

Italian Wine Brands S.p.A.

Independent auditor's report pursuant to article 14 of Legislative Decree no. 39, dated January 27, 2010, and article 10 of Regulation (EU) 537/2014

Consolidated Financial statements at December 31, 2023

(Translation from the original Italian text)

Independent auditor's Report

pursuant to article 14 of Legislative Decree no. 39, dated January 27, 2010, and article 10 of Regulation EU 537/2014

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

Report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Italian Wine Brands Group (the "Group"), which comprise the consolidated statement of financial position as of December 31, 2023, the comprehensive income statement, the statement of changes in shareholders' equity and the statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as the regulation issued to implement art. 9 of Legislative Decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated financial statements* section of our report. We are independent of Italian Wine Brands S.p.A. (the "Company") in accordance with the ethical and independence requirements applicable in Italy to the audit of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter**Audit response**

IMPAIRMENT OF GOODWILL

Note 6 “Goodwill”

The total goodwill, equal to Euro 215,969 thousand, arises from the following business combinations: Provinco Italia S.p.A. for Euro 11,289 thousand, Enoitalia S.p.A. 156,942 thousand, Enovation Brands Inc. for Euro 17,038 thousand, Barbanera S.r.l. for Euro 16,687 thousand, Fossalto S.r.l. for Euro 1,159 thousand and Raphael Dal Bo AG for Euro 12,854 thousand.

As at December 31, 2023, goodwill was 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 current 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.

As at December 31, 2023, no losses in value emerge between the book value and the related value in use (determined according to the Discounted Cash Flow methodology).

The impairment of goodwill is a key audit matter in the audit of the consolidated financial statements, due to the subjectivity in the determination of parameters used to estimate the value in use.

The main audit activities performed are detailed as follows:

- impairment test verification, with the support of BDO experts, related to
 - reasonableness of key assumptions and hypotheses underlying the cash flow forecasts;
 - analysis of the Company’s impairment test based on the applicable standards;
 - assessment of the key assumptions underlying the impairment model with reference to cash flows, discount rate, growth rate and terminal value valuation;
 - mathematical accuracy verification of the impairment model.
- verification of the adequacy of the information provided in the financial statements notes.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, as well as the regulation issued to implement art. 9 of Legislative Decree no. 38/05 and, in the terms prescribed by the law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Parent Company Italian Wine Brands S.p.A. or to cease operations, or has no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group’s financial reporting process.

Auditor's Responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA Italia, we exercised professional judgment and maintain professional skepticism throughout the audit. We also have:

- Identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Concluded on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We have communicated with Those charged with governance, as properly identified in accordance with ISA Italia, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have also provided those charged with governance with a statement that we have complied with ethical and independence requirements applicable in Italy, and we have communicated all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate relevant risks or the safeguards measures applied.

From the matters communicated with Those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described those matters in our auditor's report.

Other information communicated pursuant to article 10 of Regulation (EU) 537/2014

We were initially engaged by the Shareholders meeting of Italian Wine Brands S.p.A. on April 22, 2021, to perform the audits of the Company's and the consolidated financial statements of the Group of each fiscal year starting from December 31, 2021, to December 31, 2029.

We declare that we did not provide prohibited non-audit services, referred to article 5, paragraph 1, of Regulation (EU) 537/2014, and that we remained independent of the Company in conducting the audit.

We confirm that the opinion on the consolidated financial statements of Italian Wine Brands S.p.A. included in this audit report is consistent with the content of the additional report prepared in accordance with article 11 of Regulation (EU) 537/2014, submitted to Those charged with governance.

Reports on other legal and regulatory requirements

Opinion on the compliance to the requirements of Delegated Regulation (EU) 2019/815

The Directors of Italian Wine Brands S.p.A. are responsible for the application of the requirements of Delegated Regulation (EU) 2019/815 of European Commission regarding the regulatory technical standards pertaining the electronic reporting format specifications (ESEF - European Single Electronic Format) (hereinafter the "Delegated Regulation") to the consolidated financial statements, to be included in the Annual financial report.

We have performed the procedures required under Auditing Standard (SA Italia) no. 700B in order to express an opinion on the compliance of the consolidated financial statements at December 31, 2023 to the requirements of the Delegated Regulation.

In our opinion, the consolidated financial statements at December 31, 2023 have been prepared in XHTML format and have been marked-up, in all material respects, in compliance to the requirements of Delegated Regulation.

Due to certain technical limitations, some information included in the explanatory notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML format.

Opinion pursuant to article 14, paragraph 2, (e), of Legislative Decree no. 39 dated 27 January 2010 and of article 123-bis, paragraph 4, of Legislative Decree no. 58, dated 24 February 1998

The Directors of Italian Wine Brands S.p.A. are responsible for the preparation of the report on operations and of the corporate governance report of Italian Wine Brands Group as at December 31, 2023, including their consistency with the consolidated financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations and of specific information of the corporate governance report as provided by article 123-bis, paragraph 4, of Legislative Decree no. 58/98, with the consolidated financial statements of Italian Wine Brands Group as at December 31, 2023, and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.

In our opinion, the report on operations and the above mentioned specific information of the corporate governance report are consistent with the consolidated financial statements of Italian Wine Brands Group as at December 31, 2023, and are compliant with applicable laws and regulations.

With reference to the assessment pursuant to article 14, paragraph 2, (e), of Legislative Decree no. 39/10 based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Milan, April 9, 2024

BDO Italia S.p.A.
Signed by Vincenzo Capaccio
Partner

As disclosed by the Directors, the accompanying consolidated financial statements of Italian Wine Brands S.p.A. constitute an official version which is compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815.

This independent auditor's report has been translated into English from the original issued in Italian solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Italian Wine Brands S.p.A.

Independent auditor's report pursuant to article 14 of Legislative Decree no. 39, dated January 27, 2010, and article 10 of Regulation (EU) 537/2014

Financial statements at
December 31, 2023

(Translation from the original Italian text)

Independent auditor's Report

pursuant to article 14 of Legislative Decree no. 39, dated January 27, 2010, and article 10 of Regulation (EU) 537/2014

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

Report on the financial statements

Opinion

We have audited the financial statements of Italian Wine Brands S.p.A. (the Company), which comprise the statement of financial position as at December 31, 2023, the comprehensive income statement, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion the financial statements give a true and fair view of the financial position of the Company as at December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as the regulation issued to implement art. 9 of Legislative Decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical and independence requirements applicable in Italy to the audit of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter**Audit response**

VALUATION OF INVESTMENTS

Note 2.1 “Accounting policies - Equity investments” and Note 7 “Equity investments”

Investments in subsidiaries are accounted for a total amount of Euro 263,904 thousand in the financial statements and refer to the wholly owned subsidiaries 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 Italian Wine Brands UK Ltd.

