net of Eur 17,0 m of IFRS 16

Eur 14.2 m
NET PROFIT 2022 (-21.8% YOY)

Our journey: keeping the promises

January 29, 2015 – Listing of Italian Wine Brands

«We want to be an aggregating company, to become the first Italian private wine group, with a turnover of €400 M.»

The outcome….

- **5 acquisitions in 7 years**
- **Turnover from 140 M € to 430 M € (2022)**
- **IWB first Italian private wine group**

Our journey: what’s next

«Predicting the future and trying to control it is a utopia».

Having said that, we have sown the seeds for long-lasting growth, and now I'll explain how we will do it.

Our journey: what we are

***Our vision:* a branded product of us, anywhere, to make customers happy.**

Therefore, our mission is to create and distribute valued brands worldwide, across any sales channel.

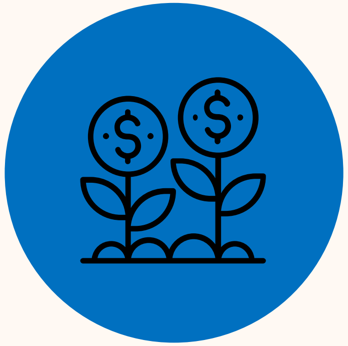
Our actions are the consequence of who we are, our values, what we believe is right and for which we are proud of:

1. ***The client is our employer***
2. ***Committed for the quality***
3. ***Integrity, respecting the rules, the people, the promises***
4. ***Supporting the growth of our people, making the strongest team of the wine industry***
5. ***Innovation and enterpreneurship***

