ITALIAN WINE BRANDS S.p.A.

Review report on the condensed interim consolidated financial statements as of June 30, 2023

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Review report on the condensed interim consolidated financial statements

To the Shareholders of
Italian Wine Brands S.p.A.

(This report has been translated into English from the original, which was prepared in Italian and represents the only authentic copy, solely for the convenience of international readers.)

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of Italian Wine Brands S.p.A. and its subsidiaries (the IWB Group) as of June 30, 2023, comprising the statement of financial position, the income statement, the statement of comprehensive income, the cash flow statement and statement of changes in equity and related notes, as at and for the six months ended 30 June 2023. The Directors of Italian Wine Brands S.p.A. are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express our conclusion on these condensed interim consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with Consob (the Italian Commission for Listed Entities and the Stock Exchange) guidelines set out in Consob resolution no.10867 dated July 31,1997. A review of the condensed interim consolidated financial statements consists of making inquiries, mainly of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim consolidated financial statements.

Conclusions

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements of Italian Wine Brands Group as at and for the six months ended 30 June 2023, have not been prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Milan, September 28, 2023

BDO Italia S.p.A.

Signed by Vincenzo Capaccio

Partner

ITALIAN WINE BRANDS

Creatori di Eccellenze

CONSOLIDATED HALF-YEAR FINANCIAL REPORT

30 JUNE 2023

ITALIAN WINE BRANDS S.P.A.
Registered office in Milan, Viale Abruzzi, 94
joint-stock company with subscribed and paid-up share capital of Euro 1.124.468,80

Tax Code Company No. 08851780968
Registered in the Companies Register of Milan
R.E.A. No. 2053323

www.italianwinebrands.it

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Composition of Corporate Bodies

Board of DIrectors

Alessandro Mutinelli
(Chief Executive Officer and Chairman)

Giorgio Pizzolo
(Deputy Chairman)

Simone Strocchi

Sofia Barbanera

Antonella Lillo
(Indipendent Director)

Massimiliano Mutinelli

Marta Pizzolo

Board of Statutory Auditors

David Reali
(Chairman of the Board of Statutory Auditors)

Debora Mazzaccherini
(Statutory Auditor)

Eugenio Romita
(Statutory Auditor)

Indipendent Auditors

BDO Italia S.p.A.

Nomad

Intesa Sanpaolo S.p.A.

Directors' Report on Operations

1. Analysis of the Company's situation, performance and operating results

1.1. Reference market in which the company operates

Wine Market Outlook

After a post-Covid 2022, which marked a record in exports, 2023 presents a new challenging scenario for consumer goods and consumption in general.

According to Wine Monitor estimates, in 2022 Italian wine reached 8 billion euros in exports, with a +12% compared to the previous year; growth was also recorded in France, which reached 12.5 billion euros in wine exports, and in Spain which, with an increase of around 6%, reached around 6 billion euros. The return to normal consumption habits and the recovery of the tourist flow have favored sales in the Ho.Re.Ca channel in Italy. (+19.9%), which goes from 16.6% of the market share in 2021 to 18.1% in 2022. In the same time large-scale retail trade which was more affected by inflation dynamics is down from 37.7% to 36% market share . Sales through the e-commerce channel are also decreasing.

2022 was an exceptional year for the sales of Italian wine, with a total turnover estimate (calculated on ex works prices) of approximately 14 billion euros (of which 8 bn represented by exports).

Considering 2022 results, the major wine producers still expected a 2023 growth in overall sales of around +3.3% (exports +3.1%). The optimism for sparkling wines (+5.2% overall revenues, +4.2% exports) pushed the sales forecasts, while still wines should have settled at +2.8% (+2 .9% exports). *(Mediobanca)

These positive forecasts did not consider the consequences of the current global economic and political situation, which has had an impact on family consumption. The most impactful were: (i) inflation of products and services; (ii) the extension to 2024 of the cuts in crude oil production launched by OPEC, with significant consequences in logistics costs; (iii) the increase in interest rates which weighs on family budgets and (iv) geopolitical tensions.

The slowdown in consumption at a global level is now evident and it is not surprising that even Italian wine has not seen the expected growth. In the first 5 months of 2023, Istat data show a stable turnover compared to the same in the period January-May 2022: 3.08 billion euros (+0.4%) but with a drop in volumes, to 844 million liters (-1.6%). However, we also read these data in a positive light as in the trade-off between inflationary dynamics and reduction in consumption, wine has proven to be a relatively resilient product category thanks also to its "exportability" at a global level, therefore with great potential for development "by geography".

There is substantial stability in the old continent where the UK and Germany grow by around 1.8%; France also performed very well, where imports of Italian wine grew by 18% and, albeit to a lesser extent, Benelux. However, the Nordic countries are decreasing (primarily Denmark with -13% and Switzerland -2%).

The slowdown in the USA (-2.3%), Canada (-19.3%) and the Asian markets, in particular Taiwan and China with -19%, weighs heavily. Surprisingly, Russia is growing strongly (+74%).

The medium-long term outlook remains positive: in 2023 the consumer value of wine at a global level should stand at around 333 billion dollars, and it is expected to grow also and above all due to the expansion of the geography of consumption. Furthermore, it is estimated that just over half of all this spending and approximately 26% of volumetric consumption will be achieved outside home (ho.re.ca).

These trends are driving the development of the market:

- Premiumisation: "drink less but better". Not only more "mature" consumers but also young people are approaching fine wine facilitated by digital tools that encourage high quality consumption experiences.
- So-called “better for you” wines advertised and sold as healthier wines due to their reduced alcohol and calorie content.
- Sustainable, organic and biodynamic wines: a survey by International Wines and Spirits Record reported that half of the purchasing behavior of alcohol drinkers in the United States is influenced by companies' sustainability and environmental initiatives. As a result, organic and vegan wines could represent an emerging niche for wine producers.
- Wine tourism is set to grow. More and more people are looking for convenience, regional peculiarities and prefer to taste wine before purchasing standard-sized bottles. As a result, winemakers are increasingly producing wine in cans, boxes and smaller bottles to meet this relatively new and growing demand.
- *The expansion of the "geography of wine consumption":* new countries are approaching wine consumption. Taken one by one they are not very relevant, but their sum begins to be important. Let's think about African countries, the Middle and Far East..

In addition we benefit the effect of demographic evolution which sees, for the countries with the highest wine consumption, a progressive aging of the population which will bring the wine market to a new phase of maturity and probable further increases in value even in a context of reduction in volumes.

In this scenario, Italian Wine Brands Group, founded on the value of "the customer at the centre", has moved quickly and managed to anticipate the main market trends through:

• solid and constant growth on international markets with higher volumes/development rates through a strong positioning in the Wholesale channel;

• timely and effective entry into the channels with the greatest potential (i) e-commerce in the pandemic period, (ii) ho.re.ca, in the post-pandemic period, at the same time as the repositioning of consumption from off-trade channels;

• the significant entry into the sparkling, premium and organic wine categories, thanks also to the acquisitions of Enoitalia, Barbanera and Raphael Dal Bo;

• accurate management of the supply chain, which allowed it to maintain a good level of margins and production continuity despite an increase in energy and raw material costs and to manage price revision agreements with its main customers aimed at not jeopardizing market positioning and volume trends;

• ever-increasing attention to sustainability issues both in terms of the development of organic products and in terms of "decarbonisation" of the production process.

• the expansion of the commercial structure, in particular for the wholesale channel, to reach more customers in every corner of the Earth.

Today IWB is the leading private Italian wine producer, thanks to organic growth and recent acquisitions. It has the broadest product portfolio on the market, in each segment, is well diversified in terms of customers and markets and is ideally positioned to seize all opportunities, leveraging its production and commercial efficiency.

"We produce many bottles because we want to be everywhere, we invest in the development of brands so that the bottles are more profitable, we expand our commercial team because we

want to reach every corner of the earth. We aim for excellence in the quality of our products and services, so that our customers are happy and continue to purchase from us!"

In the target markets, IWB carries out its turnover mainly and increasingly with foreign customers and partly with national customers. This is due to its historical vocation and the decision to seize the greatest growth opportunities outside Italy. Sales are primarily made through a portfolio of proprietary brands, including the following:

From an organizational point of view, the governance functions are coordinated centrally at the holding level (finance & IT, sales & marketing, production and quality, purchasing), while the operating companies are responsible for the results of the three different sales and distribution channels:

• the "wholesale" channel, aimed at selling products to sector operators, such as large-scale retail chains, state monopolies and traditional trade;

• the “distance selling” channel, aimed at the direct sale of portfolio products to private consumers;

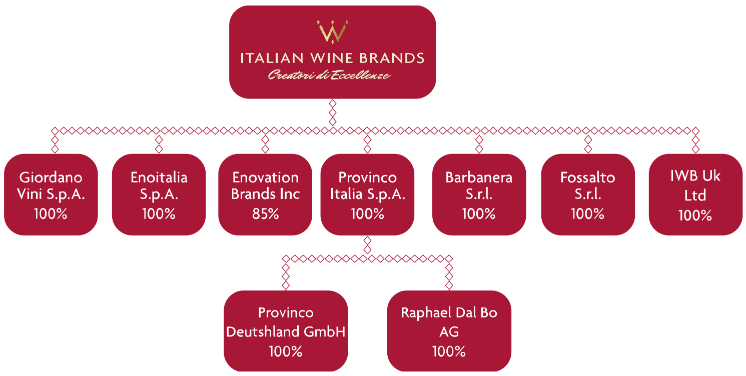
• the Ho.re.ca. channel aimed at sales to hotels, restaurants and catering.

The Group's production structure consists of (i) n. 5 owned cellars located respectively in Diano d'Alba (CN), in Torricella (TA), in Calmasino (VR), in Montebello (VI) and in Cetona (SI) and (ii) of n. 9 bottling lines, one of which is located in Diano d'Alba (CN), three in Montebello (VI), four in Calmasino (VR) and one in Cetona (SI).

From a corporate point of view, IWB S.p.A. carries out management and coordination activities for the Group companies, directly holding controlling interests in the main companies: Giordano Vini S.p.A., Provinco Italia S.p.A., Enoitalia S.p.A, Enovation Brands Inc., Barbanera s.r.l., Fossalto s.r.l. and IWB UK Ltd.

IWB UK Ltd is the company established during 2022 as the Group's exporter in the British market in compliance with the new regulations that will come into force in this financial year and which require the formal indication of the exporter on the label.

The corporate organizational chart of the Italian Wine Brands Group is provided below.



In conclusion, we can state that, despite the short-term uncertainties, which are impacting general consumption, we maintain a positive outlook on the sector and especially on the group's prospects.

1.2.1 Consolidated situation

Below is a summary of the annual consolidated economic and financial results obtained by the Italian Wine Brands Group in the period between 2021 and 2023 with data expressed in thousands of Euros.

In first half of 2022, the economic results of Enovation Brands Inc are consolidated starting from the acquisition and therefore limited to the April-June period; for the Barbanera s.r.l. companies and Fossalto s.r.l. the consolidation was carried out only at 12/31/22 and only at the balance sheet level.

€thousand	30.06.2023	30.06.2022	30.06.2021	Δ % 22/23
Revenue from sales	**196.778**	**177.266**	**99.501**	**11,01%**
Change in inventories	2.269	7.707	8.219	(70,56%)
Other income	1.628	3.115	1.147	(47,75%)
Total revenues	200.675	188.088	108.867	6,69%
Purchase costs	(135.732)	(128.824)	(65.202)	5,36%
Costs for services	(34.613)	(33.836)	(27.196)	2,30%
Personnel costs	(12.537)	(10.690)	(4.330)	17,28%
Other operating costs	(539)	(524)	(314)	2,79%
Total operating costs	**(183.420)**	**(173.874)**	**(97.042)**	**5,49%**
Restated EBITDA (1)	**17.254**	**14.215**	**11.825**	**21,38%**
EBITDA	16.224	13.850	11.640	17,14%
Restated net profit/(loss)	**5.355**	**4.185**	**6.485**	**27,95%**
Net profit/(loss)	**4.612**	**3.919**	**6.344**	**17,71%**
Net financial debt	**154.228**	**156.396**	**13.819**	
of which net financial debt - third-party lenders	*134.114*	*136.796*	*3.797*	
of which net financial debt - Deferred price acquisitions	*4.462*	*7.351*	*0*	
of which net financial debt - right-of-use liabilities	*15.652*	*12.249*	*10.022*	

The Restated Gross Operating Margin indicates the Ebitda net of management adjustments as detailed on page 14.

The reclassified consolidated financial and economic data are shown below.

Reclassified statement of financial position

€thousand

	30.06.2023	Restated 31.12.2022	30.06.2022
Other intangible assets	39.028	39.021	37.453
Goodwill	215.969	215.969	198.146
Tangible assets	52.221	52.131	48.008
Right-of-use assets	16.159	17.709	12.868
Equity investments	5	5	3
Total Fixed Assets	**323.382**	**324.835**	**296.478**
Inventory	104.786	101.202	89.011
Net trade receivables	47.824	61.599	51.901
Trade Payables	(110.696)	(136.717)	(113.988)
Other assets (liabilities)	(4.545)	(1.842)	3.569
Net working capital	**37.369**	**24.242**	**30.493**
Payables for employee benefits	(1.650)	(1.444)	(1.101)
Net deferred and prepaid tax assets (liabiliies)	(6.989)	(7.483)	(8.544)
Other provisions	(278)	(288)	(227)
NET INVESTED CAPITAL	**351.834**	**339.861**	**317.099**
Shareholders' equity	**197.606**	**193.315**	**160.703**
Profit (loss) for the period	4.575	11.242	3.933
Share capital	1.124	1.124	1.046
Other reserves	192.235	181.314	155.895
Shareholders' equity of NCIs	(328)	(366)	(171)
Net Financial position	**134.114**	**121.877**	**136.796**
Deferred price acquisitions	**4.462**	**7.621**	**7.351**
Right of use liabilities	**15.652**	**17.049**	**12.249**
TOTAL SOURCES	**351.834**	**339.861**	**317.099**

2022 Restated: The amount relating to Barbanera s.r.l. and Fossalto s.r.l. increased by Euro 1,226 thousand compared to what was recorded in the financial statements as at 31 December 2022 as a result of a detailed evaluation of the raw materials warehouse which revealed that some types of wine, acquired by the company in the period 2018-2021 were not aligned with the fair value at the acquisition date The different valuation is essentially attributable to the natural evolution of the product which may be attributable to the impossibility of storing it in a suitable manner due to the absence of tanks with a capacity compatible with the existing inventories. These different factors detected compared to those expected constitute new information learned on facts and circumstances existing at the acquisition date which, if known, would have influenced the measurement of the amounts recognized on that date.

Reclassified Income stetement

€thousand

	Restated 30.06.2023	Restated 30.06.2022	Restated 30.06.2021
Revenue from sales	196.778	177.266	99.501
Change in inventories	2.269	7.707	8.219
Other income	1.628	3.115	1.147
Total revenue	**200.675**	**188.088**	**108.867**
Purchase costs	(135.732)	(128.824)	(65.202)
Costs for services	(34.613)	(33.836)	(27.196)
Personnel costs	(12.537)	(10.690)	(4.330)
Other operating costs	(539)	(524)	(314)
Operating costs	**(183.420)**	**(173.874)**	**(97.042)**
EBITDA	**17.254**	**14.215**	**11.825**
Write-ups / (Write-downs)	(828)	(798)	(588)
Amortization and depretiation	(5.506)	(4.931)	(2.131)
Operating result from core business	**10.920**	**8.486**	**9.106**
Exceptional items	(1.030)	(365)	(185)
Net releases (accruals) for provision risks and charges	0	0	0
EBIT	**9.889**	**8.121**	**8.921**
Net financial income/(expenses)	(3.642)	(2.521)	(1.269)
EBT	**6.248**	**5.599**	**7.652**
Taxes	(1.635)	(1.681)	(1.308)
Net Result	**4.612**	**3.919**	**6.344**
Tax effect of exceptional charges	287	98	44
Net profit before exceptional items and related tax effect	**5.355**	**4.185**	**6.485**

Reclassified Income stetement

€thousand

	Reported 30.06.2023	Management (1)	adjustments (2)	Restated 30.06.2023
Revenue from sales	196.778			196.778
Change in inventories	2.269			2.269
Other income	1.628	**0**		1.628
Total revenue	**200.675**	**0**	**0**	**200.675**
Purchase costs	(135.732)			(135.732)
Costs for services	(35.464)	851	0	(34.613)
Personnel costs	(12.716)	179	0	(12.537)
Other operating costs	(539)	0		(539)
Operating costs	**(184.451)**	**1.030**	**0**	**(183.420)**
EBITDA	**16.224**	**1.030**	**0**	**17.254**
Write-ups / (Write-downs)	(828)			(828)
Amortization and depretiation	(5.506)			(5.506)
Operating result from core business	**9.889**	**1.030**	**0**	**10.920**
Exceptional items	0	(1.030)	0	(1.030)
Net releases (accruals) for provision risks and charges	0			0
EBIT	**9.889**	**0**	**0**	**9.889**
Net financial income/(expenses)	(3.642)			(3.642)
EBT	**6.248**	**0**	**0**	**6.248**
Taxes	(1.635)			(1.635)
Net Result	**4.612**	**0**	**0**	**4.612**
Tax effect of exceptional charges				287
Net profit before exceptional items and related tax effect				**5.355**

[1] Restated accounting data as of 06/30/2023 (with reference to Restated Gross Operating Margin and Restated Net Result) represented gross of non-recurring costs, totaling Euro 1,030 thousand in the half-year. Non-recurring costs are in particular attributable to:

- Costs for services equal to Euro 851 thousand and relating to i) Euro 347 thousand for the acquisition of Barbanera, ii) Euro 238 thousand agency fees prior to the Barbanera closing. iii) Euro 66 thousand for costs relating to the Enovation fraud iv) Euro 102 thousand for fees for related legal consultancy and corporate charges; v) 69 thousand euros for charges related to the revamping of the Giordano bottling plant

-Personnel costs equal to Euro 179 thousand relating to conciliations with former employees and internal charges connected to the revamping of the Giordano bottling plant

Alternative performance indicators

In this annual financial report, some economic-financial indicators are presented and commented on, which are not identified as accounting measures under the IAS-IFRS, but which allow commenting on the Group's business performance. These figures, defined below, are used to comment on the performance of the Group's business in compliance with the provisions of the Consob Communication of 28 July 2006 (DEM 6064293) and subsequent amendments and additions (Consob Communication n.0092543 of 3 December 2015 which transposes the guidelines ESMA/2015/1415). The alternative performance indicators listed below should be used as an information supplement to the provisions of the IAS-IFRS to assist users of the financial report in a better understanding of the Group's economic, equity and financial performance. It should be noted that the criterion used by the Group may not be homogeneous with that adopted by other groups and the balance obtained may not be comparable with that determined by the latter. Below is the definition of the alternative performance indicators used in the Annual Financial Report:

EBITDA restated", with respect to the "Net result" shown in the consolidated statement of comprehensive income, is composed as follows:

Net Income less items (i) “Taxes”, (ii) “Net Financial Income and Charges”, (iii) “Revaluations/(Write-downs)” including inventory write-down and trade receivables write-down, (iv) “Provisions for risks" and the item (v) "Depreciation", (vi) also net of non-recurring costs and income and costs related to the medium-long term incentive plan for management.

Net result before non-recurring expenses and related tax effect: used for the comparison at the level of total consolidated result, it represents the profit/loss net of income and expenses of a non-recurring nature, inclusive of the related taxes. As such, the indicator provides useful and immediate feedback on the income trend for the year not affected by non-recurring items.

Total fixed assets: calculated as the algebraic sum of the following items: Goodwill; Other intangible fixed assets, tangible fixed assets, right-of-use assets; Financial fixed assets including: non-current financial assets, deferred tax assets.

Net working capital: calculated as the algebraic sum of inventories, net trade receivables, trade payables, other assets and liabilities.

Net invested capital (CIN): calculated as the algebraic sum of: net working capital, total fixed assets, payable for employee benefits, deferred tax assets and liabilities and other provisions. This indicator represents the "Need" of capital necessary for running the company at the date of the financial statements, financed in the two components Own funds (Equity) and Third-party funds (Net financial debt; Deferred acquisition price; Liabilities for rights of use).

Consolidated net financial position (NFP) or also "Total Financial Debt" in the ESMA definition: it is calculated as the algebraic sum of the following items: cash and cash equivalents, non-current/current financial liabilities which also include payables linked to the price on acquisitions still to be paid and the positive/negative fair values of hedging derivatives and current financial assets included in the item "other receivables and other current assets".

Individual situation of the parent company IWB S.p.A.

The situation of IWB S.p.A. as at 30 June 2023 shown here represents the separate financial statements of IWB S.p.A, and presents:

• A Net Result for the period of Euro 9.6 million (Euro 10.8 million at 06/30/2022);

• A net financial position of Euro 85.8 million (Euro 95.3 million at 12/31/2022). The improvement is explained by the payment of dividends by the subsidiaries.

Below are summarized statements of the financial position and income statement of the Parent Company.