Investments in subsidiaries and associates are valued at the purchased cost eventually decreased in the event of distribution of capital or capital reserves or in presence of impairment losses determined by applying the so-called impairment test.

Valuation of investments is a key audit matter in the audit of the financial statements.

The main audit activities performed are detailed as follows:

- verification of the proper classification and related accounting treatment based on the applicable accounting standards;
- obtaining and examination of the financial statements as at December 31, 2023, of the subsidiaries and other companies;
- comparison the carrying amount of the investment with the equity portion attributable to the parent company;
- impairment test verification, with the support of BDO experts, related to
 - reasonableness of key assumptions and hypotheses underlying the cash flow forecasts;
 - analysis of the Company’s impairment test based on the applicable standards;
 - assessment of the key assumptions underlying the impairment model with reference to cash flows, discount rate, growth rate and terminal value valuation;
 - mathematical accuracy verification of the impairment model.
- verification of the adequacy of the information provided in the financial statements notes.

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, as well as the regulation issued to implement art. 9 of Legislative Decree no. 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Company’s financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also have:

- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Concluded on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We have communicated with those charged with governance, as properly identified in accordance with ISA Italia, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have also provided those charged with governance with a statement that we have complied with relevant ethical and independence requirements applicable in Italy and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate relevant risks or the safeguards measures applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We described those matters in the auditor's report.

Other information communicated pursuant to article 10 of Regulation (EU) 537/2014

We were initially engaged by the shareholders meeting of Italian Wine Brands S.p.A. on April 22, 2021, to perform the audits of the financial statements of each fiscal year starting from December 31, 2021, to December 31, 2029.

We declare that we did not provide prohibited non audit services, referred to article 5, paragraph 1, of Regulation (EU) 537/2014, and that we remained independent of the company in conducting the audit.

We confirm that the opinion on the financial statements included in this audit report is consistent with the content of the additional report prepared in accordance with article 11 of the Regulation (EU) 537/2014, submitted to those charged with governance.

Report on other legal and regulatory requirements

Opinion on the compliance to the requirements of Delegated Regulation (EU) 2019/815

The directors of Italian Wine Brands S.p.A. S.p.A. are responsible for the application of the requirements of Delegated Regulation (EU) 2019/815 of European Commission regarding the regulatory technical standards pertaining the electronic reporting format specifications (ESEF - European Single Electronic Format) (hereinafter the “Delegated Regulation”) to the financial statements, to be included in the Annual financial report.

We have performed the procedures required under Auditing Standard (SA Italia) no. 700B in order to express an opinion on the compliance of the financial statements as at December 31, 2023 to the requirements of the Delegated Regulation.

In our opinion, the financial statements as at December 31, 2023 have been prepared in XHTML format in compliance to the requirements of Delegated Regulation.

Opinion pursuant to article 14, paragraph 2, (e), of Legislative Decree no. 39/10 and of article 123-bis of Legislative Decree no. 58/98.

The directors of Italian Wine Brands S.p.A. are responsible for the preparation of the report on operations and of the corporate governance report of Italian Wine Brands S.p.A. as at December 31, 2023, including their consistency with the financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under Auditing Standard (SA Italia) no. 720B in order to express an opinion on the consistency of the report on operations and of specific information of the corporate governance report as provided by article 123-bis, paragraph 4, of Legislative Decree no. 58/98, with the financial statements of Italian Wine Brands S.p.A. as at December 31, 2023, and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.

In our opinion, the report on operations and the above mentioned specific information of the corporate governance report are consistent with the financial statements of Italian Wine Brands S.p.A. as at December 31, 2023, and are compliant with applicable laws and regulations.



With reference to the assessment pursuant to article 14, paragraph 2, (e), of Legislative Decree no. 39/10 based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Milan, April 9, 2024

BDO Italia S.p.A.
Signed by Vincenzo Capaccio
Partner

As disclosed by the Directors, the accompanying separate financial statements of Italian Wine Brands S.p.A. constitute an official version which is compliant with provisions of the Commission Delegated Regulation (EU) 2019/815.

This independent auditor's report has been translated into English from the original issued in Italian solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.



ITALIAN WINE BRANDS
Creatori di Eccellenze

CONSOLIDATED ANNUAL FINANCIAL REPORT

31 DECEMBER 2023

ITALIAN WINE BRANDS S.P.A.

Registered office in Milan, Viale Abruzzi, 94 - Italy
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, Italy
R.E.A. No. 2053323

www.italianwinebrands.it







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The present document constitutes a copy, in PDF format, of the Annual Financial Report of the IWB Group as of December 31, 2023. This release constitutes an additional and unofficial release to the ESEF electronic format, pursuant to Directive 2004/109/EC (so-called "Transparency Directive") and to Delegated Regulation (EU) 2019/815 (so-called "ESEF Regulation"). In fact, this was not verified by IWB Independent auditors. The official ESEF document is published and filed according to the provision of the law.

These separate and consolidated financial statements constitute an official version in English language which is compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815.



Corporate Bodies

Board of Directors

Alessandro Mutinelli
(Chief Executive Officer and Chairman)

Giorgio Pizzolo
(Deputy Chairman)

Simone Strocchi

Sofia Barbanera

Antonella Lillo
(Independent 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)

Independent Auditors

BDO Italia S.p.A.

Euronext Growth Advisor

Intesa Sanpaolo S.p.A.



Letter to shareholders

Dear Shareholders,

It is with great satisfaction that I present this financial statement to you, which grows in margins and cash generation compared to the previous year.

This result takes on even greater value when compared with the general market trend, which recorded a contraction in volumes shipped, due to the reduced spending capacity of end consumers.

Adjusted **EBITDA** exceeded the threshold of **Euro 44 million** for the first time in IWB's history, with **19% growth** compared to the previous year. The banking net financial position improved from Euro 122M to Euro 96M, while that including IFRS 16 and deferred prices improved from Euro 147M to Euro 115M, with an adjusted **NFP/EBITDA index of 2.6x**. All this with an unchanged turnover compared to the previous year. This NFP, the result of a season of very intense acquisitions, which led the group to double in size in just 3 years, is mostly financed with a bond loan of Euro 130 million, at a **fixed rate 2.5%** expiring in May 2027.