Our journey: the key drivers for the growth

The key elements that support our growth and margins through the cycle

We produce what our clients love to have, market driven



Expertise in wine branding

Unique worldwide multichannel distribution. Access to markets is key

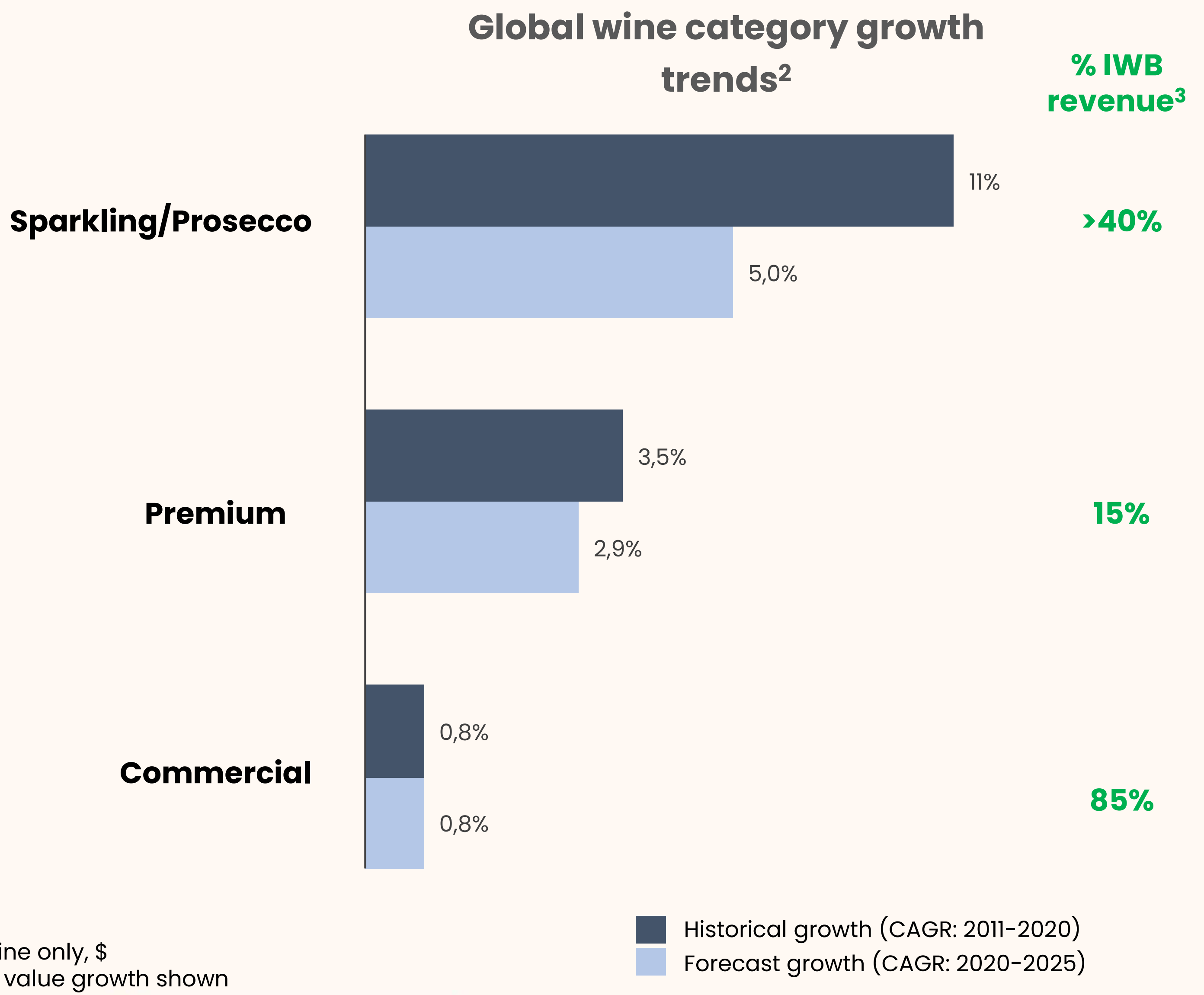
Motivated international team

Strong and flexible capital structure

Our journey: what's the Global category outlook?

Category growth is being driven globally by the premium brands and sparkling wines on existing global markets

- Sparkling/prosecco has been grown consistently in the latest ten years (from 142m btg. in 2011 to 627m btg. In 2021) and consumption is provided to grow further in the coming years. IWB production: 60m btg per year and growing.
- Consumers are trading up, driven by younger age groups and continued emergence of the "buy better" trend
- Our portfolio structure and premiumization strategy are an excellent platform from which to harness this powerful trend
- **Sparkling and Premium wine is forecast to become a >$100bn market by 2025[1], and we intend to be the clear leader globally**

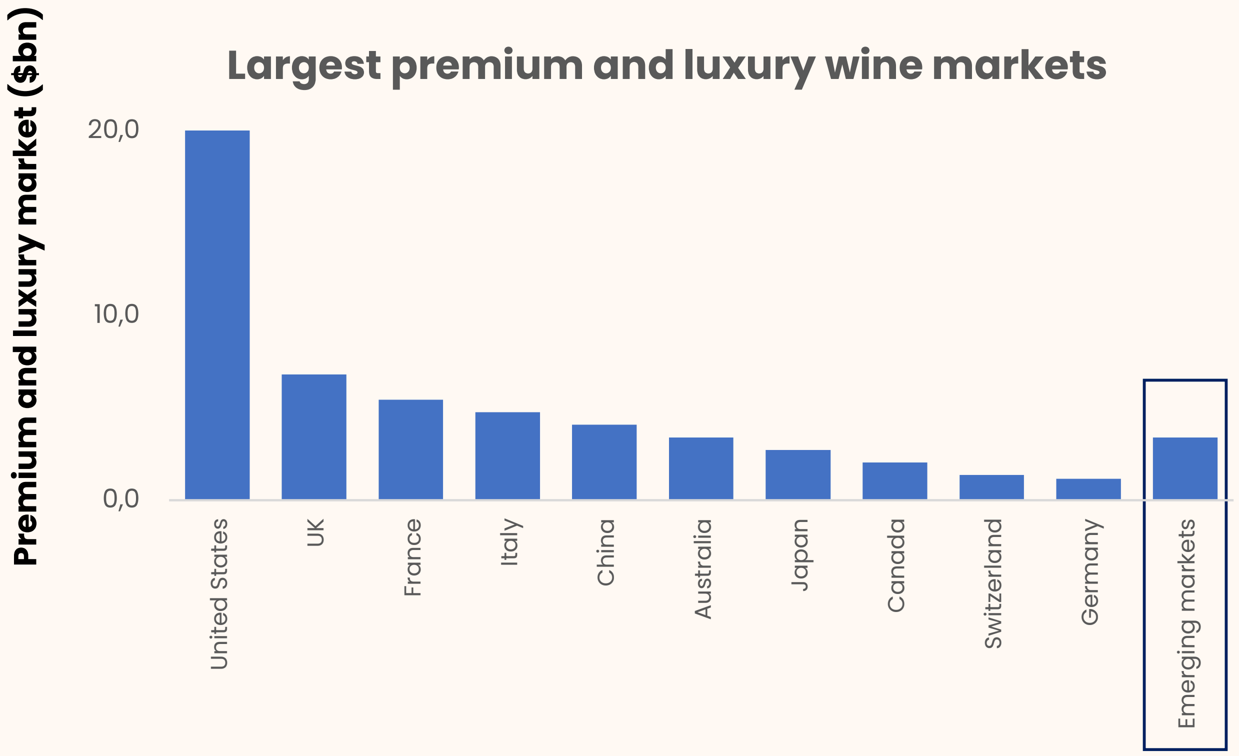


1,2: IWSR 2021, I numeri del vino from , still and sparkling wine only, $ equivalent, portfolio price points per IWSR segmentation, value growth shown
3: Per FY22 revenue

Our journey: Premium and luxury markets outlook[1]