Reclassified statement of financial position

€thousand

	30.06.2023	31.12.2022	30.06.2022
Other intangible assets	130	119	157
Goodwill	0	0	0
Tangible assets	92	102	112
Right-of-use assets	89	119	149
Equity investments	263.557	262.586	221.653
Total Fixed Assets	**263.868**	**262.926**	**222.072**
Inventory	0	0	0
Net trade receivables	3.670	2.558	1.659
Trade Payables	(90)	(319)	(218)
Other assets (liabilities)	1.396	3.225	5.900
Net working capital	**4.976**	**5.464**	**7.341**
Payables for employee benefits	(51)	(42)	(44)
Net deferred and prepaid tax assets (liabiliies)	(13)	32	85
Other provisions	0	0	0
NET INVESTED CAPITAL	**268.780**	**268.380**	**229.454**
Shareholders' equity	**182.924**	**173.229**	**149.220**
Profit (loss) for the period	9.670	9.199	10.772
Share capital	1.124	1.124	1.046
Other reserves	172.130	162.905	137.402
Shareholders' equity of NCIs	0	0	0
Net Financial position	**81.283**	**87.384**	**72.702**
Deferred price acquisitions	**4.462**	**7.621**	**7.351**
Right of use liabilities	**110**	**146**	**181**
TOTAL SOURCES	**268.780**	**268.380**	**229.454**

In relation to the above financial situation, it is noted that:

- shareholdings in controlled companies consist of: Giordano Vini S.p.A. for Euro 32,823 thousand; Provinco Italia S.p.A. for Euro 21,433 thousand; Enoitalia S.p.A. for Euro 151,225 thousand; Enovation Brands Inc. for Euro 15,066 thousand; Barbanera S.r.l. and Fossalto S.r.l. for a total of 43,010 thousand.

- M&A activity has led to a significant strengthening of the company's capital over the years.

Reclassified Income stetement

€thousand

	Restated 30.06.2023	Restated 30.06.2022	Restated 30.06.2021
Revenue from sales	1.165	844	485
Change in inventories	0	0	0
Other income	2	110	2
Total revenue	**1.167**	**954**	**487**
Purchase costs	(0)	0	(16)
Costs for services	(888)	(515)	(444)
Personnel costs	(650)	(562)	(352)
Other operating costs	(80)	(43)	(52)
Operating costs	**(1.618)**	**(1.121)**	**(864)**
EBITDA	**(451)**	**(167)**	**(377)**
Write-ups / (Write-downs)	0	0	0
Amortization and depretiation	(74)	(84)	(87)
Operating result from core business	**(525)**	**(251)**	**(464)**
Exceptional items	(348)	(208)	0
Net releases (accruals) for provision risks and charges	0	0	0
EBIT	**(873)**	**(459)**	**(464)**
Net financial income/(expenses)	(1.277)	(1.309)	(361)
Dividends	11.360	12.180	12.402
EBT	**9.210**	**10.412**	**11.577**
Taxes	460	361	330
Net Result	**9.670**	**10.772**	**11.907**
Tax effect of exceptional charges	97	58	0
Net profit before exceptional items and related tax effect	**9.921**	**10.922**	**11.907**

In relation to the above income statement situation, it is noted that:

- the dividends refer entirely to the subsidiary Provinco Italia S.p.A.;

- costs for services include €142 thousand for directors' and auditors' fees and €445 thousand for consultancy; of which 347 thousand relating to the acquisition of Barbanera.

- financial income refers to the interest income accrued on the financing granted to the subsidiaries Giordano Vini S.p.A. (equal to €398 thousand), Enoitalia Sp.A. (equal to €136 thousand); financial charges are mainly represented by interest expense relating to the bond loan amounting to 1,724 thousand euros.

1.2.3 Consolidated net financial position

Below is the detail of the net financial debt as of 30 June 2023 compared with the debt as of 30 June 2022 and 30 June 2021 exposed on the basis of the new scheme envisaged by ESMA guidance 32-382-1138 of 4 March 2021".

€thousand	**30.06.2023**	**31.12.2022**	**30.06.2022**	**31.12.2021**
A. Cash	19	41	653	444
B. Cash equivalents	48.081	61.008	48.977	58.660
C. Other current financial activities	1.042	674	450	1.113
D. Liquidity (A) + (B) + (C)	**49.142**	**61.723**	**50.080**	**60.217**
E. Current financial debt (included financial instruments but not included current part of non current financial debt)	43.904	37.950	33.137	31.889
F. Current part of non current financial debt	4.064	3.968	12.932	2.967
G. Current financial debt (E) + (F)	**47.969**	**41.918**	**46.069**	**34.855**
H. Net current financial debt (G) - (D)	**(1.173)**	**(19.806)**	**(4.011)**	**(25.361)**
I. Non current financial debt (excluded current part and financial instruments)	8.339	12.947	21.109	4.931
J. Financial instruments	129.493	131.018	129.266	130.795
K. Trade payables and other non current debts/right of use	17.569	22.387	10.032	10.891
L. Non current financial debt (I) + (J) + (K)	**155.401**	**166.353**	**160.407**	**146.617**
M. Net financial position (H) + (L)	**154.228**	**146.547**	**156.395**	**121.256**
of which				
Deferred price aquisitions	4.462	7.621	7.351	0
Current payables for the acquisition of right of use	3.187	3.090	2.217	2.388
Non Current payables for the acquisition of right of use	12.465	13.959	10.032	10.891
Net financial position without the effect of IFRS 16 and deferred price aquisitions	**134.114**	**121.877**	**136.796**	**107.977**

1.3 Group performance

Volume of activity – Revenues

Italian Wine Brands S.p.A. confirms itself as the leading Italian non-cooperative wine group, consolidating, on a half-yearly basis, Euro 196.8 million in turnover.

Revenues highlight a further strengthening of the Group on international markets, where sales of Euro 165 million were achieved (+15.3% compared to the first half of 2022). The increase was obtained both due to the greater turnover deriving from the acquisition of Barbanera and thanks to the organic growth, equal to approximately 2%, confirming that, even in an unfavorable market context, IWB is recognized as a reference partner for (i) the quality and breadth of the product portfolio (ii) the solid widespread presence on the market (iii) the quality and reliability of the services in particular from Wholesale and Ho.re.ca customers.

€thousand

	30.06.2023	30.06.2022	30.06.2021	Δ % 22/23	Cagr 21/23
Revenues from sales - Italy	**31.312**	**32.691**	**19.555**	**(4,22%)**	**26,54%**
Revenues from sales - Foreign markets	**164.956**	**143.115**	**79.484**	**15,26%**	**44,06%**
UK	43.188	43.351	8.081	(0,38%)	131,18%
Germany	31.854	26.947	22.456	18,21%	19,10%
Switzerland	18.760	18.591	23.355	0,91%	(10,38%)
US	15.114	11.422	2.131	32,33%	166,30%
France	8.582	7.226	3.160	18,76%	64,78%
Austria	7.592	7.023	8.484	8,11%	(5,40%)
Poland	5.833	3.177	-	83,59%	NA
Canada	4.107	2.625	286	56,47%	278,89%
Denmark	3.697	3.505	2.583	5,46%	19,64%
Netherlands	3.612	2.297	618	57,22%	141,71%
Ireland	2.825	2.377	-	18,88%	NA
Belgium	2.757	3.150	3.501	(12,50%)	(11,27%)
Sweden	1.575	1.007	500	56,42%	77,42%
China	919	612	542	50,14%	30,27%
Hungary	847	898	-	(5,60%)	NA
Other countries	13.696	8.909	3.786	53,74%	90,19%
Other Revenues	**510**	**1.460**	**462**	**(65,09%)**	**5,09%**
Total Revenues from sales	**196.778**	**177.266**	**99.501**	**11,01%**	**40,63%**

The data above also highlights how the acquisitions have guaranteed greater geographical diversification of revenues, contributing to the strengthening of the Group in key countries such as the United States (+32.3% growth compared to the first half of 2022), Germany (+18 .21%) respectively first and third destination market for Italian wine abroad.

In addition the progressive penetration into emerging markets which, included in the Other Countries item, constitute and will increasingly represent a pool of potential growth to support further increases in turnover in the medium term.

The Group's exposure to sales made in the Russian Federation is very limited, amounting in total to approximately Euro 2.2 million in the first half of 2023, fully collected as result of the new policy which provides for advance payments for sales in Russia.

The breakdown of sales revenues by distribution channels highlights:

(i) a marked strengthening of wholesale (sales to large-scale retail chains and state monopolies) despite the difficult market context;
(ii) a repositioning of the distance selling channel (direct sales to private individuals) to pre-pandemic levels as a result of new consumption habits;
(iii) revenues almost doubled in the ho.re.ca channel both at an international and national level, which seems not to be affected by the difficult macro-economic context.

The overall revenues confirm the validity of the Group's strategic choices which, thanks to (i) a strong positioning on all sales channels (ii) an integrated and international commercial team (iii) a brand/product portfolio capable of satisfying diversified needs from of customers manages not only to maintain but to improve its market positioning and its customer base in a macroeconomic and sector context still characterized by high inflation and uncertainty in consumption.

The breakdown of revenues by business area is shown below.

€thousand

	30.06.2023	30.06.2022	30.06.2021	Δ % 22/23	Cagr 21/23
Total Revenues from sales	**196.778**	**177.266**	**99.501**	**11,01%**	**40,63%**
Revenues from wholesale division	**136.567**	**125.794**	**56.508**	**8,56%**	**55,46%**
Revenues from distance selling division	**29.222**	**32.129**	**42.532**	**(9,05%)**	**(17,11%)**
Direct Mailing	14.279	16.262	22.477	(12,20%)	(20,30%)
Teleselling	6.244	7.004	8.923	(10,85%)	(16,35%)
Digital / WEB	8.699	8.863	11.132	(1,85%)	(11,60%)
Revenues from ho.re.ca division	**30.480**	**17.882**	**-**	**70,45%**	**NA**
Other Revenues	**510**	**1.460**	**462**	**(65,09%)**	**5,09%**

Wholesale revenues have almost tripled in the last 3 years, going from Euro 56.5 million in the first half of 2021 to Euro 136.6 million in the first half of 2023. The wholesale distribution channel is therefore confirmed by far the main contributor to the Group's revenues reaching

69% of total sales revenues in 2023 (compared to 57% in 2021) despite the difficulties encountered in 2022 in guaranteeing the continuity of the supply chain.

The following is a breakdown of the sales revenues of the wholesale channel by country:

€thousand

	30.06.2023	30.06.2022	30.06.2021	Δ % 22/23	Cagr 21/23
Revenues wholesale division - Italy	**18.624**	**19.495**	**3.176**	**(4,47%)**	**142,17%**
Revenues from wholesale division - Foreign markets	**117.943**	**106.299**	**53.332**	**10,95%**	**48,71%**
UK	28.334	28.796	4.141	(1,60%)	161,57%
Switzerland	17.355	17.262	21.414	0,54%	(9,97%)
Germany	15.638	14.656	7.339	6,70%	45,97%
US	10.944	8.668	2.131	26,25%	126,60%
Austria	6.518	5.941	7.030	9,72%	(3,70%)
France	6.491	5.170	135	25,55%	593,24%
Poland	5.470	3.036	-	80,16%	NA
Denmark	3.187	3.499	2.583	(8,93%)	11,08%
Netherlands	2.894	2.014	327	43,71%	197,60%
Belgium	2.541	2.899	3.148	(12,34%)	(10,16%)
Canada	2.453	1.736	286	41,33%	192,85%
Ireland	2.321	2.248	-	3,28%	NA
Sweden	1.134	984	500	15,21%	50,53%
Hungary	841	894	-	(5,95%)	NA
China	410	531	542	(22,88%)	(13,02%)
Other countries	11.412	7.965	3.757	43,28%	74,29%
Total Revenues from sales - wholesale division	**136.567**	**125.794**	**56.508**	**8,56%**	**55,46%**

In the countries in which it operates through the **Wholesale** channel, IWB has managed to obtain growth rates much higher than those expressed by the reference market, virtuously combining organic growth and targeted M&A operations. These results were obtained mainly thanks to:

- a continuous renewal, expansion, extension and enrichment of the own-brand product portfolio, in particular in the "premium" range which make the commercial offer of the IWB Group essential for reference customers as it is synonymous of quality in a unique and recognizable packaging. Prosecco remains the main growth driver (+4.8% in the half-year also due to the price increases brought to the end of 2022) and the first product category for the company, but alongside prosecco it is worth mentioning the growth in the turnover of the company's main brands such as Grande Alberone (+2%); Ronco dei sassi (+10%); Electra being launched. In addition IWB offers the new Barbanera lines.

- a consolidated presence in the countries with the highest "resilient" per capita consumption of wine to which is added the ability to enter new countries/markets both as a reference partner for portfolio customers and as an ability to acquire new customers among the such as: (i) Tesco in the UK (ii) complete coverage of the US states obtained thanks to the agreement signed with Southern Glazer's (iii) inclusion in Duty Free in Canada (iv) Selling & Taster in Denmark (v) Migros in Turkey (vi) numerous listings in GPA, one of the main Brazilian chains.

- to a widespread international commercial force which represents an element of uniqueness in the sector and which has made it possible to: (i) develop the Polish and Scandinavian market (ii) achieve significant growth in Ukraine thanks to the inclusion in ATB (among the main chains of the country) (iii) lights and shadows as regards the Pacific area: good Japan and South Korea; Vietnam is relatively flat, China is declining although the situation should progressively improve thanks to the agreement with a local structure, managed by Italy, which should bring important commercial results.

In the **Direct Sales market**, the repositioning of consumption started in the post-pandemic period continues in favor of other channels, in particular ho.re.ca. The channel is also affected by the different appeal of traditional sales methods (mailing and teleselling) and suffers from the greater competitiveness of digital channels which allow the consumer to make the most of commercial offers. In the first quarter, online wine sales from the Nielsen panel recorded a decline of -7.1% in value for still and sparkling wines and -11.6% for sparkling wines, reducing the rates of decline recorded in the previous quarter. Considering the entire first half of 2023, it can be highlighted that the wines with the highest average price suffered the most compared to the same period of 2022, i.e. the DOP denomination wines between still and sparkling wines (-22% in value , -16% in volume), Champagne (-38% in value and -45% in volume) as well as the Classic Method (-25% in value and -22% in volume) among sparkling wines.

To address this situation, the distance selling division has further integrated the Giordano and Svinando sales platforms with the aim of making the most of an offer that combines own-brand products, with higher margins, and highly recognizable brands and competitive prices that allow to accelerate the acquisition of new customers.

The following shows the sales revenues of the distance selling division broken down by country:

€thousand

	30.06.2023	30.06.2022	30.06.2021	Δ % 22/23	Cagr 21/23
Revenues from distance selling division - Italy	**11.174**	**12.991**	**16.379**	**(13,99%)**	**(17,41%)**
Revenues from distance selling div - Foreign markets	**18.048**	**19.138**	**26.152**	**(5,70%)**	**(16,93%)**
Germany	11.116	11.714	15.117	(5,11%)	(14,25%)
UK	2.438	2.565	3.939	(4,96%)	(21,33%)
France	1.927	2.031	3.025	(5,13%)	(20,19%)
Switzerland	1.237	1.303	1.941	(5,05%)	(20,18%)
Austria	1.006	1.078	1.454	(6,70%)	(16,83%)
Netherlands	176	209	291	(16,03%)	(22,31%)
Belgium	133	222	353	(39,93%)	(38,60%)
Other countries	15	16	30	(4,33%)	(29,15%)
Total Revenues from sales - distance selling division	**29.222**	**32.129**	**42.532**	**(9,05%)**	**(17,11%)**

Remarkable is the contribution of sales made through digital platforms which came to represent 30 % of the division's overall sales compared to 17% in the first half of 2019.

New payment methods have also been introduced which should allow for a further improvement in the user experience and encourage the maintenance of the customer base and repurchases. These positive results are the result of the strategy undertaken since the beginning of 2017 and aimed at the progressive shift of outbound telephone sales towards the conversion of orders on digital channels.

The table below shows the evidence of the revenues of the distance selling division divided by sales channel.

€thousand

	30.06.2023	30.06.2022	30.06.2021	Δ % 22/23	Cagr 21/23
Revenues from distance selling division - Italy	**11.174**	**12.991**	**16.379**	**(13,99%)**	**(17,41%)**
Direct Mailing	4.407	5.822	7.569	(24,31%)	(23,70%)
Teleselling	3.731	4.106	5.283	(9,13%)	(15,95%)
Digital / WEB	3.036	3.062	3.528	(0,88%)	(7,24%)
% Direct Mailing on total Italy	*39,44%*	*44,82%*	*46,21%*		
% Teleselling on total Italy	*33,39%*	*31,61%*	*32,25%*		
% Digital / WEB on total Italy	*27,17%*	*23,57%*	*21,54%*		
Revenues from distance selling div - Foreign markets	**18.048**	**19.138**	**26.152**	**(5,70%)**	**(16,93%)**
Direct Mailing	9.872	10.440	14.908	(5,44%)	(18,62%)
Teleselling	2.512	2.897	3.640	(13,29%)	(16,93%)
Digital / WEB	5.664	5.801	7.604	(2,36%)	(13,70%)
% Direct Mailing on total International revenues	*54,70%*	*54,55%*	*57,00%*		
% Teleselling on total International revenues	*13,92%*	*15,14%*	*13,92%*		
% Digital / WEB on total International revenues	*31,38%*	*30,31%*	*29,08%*		
Total Revenues from sales - distance selling division	**29.222**	**32.129**	**42.532**	**(9,05%)**	**(17,11%)**

The decrease in direct sales is more than compensated by the notable growth in revenues from the **Ho.re.ca channel**, favored by M&A, which accelerated the entry process and allowed the Group to (i) position itself on relevant customers already at the end of the post-pandemic period in the phase in which consumption opportunities have moved outside the domestic environment and (ii) at the same time being in an extremely favorable situation to acquire new customers at the same time.

The following is a breakdown of the sales revenues of the ho.re.ca channel by country:

€thousand

	30.06.2023	30.06.2022	30.06.2021	Δ % 22/23	Cagr 21/23
Revenues ho.re.ca division - Italy	**1.514**	**204**	**-**	**642,13%**	**NA**
Revenues from ho.re.ca division - Foreign markets	**28.966**	**17.678**	**-**	**63,85%**	**NA**
UK	12.416	11.990	-	3,56%	NA
Germany	5.100	577	-	783,90%	NA
US	4.170	2.754	-	51,44%	NA
Canada	1.653	889	-	86,04%	NA
Netherlands	542	74	-	635,03%	NA
Denmark	510	6	-	8385,63%	NA
China	509	81	-	529,08%	NA
Ireland	504	129	-	290,92%	NA
Sweden	441	23	-	1831,82%	NA
Poland	363	141	-	157,64%	NA
Switzerland	168	26	-	536,93%	NA
France	163	24	-	572,28%	NA
Belgium	82	30	-	174,71%	NA
Austria	68	4	-	1821,11%	NA
Hungary	6	3	-	86,92%	NA
Other countries	2.269	928	-	144,44%	NA
Total Revenues from sales - ho.re.ca division	**30.480**	**17.882**	**-**	**70,45%**	**NA**

Revenues by country demonstrate that IWB is present in the main markets with a notable capacity to increase sales favored by the product portfolio which allows for optimal positioning and a significant ability to introduce new references.

In 2023, England remains the first on-trade market for IWB with revenues growing by 3.6%. In this country the Group operates in the segment with a wide range of wines focused in particular on Prosecco and sparkling wines. The nation is in fact the second largest importer of wine in the world in terms of volumes and the first in sparkling wines.

Sales on the US market grew by 51.4%, also due to the acquisition, completed in April 2022, of Enovation Brands Inc, which, in the strategy of the IWB Group, will constitute a factor in accelerating sales in the US market for all brands in the portfolio. A similar commercial development is expected in the Canadian market where revenues have doubled.

As regards the USA, the on-trade channel plays a double strategic role for the Group: both sales and visibility for historic brands (such as Voga Italia, Ca Montini) which are also marketed in the wholesale channel. In the first half of 2023, two premium brands of the group were launched in the USA: Poggio del Concone and Ronco di Sassi, reserved in the introduction phase for the Ho.re.ca channel. Interesting returns are expected from these launches, also thanks to the new partnership with the largest distributor of wines & spirits in the nation.

The growth in Germany was notable also thanks to the acquisition of Barbanera which, in addition to volumes, brought a positive increase in Premium products with higher margins.

As regards the smaller countries, the increase in Ireland and Poland is evident, which increased turnover by up to 40% thanks also to the arrival of new customers from Ukraine.

<u>Analysis of operating margins</u>

The table below shows th cost components which, deducted from the Total Revenue item, contributed to the formation of the pro-forma Restated Gross Operating Margin of the Italian Wine Brands Group:

Analysis of operating margins

Restated €thousand

	30.06.2023	30.06.2022	30.06.2021	Δ % 22/23
Revenues from sales and other reven	**198.405**	**180.381**	**100.648**	**9,99%**
Raw materials consumed	(133.463)	(121.116)	(56.983)	10,19%
% of total revenues	*(67,27%)*	*(67,14%)*	*(56,62%)*	
Costs for services	(34.613)	(33.836)	(27.196)	2,30%
% of total revenues	*(17,45%)*	*(18,76%)*	*(27,02%)*	
Personnel	(12.537)	(10.690)	(4.330)	17,28%
% of total revenues	*(6,32%)*	*(5,93%)*	*(4,30%)*	
Other operating costs	(539)	(524)	(314)	2,79%
% of total revenues	*(0,27%)*	*(0,29%)*	*(0,31%)*	
Restated EBITDA	**17.254**	**14.215**	**11.825**	**21,38%**
% of total revenues	*8,70%*	*7,88%*	*11,75%*	

During first half 2023 the incidence of <u>raw material consumption</u> on turnover is stable despite (i) the different "mix" of sales, increasingly shifted to the wholesale channel, structurally characterized from a greater incidence of the raw material on sales compared to sales of the distance selling channel (ii) in the last 12 months there have been significant increases in the prices of the raw material, both of the "wine" component (in particular Prosecco) and of the "dry materials" not yet completely counterbalanced by the increases in the price lists negotiated in the second part of 2022.