In 2023 we integrated the last acquisition realized in December 2022, namely the Barbanera Vini company, which led to the expansion of our perimeter into a key area for Italian wine, Tuscany. We have also laid the foundations for the new group's corporate structure, which started on January 1, 2024, with a reduction to just two Italian operating companies (in addition to the holding company): (i) IWB Italia SpA, within which all the production sites have merged and where we concentrated marketing to "wholesale" customers and (ii) Giordano Vini SpA, dedicated to "direct to consumer" sales, with the Giordano and Svinando brands. In essence, we have **reduced** the company perimeter **by 5 companies** (4 Italian and 1 foreign), with a significant rationalization of structures, processes and information systems.

The aim is to have a **lean and efficient group**, which knows how to respond promptly to the market, with quality and service, enhancing its people and assets.

We have also invested in **environmental sustainability**, with two new photovoltaic systems, which came into operation between the end of 2023 and the beginning of 2024, which will allow us to **cleanly self-produce approximately 1/3 of the group's energy needs**.

The IWB group is today widely diversified: it exports to over 80 countries, is present in both the modern and ho.re.ca channels (off-trade and on-trade), sells directly to the final consumer with its own online platform, has its own brands that cover different price ranges.

But we know that there is still a lot to do, many new customers to reach in every corner of the earth, new products and brands to develop, processes to make more efficient.

Because the limit to improvement does not exist.



My mandate and that of the entire Board of Directors comes to an end with the approval of this Financial statements. First of all, I would like to thank all the IWB people, my colleagues, for their commitment in these challenging years, in which we have faced together situations never seen before, and, nevertheless, we have managed to grow, to make better and more strong what was there before. I thank my fellow directors for the professionalism with which they contributed to the group's strategic choices. And the statutory auditors, who with their careful supervision helped us operate in the safest way for the company. And finally, I thank our shareholders, who have been close to us over these years. Today we leave them a stronger company than the one at the beginning of their mandate.

Alessandro Mutinelli

Chairman and Chief Executive Officer



KEY Economic, Equity and Financial data

INCOME DATA

€thousand	2023	2022 pro-forma	2021 pro-forma
Revenues	429,127	430,312	408,934
Adjusted EBITDA	44,330	37,177	41,829
%	10.3%	8.6%	10.2%
Adjusted EBIT	30,764	24,894	31,353
EBIT	27,372	23,530	28,332
%	6.4%	5.5%	6.9%
Adjusted net profit/(loss)	18,910	15,212	20,463
%	4.4%	3.5%	5.0%
Net Result	16,458	14,212	18,284
%	3.8%	3.3%	4.5%

FINANCIAL DATA

€thousand	2023	2022 Restated	2021
Net working capital	12,138	24,242	9,970
Net Invested Capital	325,423	339,861	281,210
Shareholders' equity	209,490	193,315	159,954
Net financial position	115,932	146,547	121,256
Net financial debt without IFRS 16	100,718	129,498	107,977
Net Financial position - third parties lenders	96,313	121,877	107,977

MAIN INDICES

	2023	2022 pro-forma	2021 pro-forma
Net financial position / Adjusted Ebitda	2.62	3.94	2.90
Net financial position / Shareholders' Equity	0.55	0.76	0.76
EPS	1.75	1.50	2.08



Directors' Report on operations

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

1.1.1 International market

In 2023 IWB maintained the level of revenues of the previous year and improved the price and mix of products sold to support margins despite a market which saw the export of Italian wine to the world record a decrease of 4.4% IN volume and 7.3% in value.

The analysis, carried out by UIV⁽¹⁾, indicates decreases in volumes in all the major importing countries with the exception of Germany, which closed the year with a +7% due to the increase in bulk wine orders (+16%). The market situation was particularly complex in the United States, which recorded -13% in volume, also due to excess stocks held by distributors, but also in Canada and Japan, both with volumes equal to -11% and in the UK with volumes falling by 9% and where IWB managed to achieve 7% growth in value.

At the same time, there was a contraction in average prices due to the growth in imports of bulk wine (+9%) and large formats (+6%) accompanied by a decrease in price lists (approximately -11%) and the contextual lower impact of bottled products (-7%) and sparkling wines, down 11% in volumes but the only type to increase in average price (+5 %).

Overall, the year 2023 has been negative for all producing countries. In fact, global wine imports from the five top buyers closed at 16.9 billion euros, 7.5% less than the previous year, with volumes at -6.7 percent. France, the main exporting country, showed a worse volume trend than Italy (-10%), but less decrease in terms of values (-5 percent).

1.1.2 Off trade Domestic Market

During 2023, inflationary pressure did not spare the wine sector, which saw a growth in prices (equal to +5%), especially within modern distribution and discount stores. The year ended with sales that came close to 3.3 billion euros, marking a substantial improvement compared to 2022, but with a drop in purchased volumes of more than two percentage points. Specifically, in all sales channels, excluding e-commerce, inflation has impacted value sales, but has affected volume sales: the exception is Cash&Carry, the only channel to have also shown a positive sign in the volumes of wine purchased (+9.4%).

Among the different categories, still and semi-sparkling wines, thanks to the significant increase in prices (+5.5% compared to +1.2% for sparkling wines), reported increases in value (+2.2%) but decreases in volume (-3.1%). After the setback suffered the previous year, the "race" of sparkling wines resumed in 2023, which saw a significant recovery in both values (+4.5%) and volumes (+3.3%) sales, although driven by cheaper products (generic sparkling wines).

¹Unione Italiana Vini



The issues that had already characterized 2022, i.e. (i) inflation (ii) high interest rates (iii) geopolitical tensions, which had determined a prudent attitude in consumption were increased by the contingent effects of the flood in Emilia Romagna and the abundant rains in the Center and South of Italy with the consequent spread of the downy mildew which, combined with the hail in Northern Italy, determines the poorest harvest in recent decades.

However we must point out the positive impact due to:

- a) the slowdown in inflation which supported the decrease in the cost of all production factors and energy costs;
- b) the opportunities arising from new market segments with the debut already at Prowein 2023 of World of Zero, the area dedicated to alcohol-free and low-alcohol wines;
- c) a better mechanism for the protection of geographical indications following the favorable vote of the Comagri of the European Union Parliament.