A select number of markets matter most in the premium and luxury segment

- Global premium and luxury wine segment sales totaled $60bn in 2020, with US predominant market
- The top 10 markets represent ~ 80% of global premium and luxury consumption
- The United States is the clear leader, with ~ 30% share of global consumption and strong forecast growth. **IWB is very well positioned thanks to a new agreement with the largest National distributor**
- A number of emerging markets have strong growth potential, particularly those throughout Asia (Vietnam, Malaysia)
- As the Italian leader in sparkling and premium wines, with a 5% share, we have an excellent foundation from which to grow



Forecast growth CAGR: 2020-2025	4,0%	1,2%	2,1%	1,4%	4,5%	2,1%	2,2%	1,1%	0,4%	4,5%	3,8%

1: IWSR 2021, still and sparkling wine only, $ equivalent, portfolio price points per IWSR segmentation, value growth shown.
Emerging markets include key markets in Asia, MEA and Latin America

Our journey: we have already exceptional brands, and we keep innovating

A deep and diverse portfolio, growing through consumer-led focus and innovation

Grande Alberone: A global premium large scale distributed brand (>4m btg)

Luna di Luna: US phenomenon, with over 3m btg. sold in F22 and growing

Gigino: Luxury Supertuscan product line made with own wineyards

VOGA: Fast growing (3m btg), top US premium Prosecco in Ho.re.ca

Raphael dal Bo: Organic prosecco with premium distribution in Central UE

Giordano: Unparelled leader in EU (18m btg), with heart in Langhe and Apulia

Our journey: targeted investments for the growth

Our core enterprise strengths today	Areas where we are prioritizing further investment
Nr. 2 largest Prosecco producer of Italy **Key premium regions of Italy: Tuscany, Piedmont, Apulia, Venetian**	**Consumer-led premium and luxury portfolio** • Enhance portfolio through innovation • Expand commercial and marketing activities • Evolve e-commerce and digital models • Green investment to reduce CO_2 footprint
People	**Culture and talent** • Uplift our growth and innovation mindset, inclusion, equity and diversity agenda
Scale	**Competitiveness** • Leverage our scale for new customer's acquisition
Flexibility and innovation	**Keeping a light asset model and simplifying operations** • Keeping a light asset model, to better face market changes

Our journey: now phase four

PHASE ONE — 2015–2018

Reshuffling operation and revenues stream.
Internal development of new brands.
Setting up solid basis for expansion

PHASE TWO — 2019 - 2020

Exploiting value, volumes and margins from the existing platform.
Continuous improvement of mix towards branded products

PHASE THREE — 2020 - 2022

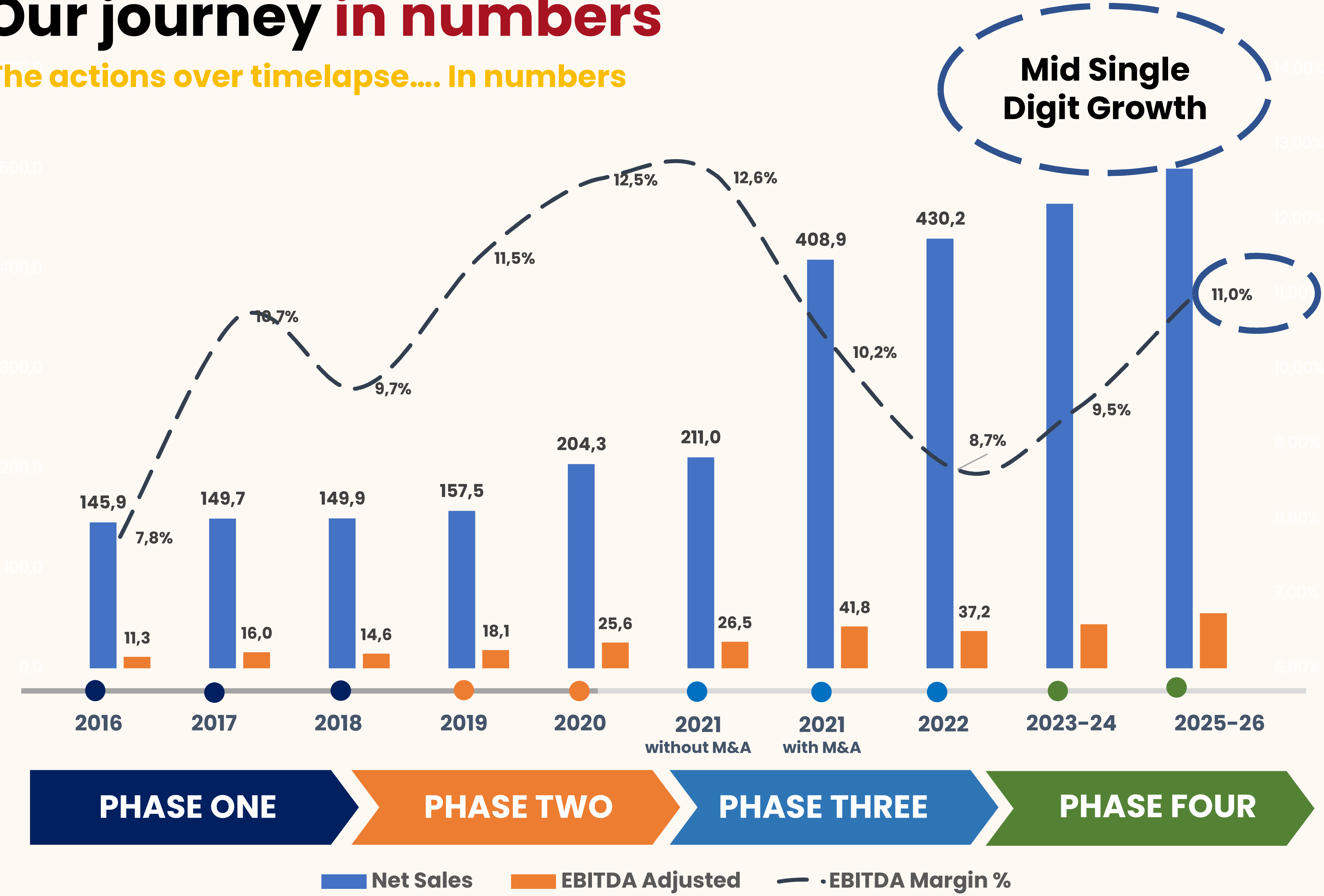
Expansion throughout M&A with the aim of creating a unique pure Italian worldwide player in the industry