<u>Costs for Services</u>, equal to Euro 34.6 million for the half year, are stable compared to 2022 (and decreasing in percentage terms). The lower impact of energy costs counterbalanced the investments aimed at increasing the commercial push, in addition to the effect of the different consolidation area.

Below is a breakdown of the costs for services incurred by the Group during the half-year, compared with the same items in the first half of 2023 and 2022.

Restated €thousand

	30.06.2023	30.06.2022	30.06.2021
Services from third parties	5.949	6.177	5.783
Duties and excise duties	3.088	3.579	4.319
Transport	8.418	8.682	7.604
Postage expenses	1.726	1.914	2.082
Fees and rents	1.028	579	342
Consulting	1.648	1.072	457
Advertising costs	593	337	2
Utilities	1.596	2.613	388
Remuneration of Directors, Statutory Auditors	810	753	456
Maintenance	958	1.012	300
Costs for outsourcing	3.576	3.671	3.584
Commissions	1.723	784	82
Other costs for services	4.351	2.935	1.797
Non-recurring expenses	(851)	(274)	0
Total	**34.613**	**33.836**	**27.196**

Personnel costs recorded an increase in absolute values in the half-year from Euro 10.7 million in 2022 to Euro 12.5 million in 2023 linked almost exclusively to the entry into the Group of the Barbanera S.r.l. companies. The increase in the absolute value of personnel costs is also accompanied by a slight increase in percentage impact on sales revenues (from 4.3% in 2021, to 5.9% in 2022 up to 6.3% in 2023) attributable to the greater percentage of wine production and bottling made internally. The internalization of these productions makes it possible to significantly reduce costs for external processing and increase overall operating margins.

The revenue and cost dynamics described above made it possible to obtain a pro-forma restated Gross Operating Margin of Euro 17.3 million (8.7% of sales revenue) in the first half of 2023, a significant improvement both in absolute terms and in percentage terms compared to 2022.

Below is the detail of the costs which from the Gross Operating Margin lead to the pre-tax income of the Italian Wine Brands Group.

In summary the table shows that in 2023 Italian Wine Brands Group was characterized i by a significant improvement in the operating result despite:

(i) the increase in non-recurring charges mainly determined by the residual costs relating to acquisitions;

(ii) the increase in depreciation resulting from the different scope of consolidation.

Financial charges increase is due to interest rates. Compared to net financial debt, the increase is however limited thanks

(i) to the fixed interest rate of 2.5% relating to the bond loan;

(ii) to the conditions negotiated on the revolving/self-liquidating lines stipulated during the last two years.

Restated €thousand

	30.06.2023	30.06.2022	30.06.2021	Δ % 22/23
Restated EBITDA	**17.254**	**14.215**	**11.825**	**21,38%**
Write down	(828)	(798)	(588)	3,75%
% of total revenues	*(0,42%)*	*(0,44%)*	*(0,58%)*	
Depreciation and amortization	(5.506)	(4.931)	(2.131)	11,67%
% of total revenues	*(2,78%)*	*(2,73%)*	*(2,12%)*	
Exceptional items	(1.030)	(365)	(185)	182,20%
% of total revenues	*(0,52%)*	*(0,20%)*	*(0,18%)*	
Operating profit (loss)	**9.889**	**8.121**	**8.921**	**21,78%**
% of total revenues	*4,98%*	*4,50%*	*8,86%*	
Financial income (expences)	(3.642)	(2.521)	(1.269)	44,44%
% of total revenues	*(1,84%)*	*(1,40%)*	*(1,26%)*	
Result before taxes	**6.248**	**5.599**	**7.652**	**11,58%**
% of total revenues	*3,15%*	*3,10%*	*7,60%*	

Investments in Fixed Capital, Net Working Capital and Financial Situation.

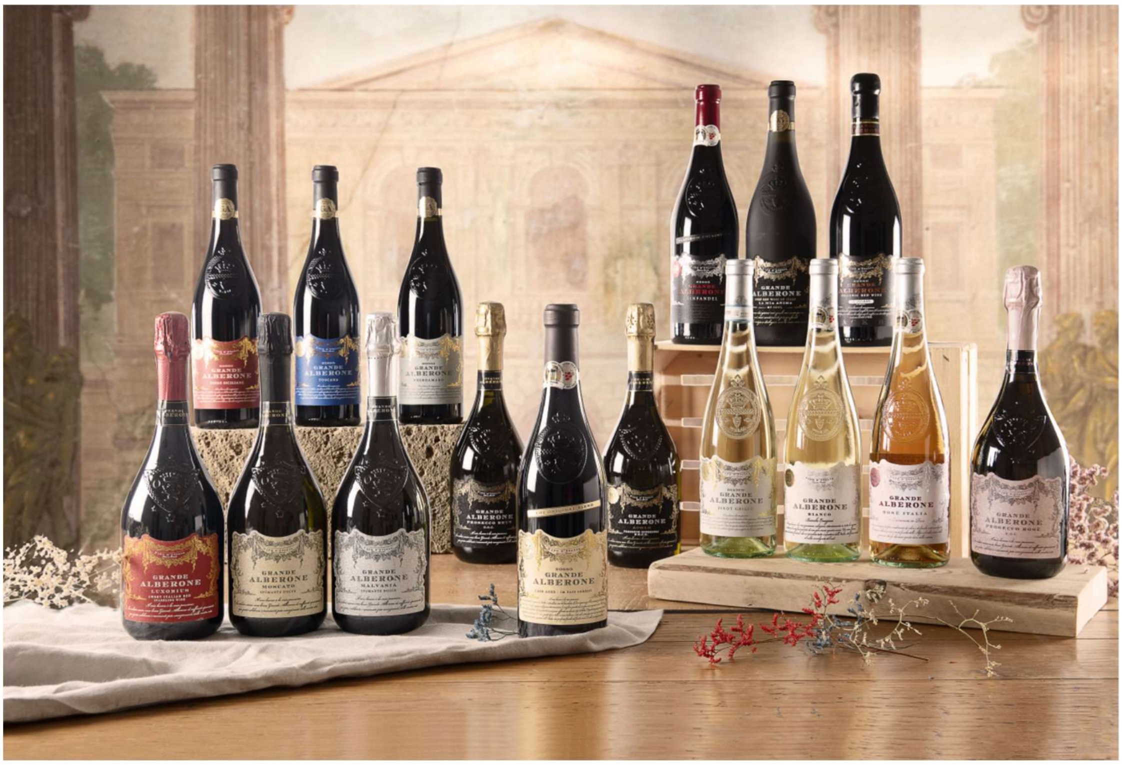
During the half-year in question, investments in fixed capital increased, amounting to a total of Euro 4 million, divided between tangible assets (Euro 2.3 million, mainly investments for Enoitalia's photovoltaic systems) and intangible assets (Euro 1.7 million, mainly acquisitions of addresses and customers for Euro 1.2 million, software developments and website development for Euro 0.3).

The Net Working Capital at 30 June 2023 increased compared to 30 June 2022 substantially due to:

(i) the increase in inventory due to the acquisition of Barbanera;

(ii) partially offset by the decrease in current taxes due to use of the VAT credit.

The dynamics described above of i) limited investments in fixed capital, ii) increase in net working capital lower than the increase in inventory, iii) consistent cash flows produced by operational management, have allowed the improvement of net bank debt which, despite the investment made for the acquisition of Barbanera S.r.l. and Fossalto S.r.l. goes from 144.2 million at 30 June 2023 to 138.6 million at 30 June 2023.



2. Significant events

2.1 Significant events that occurred during the half year

In January 2023, as part of the activities aimed at closing the consolidated financial statements as at 31 December 2022, a fraud emerged which affected the accounts of the company Enovation Brands Inc starting from years prior to the acquisition by the IWB Group:

(i) The pre-closing amount is governed by the SPA representations and warranties and has consequently been deducted from the purchase price.

(ii) The amount after the closing, net of the tax benefit and the minority interest, is equal to Euro 457 thousand. The gross amount of Euro 732 thousand is accounted for under the adjustments relating to the operating margin.

On 30 March 2023, the company's Board of Directors approved the 2023-2025 Incentive Plan which, with the favorable opinion issued by the independent director, lawyer Antonella Lillo, has been submitted for approval by the next shareholders' meeting called for 26 April 2023 on first call and 27 April 2023 on second call. The Plan aims to (i) incentivize the group's key resources with respect to the pursuit of important economic-financial targets (ii) encourage the beneficiaries to remain within the group; and (iii) develop a sense of belonging for key resources through the attribution of tools representing the value of the Company.

The Board of Directors of IWB also submits to the Shareholders' Meeting the resolution in the ordinary session regarding the authorization to purchase and dispose of treasury shares in order to provide the Company with a stock of treasury shares to be allocated to service of the Incentive Plan, as consideration in extraordinary transactions - including the exchange of shares with other parties, as part of transactions in the interest of the Company, such as potential, further sector aggregations under continuous analysis and evaluation by the Board of Directors – as well as any future incentive and loyalty plans adopted by the Company and/or other purposes permitted by law in the interest of the Company itself.

On 28 April 2023, the merger deed between Giordano Vini S.p.A. was completed. and Pro.di.ve Srl (Svinando platform). The objective of the operation is the ever-increasing integration of digital sales platforms aimed at (i) offering customers an increasingly innovative mix of own-brand /third-party very recognizable products (ii) at increasingly effective market penetration aimed at acquiring new customers. The new business structure is also functional to optimizing costs.

From an asset management point of view, it should be noted that during 2023. IWB distributes dividends totaling Euro 946 thousand.

2.2 Significant events that occurred after the end of the half year

On 1 August 2023 the Group finalized the agreements between:

(i) IWB S.p.A and Norina S.r.l

(ii) IWB S.p.A and Giovanni and Alberto Pecora

aimed on the one hand (i) at formalizing the recognition, in favor of IWB S.p.A, of the amounts deriving from the fraud against Enovation Brands Inc. (which occurred on dates prior to the closing held on April 8th 2022) both in terms of amount and in terms of dates and methods of disbursement in line with the financial statements as at 31 December 2022 (ii) and to postpone the time terms for the recognition of the conditions for the fulfillment of the deferred price relating to the acquisition of Enovation Brands Inc. (from the average Ebitda for the two-year period 2022/2023 to the average Ebitda for the two-year period 2024/2025). At the same time and consistently, the deadline for payment of the third tranche of the Enovation stake acquired by Norina S.r.l. was extended from 10 May 2024 to 10 May 2026. The signing of the aforementioned contracts was subsequent to the favorable opinion of the independent Director as the signing of the same constitutes a transaction with related parties pursuant to and for the purposes of the "Procedure for transactions with related parties" adopted by the Company.

On 8 September 2023 Italian Wine Brands S.p.A. announced the launch of a new program for the purchase of treasury shares (the "Program") in execution of what was resolved by the Ordinary Shareholders' Meeting of 27 April 2023 as a useful strategic investment opportunity for every purpose permitted by the current provisions.

The purpose of the Programme is providing the Company with a stock of treasury shares preparatory to the possible use of the shares as consideration in extraordinary transactions, including the exchange of shareholdings with other parties, in the context of transactions in the interest of the Company, such as potential, further sector aggregations that are being analysed and assessed by the Board of Directors, it being understood that the Company reserves the right to allocate the shares in its portfolio also to the service of the other purposes permitted by the laws in force in the interest of the Company itself, including the purpose of purchasing treasury shares for their subsequent cancellation, as well as to allocate such shares to the service of incentive and retention plans adopted by the Company, including the incentive plan called “2023-2025 Incentive Plan of IWB S.p.A.” approved by the Ordinary Shareholders’ Meeting on 27 April 2023, as disclosed to the market on the same date, and/or to sell them on Euronext Growth Milan or outside that system

On 14 September 2023, the Boards of directors of the Group's Italian subsidiaries approved (i) the partial demerger project of Giordano Vini S.p.A. in favor of Enoitalia S.p.A. and (ii) the merger by incorporation of Provinco Italia S.p.A., Barbanera S.r.l. and Fossalto S.r.l. in Enoitalia S.p.A., which are part of the broader corporate reorganization project of the IWB Group aimed at rationalizing and increasing the efficiency of the operating companies. The objective is to concentrate Italian activity on two companies, compared to six at the beginning of 2023:

(i) the company resulting from the merger of the Italian companies and which will be called IWB Italia S.p.A whose mission will be sales to business customers (both wholesale channel and ho.re.ca channel) and production for all Group companies, further improving sales synergies and optimizing product and process costs.

(ii) Giordano Vini S.p.A. focused on direct sales to end customers.

The proposed demerger and merger operations therefore aim to rationalize the organization of the activities of the companies involved, improving their efficiency and simplifying operational management.

In particular, (i) the Merger will make it possible to achieve significant savings in the governance and management costs of the entities involved and let the Group reach an operational dimensions adequate to afford the competitive challenge and to development the business; (ii) the Demerger aims to review the scope of Giordano's activities by rationalizing it, within the framework of the overall activities of the IWB Group and assigning the so-called production and sales activities B2B to Enoitalia (” or “wholesales and ho.re.ca”) the so-called B2C sales is and will be assigned to Giordano.

3. Outlook

In the first half of 2023, inflation is slowing down, but continues to erode families' purchasing power. In terms of production costs, we see a reduction for the major production factors, with the exception of glasses, which remain high, and fuel, due to the OPEC production cut.In the short term no decreases are expected on interest rates, which impact both families and the income statement of companies.

In IWB sector raw material wine is the main cost. In the first half of the year, wine prices were generally declining, with a slowdown in this trend due to the forecast of a harvest poorer than the previous ones. Coldiretti forecasts a 14% drop in production. In some regions, particularly in the south, greater drops are expected, while in the north production is expected to remain stable or with a slight increase. Product stock at Italian wineries, as result of the abundant previous harvest and the drop in sales in terms of volume, counterbalance this forecast. In this context, the IWB Group is to face the second half of the year with:

(i) renegotiated contracts with major customers;

(ii) commercial initiatives in new countries aimed at expanding the customer base;

(iii) a solid and consolidated production structure;

(iv) a corporate integration project aimed at ensuring further production and process efficiencies;

(v) presence in all commercial channels, therefore with the possibility of capturing customer movements from one channel to another, without losing turnover;

(vi) a good level of raw material stock, to face any market shortages;

and consequently with in the best situation for obtaining increased results compared to the second half of 2022, which had been particularly negative due to higher production costs not transferred on to customers. This will have greater positive evidence in the second half of the year due to the gradual revision of commercial contracts with positive effects in terms of:

• further margins’ increase

• improvement of cash generation.

Finally, we monitor consumption trends in the various countries and commercial channels, to better manage the situation described above.

4. Code of Ethics and Organizational Model

On 23 March 2023, the Board of directors' updated the model, introduced in July 2021 to adapt it to the introduction of new crimes.

5. Agreements with Related parties

The operations carried out fall within normal business management, within the typical activity of each interested party, and are regulated under standard conditions.

In summary we note:

(i) a commercial leasing contract stipulated on 1 February 2012 between Provinco Italia S.p.A. and Provinco S.r.l. pursuant to which Provinco S.r.l. has leased to Provinco Italia S.p.A. the property located in Rovereto (TN) – Via per Marco, 12/b; the lease has a duration of six years (until 31 January 2018) with tacit renewal for the same period unless canceled 12 months before the expiry; the agreed fee is equal to Euro 60 thousand per year plus VAT.

(ii) a service contract with Electa SpA regarding support for investor relations activities for an amount equal to 40 thousand euros on an annual basis

The relationships described above are regulated at conditions in line with market ones.

It should also be noted that, as detailed in the paragraph *Significant events that occurred after the end of the half-year* on 1 August following the favorable opinion of the independent director, an amendments to the Enovation transfer contract were signed with Norina Srl and the brothers Giovanni and Alberto Pecora aimed at formalizing (i) the recognition in favor of IWB of the economic and financial effects prior to the closing for the fraud suffered by Enovation itself (ii) the postponement to 2024-2025 of the performance objectives to which the determination of the deferred price of 55% of Enovation Brands Inc is linked.

Please note that the Parent Company IWB has adopted and follows the related Related Party Procedure in compliance with the general provisions of the Euronext Growth Milan Issuers' Regulation..

6. Information relating to the environment, safety and personnel

Italian Wine Brands has always accompanied its significant growth on the markets with a concrete commitment to continuous improvement, gradually pursuing important certification objectives in line with the requests of the international customers served and in coherence with the internal growth of the organization.

Adherence, therefore, to the certification standards has always been progressive and concretely supported by the internal growth of the organization with the aim of remaining in line with the expectations of the international customers served.

7. Health and safety in the workplace - UNI ISO 45001:2018 CERTIFICATION

(Occupational Health and Safety Assessment Series)

The operating companies of the Italian Wine Brands Group Giordano spa and Enoitalia spa both constantly adopt and implement an Occupational Health and Safety Management System compliant with the UNI-ISO 45001:2018 standard.

The human capital of the IWB Group organizations constitutes the main resource: the health and well-being of employees are some of the main keys to the success of the Group's companies.

The organization is committed to providing its employees with a safe and healthy working environment, proactively anticipating possible improvements in operational procedures and working environments.

ISO 45001 in IWB aims to create a Management System regarding Health and Safety at work, based on the awareness of the organization, on the improvement of health and safety conditions and working conditions at a global level and on the minimization of professional risks. The system aims to continuously monitor, capable of identifying, analyzing and evaluating risks affecting personnel, in order to adopt appropriate measures that improve the working environment and operating conditions.

It is therefore a strategic and operational decision that confirms the commitment to:

• reduce injuries and prevent health problems due to working practices through careful monitoring and involvement of workers;

• support adequate development and dissemination of the Health and Safety at Work policy, with clear and evident leadership from management and a commitment to comply with current legislation;

• improve and protect the Group’s reputation;

• define objectives regarding safety and health at work which are monitored in their application by a multidisciplinary team;

• promote employee motivation and involvement by strengthening collaboration, participation and awareness;

• monitor performance and results regarding safety and health at work.

With this certification, the accredited external body SGS ITALIA S.p.A. has recognized the Group's operating companies as having implemented a management system in line with the highest safety standards and having also pursued their objectives on a continuous basis, contributing important measurable improvements to safety conditions in the workplace.

As part of its management system, the Group has established its commitment through the "Quality Policy" as a tool with which the entire company has the mission of offering food and wine products to an ever-increasing number of customers around the world. of the best Italian tradition, the convenience of the Group's exclusive service, considering the protection of workers' health and safety as an integral part of its activity.

The Risk Assessment Document required by the law on safety at work, specific for each site, is regularly updated.

The aforementioned document first provides an analysis of the risks present in the company both for the work activity and for the settlement methods; the measures undertaken to minimize the risks and the improvement actions to maintain an adequate level of safety are consequently identified, identifying the timescales necessary for the implementation of the defined measures.

The method of carrying out the work activity was considered in the risk analysis without specific risk situations being identified. The topic is always under control in the periodic updates of the aforementioned documents.

The Emergency Plans and Floor Plans with safety signs and escape routes are periodically checked and updated where necessary.

In compliance with the deadlines established by current legislation and company guidelines, checks are regularly carried out on fire prevention equipment, first aid equipment as well as work equipment that requires periodic checks.

During 2022, a constant and regular health surveillance activity was carried out as required by current legislation and the information/training/updating activity for employees and new hires also continued in accordance with the provisions of Legislative Decree 81/08

During first half 2023, awareness-raising activities were also carried out on health and safety issues with ad hoc training interventions, as well as on the accident prevention measures to be adopted and on first aid, providing specific training for fire prevention workers and first aid workers, in full compliance with the reference regulatory framework and in accordance with the voluntary certification schemes adopted.

GFSI certifications (food safety)

The Group's operational sites (Giordano vini, Barbanera and Enoitalia) operate and are certified according to the Global Food Safety Initiative (GFSI) in a manner aligned with the requirements defined by the food safety standards

• BRCGS food

• IFS food (International Featured Standard)

The companies join it for each site in the "unannounced" audit mode, as requested by the international large-scale retail trade served, confident in the commitment of the entire organization to compliance with the defined rules.

The systems adopted guarantee independent audits on food safety systems to validate and certify the high standards of food safety applied also with the involvement of the supply chain and to satisfy customer requirements. Furthermore, these certifications constitute a prerequisite for access to the global market in line with the Group's mission.

The objective of the GFSI certifications is therefore to ensure the quality and safety of the food products offered to consumers by large-scale retail suppliers and retailers: these are therefore operational tools used for due diligence and to select suppliers in the agri-food chain.

This approach makes it possible to reduce the overall costs of supply chain management and at the same time increase and guarantee the level of safety for the entire supply chain up to the final consumers.

Furthermore, the GFSI certifications represent a great opportunity to demonstrate the continuous commitment of the Group companies towards safety, quality and compliance with the rules that regulate the agri-food sector, guaranteeing the selection and qualification of suppliers and providing a reference framework for manage the safety, integrity, legality and quality of products.