The annual Prowein Business Report, just presented, tells of a wine industry that is more focused than usual to economic and market trends: (x) on the one hand great uncertainty also due to a possible recession, (y) on the other the growing trends in health and well-being. While less than half of operators, wineries and traders believe climate change represents a short-term threat.

1.1.3 2024 Trends

In this context, the Wine Trade Monitor 2024 indicates the main factors that will influence the wine market in the next 24 months in key markets:

- “Old Continent” wines, particularly those from France, Italy and Spain, continue to capture the palates and preferences of wine merchants around the world. France tops the popularity ranking, with 88% of operators stocking French wines, followed by Italy with 77% and Spain with 72%.
- Sustainability is becoming increasingly important: 23% of operators focus on reducing carbon footprint, 19% on protecting natural resources and another 19% on respecting biodiversity. Low alcohol wines are carving out their niche, especially in Germany, Canada and the United Kingdom. Consumption trends highlight a preference for naturalness (organic, CSR, natural wines), innovation (low alcohol, vegan, pet'nats wines) and a more pronounced price segmentation from premium to entry offers -level.
- The trend towards the online sale of wine continues: 53% of those interviewed expect growth in this sector, against 40% who expect stability and a small 7% who expect a decline.



- Grape varieties driving demand for still wines include chardonnay, cabernet sauvignon and pinot noir, with significant variations nationwide. Authenticity, reflected in the winemaker's approach, terroir and craftsmanship, plays a vital role in driving sales, especially among wine merchants.
- In the particularly lively segment of sparkling wines, there is fierce competition between the various denominations, each with its own identity and its own appeal on the market. This trend indicates a consumer preference for sparkling wines that offer excellent value for money, authenticity and diversity of styles; Consumers are increasingly looking for alternatives that don't compromise on quality or complexity, despite being more affordable than traditional choices like champagne.
- The classic 75cl bottle remains the most popular format, although there is a shift towards smaller formats and a decline in larger formats and Bag-in-Box, especially in Europe. Packaging innovation is largely focused on the 75cl bottle, with 68% of professionals predicting growth in classic bottles and 24% in light glass bottles.
- The screw cap is consolidating its position as the industry standard, demonstrating growing acceptance not only in Anglo-Saxon markets, where it was already popular, but also in more traditional ones. This trend highlights a change in perception towards greater openness to packaging innovations that combine practicality and quality preservation.
- The industry outlook is a mix of anticipation and caution. Around 24% of professionals expect the market to progress, while 49% expect stagnation and 27% a decline. Sales expectations are equally diverse: 40% are optimistic about growth, 39% expect a setback and 21% are preparing for a downturn. Despite uncertain forecasts, France and Italy emerge as leaders in growth potential, closely followed by Spain and Portugal. Interestingly, small-scale buyers are more optimistic: 28% of those buying fewer than 10,000 bottles a year expect growth, compared to just 11% of those buying over a million bottles.

In conclusion, the wine sector in 2024 will face significant challenges, but there are also opportunities to capitalize on new consumer trends.

1.1.4 IWB Group – Operation & Activities

IWB is the leading listed Italian private wine producer; its activities develop thanks to (i) the broadest product portfolio on the market in each segment, (ii) the diversification of the channels in which it operates, reference markets and portfolio customers. It is in the ideal position to seize all opportunities, including the growth through external lines, leveraging its production and commercial efficiency.



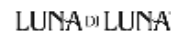
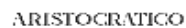
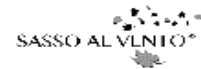
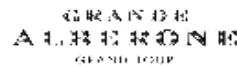
Given the market context, the results obtained in terms of turnover and the leadership position that the group has managed to maintain take on even more value thanks to:

- progressive growth on international markets achieved both by consolidating the positioning in the reference countries and by entering new and high-potential geographies, leveraging in particular the relationship and management capacity of 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 Raphael Dal Bo, Enoitalia, Barbanera;
- careful management of the supply chain, which allowed it to significantly improve the level of margins and production continuity despite an increase in energy and raw material costs and to manage price review 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.

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 in particular on the Group's prospects.



Sales are primarily made through a portfolio of proprietary brands, including the following:





From a corporate point of view, the Group carried out a significant reorganization in 2023 which led to the creation of two business area, in addition to the Holding, to manage the different sales channels.

1) IWB Italia S.p.A constituted from the merge of Enoitalia S.p.A., Provinco Italia S.p.A., Barbanera S.r.l., Fossalto S.r.l, and the B2B and production branch of Giordano Vini S.p.A with the mission of:

(i) develop the Group's B2B Business both in the Wholesale channel and in the Ho.re.ca channel also through the coordination of foreign companies focused on the management and growth of the main reference markets.

(ii) guarantee flexible production with respect to the needs of the different brands and optimized from the point of view of costs and supply chain efficiency.

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).

2) Giordano Vini S.p.A. as a purely commercial company focused on direct sales to the final consumer:

(i) through integrated management of all direct contact channels (Direct Mailing, Teleselling and Web;

(ii) offering personalized delivery and payment services;

(iii) enriching the offer to the customer with traditional Italian food products and complementary functional products to make the consumption experience further attractive.

IWB S.p.A. maintains management and coordination activity for the Group companies by directly holding controlling interests in the main companies: Giordano Vini S.p.A., Italian Wine Brands Italia S.p.A, Enovation Brands Inc., and IWB UK Ltd. (company established during 2022 as the Group's exporter into the British market in compliance with the new regulations which came into force in January 2024 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.



- **IWB Italia S.p.A** constituted by the merger, effective from 1 January 2024, of Provinco Italia S.p.A., Enoitalia S.p.A, Barbanera S.r.l.; Fossalto S.r.l. and the B2B and production branch of Giordano Vini S.p.A.
 - **Giordano Vini S.p.A** remains as a company focused on B2C sales
- The aim of the demerge, in addition to organizational simplification, is a better focus on commercial and production activities and the maximization of business synergies
- the company Provinco Deutschland GmbH was placed into liquidation in December 2023



1.2.1 Consolidated Report

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, that indicate a significant improvement compared to the previous year.