PHASE FOUR — 2023 - 2026

1. Create a single operating company to maximize synergies and to simplify the business
2. Focus on higher value-added red wines and sparkling in line with market demand
3. Focus on cash conversion, reduction of NFP and dividends

Our journey in numbers

The actions over timelapse.... In numbers



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Financial Highlights

Financial Highlights

Net Sales – Wholesale

Eur Millions	2016	2017	2018	2019	2020	2021PF	2022PF	Δ % 21/22	Cagr 18/22
Wholesale - Italy	**0,0**	**0,0**	**2,5**	**3,6**	**5,5**	**42,6**	**43,4**	**1,98%**	**105,10%**
Wholesale - International	**69,0**	**69,0**	**74,7**	**84,0**	**114,1**	**256,8**	**260,0**	**1,27%**	**36,59%**
UK	5,1	5,1	9,7	13,2	14,7	72,5	64,5	(10,99%)	60,57%
Germany	9,5	9,5	9,8	11,1	14,8	32,6	41,3	26,71%	43,38%
Switzerland	22,6	22,6	23,4	24,3	45,1	45,5	40,0	(12,02%)	14,35%
USA	2,0	2,0	2,5	3,0	1,6	15,4	23,3	51,76%	74,23%
Austria	13,0	13,0	13,1	12,3	15,9	15,1	14,2	(6,23%)	2,09%
Poland	0,0	0,0	0,0	1,0	1,1	8,8	10,3	16,74%	NA
France	0,7	0,7	0,5	0,1	0,2	7,7	9,7	24,58%	105,91%
Belgium	2,5	2,5	2,7	3,7	6,0	9,4	7,6	(19,18%)	28,93%
Denmark	6,4	6,4	5,1	5,2	5,0	7,5	7,3	(2,78%)	9,14%
Netherlands	0,6	0,6	0,0	0,5	1,1	9,2	6,5	(29,20%)	259,26%
Ireland	0,0	0,0	0,0	1,0	1,5	6,7	5,7	(14,37%)	NA
Canada	0,9	0,9	0,6	0,6	0,9	3,1	4,2	37,25%	63,58%
Sweden	1,0	1,0	1,2	1,3	1,6	2,2	2,3	2,67%	16,68%
Hungary	0,0	0,0	0,0	1,3	1,5	1,9	1,8	(3,56%)	NA
China	0,7	0,7	0,9	1,3	0,9	1,6	1,2	(22,02%)	6,83%
Other	4,1	4,1	5,0	4,0	2,3	17,6	20,0	13,76%	41,54%
Total	**69,0**	**69,0**	**77,2**	**87,7**	**119,6**	**299,4**	**303,5**	**1,37%**	**40,82%**

Financial Highlights

Net Sales – Ho.Re.Ca.