The requirements of the standard relate to the quality management system, HACCP system and relevant prerequisite programs, including GMP (Good Manufacturing Practice), GLP (Good Laboratory Practice) and GHP (Good Hygiene Practice) requirements.

The certification includes the assessment of the suitability of the production departments including warehousing sites, of the operating systems and of the procedures and control plans applied by the companies.

This standard offers companies the opportunity to:

• communicate your commitment to safety and, in the event of an accident, limit the possible legal consequences, demonstrating that you have taken all reasonable measures to avoid it;

• build and make operational a management system to check that the quality, safety and legal compliance constraints that regulate the food sector are respected, with specific reference to the laws in force in the countries of destination of the finished products;

• have a tool to improve the management of food safety, through the control and monitoring of significant factors;

• reduce the incidence of any deviations, rework and possible product recalls.

Certification to the BRCGS global standard for food safety also promotes efficient supply chain management, reducing the need for external auditing and increasing the overall reliability of the supply chain.

The Provinco Italia company, IWB sales company, is IFS Broker certified.

The IFS Broker aims to guarantee the safety and quality of the products marketed. The standard promotes correct communication between customers and suppliers with the aim that product requirements and specifications are respected and guaranteed.

The standard monitors the parties involved to ensure that appropriate measures are in place so that suppliers operate in accordance with established quality and safety requirements. The certification also guarantees the monitoring of supplier compliance so that they supply products in compliance with regulations and specifications and offers benefits in terms of excellence in quality and customer satisfaction to obtain a competitive advantage in the markets

UNI EN ISO 14001:2015 ENVIRONMENTAL CERTIFICATION

The Enoitalia and Barbanera sites within the IWB group are certified according to the environmental standard ISO 14001:2015.

Being certified according to ISO 14001 is not mandatory, but is the result of the voluntary choice of the company/organization that decides to establish/implement/maintain active/improve its own environmental management system.

This ISO 14001 certification demonstrates that the certified organization has an adequate management system to keep the environmental impacts of its activities under control, and systematically seeks improvement in a coherent, effective and above all sustainable way. ISO 14001 is therefore not a product certification (like eco-labels), but a process certification.

The certified companies have committed to:

- carry out an environmental analysis, with in-depth knowledge of the relevant environmental aspects (emissions, use of resources, etc.), of the legislative framework and of the requirements applicable to the company and evaluating the significance of the impacts;
- define a company policy;
- set out specific environmental responsibilities;
- define, apply and maintain active the activities, procedures and records required by the 1400 requirements.

The certified environmental management system allows IWB companies:

- the control and maintenance of legislative compliance and monitoring of environmental performance;
- the reduction of waste of resources (water consumption, energy resources, etc.);
- facilitations in financing procedures and bureaucratic/administrative simplifications;
- to have a support tool in investment or technological change decisions;
- to have a tool for creating and maintaining corporate value, safeguarding corporate assets and transparency in acquisition/merger operations (risk management);
- to guarantee a systematic and pre-arranged approach to environmental emergencies;
- define operational methods for the prevention of environmental crimes;
- improve the relationship and communication with the authorities;
- improve corporate image and reputation (brand integrity).

ISO 9001 Quality

Enoitalia is also ISO 9001:2015 certified. The standard is intended as the reference for planning, implementing, monitoring and improving both operational and support processes. The quality management system is implemented and implemented as a means to achieve the objectives. The customer and his satisfaction are at the center of the company logic; every activity, application and monitoring of activities/processes is in fact aimed at determining maximum customer satisfaction. The application phases of the standard start from the definition of the procedures and records for each individual process or macro-process identified within the company organization in line with a careful analysis of the company opportunities and the company mission and vision expressed through the quality.

OTHER CERTIFICATIONS (Enoitalia sites)

Today, with the commitment of the quality assurance team and the entire organization, from the workers to the top management, Enoitalia's operational sites are managed in compliance with the following certification standards:

VIVA sustainability in viticulture

VIVA is the program of the Ministry of the Environment and Energy Security which has promoted the sustainability of the Italian wine sector since 2011. The Program is aimed at creating a production model that respects the environment and enhances the territory, to protect the quality of Italian wines and offer opportunities on the international market. VIVA represents the public standard for measuring and improving the sustainability performance of viticulture in Italy.

The VIVA Program is designed for companies because it allows them to evaluate the optimal use of resources and measure improvements over time. It is designed for consumers, because it provides a transparent and traceable system to verify the commitment of producers in both the environmental and socio-economic fields. VIVA, in fact, is also an innovative organizational label, which makes sustainability data accessible, expressed in 3 indicators: Air, Water and Territory, validated by a verification body and guaranteed by the Ministry of the Environment and Energy Security. The application of the indicators, developed on the basis of the main international standards and norms and the use of the "Improvement Plans" envisaged by the Programme, allow producers to develop effective strategies for reducing the impacts generated.

Enoitalia is at the second renewal (valid for two years) of the VIVA sustainability certification to which it has joined as an Organization since 2018, which aims to improve and communicate to consumers and all stakeholders in the wine sector the commitment with a view to a transition towards production models and increasingly sustainable consumption.

Advantages:

• *Reduction of environmental impacts*

The detailed analysis of wine production, whether corporate or a specific product, increases companies' awareness of the impact it has on climate change, on water resources, on agricultural land and on the territory in a broader sense, while providing the tools to reduce it over time.

• *Competitiveness and marketing*

the environmental values associated with a product are an important driver of competitiveness in the national and international market.

• *Economic saving*

The measures for the reduction of greenhouse gases and water consumption, involving energy efficiency and technological renewal interventions, are able to reduce not only the impact of the winery on the environment, but also the production costs and waste of resources.

• *Reliability*

The work carried out, certified by an independent third party, obtains recognition from distribution and consumers at a national and international level, allowing, in addition to access to incentives and tenders, to compete on foreign markets that are very attentive to environmental issues.

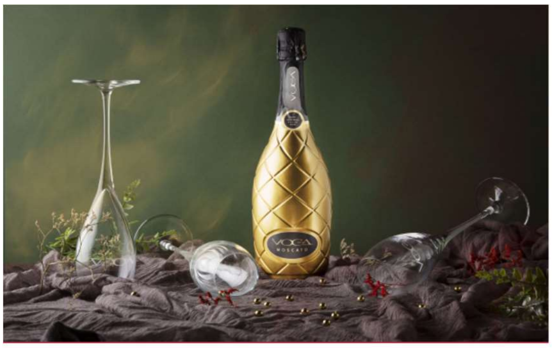
Sedex – SMETA (ETHICAL)

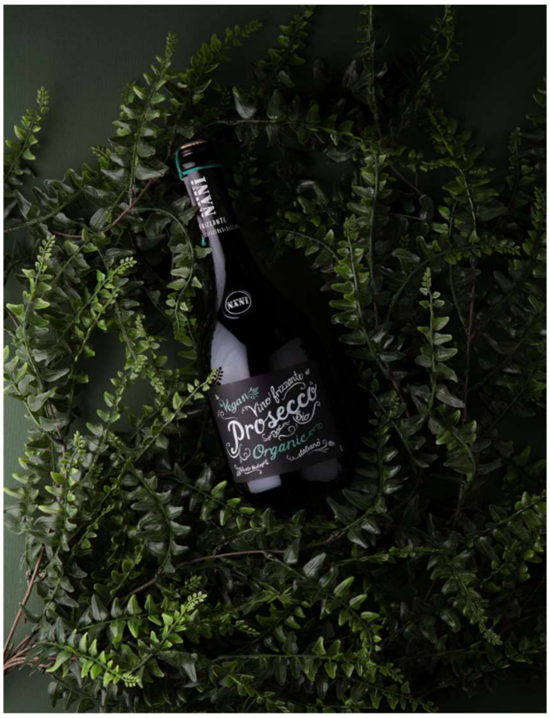
Enoitalia spa is subjected to ethical audits every two years according to the Sedex Smeta 2 pillar scheme and to audits with the aim of ascertaining supply chain security.
SEDEX (Supplier Ethical Data Exchange) is a non-profit organization based in London committed to increasing the diffusion of ethical principles along global supply chains and is the largest platform in Europe that collects and processes data on the ethical behavior of chains of supply.
It is a web system designed to help organizations manage data on labor practices in the supply chain. The global collaborative platform SEDEX provides an effective solution for sharing ethical data between trading partners, supporting effective supply chain management and the improvement of procedures to be followed within it.
Sedex SMETA (Sedex Member Ethical Trade Audit) is a common audit and reporting methodology developed by Sedex members in order to satisfy the multiple needs of customers.
In addition to the principles contained in the ETI (Etical Trade Initiative) basic code, integrating them with applicable national and local laws, the SMETA service also verifies the performance regarding the right to work of immigrant workers, the management systems, the implementation, the subcontracting, working from home and environmental problems.
The SMETA 2 pillars audit verifies working conditions, health and safety, right to work - Management Systems - Subcontracting and Homeworking - Environmental Assessment (shortened version)

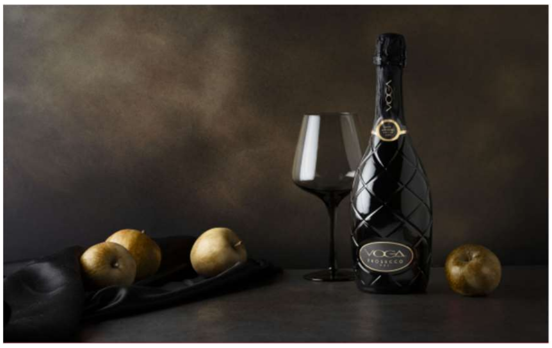
GROUP WORKFORCE

The specific and average number by category as of 30 June 2023 and 30 June 2022 is shown below. The increase is due to the different scope of consolidation.

	At 30.06.2023	Average no 30.06.2023	At 30.06.2022	Average no 30.06.2022
Executives	8	8	8	8
Middle managers	22	23	22	23
Employee	210	209	192	193
Workers	142	142	134	129
Total	**382**	**383**	**356**	**352**







7. Treasury shares

As of 06/30/2023 the Parent Company holds n. 10,681 ordinary shares, representing 0.11% of the ordinary share capital. During the first half of the year, no treasury shares were acquired and no assignments were made

BALANCE SHEET

Amounts in EUR	Note	30.06.2023	Restat 31.12.20
Non-current assets			
Intangible fixed assets	5	39.028.433	39.020.8
Goodwill	6	215.968.880	215.968.8
Land, property, plant and equipment	7	52.221.107	52.130.9
Right-of-use assets	7	16.158.718	17.709.1
Equity investments	8	5.109	5.1
Other non-current assets	9	430.931	429.7
Attività finanziarie non correnti		-	
Deferred tax assets	10	2.687.456	1.951.6
Total non-current assets		**326.500.635**	**327.216.3**
Current assets			
Inventory	11	104.786.011	101.201.9
Trade receivables	12	47.823.621	61.599.2
Other current assets	13	4.191.885	6.082.7
Current tax assets	14	2.747.094	3.493.2
Current financial assets		1.041.582	674.2
Cash and cash equivalents	15	48.100.344	61.049.1
Total current assets		**208.690.539**	**234.100.6**
Non-current assets held for sale		-	
Total assets		**535.191.174**	**561.316.9**
Shareholders' equity			
Share capital		1.124.468	1.124.4
Reserves		145.988.049	142.277.6
Reserve for defined benefit plans		(22.659)	(22.6
Reserve for stock grants		65.947	65.9
Profit (loss) carried forward		46.203.906	38.992.8
Net profit (loss) for the period		4.574.591	11.242.4
Total Shareholders' Equity of parent company shareholders		**197.934.301**	**193.680.7**
Shareholders' equity of NCIs		(328.229)	(366.1
Total Shareholders' Equity	16	**197.606.073**	**193.314.6**
Non-current liabilities			
Financial payables	17	142.935.890	152.393.0
Right-of-use liabilities	17	12.465.262	13.959.4
Provision for other employee benefits	18	1.650.244	1.443.9
Provisions for future risks and charges	19	277.821	288.1
Deferred tax liabilities	10	9.676.311	9.434.8
Other non-current liabilities	21	-	
Total non-current liabilities		**167.005.528**	**177.519.4**
Current liabilities			
Financial payables	17	44.782.033	38.827.9
Right-of-use liabilities	17	3.186.635	3.089.6
Trade payables	20	110.696.472	136.717.2
Other current liabilities	21	9.317.268	8.938.3
Current tax liabilities	22	2.597.166	2.909.5
Provisions for future risks and charges	19	-	
Total current liabilities		**170.579.573**	**190.482.8**
Liabilities directly related to assets held for sale		-	
Total shareholders' equity and liabilities		**535.191.174**	**561.316.9**

2022 Restated: The amount relating to Barbanera s.r.l. and Fossalto s.r.l. increased by Euro 1,226 thousand compared to what was recorded in the financial statements as at 31 December 2022 as a result of a detailed evaluation of the raw materials warehouse which revealed that some types of wine, acquired by the company in the period 2018-2021 were not aligned with the fair value at the acquisition date The different valuation is essentially attributable to the natural evolution of the product which may be *attributable to the impossibility of storing it in a suitable manner due to the absence of tanks with a capacity compatible with the existing inventories. These different factors detected compared to those expected constitute new information learned on facts and circumstances existing at the acquisition date which, if known, would have influenced the measurement of the amounts recognized on that date.*

INCOME STATEMENT

Amounts in EUR	**Note**	**30.06.2023**	**30.06.2022**
Revenue from sales	**23**	196.777.796	177.265.963
Change in inventories	**11**	2.269.185	7.707.377
Other income	**23**	1.627.593	3.114.981
Total revenue		**200.674.574**	**188.088.321**
Purchase costs	**24**	(135.732.079)	(128.823.667)
Costs for services	**25**	(35.463.539)	(34.109.278)
Personnel costs	**26**	(12.716.320)	(10.781.536)
Other operating costs	**27**	(538.817)	(524.173)
Operating costs		**(184.450.755)**	**(174.238.655)**
EBITDA		**16.223.819**	**13.849.666**
Depreciation and amortization	**5-7**	(5.506.431)	(4.930.955)
Provision for risks	**19**	-	-
Write-ups / (Write-downs)	**28**	(827.927)	(798.008)
Operating profit/(loss)		**9.889.461**	**8.120.704**
Finance revenue		671.544	270.729
Borrowing costs		(4.313.406)	(2.792.177)
Net financial income/(expenses)	**29**	**(3.641.863)**	**(2.521.448)**
EBT		**6.247.598**	**5.599.256**
Taxes	**30**	(1.635.104)	(1.680.726)
(Loss) Profit from discontinued operations		-	-
Profit (loss) (A)		**4.612.494**	**3.918.530**
Attributable to:			
(Profit)/Loss of NCIs		(37.903)	14.438
Group profit (loss)		**4.574.591**	**3.932.968**

Changes in consolidated shareholders’ equity

Amounts in in Eur

	Share Capital	Capital Reserves	Riserve for stock grants	Reserve for defined benefit plans	Retained earnings	Shareholders’ equity of NCIs	Total
Balance sheet at 1 January 2022	**1.046.266**	**117.257.981**	**518.220**	**(77.633)**	**41.209.551**	**-**	**159.954.385**
Capital increase							-
Purchase of own shares		(1.429.629)					(1.429.629)
Sale of own shares							-
Dividends					(879.216)		(879.216)
Stock grants		1.278.338	(452.273)		(826.065)		-
Legal reserve		33.282			(33.282)		-
Reclassification and other changes		(45.513)			(658.830)	(156.830)	(861.174)
Total comprehensive profit/ (loss)					3.932.968	(14.438)	**3.918.530**
Balance sheet at 30 June 2022	**1.046.266**	**117.094.459**	**65.947**	**(77.633)**	**42.745.126**	**(171.268)**	**160.702.897**

Amounts in in Eur

	Share Capital	Capital Reserves	Riserve for stock grants	Reserve for defined benefit plans	Retained earnings	Shareholders’ equity of NCIs	Total
Balance sheet at 1 January 2023	**1.124.468**	**142.277.658**	**65.947**	**(22.659)**	**50.235.341**	**(366.135)**	**193.314.619**
Capital increase							-
Purchase of own shares							-
Sale of own shares							-
Dividends					(944.930)		(944.930)
Stock grants							-
Legal reserve							-
Reclassification and other changes		3.710.390			(3.086.505)	3	623.889
Total comprehensive profit/ (loss)					4.574.591	37.903	**4.612.494**
Balance sheet at 30 June 2023	**1.124.468**	**145.988.049**	**65.947**	**(22.659)**	**50.778.497**	**(328.229)**	**197.606.073**

STATEMENT OF CASH FLOWS

Amounts in in Eur

	Notes	30.06.2023	30.06.2022
Profit (loss) before taxes		6.247.598	5.599.256
Adjustments for:			
- non-monetary items - stock grant		-	-
- allocations to the provision for bad debts net of utilizations		827.927	798.008
- non-monetary items - provisions / (releases)		-	-
- non-monetary items - amortisation/depreciation		5.506.431	4.930.955
Adjusted profit (loss) for the period before taxes		**12.581.956**	**11.328.219**
Cash flow generated by operations			
Income tax paid		(554.535)	(247.135)
Other financial (income)/expenses without cash flow (financial amortisation)		1.724.261	1.721.302
Total		**1.169.726**	**1.474.168**
Changes in working capital			
Change in receivables from customers		12.947.721	20.070.927
Change in trade payables		(26.020.769)	(30.165.047)
Change in inventories		(3.607.664)	(9.927.021)
Change in other receivables and other payables		1.621.750	(3.898.150)
Other changes		23.611	(267.042)
Change in post-employment benefits and other provisions		195.968	(217.940)
Change in other provisions and deferred taxes		(494.379)	93.486
Total		**(15.333.761)**	**(24.310.787)**
Cash flow from operations (1)		**(1.582.079)**	**(11.508.401)**
Capital expenditure:			
- Tangible		(2.337.984)	(386.266)
- Intangible		(1.729.465)	(1.953.378)
- Net cash flow from business combination (*):		-	(15.055.797)
- Financial		-	-
Cash flow from investment activities (2)		**(4.067.449)**	**(17.395.442)**
Financial assets			
Long-term borrowings/ (repayments) - Bond		(3.250.000)	-
Short-term borrowings (paid)		13.685.000	10.890.050
Long-term borrowings/ (repayments) - Bond		-	-
Collections / (repayments) revolving loan		(8.000.000)	-
Collections / (repayments) other financial payables		(4.607.500)	7.855.465
Change in other financial assets		(367.345)	663.514
Change in other financial liabilities		(4.438.389)	3.034.978
Purchase of own shares		-	(1.429.629)
Sale of own shares		-	-
Dividends paid		(944.930)	(879.216)
Monetary capital increases		-	-
Change in reserve for stock grants		-	-
Other changes in shareholders equity		623.889	(704.344)
Cash flow from financing activities (3)		**(7.299.275)**	**19.430.819**
Cash flow from continuing operations		**(12.948.803)**	**(9.473.024)**
Change in cash and cash equivalents (1+2+3)		**(12.948.803)**	**(9.473.024)**
Cash and cash equivalents at beginning of period		**61.049.148**	**59.103.392**
Cash and cash equivalents at end of period		**48.100.345**	**49.630.368**

FORM AND CONTENT
OF THE CONSOLIDATED FINANCIAL REPORT

Introduction

This Financial Report at 30 June 2023 has been prepared in accordance with the EGM Regulation and in compliance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and approved by the European Union. The designation “IFRS” also includes all currently valid International Accounting Standards (“IAS”), as well as all interpretations of the International Accounting Reporting Interpretations Committee (“IFRIC”), formerly the Standing Interpretations Committee (“SIC”).

Directive 2004/109 / EC (the "Transparency Directive") and Delegated Regulation (EU) 2019/815 introduced the obligation for issuers of securities listed on regulated markets of the European Union to draw up the annual financial report in the language XHTML, based on the European Single Electronic Format (ESEF), approved by ESMA. For the year 2022 the consolidated financial statements had been "marked" with the ESEF taxonomy, using an integrated computer language (iXBRL).

These consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim financial reporting*. It doesn’t contain all the disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2022 annual financial statements.

Statement of financial position schedules

This Financial Report at 30 June 2023 consists of the statement of financial position, the statement of comprehensive income, the statement of changes in shareholders' equity, the statement of cash flows and the notes, and is accompanied by the directors' report on operations.

Statement of financial position schedules are prepared according following methodologies:

- The format adopted for the Statement of Financial Position distinguishes between current and non-current assets and liabilities.

- The income statement format adopted provides for the classification of costs by nature, more representative than "destination one". The Group opted to present the items of profit or loss for the year in a single statement of comprehensive income, which includes the result for the period and, by homogeneous categories, income and expenses which, in accordance with IFRS, are posted directly to shareholders' equity.
- The statement of cash flows analyses the cash flows deriving from the operating activities using the indirect method, whereby the profit (loss) for the period is adjusted for the effects of non-monetary transactions, any deferrals or provisions relating to previous or future operating receipts or payments and the revenue or cost items connected with cash flows deriving from investing or financing activities.
- The statement of changes in shareholders' equity includes, in addition to total profits/losses for the period, the amounts of transactions with equity holders and changes in reserves during the period.

The financial statements are presented in Euro, the reference currency for the Company. Unless otherwise indicated, the figures reported in these notes are expressed in thousands of Euro.