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

€thousand	31.12.2023	31.12.2022 pro-forma (3)	31.12.2022	31.12.2021 pro-forma (3)	31.12.2021
Revenue from sales	429,127	430,312	390,654	408,934	313,227
Change in inventories	(19,765)	3,320	610	19,524	13,333
Other income	4,410	5,897	5,574	2,953	2,645
Total revenues	413,772	439,529	396,838	431,411	329,204
Purchase costs	(271,847)	(298,387)	(271,790)	(295,527)	(217,705)
Costs for services	(70,911)	(78,190)	(70,990)	(72,362)	(62,009)
Personnel costs	(25,078)	(24,256)	(21,633)	(20,492)	(14,563)
Other operating costs	(1,606)	(1,520)	(1,368)	(1,200)	(898)
Total operating costs	(369,443)	(402,352)	(365,781)	(389,581)	(295,174)
Adjusted EBITDA (1)	44,330	37,177	31,057	41,829	34,030
EBITDA	40,962	35,871	29,735	38,808	31,009
Adjusted net profit/(loss) (2)	18,910	15,212	12,040	20,463	16,715
Net profit/(loss)	16,458	14,212	11,033	18,284	14,537
Net financial debt	115,932	146,547	146,547	121,256	121,256
<i>of which net financial debt - third-party lenders</i>	<i>96,313</i>	<i>121,877</i>	<i>121,877</i>	<i>107,977</i>	<i>107,977</i>
<i>of which net financial debt - Deferred price acquisitions</i>	<i>4,405</i>	<i>7,621</i>	<i>7,621</i>	<i>0</i>	<i>0</i>
<i>of which net financial debt - lease liabilities</i>	<i>15,214</i>	<i>17,049</i>	<i>17,049</i>	<i>13,279</i>	<i>13,279</i>

(1) The Adjusted EBITDA indicates the Ebitda net of management adjustments as detailed on page 18.

(2) The Adjusted Net Result indicates the Net Result deducting management adjustments and the related tax effect as detailed on page 18

(3) Consolidated data referring to all companies forming part of the Group's perimeter for the period 1 January - 31 December of each financial year



The reclassified consolidated financial and economic data are shown below.

The statement of financial position as of 12/31/2022 was updated during the half-yearly report in consideration of the update of the valuation of the Barbanera srl inventory and consequently of the goodwill as indicated in the note

Reclassified statement of financial position

€ thousand

	31.12.2023	Restated 31.12.2022	31.12.2022	31.12.2021
Other intangible assets	38,775	39,021	39,021	35,983
Goodwill	215,969	215,969	214,743	181,085
Tangible assets	51,823	52,131	52,131	50,124
Right-of-use assets	15,465	17,709	17,709	14,042
Equity investments	5	5	5	3
Total Fixed Assets	322,036	324,835	323,609	281,237
Inventory	78,552	101,202	102,815	77,908
Net trade receivables	52,130	61,599	61,599	68,144
Trade Payables	(113,790)	(136,717)	(136,717)	(137,367)
Other assets (liabilities)	(4,754)	(1,842)	(1,842)	1,286
Net working capital	12,138	24,242	25,855	9,970
Payables for employee benefits	(1,654)	(1,444)	(1,444)	(1,212)
Net deferred and prepaid tax assets (liabilities)	(6,797)	(7,483)	(7,870)	(8,451)
Other provisions	(301)	(288)	(288)	(334)
NET INVESTED CAPITAL	325,423	339,861	339,861	281,210
Shareholders' equity	209,490	193,315	193,315	159,954
Profit (loss) for the period	16,300	11,242	11,242	14,537
Share capital	1,124	1,124	1,124	1,046
Other reserves	192,274	181,314	181,314	144,371
Shareholders' equity of NCIs	(209)	(366)	(366)	0
Net Financial position - third parties lenders	96,313	121,877	121,877	107,977
Deferred price acquisitions	4,405	7,621	7,621	-
Lease liabilities	15,214	17,049	17,049	13,279
TOTAL SOURCES	325,423	339,861	339,861	281,210

Restated 31/12/2022: The amount relating to the goodwill of Barbanera s.r.l. and Fossalto s.r.l. as of 31/12/2022 increased by Euro 1,226 thousand compared to what was recorded in the financial statements as of 31 December 2022 as a result of a detailed evaluation of the raw materials which revealed that some types of wine, acquired by the company in the period 2018-2021 were no more aligned with the fair value at the acquisition date. The different evaluation is essentially due 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 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. The counterbalance is accounted for in the inventory which decreased by Euro 1,613 thousand and in deferred taxes which decreased by Euro 387 thousand.



Reclassified Income statement

€thousand	Adjusted	Adjusted	Adjusted	Adjusted
	31.12.2023	31.12.2022 pro-forma	31.12.2022	31.12.2021 pro-forma
Revenue from sales	429,127	430,312	390,654	408,934
Change in inventories	(19,765)	3,320	610	19,524
Other income	4,410	5,897	5,574	2,953
Total revenue	413,772	439,529	396,838	431,411
Purchase costs	(271,847)	(298,387)	(271,790)	(295,527)
Costs for services	(70,911)	(78,190)	(70,990)	(72,362)
Personnel costs	(25,078)	(24,256)	(21,633)	(20,492)
Other operating costs	(1,606)	(1,520)	(1,368)	(1,200)
Operating costs	(369,443)	(402,352)	(365,781)	(389,581)
Adjusted EBITDA	44,330	37,177	31,057	41,829
Write-downs	(1,601)	(833)	(803)	(1,212)
Amortization and depreciation	(11,965)	(11,450)	(9,666)	(9,264)
Operating result Adjusted	30,764	24,894	20,588	31,353
Non recurring items	(3,368)	(1,306)	(1,322)	(3,021)
Net releases (accruals) for provision risks and charges	(24)	(59)	(54)	0
EBIT	27,372	23,530	19,213	28,332
Net financial income/(expenses)	(7,798)	(5,645)	(5,518)	(4,308)
EBT	19,574	17,885	13,695	24,024
Taxes	(3,116)	(3,673)	(2,662)	(5,739)
Net Result	16,458	14,212	11,033	18,284
Tax effect of non recurring charges	940	364	369	843
Net profit before non recurring items and related tax effect	18,910	15,212	12,040	20,463