Eur Millions	2021PF	2022PF	Δ % 21/22	Cagr 20/22
Ho.re.ca. - Italy	**0,3**	**2,4**	**753,59%**	**NA**
Ho.re.ca. - International	**25,7**	**54,5**	**112,29%**	**NA**
UK	16,5	27,4	65,87%	NA
USA	3,9	10,2	163,82%	NA
Germany	1,0	3,3	240,64%	NA
Canada	1,6	2,5	57,02%	NA
Netherlands	0,2	1,6	917,93%	NA
China	0,1	1,3	2554,55%	NA
Denmark	0,0	1,1	5026,03%	NA
Poland	0,6	0,7	21,54%	NA
Sweden	0,0	0,6	1429,69%	NA
France	0,1	0,3	216,05%	NA
Ireland	0,1	0,2	56,55%	NA
Switzerland	0,0	0,2	470,38%	NA
Belgium	0,1	0,1	111,26%	NA
Austria	0,0	0,1	1051,43%	NA
Hungary	0,0	0,0	171,11%	NA
Other countries	1,6	4,9	213,21%	NA
Total	**25,9**	**56,9**	**119,21%**	**NA**

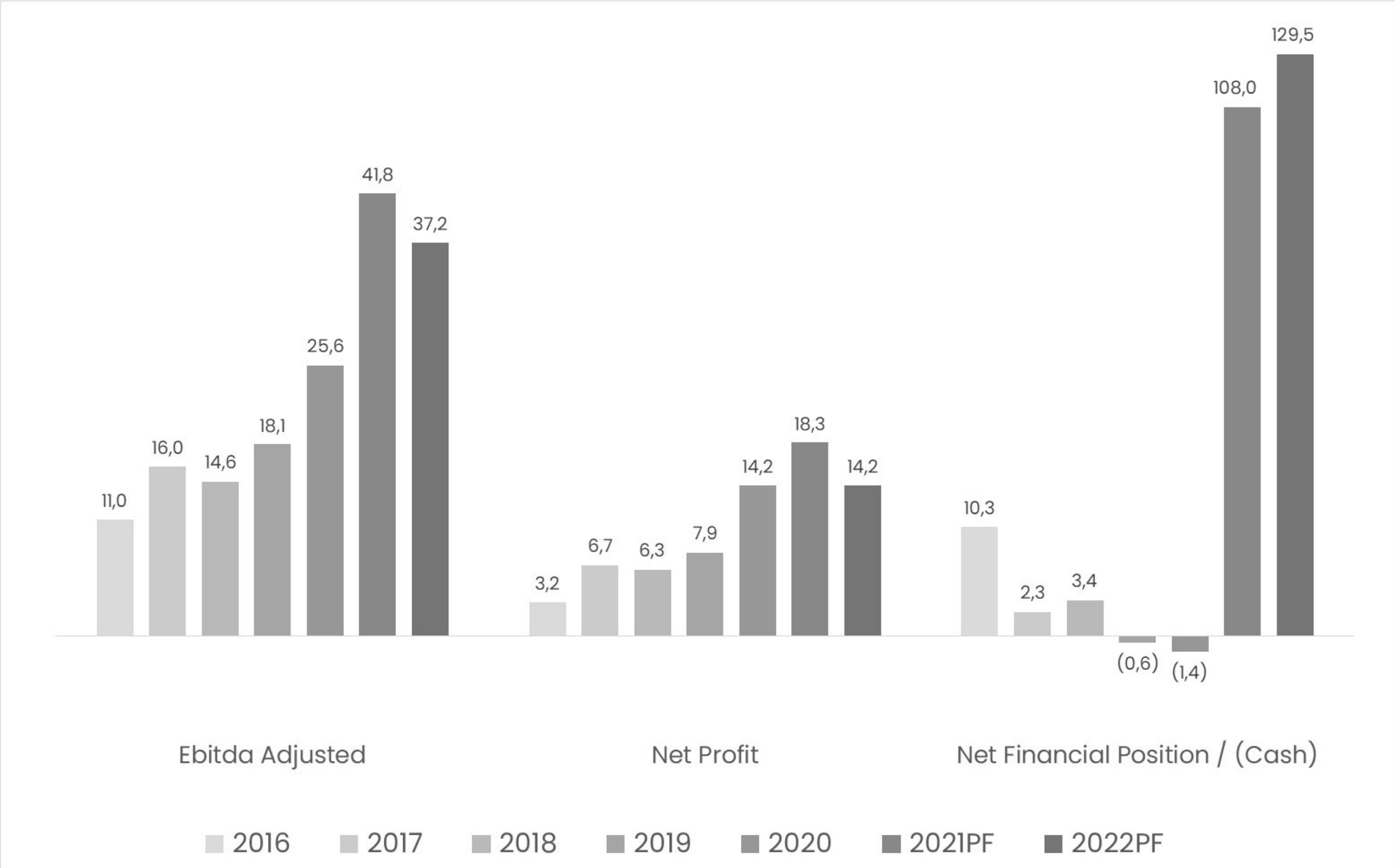
Financial Highlights

Net Sales – Distance Selling

Eur Millions	2016	2017	2018	2019	2020	2021PF	2022PF	Δ % 21/22	Cagr 18/22
Distance selling Italy	**37,3**	**37,3**	**31,4**	**29,7**	**34,0**	**32,8**	**27,7**	**(15,59%)**	**(3,07%)**
Direct Mailing	16,3	16,3	14,8	14,1	16,1	15,4	12,3	(20,39%)	(4,58%)
Teleselling	17,8	17,8	12,7	11,3	9,8	10,0	8,4	(16,16%)	(9,83%)
Digital / WEB	3,2	3,2	3,9	4,3	8,1	7,4	7,0	(4,75%)	16,07%
% Direct Mailing	*43,8%*	*43,8%*	*47,3%*	*47,4%*	*47,4%*	*47,1%*	*44,4%*		
%Teleselling	*47,7%*	*47,7%*	*40,4%*	*38,0%*	*28,9%*	*30,5%*	*30,3%*		