1 Consolidation area

Subsidiaries are defined as all investees in which the Group simultaneously has an interest:

- decision-making power, i.e., the ability to direct the relevant activities of the investee, i.e., those activities that have a significant influence on the results of the investee;

- the right to variable results (positive or negative) from an investment in the consolidated entity;

- the ability to use its decision-making power to determine the amount of profit/loss arising from an investment in a consolidated entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is acquired until such time as control ceases to exist. Equity shares and shares in the profit and loss of non-controlling interests are presented in the consolidated statement of financial position and income statement respectively.

The entities included in the scope of consolidation and the relative percentages of direct or indirect ownership by the Group are listed below:

Company	Country	Share Capital		Parent Company	Percentage Held	Percentage held directly
		Currency	Value			
IWB S.p.A.	Italy	EUR	1.124.468	-	Holding	
Provinco Italia S.p.A.	Italy	EUR	132.857	IWB S.p.A.	100%	100%
Giordano Vini S.p.A.	Italy	EUR	14.622.511	IWB S.p.A.	100%	100%
Enoitalia S.p.A.	Italy	EUR	1.453.055	IWB S.p.A.	100%	100%
Enovation Brands Inc	United States	USD	1.000	IWB S.p.A.	85%	85%
Barbanera S.r.l.	Italy	EUR	113.915	IWB S.p.A.	100%	100%
Fossalto S.r.l.	Italy	EUR	10.000	IWB S.p.A.	100%	100%
Italian Wine Brands Uk Ltd	England	GBP	1	IWB S.p.A.	100%	100%
Provinco Deutschland GmbH	Germany	EUR	25.000	Provinco Italia S.p.A.	100%	-
Raphael Dal Bo AG	Swiss	CHF	100.000	Provinco Italia S.p.A.	100%	-

2 General principles of preparation

The consolidated Annual Financial Report was prepared on a going concern basis.

The presentation currency being the Euro, and the amounts shown are rounded to the nearest whole number, including, unless otherwise indicated, the amounts shown in the notes.

The cost principle has been adopted in the preparation of this Consolidated Annual Financial Report, with the exception of derivative financial instruments measured at fair value.

The most significant accounting standards adopted in the preparation of this consolidated financial statements are:

Valuations and significant accounting estimates

The preparation of the consolidated interim financial statements requires the making of estimates and assumptions that have an effect on the values of the assets and liabilities in the financial statements and on the information relating to potential assets and liabilities at the date of the financial statements. The final results could differ from the estimates made which are based on data that reflect the current state of the information available. The estimates are used to record the provisions for credit risks, asset write-downs, current and deferred taxes, other provisions and provisions. The estimates and assumptions are periodically reviewed and the effects of each change are immediately reflected in the income statement.

With regard to the valuation of financial assets, due to the nature of the financial assets held by the Group relating mainly to cash and cash equivalents, and receivables from the tax authorities for VAT, there are no particular risks arising from the uncertainties defined above.

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The accounting principles adopted in the preparation of the consolidated half-year financial report comply with those used for the preparation of the Group's annual financial statements for the year ended 31 December 2020 with the exception of the accounting principles, amendments and interpretations which were applied for the first time. by the Group starting from 1 January 2021, described below.

The general principle adopted in the preparation of this consolidated Annual Financial Report is that of cost, with the exception of derivative financial instruments measured at *fair value*.

The most significant accounting principles adopted in the preparation of these consolidated financial statements are as follows:

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is calculated as the sum of the amount paid, valued at fair value as at the acquisition date, and the amount of any non-controlling interest held in the acquired asset. For each business combination, the purchaser must assess any non-controlling interest held in the acquired property at *fair value* or proportionate to the non-controlling interests held in the net identifiable assets of the acquired property. Acquisition costs are expensed and classified as administrative expenses.

At the acquisition date, the identifiable assets acquired and liabilities assumed are recognized at fair value at the acquisition date; exceptions to this are deferred tax assets and liabilities, assets and liabilities for employee benefits, liabilities or equity instruments relating to share-based payments of the acquired company or share-based payments issued in place of contracts of the acquired company, and assets (or groups of assets and liabilities) held for sale, which are instead measured according to their reference standard.

Any potential consideration must be recorded by the purchaser at *fair value* at the date of acquisition and classified according to IAS 32.

Goodwill is initially measured at cost, which is the excess of the sum of the consideration transferred in the business combination, the value of shareholders' equity attributable to non-controlling interests and the *fair value* of any investment previously held in the acquiree over the *fair value* of the net assets acquired and liabilities assumed at the acquisition date. If the value of the net assets acquired and liabilities assumed at the acquisition date exceeds the sum of the consideration transferred, the value of the shareholders' equity pertaining to non-controlling interests and the *fair value* of any investment previously held in the acquiree, this excess is immediately recognized in profit or loss as income from the transaction concluded.

The portions of shareholders' equity pertaining to non-controlling interests at the acquisition date can be measured at *fair value* or at the pro-rata value of the net assets recognized for the acquiree. The choice of valuation method is made on a transaction-by-transaction basis.

Any contingent consideration provided for in the business combination contract is measured at *fair value* at the acquisition date and included in the value of the consideration transferred in the business combination for the purpose of determining goodwill. Any subsequent changes in this *fair value*, which may be qualified as adjustments arising during the measurement period, are retrospectively included in goodwill. Changes in *fair value* that qualify as adjustments arising during the measurement period are those resulting from additional information on facts and circumstances that existed at the acquisition date, obtained during the measurement period (which may not exceed one year from the business combination).

In the case of business combinations carried out in stages, the equity investment previously held in the acquiree is revalued at *fair value* at the date of acquisition of control and any resulting profit or loss is recognized in the income statement. Any amounts deriving from the equity investment previously held and recognized in Other comprehensive income are restated in profit or loss as if the equity investment had been sold.

If the initial amounts of a business combination are incomplete at the reporting date of the financial statements in which the business combination took place, provisional amounts of the items for which recognition cannot be completed are reported in the consolidated financial statements. These provisional amounts are adjusted during the measurement period to take into account new information obtained about facts and circumstances existing at the acquisition date that, if known, would have affected the amount of the assets and liabilities recognized at that date.

Transactions in which the parent company acquires or sells further bon-controlling interests without changing the control exercised over the subsidiary are transactions with shareholders and therefore the relative effects must be recognized in shareholders' equity: there will be no adjustments to goodwill and no gains or losses recognized in the income statement.

Ancillary charges relating to business combinations are recognized in profit or loss in the period in which they are incurred.

Intangible assets with indefinite useful life

Goodwill

Goodwill is recognized as an asset with an indefinite useful life and is not amortized, but tested for impairment annually, or more frequently if there is an indication that specific events or changed circumstances may have caused an impairment loss. Impairment losses are immediately recognized in profit or loss statement and are not subsequently reversed. After the initial recognition, goodwill is valued at cost, net of any accumulated impairment losses.

In order to test for impairment, goodwill acquired in a business combination is allocated, at the acquisition date, to the individual cash-generating units or groups of cash-generating units that should benefit from the synergies of the combination, regardless of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

Each unit or group of units to which goodwill is allocated represents the lowest level at which goodwill is monitored for internal management purposes.

Any loss in value is identified by comparing the carrying amount of the cash generating unit with its realizable value. If the realizable value of the cash-generating unit is lower than the carrying amount attributed, the related impairment loss is recognized. This impairment loss is reversed if the reasons for it no longer exist.

If goodwill has been allocated to a cash-generating unit and the entity disposes of part of the assets of that unit, the goodwill associated with the disposed asset shall be included in the carrying amount of the asset when determining the gain or loss on disposal. The goodwill associated with the discontinued asset must be determined on the basis of the relative values of the discontinued asset and the portion of the cash-generating unit retained.

Trademark

With effect from 1 January 2014, the Directors of Giordano Vini S.p.A., also with the support of an independent expert, attributed an indefinite useful life to the trademark acquired as part of a merger transaction. As part of the business combination carried out in 2015, with regard to Provinco Italia S.p.A., part of the purchase price was allocated to the trademarks owned by Provinco, attributing an indefinite useful life to them as well.

Intangible assets with finite useful life

Intangible assets with finite useful life are valued at purchase or production cost net of amortization and accumulated impairment losses. Depreciation is commensurate with the expected useful life of the asset and begins when the asset is available for use. The useful life is reviewed annually, and any changes are made prospectively.

Whenever there are reasons to do so, intangible assets with a finite useful life are tested for *impairment*.

Other intangible assets

Other intangible assets are recognized in the statement of financial position only if it is probable that the use of the asset will generate future economic benefits and if the cost of the asset can be measured reliably. Once these conditions are met, intangible assets are recorded at purchase cost, which corresponds to the price paid plus accessory charges.

The gross carrying amount of other intangible assets with a finite useful life is systematically allocated over the years in which they are used, by means of constant amortization charges, in relation to their estimated useful life. Amortization begins when the asset is available for use and is proportionate, for the first reporting period, to the period of actual use. The amortization rates used are determined on the basis of the useful life of the related assets.

The useful life values used for the purposes of preparing this Consolidated Annual Financial Report are as follows:

CATEGORY	USEFUL LIFE
Concessions, licenses, trademarks and similar rights	10 years
Industrial patent and use of intellectual property	3 years
Project for adjustment of management control	3 years
Software and other intangible assets	3-4 years

Right-of-use assets

Lease contracts are recorded as rights of use under non-current assets with a balancing entry in a financial liability. The cost of the fee is broken down into its components of financial expense, recorded in profit or loss over the term of the contract, and repayment of principal, recorded as a reduction of the financial liability. The right of use is amortized on a monthly basis on a straight-line basis over the shorter of the asset's useful life and the term of the contract.

Rights of use and financial liabilities are initially measured at the present value of future payments discounted using the incremental borrowing rate.
For a more detailed discussion of the subject see paragraph 4.1.

Land, property, plant and equipment

Tangible assets are composed of:
- industrial land and buildings
- plant and equipment
- industrial and commercial equipment
- other assets

These are recorded at purchase or production cost, including directly attributable ancillary charges necessary for putting the asset into operation for its intended use.

The cost is reduced by depreciation, with the exception of land, which is not depreciated because it has an indefinite useful life, and any losses in value.

Depreciation is calculated on a straight-line basis using percentages that reflect the economic and technical deterioration of the asset and is calculated from the moment in which the asset is available for use.

Significant parts of property, plant and equipment with different useful life are accounted for separately and depreciated over their useful life.

The useful life of assets and residual values are reviewed annually at the time of closing the financial statements. The useful life values used for the purposes of preparing this Consolidated Annual Financial Report are as follows:

CATEGORY	**USEFUL LIFE**
Land	Indefinite
Buildings	18-50 years
Plant and equipment:	
- Means of transport for interiors	10-12 years
- Generic plant	8-18 years
- Machinery	6-15 years
- Vats and tanks	4-20 years
Industrial and commercial equipment:	
- Cars	5-8 years
- Equipment	8-12 years
- Electronic machines	4-8 years
- Ordinary office machines and furniture	15 years
- Goods on loan for use	4 years

Routine maintenance and repair costs are recognized directly in profit or loss in the period in which they are incurred.

Profits and losses arising from the sale or disposal of property, plant and equipment are determined as the difference between the sale proceeds and the net carrying amount of the asset and are recognized in profit or loss for the period.

Leasehold improvements with the characteristics of fixed assets are capitalized in the category of the asset to which they refer and are depreciated over their useful life or, if shorter, over the duration of the lease agreement.

Financial charges, incurred for investments in assets which normally require a certain period of time to be ready for use or sale (*qualifying asset* pursuant to IAS 23 - Borrowing Costs), are capitalized and amortized over the useful life of the class of assets to which they refer.

All other financial charges are recognized in profit or loss in the period in which they are incurred.

Impairment of assets

At least once a year it is checked whether the assets and/or the cash generating units ("CGUs") to which the assets are attributable may have suffered an impairment loss. If there is such evidence, the realizable value of the assets/CGUs is estimated. Goodwill and other intangible assets with an indefinite useful life are tested for impairment annually or more frequently, whenever there is an indication that the asset may be impaired.

Realizable value is defined as the higher of its *fair value* less costs to sell and value in use. The value in use is defined on the basis of the discounting back of the future cash flows expected from the use of the asset, gross of taxes, applying a discount rate that reflects current market changes in the time value of money and the risks of the asset.

If it is not possible to estimate the realizable value of the individual fixed asset, the recoverable value of the cash-generating unit (CGU) to which the fixed asset belongs is determined.

If the realizable value of an asset (or cash-generating unit) is lower than its carrying amount, the carrying amount is reduced to its recoverable amount and the loss is recognized in profit or loss. Subsequently, if an impairment loss on assets other than goodwill ceases to exist or decreases, the carrying amount of the asset (or cash-generating unit) is increased to the new estimate of its realizable value (which, however, may not exceed the net carrying amount that the asset would have had if the impairment loss had never been recognized). This reversal is immediately recognized in profit or loss.

Equity investments

Investments in subsidiaries not included in the scope of consolidation are stated at cost, adjusted for impairment. The positive difference resulting from the acquisition between the acquisition cost and the portion of the shareholders' equity at replacement cost of the investee company pertaining to the period is therefore included in the carrying amount of the investment. If there is evidence that these investments have suffered a loss in value, this is recorded in the income statement as a write-down. In the event that any share of the losses of the investee exceeds the carrying amount of the investment, and the entity has an obligation to account for them, the value of the investment is written off and the share of any further losses is recognized as a provision under liabilities. If, subsequently, the loss in value no longer exists or is reduced, a reversal of the impairment loss within the limits of cost is recognized in profit or loss.

Associates are all companies over which the Group is able to exercise significant influence as defined by IAS 28 - Investments in Associates and Joint Ventures. Such influence is normally presumed to exist when the Group holds a percentage of voting rights between 20% and 50%, or when - even with a lower percentage of voting rights - it has the power to participate in the determination of financial and management policies by virtue of particular legal ties such as, for example, participation in shareholders' agreements together with other forms of significant exercise of governance rights.

Joint arrangements are agreements under which two or more parties have joint control on the basis of a contract. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Such agreements may give rise to joint ventures or joint operations.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement Joint ventures differ from joint operations, which are arrangements that give the parties to the arrangement which have joint control over the initiative, rights over the individual assets and obligations for the individual liabilities relating to the arrangement. In the case of joint operations, it is mandatory to recognize the assets and liabilities, costs and revenues of the arrangement in accordance with the relevant accounting standards. The Group has no joint operation arrangements in place.

Financial instruments

Financial instruments are included in the statement of financial position items described below. Investments and other non-current financial assets include investments in subsidiaries and other non-current financial assets. Current financial assets include trade receivables and cash and cash equivalents. In particular, cash and cash equivalents include bank deposits. Financial liabilities refer to financial payables, including payables for advances on orders, assignment of receivables, as well as other financial liabilities (which include the negative *fair value* of derivative financial instruments), trade payables and other payables.

Non-current financial assets

Non-current financial assets other than equity investments, as well as financial liabilities, are accounted for in accordance with IFRS 9. Loans and receivables not held for trading and assets held with the intention of keeping them in the portfolio until maturity are valued at amortized cost, using the effective interest method. When financial assets do not have a fixed maturity, they are valued at purchase cost. Evaluations are regularly carried out to verify whether there is objective evidence that a financial asset may have been impaired. If there is objective evidence, the impairment loss shall be recognized as an expense in the income statement for the period. With the exception of derivative financial instruments, financial liabilities are stated at amortized cost using the effective interest method.

Trade receivables and payables

Trade receivables are initially recorded at amortized cost, which coincides with the adjusted nominal value, in order to adjust it to the presumed realizable value, by recording a provision for bad debts. This provision for bad debts is commensurate with both the size of the risks relating to specific receivables and the size of the general risk of non-collection impending on all the receivables, prudentially estimated based on past experience and the degree of known financial equilibrium of all debtors.

Trade and other payables are recorded at their nominal value, which is considered representative of the settlement value. Receivables and payables in foreign currencies are aligned with the exchange rates prevailing on the reporting date and gains or losses deriving from conversion are entered in profit or loss.

Receivables assigned as a result of factoring transactions are eliminated from the statement of financial position if the risks and rewards of ownership have been substantially transferred to the assignee, thus constituting a non-recourse assignment. The portion of disposal costs that is certain to be included in the quantum amount is recognized as a financial liability.

Collections received on behalf of the factoring company and not yet transferred, generated by the contractual terms and conditions that provide for the periodic and predetermined transfer, are stated under financial liabilities.

Cash and cash equivalents

The item relating to cash and cash equivalents includes cash, bank current accounts, postal current accounts, deposits repayable on demand and other short-term highly liquid financial investments that are readily convertible into cash and are subject to an insignificant risk of change in value.

Financial payables

Financial liabilities include financial payables, including payables for deferred price parts relating to the assignment of non-recourse receivables, as well as other financial liabilities.

Financial liabilities, other than derivative financial instruments, are initially recorded at market value (fair value) less transaction costs; they are subsequently valued at amortized cost, i.e., at their initial value, net of principal repayments already made, adjusted (upwards or downwards) on the basis of the amortization (using the effective interest method) of any differences between the initial value and the value at maturity.

Inventory

Inventory is recorded at the lower of purchase or production cost and realizable value, represented by the amount that the entity expects to obtain from their sale in the normal course of business. The cost configuration adopted is the weighted average cost. Purchase costs include prices paid to suppliers increased by ancillary costs incurred up to entry into the warehouse, net of discounts and rebates. Production costs include both direct costs of materials and labor and reasonably attributable indirect production costs. In the allocation of production overheads, the normal production capacity of the plants is taken into account for the allocation of the cost of the products.

Provisions are made for the value of inventory determined in this way to take into account inventory considered obsolete or slow-moving.

Inventory also includes production cost relating to returns expected in future periods in connection with deliveries already made, estimated based on the sales value less the average mark-up applied.

Assets and liabilities held for sale

Assets and liabilities held for sale and *discontinued operations* are classified as such if their carrying amount will be recovered principally through sale rather than through continuing use. These conditions are considered to have been met when the sale or discontinuance of the group of assets being disposed of is considered highly probable and the assets and liabilities are immediately available for sale in the conditions in which they are located.

When an entity is involved in a disposal plan that results in a loss of control of an investee, all assets and liabilities of that investee are classified as held for sale when the above conditions are met, even if, after disposal, the entity continues to hold a non-controlling interest in the subsidiary.

Assets held for sale are valued at the lower of their net carrying amount and *fair value* net of selling costs.

Employee benefits

Bonuses paid under defined-contribution plans are recognized in profit or loss for the portion accrued during the year.

Until 31 December 2006, the provision for employee severance indemnities (TFR) was considered a defined benefit plan. The rules governing this fund were amended by Law 296 of 27 December 2006 ("2007 Finance Act") and subsequent Decrees and Regulations issued in early 2007. In light of these changes, and in particular with reference to companies with at least 50 employees, this scheme is now to be considered a defined benefit plan solely for the amounts accrued before 1 January 2007 (and not yet paid at the reporting date), while for the amounts accrued after that date it is similar to a defined contribution plan.

Defined-benefit pension plans, which also include severance indemnities due to employees pursuant to Article 2120 of the Italian Civil Code, are based on the working life of the employees and the remuneration received by the employee during a predetermined period of service. In particular, the liability representing the benefit due to employees under defined benefit plans is recorded in the financial statements at its actuarial value.

The recognition of defined benefit plans requires the actuarial estimation of the amount of benefits accrued by employees in exchange for service rendered in the current and prior periods and the discounting back of such benefits in order to determine the present value of the entity's commitments. The present value of the commitments is determined by an independent actuary using the projected unit credit method. This method considers each period of service provided by employees at the company as an additional unit under law: actuarial liability must therefore be quantified only on the basis of the seniority accrued at the valuation date; therefore, total liability is normally re-proportioned based on the ratio between the years of service accrued at the valuation date of reference and the total seniority achieved at the time envisaged for the payment of the benefit. In addition, the above method provides to consider future salary increases, for whatever reason (inflation, career, contract renewals, etc.), until the time of termination of employment.

The cost of defined-benefit plans accrued during the year and recorded in profit or loss as part of personnel expenses is equal to the sum of the average current value of the rights accrued by the employees present for the work performed during the period, and the annual interest accrued on the present value of the commitments of the entity at the beginning of the period, calculated using the discount rate of future disbursements adopted for the estimate of the liability at the end of the previous period. The annual discount rate adopted for the calculations is assumed to be equal to the market rate at the end of the period for zero coupon bonds with a maturity equal to the average residual duration of the liability.

The amount of actuarial losses and gains deriving from changes in the estimates made is charged to profit or loss.

It should be noted that the valuation of the severance indemnity based on IAS 19 concerned IWB S.p.A., Giordano Vini S.p.A. Enoitalia S.p.A., Barbanera srl e Fossalto srl whose financial statements and reporting packages are respectively drawn up on the basis of IAS / IFRS and did not impact Provinco Italia S.p.A .; the effect on this company is estimated not to be significant.

Salary benefits in the form of equity participation

The Group also remunerates its top management through *stock grant* plans. In such cases, the theoretical benefit attributed to the parties concerned is debited to profit or loss in the years covered by the plan, with a balancing entry in the shareholders' equity reserve. This benefit is quantified by measuring the *fair value* of the assigned instrument at the assignment date using financial valuation techniques, including any market conditions and adjusting the number of rights that are expected to be assigned at each reporting date.