**Reclassified Income statement**

€ thousand

	Reported 31.12.2023	Management (1)	adjustments (2)	Adjusted 31.12.2023
Revenue from sales	429,127			429,127
Change in inventories	(19,765)			(19,765)
Other income	4,410	0		4,410
Total revenue	413,772	0	0	413,772
Purchase costs	(271,847)			(271,847)
Costs for services	(73,662)	1,139	1,612	(70,911)
Personnel costs	(25,654)	259	317	(25,078)
Other operating costs	(1,647)	41		(1,606)
Operating costs	(372,810)	1,439	1,928	(369,443)
Adjusted EBITDA	40,962	1,439	1,928	44,330
Write-downs	(1,601)			(1,601)
Amortization and depreciation	(11,965)			(11,965)
Operating result Adjusted	27,396	1,439	1,928	30,764
Non recurring items	-	(1,439)	(1,928)	(3,368)
Net releases (accruals) for provision risks and charges	(24)			(24)
EBIT	27,372	0	0	27,372
Net financial income/(expenses)	(7,798)			(7,798)
EBT	19,574	0	0	19,574
Taxes	(3,116)			(3,116)
Net Result	16,458	0	0	16,458
Tax effect of non recurring charges				940
Net profit before non recurring items and related tax effect				18,910

Management & Adjustments

¹ Adjusted accounting data as of 31/12/2023 (with reference to Adjusted Ebitda and Adjusted Net Result) represented gross of non-recurring costs, totaling Euro 3,367 thousand in the year.

i) Costs for services equal to Euro 1,139 thousand and relating to i) Euro 347 thousand for the acquisition of Barbanera, ii) Euro 327 thousand commissions prior to the closing of Barbanera. iii) Euro 74 thousand for costs relating to the management of fraud against Enovation Brands iv) Euro 303 thousand for non recurring legal & consultancy fees, corporate and settlement costs; v) 89 thousand euros for charges related to the revamping of the Giordano bottling plant and other minor non recurring.

ii) Personnel costs equal to Euro 259 thousand relating to conciliations with former employees and internal charges related to the revamping of the Giordano bottling plant.

iii) Other operating costs: equal to Euro 41 thousand for transaction costs for previous years services.

iv) Costs for services and personnel amounting to a total of Euro 1,928 thousand relating to the full accrual and assignment of the first tranche of the 2023-2025 Stock Grant Plan, representing 20% of the total value of the plan itself and in line with the achievement of the profitability target 2023. In particular 2023 Adjusted Ebitda equal to at least Euro 44.0 million.



Alternative performance indicators

In this annual financial report, some economic-financial indicators, which are not identified as accounting measures within the IFRS, but which allow us to comment on the performance of the Group's business are presented and commented. These quantities, 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 no. 0092543 of 3 December 2015 which implements the ESMA/2015/1415 guidelines). The alternative performance indicators listed below should be used as an informative supplement to the provisions of the IFRS to assist users of the financial report in better understanding the economic, equity and financial performance of the Group. It is underlined that the criteria 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 and their use

Net Result (or Profit) before non-recurring charges and related tax effect or Adjusted Net Result (or Profit) represents the profit/loss net of (i) costs and income of a non-recurring nature, (ii) costs linked to the medium-long term incentive plan for management in line with the provisions of the "Terms and Conditions" of the bond loan (iii) and related taxes. The indicator provides useful and immediate feedback on the income trend for the year not influenced by non-recurring components.

Profit before taxes (EBT): it is equal to the net result before taxes or before the tax effect; it is used to evaluate the profitability of the company regardless of the effect of taxes.

Operating result or EBIT represents the net result excluding the tax effect, financial charges and income, charges and income from equity investments. It is used to measure the ability of the company/Group to generate a "profit" including the impact deriving from investments.

Adjusted operating result or Adjusted EBIT: is represented by the operating result (EBIT) net of costs and income of non-recurring nature and costs related to the medium-long term incentive plan for management in line with the provisions of the "Terms and Conditions" of the bond loan. It is used to measure the ability of the company/Group to generate a "profit" including the impact deriving from investments and net of non-recurring expenses and income and the Incentive Plan

Gross Operating Margin or EBITDA", is the operating result less the impact of (iii) "Revaluations/(Write-downs" including the write-down of trade receivables, (iv) "Provisions



and releases for risks" and item (v) " Depreciation". It is used to measure the ability to generate a management result, excluding the impact deriving from the investment.

Adjusted Gross Operating Margin or Adjusted EBITDA", compared to the Gross Operating Margin or EBITDA, it is net of costs and income of a non-recurring nature and costs linked to the medium-long term incentive plan for management in line with the provisions of the "Terms and Conditions of the bond loan". It is used to measure the ability to generate a management result, excluding the impact deriving from investment and non-recurring charges.

Total fixed assets: is calculated as the sum of the following items: Goodwill; Other intangible assets, Tangible assets, Rights of use assets; Financial fixed assets including equity investments. The indicator is used to highlight the total fixed assets and the necessity of long term resources to finance it.

Working capital: it is calculated as sum of Inventories (or Warehouse), Net Trade Receivables, Trade Payables. The indicator represents short-term management assets and liabilities and helps to explain short-term operative cash generation.

Net working capital: it is calculated as the sum of Working Capital, Other assets and liabilities. The indicator represents short-term managerial and operational assets and liabilities and helps to explain short-term cash generation.

Other receivables and debts (or Other Assets and Liabilities) is given by the sum of the following items: other current and non-current assets, current tax assets, other current liabilities and current tax liabilities. These items exclude any fair value of hedging derivatives of current financial assets. It is used to calculate net working capital.

Net invested capital (CIN): it is calculated as the sum of: Net working capital, Total fixed assets, Payables for employee benefits, Deferred and prepaid taxes and Other provisions. This indicator represents and explains the "requirement" of capital necessary for running the company at the balance sheet date, financed in the two components (x) (Net equity and (y) Net financial position; Deferred price of acquisitions; Lease liabilities.

Net financial position (NFP) or also Net Financial Debt in the ESMA definition: it is calculated as the sum of the following items: cash and cash equivalents, non-current/current financial liabilities which also include debts linked to the price of acquisitions still to be paid and positive/negative fair value values on hedging derivatives and current and non-current financial assets, payables for rights of use.

It is divided into:

a) Deferred price of acquisitions



b) Lease liabilities

c) NFP or financial debt - third party lenders or banking equal to the total net of (a) and (b)

This APM is used to evaluate (a) third-party resources, other than third-party equity, needed by the group (b) it is necessary for the evaluation of covenants.

Net Financial Debt excluding the effects of IFRS 16 indicates the Net Financial Position minus the lease liabilities calculated pursuant to IFRS 16 and is used to evaluate the financial position of banking origin and/or due to the of acquisitions.