% Digital / WEB	*8,5%*	*8,5%*	*12,3%*	*14,6%*	*23,8%*	*22,5%*	*25,3%*		
Distance selling international	**42,5**	**42,5**	**40,6**	**39,5**	**50,0**	**49,9**	**40,9**	**(18,13%)**	**0,14%**
Direct Mailing	25,7	25,7	23,8	23,3	27,1	28,3	22,2	(21,28%)	(1,70%)
Teleselling	11,5	11,5	8,7	7,2	7,7	6,8	5,5	(18,93%)	(10,79%)
Digital / WEB	5,4	5,4	8,1	9,1	15,2	14,8	13,1	(11,76%)	12,80%
% Direct Mailing	*60,5%*	*60,5%*	*58,6%*	*59,0%*	*54,2%*	*56,6%*	*54,4%*		
%Teleselling	*26,9%*	*26,9%*	*21,5%*	*18,1%*	*15,4%*	*13,7%*	*13,5%*		
% Digital / WEB	*12,6%*	*12,6%*	*19,9%*	*22,9%*	*30,5%*	*29,7%*	*32,0%*		
Total	**79,8**	**79,8**	**72,0**	**69,2**	**84,0**	**82,7**	**68,5**	**(17,12%)**	**(1,22%)**

Financial Highlights

Ebitda, Net Profit, Net Financial Position



Ebitda pro-forma: Decreased from Eur 41.8 m of 2021 to Eur 37.2 m of 2022. In terms of % margin on Net sales, Ebitda pro-forma decreased from 10.2% in 2021 to 8,6% in 2022 for the following reasons:

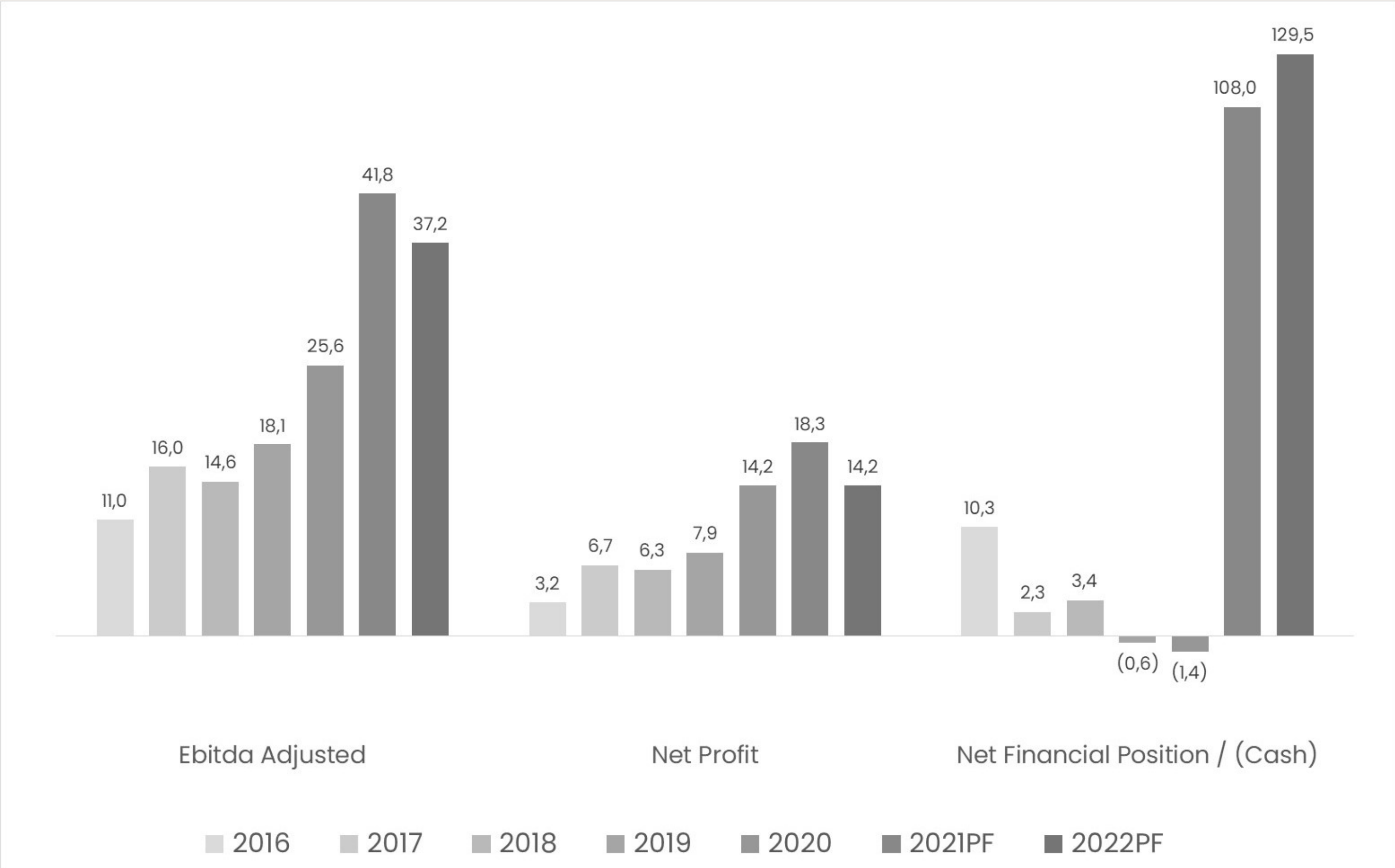
- Net impact of cost of dry goods increase equal to -1.0%
- Net impact of cost of prosecco bulk wine equal to 0,2%
- Net impact of spike of utilities costs equal to Eur 3.0 m, to be considered a kind of «one-off» cost