Provisions for future risks and charges

These are provisions arising from current obligations (legal or implicit) and relating to a past event, for the fulfilment of which it is probable that an outlay of resources will be necessary, the amount of which can be reliably estimated. If the expected use of resources goes beyond the next financial year, the obligation is recorded at its present value determined by discounting the expected future cash flows discounted at a rate that also takes into account the cost of money and the risk of the liability.

Provisions are reviewed at each reporting date and, if necessary, adjusted to reflect the best current estimate; any changes in estimate are reflected in profit or loss for the period in which the change occurred.

Risks for which the occurrence of a liability is only possible are mentioned in the notes without making any provision.

Revenue from sales

Revenues are recognized to the extent that it is probable that economic benefits will flow to the entity and the amount can be measured reliably. Revenues are recognized net of discounts, allowances and returns.

Revenues from the *distance selling* division are recognized when the carrier delivers them to the customer. Revenues from the sale of wine, food products and gadgets are recognized as a single item.

The *distance selling* division accepts, for commercial reasons, returns from customers for distance selling under the terms of sale. In relation to this practice, the amounts invoiced at the time of shipment of the goods are adjusted by the amounts for which, even on the basis of historical experience, it can reasonably be expected that at the reporting date not all the significant risks and rewards of ownership of the goods have been transferred. The returns thus determined are stated in profit or loss as a reduction in revenues.

Interest income

Interest income is recorded in profit or loss on an accruals basis according to the effective rate of return method. These mainly refer to bank current accounts.

Public grants

Public grants are recorded when there is a reasonable certainty that they can be received (this moment coincides with the formal resolution of the public bodies granting them) and all the requirements of the conditions for obtaining them have been met.
Revenues from public grants are recognized in profit or loss based on the costs for which they were granted.

Dividends

The distribution of dividends to shareholders, if resolved, generates a debt at the time of approval by the Shareholders' Meeting.

Cost recognition

Selling and marketing expenses are recognized in profit or loss at the time they are incurred or the service is rendered.

Costs for promotional campaigns, mailings or other means are charged at the time of shipment of the material.

Non-capitalizable research and development costs, consisting solely of personnel costs, are expensed in the period in which they are incurred.

Interest charges

Interest expense is recognized on an accruals basis, based on the amount financed and the effective interest rate applicable.

Taxes

Taxes for the period represent the sum of current and deferred taxes.
Current taxes are based on the taxable income for the period. Taxable income differs from the result reported in profit or loss in that it excludes positive and negative components that will be taxable or deductible in other years and also excludes items that will never be taxable or deductible. Current tax liabilities are calculated using the rates in force at the reporting date, or if known, those that will be in force at the time the asset is realized or the liability is extinguished.

Deferred tax assets and liabilities are the taxes that are expected to be paid or recovered on temporary differences between the carrying amount of assets and liabilities in the statement of financial position and the corresponding tax value used in the calculation of taxable income, accounted for using the full liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred tax assets are recognized to the extent that it is probable that there will be taxable results in the future that will allow the use of deductible temporary differences. These assets and liabilities are not recognized if the temporary differences arise from goodwill or the from initial recognition (not in business combination transactions) of other assets or liabilities in transactions that have no influence on either the accounting result or the taxable result. The tax benefit deriving from the carry-forward of tax losses is recognized when and to the extent that it is considered probable that future taxable income will be available against which these losses can be used.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will exist to permit the recovery of all or part of those assets.

Deferred taxes are calculated based on the tax rate that is expected to be in force when the asset is realized or the liability is settled.

Deferred taxes are charged directly to profit or loss, with the exception of those relating to items recognized directly in equity, in which case the related deferred taxes are also charged to equity.

Financial assets measured at fair value through other comprehensive income (FVOCI)

This category includes equity instruments for which the Group - at the time of initial recognition or at the time of transition - has exercised the irrevocable option to present the profits and losses deriving from fair value changes in shareholders' equity (FVOCI). These are classified as non-current assets under "Other financial assets at fair value through other comprehensive income".

These are initially recognized at fair value, including transaction costs directly attributable to the acquisition.
They are subsequently measured at fair value, and gains and losses arising from changes in fair value are recognized in a specific equity reserve. This reserve will not be reflected in profit or loss. In the event of disposal of the financial asset, the amount suspended at equity is reclassified to retained earnings.

Dividends deriving from these financial assets are recorded in profit or loss at the time when the right to collection arises.

Financial assets at fair value through profit or loss (FVPL)

This valuation category comprises:

- equity instruments for which the Group - at the time of initial recognition or at the time of transition - did not exercise an irrevocable option to present the profits and losses deriving from changes in fair value in shareholders' equity. These are classified as non-current assets under "Other financial assets at fair value through profit or loss";
- debt instruments for which the Group's business model for asset management provides for the sale of the instruments and the cash flows associated with the financial asset represent the payment of outstanding capital. These are classified as current assets under "Other financial assets at fair value through profit or loss";
- derivative instruments, with the exception of those designated as hedging instruments, classified under the item "derivative financial instruments".

These are initially recognized at fair value. Transaction costs directly attributable to the acquisition are recognized in profit or loss. They are subsequently measured at fair value, and gains and losses arising from changes in fair value are recognized in profit or loss.

Derivative financial instruments designated as hedging instruments

In line with the provisions of IFRS 9, derivative financial instruments are accounted for in accordance with the procedures established for hedge accounting only when:

- the items covered and the hedging instruments meet the eligibility requirements;
- at the beginning of the hedging relationship, there is a formal designation and documentation of the hedging relationship, the Group's risk management objectives and the strategy for hedging;

- the hedging relationship meets all of the following efficacy requirements:
  - there is an economic relationship between the hedged item and the hedging instrument;
  - the effect of credit risk is not dominant with respect to the changes associated with the hedged risk;
  - the hedge ratio defined in the hedging relationship is met, including through rebalancing actions, and is consistent with the risk management strategy adopted by the Group.

These derivative instruments are measured at *fair value*.

Depending on the type of hedge, the following accounting treatments are applied:

- *Fair value hedge* - if a derivative financial instrument is designated as a hedge of exposure to changes in the fair value of an asset or liability attributable to a particular risk, the gain or loss from subsequent changes in the fair value of the hedging instrument is recognized in profit or loss. The gain or loss on the hedged item, for the part attributable to the hedged risk, modifies the carrying amount of that asset or liability (basis adjustment) and is also recognized in profit or loss;
- *Cash flow hedge* - if a derivative financial instrument is designated as a hedge of the exposure to variability in cash flows of a recognized asset or liability or a highly probable future transaction, the effective portion of the change in fair value of the hedging derivative is recognized directly in equity, while the ineffective portion is recognized immediately in profit or loss. Amounts that have been recognized directly in equity are reclassified to profit or loss in the year in which the hedged item has an effect on profit or loss.

If the hedge of a highly probable future transaction subsequently results in the recognition of a non-financial asset or liability, the amounts that are suspended in equity are included in the initial value of the non-financial asset or liability.

Fair value estimation

The *fair value* of financial instruments listed on an active market is determined on the basis of market prices at the reporting date. The reference market price for financial assets held is the current sale price (purchase price for financial liabilities).

The *fair value* of financial instruments that are not traded on an active market is determined using various valuation techniques and assumptions based on market conditions at the reporting date. For medium and long-term liabilities, the prices of similar listed financial instruments are compared; for the other categories of financial instruments, the cash flows are discounted.

The *fair value* of IRSs is determined by discounting the estimated cash flows deriving from them at the reporting date. For loans, it is assumed that the nominal value, net of any adjustments made to take int account their collectability, approximates the fair value. The fair value of financial liabilities for disclosure purposes is determined by discounting the cash flows from the contract at an interest rate that approximates the market rate at which the entity is financed.

3 Fair value measurement

In relation to financial instruments measured at *fair value*, the classification of these instruments based on the hierarchy of levels provided for by IFRS 13 is shown below, which reflects the significance of the inputs used in determining *fair value*. The following levels can be distinguished:

Level 1 - unadjusted quotations recognized on an active market for the assets or liabilities being measured;

Level 2 - inputs other than the quoted prices mentioned in the previous point, which are observable on the market, either directly (as in the case of prices) or indirectly (i.e., derived from prices);

Level 3 – inputs that are not based on observable market data.

There are no assets or liabilities outstanding that are measured at *fair value* at 30 June 2021.

3.1 Financial risks

The Group is mainly exposed to financial risks, credit risk and liquidity risk.

Risks deriving from exchange rate fluctuations

The Group is subject to the market risk deriving from exchange rate fluctuations, as it operates in an international setting, with transactions carried out in different currencies. Exposure to risk arises both from the geographical distribution of the business and from the various countries in which purchases are made.

Risks deriving from changes in interest rates

Since financial debt is mainly regulated by variable interest rates, it follows that the Group is exposed to the risk of their fluctuation. The trend of interest rates is constantly monitored by the Company and depending on their changes it will be possible to evaluate the opportunity to adequately hedge the interest rate risk. The Group is currently not hedged, considering the insignificant impact on the income statement of interest rate changes.

Derivative financial instruments (for exchange rate hedging) in relation to which it is not possible to identify an active market, are recorded at fair value and are included in the items of financial assets and liabilities and other assets and liabilities. The relative fair value was determined using valuation methods based on market data, in particular by using specific pricing models recognized by the market.

Credit risk

Credit risk is the Group's exposure to potential losses that may result from the failure to meet obligations with counterparts.

The receivables recorded essentially comprise receivables from final consumers for whom the risk of nonrecovery is moderate and in any case of a minimum individual amount. The Company has instruments for the preventive control of the solvency of each customer, as well as instruments for monitoring and reminding of receivables through the analysis of collection flows, payment delays and other statistical parameters.

Receivables from wholesales and the ho.re.ca channel are insured; for shipments to countries with a high risk index, advance payment is required.

Liquidity risk

The Group finances its activities both through the cash flows generated by its operations and through the use of external sources of funding and is therefore exposed to liquidity risk, represented by the fact that its financial resources are not sufficient to meet its financial and commercial obligations in accordance with agreed terms and maturities. The Group's cash flows, borrowing requirements and liquidity are controlled by considering the maturity of financial assets (trade receivables and other financial assets) and the cash flows expected from the related transactions. The Group has both secured and unsecured credit lines, consisting of revocable short-term credit lines in the form of revolving loans, current account overdrafts and signature loans.

Default and covenant risk on debt

This risk arises from the presence in loan agreements of provisions that, if certain events were to occur, would entitle the counterparties to demand that the borrower repay immediately the loaned amounts, thereby generating liquidity risk.

Operational and management risks

The Group neither manages nor owns vineyards and purchases the raw materials necessary for the production of wines (grapes, must and bulk wine) directly from third-party producers. The market trend of these raw materials, which are natural products, largely depends on the results of the harvests, which in turn are influenced, in quantitative and qualitative terms, by climatic, phytopathological or polluting factors. Although the Group has adopted a flexible purchasing system based on the purchase of raw materials from year to year in the main Italian wine-making regions according to harvest trends and has developed consolidated relationships with suppliers, it cannot be excluded that particularly poor harvests may lead to a significant increase in the prices of raw materials or make it more difficult to obtain grapes, musts and bulk wine in the quantities and qualities needed to sustain customer demand. Moreover, the Group's catalogue is mainly composed of DOC, DOCG and IGT wines and the negative trend in harvests could affect the Group's ability to continue to maintain a basket of products centered on wines with these characteristics. These circumstances could have a negative effect on the Group's economic and financial situation.

4. Accounting principles

4.1 Accounting standards adopted

Pursuant to IAS 8 "Accounting standards, changes in accounting estimates and errors", the approved IFRS accounting standards which came into force from 1 January 2023 and the related interpretations are indicated below:

- **Amendments to IAS 1 - Presentation of financial statements and IFRS Practice Statement 2: Disclosure on accounting standards**

These amendments provide guidance for applying materiality judgments to accounting policy disclosures so that they are more useful; in particular:

• the obligation to indicate "significant" accounting principles has been replaced with the obligation to indicate "significant" ones;

• guidance has been added on how to apply the concept of materiality to disclosures on accounting standards.

In assessing the relevance of accounting disclosures, entities must consider both the size of the transactions, other events or conditions and their nature.

• **Amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors**

These amendments introduce a new definition of “accounting estimates,” distinguishing them more clearly from accounting policies, and provide guidance for determining whether changes should be treated as changes in estimates, changes in accounting principles or errors.

• **Amendments to IAS 12 Income taxes – deferred and prepaid taxes arising from a single transaction**

These changes eliminate the possibility of not recognizing deferred taxes at the time of initial recognition of transactions that give rise to taxable and deductible temporary differences (e.g. leasing contracts).

With respect to leasing contracts, these amendments also clarify that, where leasing payments are deductible for tax purposes, it is a matter of judgment (after considering the applicable tax law) whether such deductions are attributable for tax purposes to the liability for leasing recorded in the balance sheet or the related right of use. If tax deductions are attributed to the right of use, the tax values of the right of use and the lease liability are equal to their carrying values, and no temporary differences arise upon initial recognition. However, if the tax deductions are attributed to the leasing liability, the tax values of the right of use and the leasing liability are nil, giving rise to taxable and deductible temporary differences, respectively. Even if the gross temporary differences are equal, a deferred tax liability and asset must still be recognized.

• IFRS 17 – Insurance contracts and Amendments to IFRS 17 – First-time application of IFRS 17 and IFRS 9 Comparative information

IFRS 17, which replaces IFRS 4 "Insurance Contracts", defines the accounting of insurance contracts issued and reinsurance contracts held.

The amendments make it possible to overcome the one-off classification differences of the comparative information of the previous year at the time of the first application of IFRS 17 and IFRS 9 Financial Instruments. The optional classification overlay introduced by this amendment allows the comparative information presented at the time of first application of IFRS 17 and IFRS 9 to be made more useful.

• Amendments to IAS 12 Income Taxes: International Tax Reform – Pillar Two Model Rules

These changes provide a temporary exemption to the accounting for deferred taxes resulting from the Organization for Economic Co-operation and Development's (OECD) international tax reform. The OECD published Pillar Two model rules in December 2021 to ensure that large multinational companies are subject to a minimum tax rate of 15%.

The changes include:

- a temporary exception to the accounting of deferred taxes and related disclosure arising from jurisdictions that apply global tax rules. This will help ensure consistency of budgets, while facilitating the implementation of the rules; And
- the publication of disclosures aimed at helping investors better understand a company's exposure to income taxes resulting from the reform, in particular before the entry into force of the legislation implementing the rules.

These changes came into force from 1 January 2023 and no disclosures are required in the interim financial statements.

The Group Financial Statements as at 30 June 2023 make use of the temporary exception mentioned above. The information requested, the determination of which is still underway, will be provided in the Group Financial Statements as at 31 December 2023

Furthermore, it should be noted that income taxes are recognized on the basis of the best estimate of the weighted average rate expected for the entire financial year, adjusted to include any non-recurring items in the reference period, in line with the indications provided by IAS 34 for the preparation of interim financial statements..

4.2 International accounting standards and/or interpretations issued but not yet entered into force in the first half of 2023

As required by IAS 8 "Accounting standards, changes in accounting estimates and errors", the new Standards or Interpretations already issued, but not yet entered into force or not yet endorsed by the European Union as of 30 June 202 and therefore not applicable, and the foreseeable impacts on the Consolidated Financial Statements.
None of these Principles and Interpretations have been adopted by the Group in advance.

• **Amendments to IAS 1 - Presentation of financial statements - Classification of liabilities as current or non-current**

The amendments clarify the criteria that must be applied for the classification of liabilities as current or non-current and specify that the classification of a liability is not influenced by the probability that the settlement of the liability is postponed for twelve months following the reference financial year. The Group's intention to liquidate in the short term has no impact on the classification. These changes, which are scheduled to come into force on 1 January 2024, have not yet been approved by the European Union. No impacts on the classification of financial liabilities are expected following these changes.

• Amendments to IAS 1 - Presentation of financial statements - non-current liabilities with covenants

These amendments specify that the covenants to be respected after the balance sheet date do not affect the classification of the debt as current or non-current at the balance sheet date. The amendments instead require the company to provide information on these covenants in the notes to the financial statements.
These changes, which will come into force on 1 January 2024, have not yet been approved by the European Union. No impacts are expected on the classification of financial liabilities and in terms of disclosure following these changes.

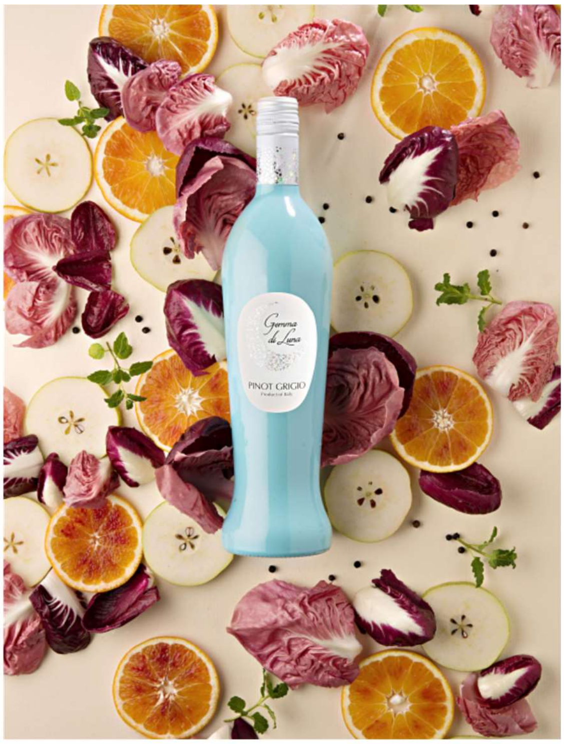
• Amendments to IFRS 16 Leases: Lease liabilities in a sale and leaseback transaction

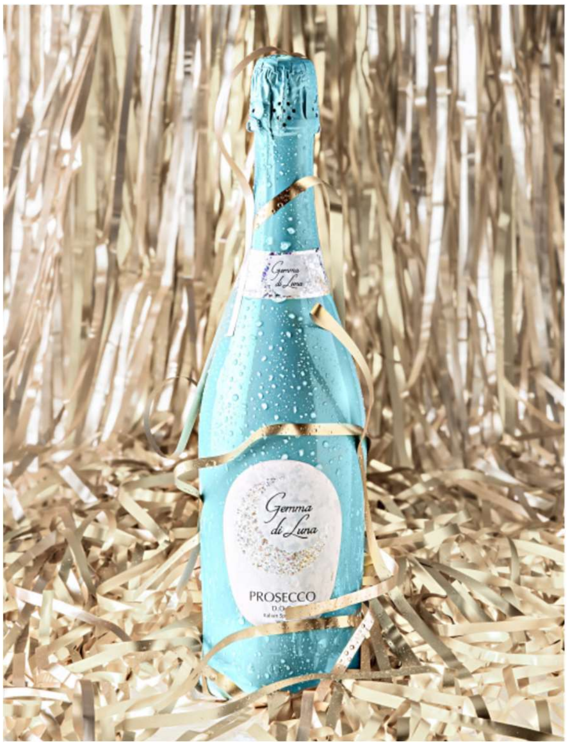
These changes specify the requirements for accounting for a sale and leaseback after the transaction date.
In particular, in the subsequent measurement of the liability arising from the leasing contract, the seller-lessee determines the "lease payments" and the "revised leasing payments" in such a way as not to recognize profits or losses that relate to the retained right of use .
These changes, which will come into force on 1 January 2024, have not yet been approved by the European Union. No impacts on the Group financial statements are expected as a result of these changes.

• **Amendments to IAS 7 Cash flow statement and IFRS 7 Financial instruments: Disclosures – Supplier Finance arragements**

These amendments introduce new disclosure requirements to improve the transparency of the information provided in relation to supplier financing agreements, in particular regarding the effects of such agreements on the entity's liabilities, cash flows and exposure to liquidity risk.

These changes, which will come into force on 1 January 2024, have not yet been approved by the European Union. The impacts on the disclosures of the Group Financial Statements following these changes are currently being analysed.





Notes

5. Intangible fixed assets

Intangible assets almost entirely refer to the brands owned by the Group. The movement is shown below:

€thousand

INTANGIBLE FIXED ASSETS Net carrying amount							
Net carrying amount	**01.01.2023**	**increases**	**decreases**	**amortizations**	**reclassification**	**increases from business combination**	**30.06.2023**
Trademarks & patents	32.427	14	-	(151)	-	-	32.291
Software	1.872	191	-	(512)	12	-	1.562
Set-up costs	10	-	-	(1)	-	-	9
Other intangibles assets	4.467	1.169	-	(1.057)	190	-	4.768
Intangible assets under construction and ad	245	356	-	-	(202)	-	399
Net carrying amount intangible assets	**39.021**	**1.729**	**-**	**(1.722)**	**-**	**-**	**39.028**

The trademarks and patents item indicated is represented by (i) the Giordano Vini brand, made up of the value that emerged from the merger of Ferdinando Giordano S.p.A. in Giordano Vini S.p.A (formerly Alpha S.r.l.) carried out in previous years (ii) by the brands owned by Provinco Italia S.p.A. for Euro 8,586 thousand valued when the acquisition price was allocated pursuant to IFRS 3.

It should be noted that the aforementioned brands are identified as having an indefinite useful life and, consequently, they are not subject to amortization but to an annual impairment test in the same way as goodwill. The booking value is unchanged compared to that of the consolidated Annual Financial Report as at 31 December 2022, in line with what was done for the purposes of goodwill for which please refer to the following paragraph.