Net financial position or net financial debt - third parties lenders /(or banking) indicates the Net financial position less (i) lease liabilities calculated in accordance with IFRS 16 (ii) any earn outs and deferred prices relating to acquisitions is used to evaluate the financial position of banking origin

EPS: earnings per share is calculated by dividing the group profit/loss for the year by the weighted average number of ordinary shares in circulation in the reference period, excluding treasury (own) shares. For the purposes of calculating the diluted profit/loss per share, the weighted average of shares in circulation is modified by assuming the conversion of all potential shares resulting in a dilutive effect. It is used to evaluate the profitability of the company/Group.

Pro-forma (PF): in the years in which acquisitions were completed, it indicates the Group's revenues or income statement as if the acquisitions had been completed on January 1st and therefore with effect from January 1st to December 31st regardless of the actual closing date. It allows investors to compare the details of revenues by country or channel and the income statement of two subsequent years in a homogeneous way to highlight the organic growth (or decrease) regardless of the effect of the acquisitions themselves.



1.2.2 Economic and financial situation of the Parent Company

The situation of IWB S.p.A. as at 31 December 2023 shown here represents the separate financial statements of IWB S.p.A, and presents:

- a Net Result for the period of Euro 7.2 million (Euro 9.4 million at 12/31/2022);
- net financial debt - third party lenders of Euro 85.7 million (Euro 87.4 million at 12/31/2022).

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

Reclassified statement of financial position

€thousand	31.12.2023	31.12.2022	31.12.2021
Other intangible assets	112	119	196
Goodwill	0	0	0
Tangible assets	82	102	122
Right-of-use assets	60	119	179
Equity investments	263,904	263,557	205,481
Total Fixed Assets	264,157	263,897	205,978
Inventory	0	0	0
Net trade receivables	5,800	2,558	2,282
Trade Payables	(328)	(319)	(211)
Other assets (liabilities)	360	3,225	4,736
Net working capital	5,832	5,464	6,807
Payables for employee benefits	(60)	(42)	(37)
Net deferred and prepaid tax assets (liabilities)	464	32	85
Other provisions	0	0	0
NET INVESTED CAPITAL	270,394	269,351	212,833
Shareholders' equity	180,256	174,199	140,266
Profit (loss) for the period	7,204	9,444	9,780
Share capital	1,124	1,124	1,046
Other reserves	171,927	163,630	129,440
Shareholders' equity of NCIs	0	0	0
Net Financial position - third parties lenders	85,659	87,384	72,351
Deferred price acquisitions	4,405	7,621	-
Lease liabilities	74	146	216
TOTAL SOURCES	270,394	269,351	212,833

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

- as at 31 December 2023, the shareholdings in subsidiary companies are made up of Giordano Vini S.p.A. for Euro 32,823 thousand; from Provinco Italia S.p.A. for Euro 21,433 thousand and by 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 43,358 thousand. The increase compared to 31 December 2022 is due to "capitalised" costs relating to the acquisition of Barbanera S.r.l. and Fossalto S.r.l.



- it should be noted that as a result of the merger effective from 1 January 2024 of the companies Provinco Italia S.p.A., Barbanera S.r.l., Fossalto S.r.l. in Enoitalia S.p.A. which gave rise to IWB Italia S.p.A. the relative value of the shareholding corresponds to the sum of the values of the companies involved in the merger.

Reclassified Income statement

€thousand	31.12.2023	31.12.2022	31.12.2021
Revenue from sales	2,472	1,688	1,369
Change in inventories	0	0	0
Other income	4	121	72
Total revenue	2,476	1,809	1,441
Purchase costs	(3)	(1)	(16)
Costs for services	(2,049)	(1,083)	(979)
Personnel costs	(1,269)	(1,123)	(728)
Other operating costs	(178)	(115)	(214)
Operating costs	(3,498)	(2,322)	(1,937)
Adjusted EBITDA	(1,022)	(513)	(496)
Write-downs	0	0	0
Amortization and depreciation	(154)	(169)	(170)
Operating result Adjusted	(1,176)	(681)	(666)
Non recurring items	(1,926)	(67)	(1,083)
Net releases (accruals) for provision risks and charges	0	0	0
EBIT	(3,102)	(748)	(1,749)
Net financial income/(expenses)	(2,462)	(2,777)	(1,859)
Dividends from subsidiaries	11,360	12,180	12,402
EBT	5,797	8,656	8,794
Taxes	1,407	788	986
Net Result	7,204	9,444	9,780

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 Euro 776 thousand for directors' fees (excluding the impact of the incentive plan), statutory auditors and supervisory bodies and Euro 597 thousand for consultancy.
- financial income refers to interest income accrued on loans granted to the subsidiaries Giordano Vini S.p.A. (equal to Euro 789 thousand), Enoitalia S.p.A. (equal to Euro 125 thousand); financial charges are mainly represented by interest expense relating to the bond loan and amounting to Euro 3,479 thousand.



1.2.3 Consolidated net financial position

Below is the detail of the net financial debt at 31 December 2023 compared with the debt at 31 December 2022 and 31 December 2021 exposed on the basis of the new scheme envisaged by ESMA guidance 32-382-1138 of 4 March 2021.

The net financial position - third party lenders is below 100 million; **in 18 months the acquisitions made in 2022 are fully repaid.**

<i>€thousand</i>	31.12.2023	31.12.2022	31.12.2021
A. Cash	23	41	444
B. Cash equivalents	70,878	61,008	58,660
C. Other current financial activities	524	674	1,113
D. Liquidity (A) + (B) + (C)	71,424	61,723	60,217
E. Current financial debt (included financial instruments but not included current part of non current financial debt)	27,927	37,950	31,889
F. Current part of non current financial debt	3,985	3,968	2,967
G. Current financial debt (E) + (F)	31,912	41,918	34,855
H. Net current financial debt (G) - (D)	(39,512)	(19,806)	(25,361)
I. Non current financial debt (excluded current part and financial instruments)	7,217	12,947	4,931
J. Financial instruments	131,248	131,018	130,795
K. Trade payables and other non current debts/right of use	16,980	22,387	10,891
L. Non current financial debt (I) + (J) + (K)	155,444	166,353	146,617
M. Net financial position (H) + (L)	115,932	146,547	121,256
<i>of which</i>			
<i>Deferred price acquisitions</i>	4,405	7,621	0
<i>Current payables for the acquisition of right of use</i>	3,106	3,090	2,388
<i>Non Current payables for the acquisition of right of use</i>	12,108	13,959	10,891
Net financial position without the effect of IFRS 16 and deferred price acquisitions	96,313	121,877	107,977



1.3 Group performance

Volume of activity – Revenues

Italian Wine Brands S.p.A. confirms itself as the first listed Italian wine group, consolidating Euro 429.1 million in revenues in 2023.