2023 Ebitda margin to be at normal historical level thanks to:

- Realignment of price lists with retailers, keeping in consideration the new scenario of the dry goods
- Realignment of utilities costs and new «solar plant project» (1,5mw)
- Some reduction of grapes / bulk wine costs (also Prosecco)

Financial Highlights

Ebitda, Net Profit, Net Financial Position



Net Profit:

Main costs below Ebitda Adjusted 2022:

- Net interest of Eur 5.6m, of which 12 months interests on bond loan (3,6m), other interests and fx loss (0,3m), short term bilateral facilities and commissions (1.7m);
- Depreciation, Amortization and write-downs of Eur 10.5 m;
- Non recurring expenses of Eur 1.3m (mainly Eur 0.7m related to a fraud occurred in Enovation Inc)
- Taxes of Eur 3.7m (20.5% on EBT)

Net financial position:

Composition of the NFP equal to Eur 129.5 m as at 12.31.22:

- Eur -130.0 m bond loan (6yrs maturity, bullet repayment, 2,5% interest rate), Eur +8.8 cash on hands net of bilateral facilities, Eur -7.6 M&A deferred payments
- Total net leverage of 3.5x NFP/Ebitda
- M&A absorption in 22 Eur 30.4 m, free cash flow equal to Eur 16.9 m (50% Ebitda)

Financial Highlights

Extended BS 2016 - 2022

Eur/000	31.12.2016	31.12.2017	31.12.2018	31.12.2019	31.12.2020	31.12.2021PF	31.12.2022PF
Intangibles & Goodwill net of tax reserves	75.890	76.656	78.385	79.424	94.288	208.620	245.899
Tangibles	15.526	14.232	14.736	14.539	15.104	50.124	52.131
Rights of use (Ex IFRS 16)	0	0	0	10.860	9.637	14.042	17.709
Fixed Assets	**91.416**	**90.888**	**93.121**	**104.823**	**119.029**	**272.786**	**315.739**
Inventory	17.712	20.211	18.997	20.334	25.490	77.908	102.815
Trade Receivables	23.981	22.220	20.785	23.605	30.567	68.144	61.599
Trade Payables	(43.889)	(46.801)	(44.522)	(45.750)	(56.809)	(137.367)	(136.717)
Other	412	(90)	1.000	(1.476)	(2.541)	1.286	(1.842)
Net Working Capital	**(1.784)**	**(4.460)**	**(3.740)**	**(3.287)**	**(3.293)**	**9.971**	**25.855**
Severance indemnity	(1.007)	(815)	(656)	(651)	(621)	(1.212)	(1.444)
Other long term funds	(1.996)	(1.684)	(1.071)	(994)	(261)	(334)	(288)
Total Uses	**86.630**	**83.930**	**87.654**	**99.891**	**114.854**	**281.211**	**339.862**
Net Worth	**76.162**	**81.624**	**84.282**	**89.208**	**104.521**	**159.955**	**193.315**
Net Financial Position / (Cash)	**10.467**	**2.306**	**3.372**	**(565)**	**(1.437)**	**107.977**	**121.877**
Deferred price acquisitions	**-**	**-**	**-**	**-**	**1.861**	**-**	**7.621**
Liabilities for Rights of use (Ex IFRS 16)	**-**	**-**	**-**	**11.248**	**9.908**	**13.279**	**17.049**
Total sources	**86.630**	**83.930**	**87.654**	**99.891**	**114.854**	**281.211**	**339.862**