The increases for the 2023 financial year relate to:

(i) for 1,636 thousand euros for the development of the following computerization processes which concerned the company Giordano Vini S.p.A.:

• website implementation activities and start-up of operations in new countries

• development of the customer base through targeted acquisition through successful marketing campaigns (“CPA”);

• SW development

(ii) For euro 24 thousand to Enoitalia SpA for the registration of new trademarks

6. Goodwill

The overall goodwill - equal to Euro 215,969 thousand - results from the following business combinations: Provinco Italia S.p.A. for Euro 11,289 thousand; Giordano vini S.p.A. for Euro 44,166 thousand;; Raphael Dal Bo AG for Euro 12,854; Enoitalia SpA for Euro 112,776 thousand, Enovation Brands Inc. for Euro 17,061 and Barbanera Srl and Fossalto srl for a total of Euro 17,823 thousand.

The amount relating to Barbanera s.r.l. and Fossalto s.r.l. increased by Euro 1,226 thousand compared to what was recorded in the financial statements as at 31 December 2022 as a result of a detailed evaluation of the raw materials warehouse which revealed that some types of wine, acquired by the company in the period 2018-2021 were not aligned with the fair value at the acquisition date.

The different evaluation is essentially attributable to the natural evolution of the product which may be attributable to the impossibility of storing it in a suitable manner due to the absence of tanks with a capacity compatible with the existing inventories.

These different factors detected compared to those expected constitute new information learned on facts and circumstances existing at the acquisition date which, if known, would have influenced the measurement of the amounts recognized on that date.

As of June 30, 2023, goodwill and intangible assets with an indefinite useful life were subjected to impairment testing, which consists in estimating the recoverable value of the CGUs, made up of the subsidiaries, and comparing them with the net book value of the related assets. , including goodwill pursuant to IAS 36

The value in use corresponds to the present value of the future financial flows that are expected to be associated with the assets subject to impairment, using a rate that reflects the specific risks of the individual CGUs at the measurement date.

The key assumptions used by management are estimates of future increases in sales, operating cash flows, the growth rate of terminal values and the weighted average cost of capital (discount rate).

At 30 June 2023, the recoverable value of the cash flow generating unit was subjected to impairment testing in order to verify the existence of any losses in value, through the comparison between the book value of the unit (including goodwill , of intangible assets with a defined useful life and of other net operating assets) and the value in use, or the present value of the expected future financial flows that are supposed to derive from the continuous use and possible disposal of the same at the end of its life useful.

The value in use was determined by discounting the cash flows consistently with the economic and financial forecasts prepared by the Companies. In order to determine the value in use of the CGU, the discounted financial flows of the 5 years of explicit projection are considered added to a terminal value, to determine which the criterion of discounting the perpetual income was used.

These plans were drawn up both by reflecting the past experience of the companies and by appropriately evaluating the current economic situation of reference. The assumptions made in forecasting cash flows in the explicit projection period were made on prudential assumptions.

The discount rate (WACC, weighted average cost of capital) applied to prospective cash flows, revised to take into account the evolution of rates and the geographical composition of revenues, is equal to 6,6% post tax, calculated taking into account the sector in which the company operates, the markets in which the product is unlocked, the fully operational debt structure and the current economic situation.

For the cash flows relating to the years following the explicit projection period, a g rate of 2 was assumed.

Consistently with the requirements of IAS 36, a sensitivity analysis was carried out to verify whether a reasonably possible change in a basic assumption on which the Management based the determination of the recoverable value of the CGU could cause the book value of the CGU itself exceeds the recoverable value.

At 30 June 2023, no losses in value emerged between the book value and the related value in use (determined according to the Discounted Cash Flow methodology).

7. Land, property, plant and equipment

The change in tangible fixed assets is shown below:

€thousand

PROPERTY, PLANT AND EQUIPMENT Gross Value						
Hystorical costs	**01.01.2023**	**increases**	**decreases**	**reclassification/other changes**	**increases from business combination**	**30.06.2023**
Land and buildings	40.198	327	-	-	-	40.525
Plant and equipments	55.385	818	(50)	344	-	56.496
Equipment	21.579	11	-	-	-	21.590
Other	7.736	15	(7)	(4)	-	7.741
Tangible assets under construction and	1.101	1.273	(83)	(344)	-	1.946
Right of use assets	29.887	-	-	(3.268)	-	26.620
Total hystorical costs	**155.885**	**2.443**	**(140)**	**(3.271)**	**-**	**154.917**

PROPERTY, PLANT AND EQUIPMENT Accumulated depreciation						
Accumulated depreciation	**01.01.2023**	**amortizations**	**decreases**	**other changes**	**increases from business combination**	**30.06.2023**
Land and buildings	(11.399)	(379)	-	-	-	(11.779)
Plant and equipments	(39.766)	(1.314)	30	0	-	(41.050)
Equipment	(15.525)	(458)	-	-	-	(15.983)
Other	(7.176)	(97)	5	4	-	(7.265)
Tangible assets under construction and	0	0	-	-	-	0
Right of use assets	(12.178)	(1.537)	-	3.254	-	(10.461)
total accumulated depretiation	**(86.045)**	**(3.785)**	**35**	**3.257**	**-**	**(86.538)**

PROPERTY, PLANT AND EQUIPMENT Net Value						
Net Value	**01.01.2023**	**increases**	**decreases**	**amortizations**	**other changes**	**30.06.2023**
Land and buildings	28.798	327	-	(379)	-	28.746
Plant and equipments	15.618	818	(20)	(1.314)	344	15.446
Equipment	6.054	11	-	(458)	-	5.607
Other	560	15	(2)	(97)	(0)	476
Tangible assets under construction and	1.101	1.273	(83)	0	(344)	1.946
Right of use assets	17.709	-	-	(1.537)	(14)	16.159
Total Net Value	**69.840**	**2.443**	**(105)**	**(3.785)**	**(14)**	**68.380**

The most significant increase from the point of view of actual acquisitions concerns the items:

- For Euro 945 thousand relating to investments in automation and efficiency improvement of the Giordano production plants relating in particular to (i) new cellar layout (ii) bottling plant (iii) labeling machine

- For Euro 1,246 thousand the Enoitalia photovoltaic system

- For 64 thousand euros relating to infrastructure for the new autoclaves

8. Equity investments

The Equity investments item is detailed as follows:

Amounts in Euro

	Country	30.06.2023	31.12.2022
Other companies			
BCC di Alba e Roero	Italy	258	258
Consorzio Conai	Italy	675	675
Unione Italiana Vini Scarl	Italy	516	516
Consorzio Natura è Puglia	Italy	500	500
Consorzio Granda Energia	Italy	517	517
Banca Alpi Marittime C.C. Carrù Scpa	Italy	293	293
Banca Valdichiana	Italy	1.100	1.100
Banca Tema	Italy	1.250	1.250
Total		**5.109**	**5.109**

9. Other non current activities

Euro 178 thousand refers to the IRAP credit in relation to the cost of labor pursuant to Legislative Decree no. 201 of 2011 and Euro 253 for security deposits.

10. Deferred Taxes

Deferred taxation, both active and passive, arises from the following temporary differences:

Amounts at 30 June 2023

Euro thousand

Description	Tax base	Tax rate	Balance
Tangible and intangible fixed assets	376	27,90%	105
Provision for risks and charges	5.054	24,00%	1.213
Provisions for returs and inventory write down	1.404	27,90%	392
Provision for bads debts	3.369	24,00%	808
Remuneration of directors	183	24,00%	44
Exchange rate adjustment	78	24,00%	19
Provision for pensions	255	27,90%	71
Others	151	24,00%	36
Total Deferred tax assets			**2.687**

Description	Tax base	Tax rate	Balance
Business combination/Goodwill	25.446	27,90%	7.099
Tangible and intangible fixed assets	9.186	27,90%	2.563
Exchange rate adjustment	56	24,00%	13
Total Provision for deferred taxes			**9.676**

Amounts at 31 december 2022 Restated

Euro thousand

Description	Tax base	Tax rate	Balance
Tangible and intangible fixed assets	376	27,90%	105
Provision for risks and charges	1.767	24,00%	424
Provisions for returs and inventory write down	1.381	27,90%	385
Provision for bads debts	2.827	24,00%	678
Remuneration of directors	500	24,00%	120
Exchange rate adjustment	310	24,00%	74
Provision for pensions	456	27,90%	127
Others	154	24,00%	37
Total Deferred tax assets			**1.951**

Description			
Business combination/Goodwill	25.708	27,90%	7.173
Tangible and intangible fixed assets	8.109	27,90%	2.262
Total Provision for deferred taxes			**9.435**

11. Inventories

The composition is shown below:

€thousand

	30.06.2023	Restated 31.12.2022
Raw materials and consumables	11.827	10.105
Semi- finished products	53.395	56.291
Finished products	32.971	29.963
Advances	6.593	4.843
Total	**104.786**	**101.202**

Individual entries include:

- the components for the production of bottles (glass, caps and labels), packaging, wine products (raw materials);

- foodstuffs, bulk and bottled wine, liqueurs (semi-finished);

- packaging and gadgets (finished products).

The increase compared to 2022 is determined by seasonality which implies an increase in stocks in the first part of the year to serve the main sales campaigns concentrated in the second half of the year as well as the evolution of the advance payments necessary to secure the best selections of the new harvest.

The book value of inventories is shown net of a write-down provision of 3,019 thousand, the movements of which in the period are shown below

€thousand

Provision at 01.01.2023	**3.035**
Provisions	0
Increase from business combination	0
Amount used	(16)
Provision at the end of the period	**3.019**

The uses mainly refer to the disposal of food products that have reached their expiry date and platforms. The increase, compared to 12/31/22, is determined by the revision of the fair value of the Barbanera warehouse.

12.Trade receivables

Trade receivables as of 30 June 2023 and 31 December 2022 are detailed below:

€thousand

	30.06.2023	31.12.2022
Trade receivables	52.422	65.416
Provision for writedown	(4.599)	(3.816)
Total	**47.824**	**61.599**

During the 2023 financial year, the provision for bad debts had the following movements:

€thousand

	30.06.2023
Provision at 01.01.2023	**3.816**
Provisions	828
Increase from business combination	0
Amount used	(45)
Provision at the end of the period	**4.599**

The provisions were made based on the estimate of the presumed realizable value of the receivables, also in light of the possible risks of total or partial uncollectability of the same and according to economic-statistical criteria, in compliance with the principle of prudence. Furthermore, the funds are deducted for accounting purposes, in a flat-rate and indistinct manner, from the total of the item.

Specifically, for the write-down of receivables relating to the "distance selling" division, the Group applies a simplified approach, calculating the expected losses over the entire life of the receivables starting from the moment of initial recognition. The Group uses a matrix based on historical experience and linked to the aging of the credits themselves, adjusted to take into account forecast factors specific to some creditors.

The credits of the Wholesales and Ho.re.ca divisions are covered by insurance

There are no credits with a contractual duration exceeding 5 years.

13 Other current assets

The other activities at 30 June 2023 and 31 December 2022 are detailed as per the following table:

€thousand

	30.06.2023	31.12.2022
Receivables from distributors for cash on deliv	0	0
Security deposits	440	453
Others	2.311	4.691
Advances to suppliers	224	371
Accruals and prepayments	1.216	568
Total	**4.192**	**6.083**

The item others mainly includes receivables from factors (Enoitalia) amounting to €2,102 thousand.

14 Current tax assets

I crediti tributari al 30 giugno 2023 e al 31 dicembre 2022 sono dettagliati come da tabella seguente:

€thousand

	30.06.2023	31.12.2022
VAT receivables	1.822	1.620
IRAP receivables	0	0
IRES receivables	0	0
Tax Credit	856	1.814
Others	69	60
Total	**2.747**	**3.493**

The increase in VAT credits mainly relates to the company Giordano Vini; optimization is expected in the second half of the year with more targeted management of declarations of intent.

With effect from the 2016 financial year, the Parent Company (together with the subsidiaries Giordano Vini S.p.A. and Provinco Italia S.p.A.) opted for the IRES national tax consolidation regime, the effects of which are also reported in the economic and financial results as of 31 December 2022.

Participation in the tax consolidation is governed by specific regulations which are in force for the entire period of validity of the option.

In summary, the economic relationships of the tax consolidation are defined as follows:

- in relation to financial years with positive taxable income, the subsidiary companies pay to the Consolidating Company the greater tax owed to the Treasury by the latter;

- consolidated companies with negative taxable income receive compensation from the Parent Company corresponding to 100% of the tax savings achieved at Group level accounted for on an accrual basis. The compensation is instead paid only when it is actually used by the Parent Company, for itself and/or for other Group companies;

- in the event that the Parent Company and its subsidiaries do not renew the option for the national consolidation, or in the event that the requirements for the continuation of the national consolidation cease to exist before the three-year period of validity of the option, the tax losses reportable resulting from the declaration are attributed to the consolidating company or body.

Enoitalia SpA will become part of the Group consolidation starting from the tax return as of 31 December 2022

15. Cash and cash equivalents

Liquid assets at 30 June 2023 and 31 December 2022 are detailed as per the following table:

€thousand

	30.06.2023	31.12.2022
Bank deposits	47.026	59.779
Postal deposits	1.055	1.229
Cheques	0	18
Cash	19	23
Total	**48.100**	**61.049**

16 Shareholders' equity

Il patrimonio netto della società è costituito come segue:

Amounts in EUR

	30.06.2023	31.12.2022
Share capital	1.124.468	1.124.468
Legal reserve	209.253	209.253
Share premium reserve	136.137.072	136.137.072
Reserve for actuarial gains on defined benefit plans	(22.659)	(22.659)
Reserve for stock grants	65.947	65.947
Reserve for translate	190.824	214.032
Reserve for the purchase of treasury shares	(258.760)	(258.760)
Other reserves	9.709.660	5.976.062
Prior profits/(losses)	46.203.906	38.992.842
Profit/(loss) of the period	4.574.591	11.242.499
Total reserves	**196.809.833**	**192.556.287**
Total Group shareholders' equity	**197.934.301**	**193.680.755**
Shareholders' equity of NCIs	(328.229)	(366.135)
Total shareholders' equity	**197.606.073**	**193.314.619**

Share capital

As of 30 June 2023, the share capital of Italian Wine Brands is equal to Euro 1,124,468 divided into no. 9,459,983 ordinary shares, all without indication of par value.

• The Extraordinary Shareholders' Meeting of Italian Wine Brands S.p.A. held on second call on 26 July 2021, approved the proposal to increase the share capital by payment and indivisibly, for the total amount of Euro 45,500,000.00 (of which Euro 166,412.10 as capital and Euro 45,333,587.90 as a surcharge). The Reserved Capital Increase involves the issuance of a total of no. 1,400,000 new ordinary shares of the Company, without nominal value, at the unit subscription price of Euro 32.50 (including premium), with exclusion of the option right pursuant to article 2441, paragraph 5 of the Civil Code, from reserve for subscription to Gruppo Pizzolo S.r.l. and released in cash also through compensation.

The Reserved Capital Increase is part of an investment operation by IWB, which involves the acquisition by the Company of the entire share capital of Enoitalia S.p.A. (“Enoitalia”) and the reinvestment of Gruppo Pizzolo, majority shareholder of Enoitalia, in the share capital of IWB through the subscription and release in cash, also through compensation, of the Reserved Capital Increase

The acquisition transaction was completed on July 27, 2021.

• The Extraordinary Shareholders' Meeting of Italian Wine Brands S.p.A. held on second call on 16 December 2022, approved the new proposal to increase the subscribed and paid-up share capital following the execution of the paid and indivisible share capital increase, for the total amount of Euro 26,316,240, 00 (of which Euro 78,203.00 as capital and Euro 26,238,037.00 as share premium) through the issue of a total of no. 657,906 new ordinary shares of the Company (ISIN: IT0005075764), without par value, at the unit subscription price of Euro 40.00 (including premium), with exclusion of the option right pursuant to art. 2441, paragraph 5 of the Civil Code, reserved for subscription to Holding Marco Barbanera S.r.l. (“HMB”) and Holding Paolo Barbanera S.r.l. (“HPB”).

The Reserved Capital Increase is part of the IWB investment operation announced on 22 November 2022 and completed on 22 December 2022, which envisaged: (i) the acquisition by the Company of the entire share capital of Barbanera S.r.l. (“Barbanera”) and Fossalto S.r.l. (“Fossalto”, together with Barbanera the “Target”), (ii) the reinvestment of HPB and HMB, shareholders of the Targets, in the share capital of IWB through the subscription and release in cash, also through compensation, of the Capital Increase Reserved.

The certification of the execution of the Reserved Capital Increase pursuant to art. 2444 of the Civil Code was filed with the Company Register of Milan Monza Brianza Lodi on 22 December 2022.

Reserves

The share premium reserve was generated by the listing operation, which took place in 2015 and increased in 2021 and 2022 as a result of the capital increases as described in the previous paragraph.

The reserve for defined benefit plans is generated by the actuarial profits/(losses) deriving from the valuation of severance pay pursuant to IAS 19 accumulated.

The other reserves consist of Euro 3,112 thousand of the reserve for "under common control" operations generated by the first consolidation which took place during the first half of 2015 of the company Giordano Vini S.p.A., net of a negative reserve of Euro 498 thousand generated by the direct accounting to equity, pursuant to IAS 32 of the charges incurred by the parent company in relation to the aforementioned capital transactions net of the related deferred taxation.

As of June 30, 2023, the Parent Company holds n. holds no. 10,681 ordinary shares, representing 0.11% of the ordinary share capital.

Minority interests refer to the minority interests in Enovation Brands Inc held respectively by Giovanni Pecora (10%) and Alberto Pecora (5%)

The reconciliation statement between the equity and results of the parent company and the consolidated ones is shown below:

Amounts in EUR	**30.06.2023**	
	Profit/(loss) for the period	Shareholders' equity
Shareholders' equity IWB SpA - IFRS standards	**9.669.843**	**182.924.005**
Elimination of carrying amount of consolidated equity investments:		
Carrying amount of consolidated equity investments		(262.586.202)
Pro-quota share of consolidated equity investments net of consolidation differences	9.621.076	278.005.531
Dividends from subsidiaries	(14.766.019)	-
Consolidation adjustments for transactions between consolidated companies	49.690	(409.033)
Group shareholders' equity and profit/(loss) for the period	**4.574.591**	**197.934.301**
Third parties	37.903	(328.229)
Consolidated shareholders' equity and profit/(loss)	**4.612.494**	**197.606.073**

17. Financial liabilities

The situation as of 30 June 2023 is as follows

€thousand				30.06.2023
	Short term	Medium/long term (within 5 years)	Long term (over 5 years)	Total
Bond	**-**	**129.493**	**-**	**129.493**
Short-term unsecured loans	27.965	-	-	27.965
Revolving loans	15.500	-	-	15.500
Other loans in addition to e.g. unsecured loa	878	8.339	-	9.217
Financial accrued expenses and charges to b	439	-	-	439
Total Banks	**44.782**	**8.339**	**-**	**53.121**
Payables to factoring companies	-	-	-	-
Deferred price acquisitions	-	4.462	-	4.462
Other financial loans	-	642	-	642
Total other lenders	**-**	**5.104**	**-**	**5.104**
Total	**44.782**	**142.936**	**-**	**187.718**

The situation of the Group's financial debts as of 31 December 2022 is shown below for comparison

€thousand				31.12.2022
	Short term	Medium/long term (within 5 years)	Long term (over 5 years)	Total
Bond	**-**	**131.018**	**-**	**131.018**
Short-term unsecured loans	14.280	-	-	14.280
Revolving loans	23.500	-	-	23.500
Other loans in addition to e.g. unsecured loa	878	12.947	-	13.825
Financial accrued expenses and charges to b	170	-	-	170
Total Banks	**38.828**	**12.947**	**-**	**51.774**
Payables to factoring companies	0	-	-	0
Deferred price acquisitions	-	7.621	-	7.621
Other financial loans	-	807	-	807
Total other lenders	**0**	**8.428**	**-**	**8.428**
Total	**38.828**	**152.393**	**-**	**191.221**

The following table shows changes in financial liabilities

€thousand

	31.12.2022	Disbursements / Other changes	Refunds / Other changes	Fair value adjustment	Operating costs/expenses	30.06.2023
Bond	**131.018**	**1.724**	**(3.250)**			**129.493**
Short-term unsecured loans	14.280	13.685				27.965
Revolving loans	23.500		(8.000)			15.500
Other loans in addition to e.g. unsecured loa	13.825		(4.608)			9.217
Financial accrued expenses and charges to b	170	439	(170)			439
Total Banks	**51.774**	**14.124**	**(12.777)**	**-**	**-**	**53.122**
Payables to factoring companies	0		(0)			-
Deferred price acquisitions	7.621		(3.159)			4.462
Other financial loans	807		(165)			642
Total other lenders	**8.428**	**-**	**(3.325)**	**-**	**-**	**5.104**
Total	**191.221**	**15.848**	**(19.352)**	**-**	**-**	**187.718**

The bank debt as of June 30, 2023 consists of the following loans:

• Senior, non-convertible, non-subordinated and unsecured bond loan of Euro 130 million issued by Italian Wine Brands S.p.A. on 13 May 2021 with a duration of 6 years (maturity 13 May 2027), bullet repayment, annual fixed rate of 2.50%, annual interest. The bond loan is listed on the MOT market managed by Borsa Italiana and on the Irish Stock Exchange managed by Euronext Dublin.