Financial Highlights

Extended PL 2016 - 2022

Eur/000	31.12.2016	31.12.2017	31.12.2018	31.12.2019	31.12.2020	31.12.2021PF	31.12.2022PF
Net Sales	**145.937**	**149.736**	**149.863**	**157.494**	**204.311**	**408.934**	**430.312**
Change in inventory	825	2.402	(1.162)	1.329	4.780	19.524	3.320
Other income	1.901	1.278	1.486	1.220	1.538	2.953	5.897
Total Revenues	**148.664**	**153.416**	**150.187**	**160.043**	**210.629**	**431.411**	**439.529**
Raw Material	(78.527)	(83.219)	(86.082)	(92.547)	(123.650)	(295.527)	(298.387)
Services	(46.503)	(45.700)	(41.515)	(41.486)	(52.159)	(72.362)	(78.190)
Personnel	(11.821)	(8.147)	(7.627)	(7.441)	(8.125)	(20.492)	(24.256)
Other expenses	(496)	(319)	(362)	(482)	(1.091)	(1.200)	(1.520)
Total operating costs	**(137.347)**	**(137.385)**	**(135.586)**	**(141.956)**	**(185.025)**	**(389.581)**	**(402.352)**
EBITDA Adjusted	**11.317**	**16.031**	**14.601**	**18.087**	**25.604**	**41.830**	**37.177**
Margin on Net Sales	***7,8%***	***10,7%***	***9,7%***	***11,5%***	***12,5%***	***10,2%***	***8,6%***
Depreciation, Amortization and write-downs	(2.993)	(3.243)	(3.510)	(4.582)	(5.387)	(10.476)	(12.283)
Non-recurring expenses (A)	(2.207)	(1.873)	(1.179)	(1.783)	(2.000)	(3.021)	(1.306)
Provision for risks and charges	(66)	(118)	(36)	0	0	0	(59)
EBIT	**6.052**	**10.797**	**9.876**	**11.722**	**18.217**	**28.333**	**23.530**
Financial Expenses	(1.630)	(1.565)	(1.135)	(1.223)	(1.186)	(4.308)	(5.645)
EBT	**4.421**	**9.232**	**8.741**	**10.499**	**17.031**	**24.025**	**17.885**
Taxes	(1.246)	(2.499)	(2.391)	(2.600)	(2.839)	(5.739)	(3.673)
Net Income (B)	**3.175**	**6.733**	**6.350**	**7.899**	**14.192**	**18.286**	**14.212**
Tax effects of non-recurring charges (C)	693	479	329	497	558	843	364
Net Income Adjusted (D) = (B)-(A)-(C)	**4.689**	**8.127**	**7.236**	**9.185**	**15.634**	**20.464**	**15.212**
Margin on Net Sales	***3,2%***	***5,4%***	***4,8%***	***5,8%***	***7,7%***	***5,0%***	***3,5%***

Financial Highlights

Extended Cash Flow 2016 - 2022

Eur/000	31.12.2016	31.12.2017	31.12.2018	31.12.2019	31.12.2020	31.12.2021PF	31.12.2022PF
Ebitda reported		**14.158**	**13.422**	**16.304**	**23.604**	**38.809**	**35.871**
+(-) changes in NWC		1.206	(2.186)	(1.686)	440	(13.487)	(9.096)
+ (-) Funds		(622)	(808)	(82)	(763)	(615)	127
(-) taxes paid		(2.499)	(2.391)	(3.600)	(5.089)	(5.739)	(3.673)
Operating Cash Flow		**12.243**	**8.037**	**10.936**	**18.192**	**18.968**	**23.229**
(-) capex		(1.245)	(3.677)	(2.803)	(3.754)	(8.914)	(6.298)
Free Cash Flow		**10.999**	**4.360**	**8.133**	**14.438**	**10.054**	**16.932**
(-) interest expenses		(1.565)	(1.135)	(1.223)	(1.186)	(4.308)	(5.645)
(-) Dividends and treasury stocks		(1.271)	(3.692)	(2.973)	(740)	(4.258)	(2.325)
(-) M&A		0	(600)	0	(11.640)	(110.902)	(30.483)
Change in cash		**8.163**	**(1.067)**	**3.937**	**872**	**(109.414)**	**(21.521)**
Previous Year cash / (debt)		(10.467)	(2.305)	(3.372)	565	1.437	(107.977)
Cash / (Debt) at the end of the year	**(10.467)**	**(2.305)**	**(3.372)**	**565**	**1.437**	**(107.977)**	**(129.498)**


ITALIAN WINE BRANDS
Creatori di Eccellenze
Q&A Session
GIORDANO
VENDEMMIA
2014
BAROLO
DENOMINAZIONE DI ORIGINE CONTROLLATA E GARANTITA
IMBOTTIGLIATO DA
GIORDANO VINI
NELLE CANTINE DI VALLE TALLORIA
Diano d'Alba
ITALIA
GIORDANO
VENDEMMIA
2013
BAROLO
RISERVA
IMBOTTIGLIATO DA
GIORDANO VINI
ITALIAN WINE BRANDS