• Revolving" medium-term loan signed on 30 July 2021 with BPM and with the Group companies as beneficiaries on the date of signing. As of 30 June 2023, the loan has been used for Euro 10.5 million by the subsidiary Giordano Vini S.p.A. The loans have a quarterly maturity and a rate equal to the 3-month Euribor (zero floor) increased by a spread of 1.3%. Maximum duration 36 months.

• Short-term financing so-called "hot money" granted by Banca d'Alba to the subsidiary Giordano Vini S.p.A. with credit opening in current account for Euro 1.5 million, to be renewed quarterly with a rate equal to 3-month Euribor increased by a spread equal to 1.75%.

• Revolving loan granted by Banca d'Alba to the subsidiary Giordano Vini S.p.A for Euro 1.5 million, to be renewed quarterly with a rate of 3.8%.

• Medium-term loan granted on 28 February 2022 by Intesa San Paolo to the subsidiary Giordano Vini S.p.A. for an amount of €2 million, repayable in quarterly installments and scheduled for repayment on 28 February 2027, at a rate equal to the 3-month/360 Euribor plus a spread of 1.45%. The residual debt at 30 June 2023 valued using the amortized cost method amounts to Euro 1.5 million.

• Medium-term loan disbursed on 26 February 2021 by Credit Agricole to the subsidiary Giordano Vini S.p.A., for an amount of 2.4 million repayable in quarterly installments and repayment scheduled for 26 February 2026, at a rate equal to the 3-month Euribor /360 PREV AVERAGE plus a spread of 1.00%. The residual debt at 30 June 2023 valued using the amortized cost method amounts to Euro 1.33 million.

An IRS-OTC derivative contract was stipulated for the aforementioned loan to cover the interest rate risk for the entire duration of the loan; this contract provides for an exchange of flows between the Company and Credit Agricole defined on the basis of the residual amount of the underlying loan in each given period; the Mark to Model value of the derivative is positive by Euro 74 thousand.

• "Revolving" short-term loan disbursed on 05 April 2023 to the subsidiary Giordano Vini S.p.A. from Crédit Agricole for an amount of Euro 3 million, with a quarterly maturity and a rate equal to the 3M Euribor on the day of activation (with adjustment of the parameter every 30 days) increased by a spread of 1%.

• "Revolving" short-term loan disbursed on 12 April 2023 to the subsidiary Giordano Vini S.p.A. from Crédit Agricole for an amount of Euro 2 million, with a quarterly maturity and a rate equal to the 3M Euribor on the day of activation (with adjustment of the parameter every 30 days) increased by a spread of 1%.

• Medium-term loan disbursed on 04 October 2022 by Credito Emiliano to Giordano for an amount equal to 1.5 million repayable in monthly installments and scheduled repayment on 04 April 2024, at a rate equal to the 3-month/360 Euribor increased by a spread of 0.95%. The residual debt at 06/30/2023 valued with the amortized cost method amounts to Euro 0.8 million

• 2 Loans for a total of Euro 969 thousand granted to Giordano S.p.A. from Simest on development projects:

- ➢ 800 thousand disbursed on 01/28/2022 to be repaid by 12/31/2028 with a pre-amortization period of 36 months and a rate of 0.55%
- ➢ 169 thousand disbursed on 04/06/2022 to be repaid by 12/10/2025 with a pre-amortization period of 12 months and a rate of 0.055% (residual debt at 06/30/2023 Euro 140 thousand).

• Unsecured loan term granted on 30 November 2020 by Intesa San Paolo to the subsidiary Provinco Italia S.p.A. for an amount of Euro 3 million repayable in deferred quarterly installments and repayment scheduled for 30 November 2023, at a rate equal to the 3-month Euribor plus a spread of 2.00%. The residual debt at 30 June 2023 amounts to Euro 0.5 million.

• Unsecured mortgage contracted on 20 September 2021 by Provinco Italia S.p.A. with Emilian Credit of Euro 1.5 million repayable with deferred quarterly installments and repayment scheduled for 20 September 2024 at a fixed rate of 0.8% per annum. The residual debt at 30 June 2023 is equal to Euro 631 thousand.

• Unsecured mortgage contracted on 29 June 2022 by Provinco Italia S.p.A. with Unicredit for an amount of Euro 5.0 million repayable with deferred quarterly installments and a total duration of 36 months supported by an EIB guarantee. The rate is equal to the 3-month Euribor plus a spread of 1.4%. The residual debt at 30 June 2023 is equal to Euro 3.3 million. The resolution includes the availability of a Revolving line equal to Euro 5.0 million with a duration of 36 months which as of 30 June 2023 has not yet been used.

• Short-term financing, contracted by Provinco Italia S.p.A. with Credito Emiliano S.p.A. on 5 October 2022 for an amount of Euro 2 million. Interest rate equal to the 1-month Euribor increased by a spread of 0.7%. Duration: maximum 1 year, with quarterly renewal. Refund method: at any time, without penalties for the customer. The residual debt at 30 June is equal to Euro 2 million.

• Short-term financing “DB PMI trade flow”, contracted by Provinco Italia S.p.A. with Deutsche Bank S.p.A. for an amount of Euro 8 million, interest rate equal to the 3-month Euribor increased by a spread equal to 0.8% (CDF equal to 0.7%). Repayment scheduled for 14 October 2023. The residual debt at 30 June 2023 is equal to Euro 8 million.

• Short-term financing, contracted by Provinco Italia S.p.A. with Intesa San Paolo S.p.A. for an amount of Euro 5 million, interest rate equal to the 3-month/360 Euribor increased by a spread equal to 1.9%. Expiry upon revocation. The residual debt at 30 June 2023 is equal to Euro 4 million.

• Loan for a total of Euro 63 thousand granted to Provinco Italia S.p.A. from Simest on development projects, to be repaid by 11/19/2025 at a rate of 0.55% (residual at 06/30/2023 Euro 53 thousand).

• Short-term SBF financing, for a total of €5.0 million granted to Enoitalia S.p.A by various institutions at an average rate equal to the 3-month Euribor plus an average spread equal to 1%.

• “Revolving” short-term loan disbursed on 5 October 2022 to the subsidiary Enoitalia S.p.A. from Crédit Agricole for an amount of Euro 5 million, with a quarterly maturity and a rate equal to the 1M Euribor on the day of activation (with adjustment of the parameter every 30 days) increased by a spread of 1%.

• Cancellation line granted by Credito Emiliano to Enoitalia SpA for an amount equal to Euro 1.5 million at a rate equal to the 3-month Euribor plus a spread of 0.4%. The residual debt at 30 June 2023 is equal to Euro 1,1 million.

• Unsecured mortgage contracted on 29 June 2016 by Barbanera S.r.l. with Intesa SanPaolo of Euro 0.9 million repayable in half-yearly installments and a total duration of 7 years. The rate is equal to the 6-month Euribor plus a spread of 1.3%. The residual debt at 30 June 2023 is Euro 66 thousand.

• Unsecured mortgage contracted on 30 March 2021 by Barbanera S.r.l. with Intesa SanPaolo of Euro 1.0 million repayable in monthly installments and a total duration of 6 years. The rate is equal to the 1-month Euribor plus a spread of 0.7%. The residual debt at 30 June 2023 is Euro 938 thousand.

• Unsecured loan contracted on 26 July 2018 by Barbanera S.r.l. with Credit Agricole of Euro 1.5 million repayable in half-yearly installments and a total duration of 4 years. The rate is equal to the six-month Euribor plus a spread of 0.5%. The residual debt at 30 June 2023 is equal to Euro 375 thousand.

• The Deferred Price for the acquisition of Enovation Brands Inc. refers to the unconditional Consideration to be paid to the sellers and for which a deferred payment has been agreed respectively equal to (i) USD 3.3 million no later than 10 January 2023 (ii) USD 3.3 million no later than 10 January 2026 (iii) USD 1.4 million no later than 1 May 2024. The debt is reduced by USD 927 thousand in consideration of the repayment expected to the pursuant to art. 8 of the loan agreement as a result of the fraud that emerged in the company's accounts during the preparatory activities for the preparation of the consolidated financial statements. For further details, please refer to paragraph 2.2 Significant events occurring after the end of the financial year.

• The earn out of a total of Euro 1,000,000.00 to be paid pro-rata to Holding Marco Barbanera and Holding Paolo Barbanera in the first half of 2024 in the presence of an increase in the average Ebitda for the two-year period 2022-2023 compared to 2021 for the company Barbanera S.r.l. and Fossalto S.r.l.

Financial payables are recorded in the balance sheet at the value resulting from the application of the amortized cost, determined as the initial fair value of the liabilities net of the costs incurred to obtain the financing, increased by the cumulative amortization of the difference between the initial value and the at maturity, calculated using the effective interest rate where the application of the amortized cost method is not relevant compared to the nominal value.

The aforementioned financing contracts present similar clauses and practices for this type of operation, such as, for example: (i) provision of a financial covenant (calculation envisaged at Italian Wine Brands Group level) based on the trend of certain financial parameters at consolidated Group level; (ii) information obligations in relation to the occurrence of significant events affecting the Company, as well as corporate information; (iii) commitments and obligations, usual for financing operations of this kind, such as, by way of example, limits on the assumption of financial debt and the sale of one's assets, prohibition on distributing dividends or reserves where certain financial parameters are not respected.

The 'Liabilities for rights of use' relate to the entry into force from 01 January 2019 of the accounting standard IFRS 16 which provided for the registration of lease contracts in the accounts by indicating in the non-current assets the amount corresponding to the " Right of use" as a counterpart to a liability calculated as the present value of future cash disbursements relating to the contract itself.

18 Termination benefits

(Defined contribution plans)

In the case of defined contribution plans, the Company pays contributions to public or private insurance institutions on the basis of a legal or contractual obligation, or on a voluntary basis. With the payment of contributions the Group fulfills all its obligations.

Payables for contributions to be paid at the closing date are included in the item "Other current liabilities"; the cost pertaining to the period accrues on the basis of the service provided by the employee and is recorded under the item "Personnel costs" in the relevant area.

Defined benefit plans

The plans in favor of employees, which can be configured as defined benefit plans, are represented by severance pay (TFR); the liability is instead determined on an actuarial basis with the "unit credit projection" method. The actuarial profits and losses determined in the calculation of these items are shown in a specific equity reserve. The movements in the TFR liability as of 30 June 2023 are shown below.

€thousand

	30.06.2023	**31.12.2022**
Provision at 01.01.	**1.444**	**1.212**
Provisions	251	91
Increases from business combinations	0	427
Increases from transactions "under common control"	0	0
Advances paid during the period	0	0
Benefits paid out in period	(45)	(227)
Actuarial (gains)/losses	0	(55)
Financial costs	0	(4)
Provision at the end of the period	**1.650**	**1.444**

The "provision for costs for employee benefits" component, "contribution / benefits paid" are recorded in the income statement under the item "Personnel costs" in the relevant area. The "financial expenses / (income)" component is recognized in the income statement under the item "Financial income (expenses)", while the "actuarial profits/(losses)" component is shown among other comprehensive income and included in a net equity reserve called "Reserve for defined benefit plans".

The main actuarial assumptions used are the following:

Actuarial assumptions	30.06.2023	31.12.2022
Discount rate	3,01%	3,01%
Inflation rate	4,53%	4,53%
Expected average turnover	8,87%	8,87%

19. Provision for risks and charges

During the year the item changed as follows

€thousand			**30.06.2023**
	Non- current	**Current**	**Total**
Provision at 01.01.2023	**288**	**0**	**288**
Provisions	0	0	0
Increase by business combination	0	0	0
Releases	0	0	0
Amounts used	(10)	0	(10)
Provision at the end of the period	**278**	**0**	**278**

€thousand			**31.12.2022**
	Non- current	**Current**	**Total**
Provision at 01.01.2022	**334**	**0**	**334**
Provisions	54	0	54
Increase by business combination	8	0	8
Releases	0	0	0
Amounts used	(108)	0	(108)
Provision at the end of the period	**288**	**0**	**288**

Non-current liabilities mainly include:

• a provision of Euro 124 thousand relating to potential liabilities relating to the supplementary indemnity of agent customers set aside by Provinco Italia S.p.A. determined taking into account the collective economic agreements and the maximum limit of the art. 1751 of the Civil Code.

• A provision of €154 thousand for a legal case against a former "agent" set aside by Enoitalia S.p.A.

20. Trade Payables

This item includes all debts of a commercial nature which have the following geographical distribution:

€thousand

	30.06.2023	31.12.2022
Suppliers Italy	105.797	129.563
Suppliers Foreign markets	4.900	7.154
Total	**110.696**	**136.717**

21. Other current liabilities

Other liabilities are made up as follows:

€thousand

	30.06.2023	31.12.2022
Employees	4.173	3.608
Social security institutions	1.183	1.377
Directors	140	52
Accruals and deferred income	2.915	3.175
Others	906	727
Total	**9.317**	**8.938**

The debt to employees mainly includes salaries for the month of June 2023 paid in July 2023 and deferred fees for holidays and holidays accrued and not yet taken.

The deferred income item is mainly made up of the share pertaining to future financial years of the plant grants obtained for Industry 4.0 projects and tax credits relating to Enoitalia.

The item Other mainly includes: advances from customers for Euro 493 miles; debts to the board of statutory auditors for 64 thousand euros and 200 thousand euros relating to ongoing disputes.

22. Current Tax liabilities

They are made up as follows:

€thousand

	30.06.2023	31.12.2022
VAT	1.378	2.133
IRES	551	385
IRPEF withholding tax	618	770
IRAP	(82)	(241)
Excise duties	10	6
Other taxes	122	(143)
Total	**2.597**	**2.910**

23. Revenues from sales and other revenues

Revenues from sales and other revenues and income as of 30 June 2022, compared with those of the two previous periods, are detailed below:

€thousand

	30.06.2023	30.06.2022	30.06.2021
Revenues from sales - Italy	**31.312**	**32.691**	**19.555**
Revenues from sales - Foreign markets	**164.956**	**143.115**	**79.484**
UK	43.188	43.351	8.081
Germany	31.854	26.947	22.456
Switzerland	18.760	18.591	23.355
US	15.114	11.422	2.131
France	8.582	7.226	3.160
Austria	7.592	7.023	8.484
Poland	5.833	3.177	-
Canada	4.107	2.625	286
Denmark	3.697	3.505	2.583
Netherlands	3.612	2.297	618
Ireland	2.825	2.377	-
Belgium	2.757	3.150	3.501
Sweden	1.575	1.007	500
China	919	612	542
Hungary	847	898	-
Other countries	13.696	8.909	3.786
Other Revenues	**510**	**1.460**	**462**
Total Revenues from sales	**196.778**	**177.266**	**99.501**

24. Purchase costs

Purchase costs refer for Euro 20.5 million (Euro 22.1 million at 06/30/2022) to Giordano Vini S.p.A.), for Euro 31.5 million (Euro 30.2 million at 06/30/2022) to Provinco Italia S.p.A, for Euro 3.3 million to Raphael Dal Bo AG (Euro 3.1 million at 06/30/2022) and for Euro 93.4 million to Enoitalia S.p.A. (Euro 84.6 million at 06/30/2022), for Euro 8.6 million to Barbanera Srl and for Euro 6.9 million to Enovation Brands Inc (Euro 3.2 million at 06/30/2022)

25. Costs for services

The costs for services as of 30 June 2023, compared with those of previous periods, are detailed below:

€thousand

	30.06.2023	30.06.2022	30.06.2021
Services from third parties	9.037	9.757	5.783
Transport	8.418	8.682	7.604
Postage expenses	1.726	1.914	2.082
Fees and rents	1.028	579	342
Consulting	1.648	1.072	457
Advertising costs	593	337	2
Utilities	1.596	2.613	388
Remuneration of Directors, Statutory Auditors	810	753	456
Maintenance	958	1.012	300
Costs for outsourcing	3.576	3.671	3.584
Commissions	1.723	784	82
Other costs for services	4.351	2.935	1.797
Total	**35.464**	**34.109**	**27.196**

The remuneration of directors, auditors and the supervisory body is detailed as follows:

€thousand

	30.06.2023	30.06.2022
Directors	717	664
Statutory auditors	75	71
SB	17	18
Total	**810**	**753**

It should be noted that, during the first half of 2023, the fees for the Auditing Firm are divided as follows:

€thousand

	Audit	Consulting
Holding	36	0
Subsidiaries	102	0
Total	**137**	**0**

26. Personnel costs

Personnel costs as of 30 June 2023, compared with those of the previous year, are detailed below:

€thousand

	30.06.2023	30.06.2022
Wages and salaries	8.684	7.340
Social security charges	2.415	2.241
Termination benefits	458	333
Stock grant	0	0
Administration cost	1.090	823
Other costs	68	45
Total	**12.716**	**10.782**

The following table shows the number of employees:

	At 30.06.2023	Average no 30.06.2023	At 30.06.2022	Average no 30.06.2022
Executives	8	8	8	8
Middle managers	22	23	22	23
Employee	210	209	192	193
Workers	142	142	134	129
Total	**382**	**383**	**356**	**352**

27. Other operating costs

The item "other operating costs" amounts to Euro 539 thousand compared to Euro 524 thousand at 06/30/2022.

28. Devaluation

The item essentially refers to the subsidiary Giordano Vini S.p.A. and concerns the write-down of trade receivables recorded in the period.

29. Financial income and expences

Financial income and charges are detailed in the following tables:

€thousand

	30.06.2023	30.06.2022
On current accounts	74	1
Exchange rate gain/(loss)	597	269
Others	0	2
Total	**672**	**271**

€thousand

	30.06.2023	30.06.2022
Bond interests	(1.724)	(1.721)
Loans	(669)	(138)
Right-of-use liabilities	(230)	(203)
Bank current accounts	(161)	(23)
Financial instruments	(11)	5
Factoring	(480)	(100)
Bank fees and charges	(228)	(223)
Exchange rate gain/(loss)	(542)	(344)
Others	(269)	(45)
Total	**(4.313)**	**(2.792)**

In detail, interest on loans includes:

- • interest expense on medium-long term loans;
- • interest expense on bank current accounts mainly relating to the use of current account overdrafts with various banking institutions;
- • realized exchange differences and end-of-period adjustments relating to currency items;
- • bank commissions and expenses including those for sureties.

30. Taxes

The taxes at 30 June 2023 compared with those of the previous year are detailed below:

€thousand	30.06.2023	30.06.2022
IRES	(1.258)	(1.063)
IRAP	(358)	(465)
Taxes for prior periods	(44)	(2)
Total current taxes	**(1.660)**	**(1.530)**
Prepaid taxes	67	(206)
Deferred taxes	(42)	55
Total deferred taxes	**24**	**(151)**
Total	**(1.635)**	**(1.681)**

31. Agreements with Related parties

The operations carried out fall within normal business management, within the typical activity of each interested party, and are regulated under standard conditions.

In summary we note:

(i) a commercial leasing contract stipulated on 1 February 2012 between Provinco Italia S.p.A. and Provinco S.r.l. pursuant to which Provinco S.r.l. has leased to Provinco Italia S.p.A. the property located in Rovereto (TN) – Via per Marco, 12/b; the lease has a duration of six years (until 31 January 2018) with tacit renewal for the same period unless canceled 12 months before the expiry; the agreed fee is equal to Euro 60 thousand per year plus VAT.

(ii) a service contract with Electa SpA regarding support for investor relations activities for an amount equal to 40 thousand euros on an annual basis

The relationships described above are regulated at conditions in line with market ones.

It should also be noted that, as detailed in the paragraph *Significant events that occurred after the end of the half-year* on 1 August following the favorable opinion of the independent director, the amendments to the Enovation transfer contract were signed with Norina Srl and the brothers Giovanni and Alberto Pecora aimed at formalizing (i) the recognition in favor of IWB of the economic and financial effects prior to the closing for the fraud suffered by Enovation itself (ii) the postponement to 204-2025 of the performance objectives to which the determination of the deferred price for the acquisition of 55% of Enovation Brands Inc is linked.

Please note that the Parent Company IWB has adopted and follows the related Related Party Procedure in compliance with the general provisions of the Euronext Growth Milan Issuers' Regulation.

32. Atypical and unusual transactions

Pursuant to Consob communication no. DEM/6064293 of 28 July 2006, during the period the Group did not carry out atypical or unusual transactions, as defined by the communication itself, according to which atypical and/or unusual transactions are those that, due to their significance/relevance, the nature of the counterparties, the object of the transaction, the method of determining the transfer price and the timing of the event, may give rise to doubts regarding: the correctness/completeness of the information in the financial statements, the conflict of interest, the safeguard of the company's assets, the protection of non-controlling interests.

33. Market and Competition Law (L04/08/2017 n.124 par 125)

In compliance with the obligation of transparency referred to in paragraph 125 of the art. 1 of Law 124/2017, the contributions collected in the first half of 2023 are reported below:

(i) by the Parent Company: - OCM contributions for promotions on the markets for 58.125euros

(ii) Tax credit for heavy consumption of methane gas for Euro 41.149 referred to III e IV quarter 2022 and for Euro 53.947 referred to I quarter 2023(DL 115/2022 – DL 144 e 176/2022 – DL 197/2022);

(iii) Tax credit for electricity consumption for Euro 186.574 related to IV quarter 2022 and for euro 155.658 referred to I quarter 2023 (DL 144 e 176/2022 – DL 197/2022); -

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For the Board of Directors

The Chairman and Chief Executive Officer

Alessandro Mutinelli