At the level of reference markets, IWB achieves its turnover mainly and increasingly with foreign customers due to its historical vocation and the decision to seize the greatest growth opportunities outside Italy.

The revenues highlight a further strengthening of the Group on international markets, where sales of Euro 361.5 million were achieved (+1.7% compared to 2022 PF revenues). The increase was obtained as a result of further penetration on the international market, 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 services in particular from Wholesale and Ho.re.ca customers.

€thousand

	31.12.2023	31.12.2022 pro-forma	31.12.2022	31.12.2021 pro-forma	Δ % 22 / 23	Cagr 21 / 23
Revenues from sales - Italy	67,380	73,521	70,625	75,681	(8.35%)	(5.64%)
Revenues from sales - Foreign markets	361,500	355,356	318,593	332,342	1.73%	4.29%
UK	104,473	98,073	95,365	98,048	6.53%	3.22%
Germany	66,616	69,210	56,399	61,568	(3.75%)	4.02%
Switzerland	40,857	43,032	42,039	49,076	(5.05%)	(8.76%)
US	31,646	33,556	29,216	19,252	(5.69%)	28.21%
Austria	17,009	16,530	16,415	17,833	2.90%	(2.34%)
France	16,709	14,153	13,888	13,259	18.06%	12.26%
Poland	11,495	11,021	7,486	9,417	4.30%	10.48%
Netherlands	8,744	8,467	5,643	9,912	3.27%	(6.08%)
Belgium	7,521	8,103	7,657	10,013	(7.18%)	(13.33%)
Canada	7,444	6,698	5,818	4,654	11.14%	26.47%
Ireland	7,260	5,963	5,480	6,847	21.76%	2.97%
Denmark	6,430	8,425	7,139	7,535	(23.68%)	(7.63%)
Sweden	2,624	2,858	1,814	2,260	(8.17%)	7.75%
China	1,808	2,561	1,336	1,616	(29.40%)	5.79%
Hungary	1,728	1,807	1,732	1,869	(4.36%)	(3.83%)
Other countries	29,136	24,901	21,167	19,184	17.01%	23.24%
Other Revenues	247	1,436	1,436	910	(82.79%)	(47.90%)
Total Revenues from sales	429,127	430,312	390,654	408,934	(0.28%)	2.44%

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 UK (+3.22% CAGR 21PF/23), Germany (+4% CAGR 21PF/ 23) and in particular in the United States, the first destination market for Italian wine abroad where the Group achieved a CAGR 21PF/23 of +28.2% and which prospectively represents one of the main growth drivers.

Added to this is the progressive penetration into emerging markets which, included in the item Other Countries (+17.1% compared to 2022PF revenues) constitute and will increasingly



represent a pool of potential growth to support further increases in turnover in the medium term.

In parallel with the increase in the "country portfolio", the expansion of the customer base continues. In this regard, it should be noted that the turnover relating to the two main customers amounted respectively to (i) 80,142 thousand euros and (ii) 54,977 thousand euros. Since these are international customers with sales referring to multiple countries, it should be noted that sales by product at an overall customer level are not available in a relevant way and the cost of the report would currently be excessive

The Group's exposure to sales made in the Russian Federation is limited, although growing significantly, amounting in total to approximately Euro 3.4 million in 2023, fully collected as a result of the 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 more than doubled in ho.re.ca compared to 2021PF, the year of the Group's entry into this channel which, having overcome the contingent slowdown in consumption due to macroeconomic and exchange rate uncertainties, may continue to represent an area of consistent growth in the Group's development strategy in its own premium brand products.

The overall revenues confirm the validity of IWB'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 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

	31.12.2023	31.12.2022 pro-forma	31.12.2022	31.12.2021 pro-forma	Δ % 22 / 23	Cagr 21 / 23
Total Revenues from sales	429,127	430,312	390,654	408,934	(0.28%)	2.44%
Revenues from wholesale division	311,845	303,471	279,013	299,379	2.76%	2.06%
Revenues from distance selling division	62,257	68,545	68,502	82,706	(9.17%)	(13.24%)
Direct Mailing	30,426	34,539	34,539	43,701	(11.91%)	(16.56%)
Teleselling	12,155	13,902	13,902	16,806	(12.57%)	(14.96%)
Digital / WEB	19,677	20,104	20,061	22,198	(2.13%)	(5.85%)
Revenues from ho.re.ca division	54,778	56,860	41,703	25,938	(3.66%)	45.32%
Other Revenues	247	1,436	1,436	910	(82.79%)	(47.90%)



Wholesale revenues have increased by 50% in the last 3 years, going from Euro 212.1 million in 2021 (*non-pro-forma data*) to Euro 311.9 million in 2023. The wholesale distribution channel is therefore confirmed by far the main contributor to the Group's revenues despite the contingent market situation.

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

€thousand

	31.12.2023	31.12.2022 pro-forma	31.12.2022	31.12.2021 pro-forma	Δ % 22 / 23	Cagr 21 /23
Revenues wholesale division - Italy	40,077	43,450	42,457	42,607	(7.76%)	(3.02%)
Revenues from wholesale division - Foreign markets	271,768	260,021	236,557	256,772	4.52%	2.88%
UK	71,153	64,502	62,423	72,470	10.31%	(0.91%)
Germany	39,623	41,327	30,394	32,615	(4.12%)	10.22%
Switzerland	38,100	40,017	39,152	45,486	(4.79%)	(8.48%)
US	22,871	23,340	21,945	15,379	(2.01%)	21.95%
Austria	14,838	14,205	14,157	15,149	4.45%	(1.03%)
France	12,567	9,654	9,654	7,749	30.17%	27.35%
Poland	10,740	10,321	6,922	8,841	4.06%	10.22%
Belgium	7,124	7,560	7,166	9,354	(5.76%)	(12.73%)
Netherlands	7,508	6,497	4,943	9,176	15.57%	(9.54%)
Ireland	6,942	5,744	5,267	6,707	20.86%	1.73%
Denmark	5,584	7,305	7,099	7,513	(23.55%)	(13.79%)
Canada	4,626	4,234	3,534	3,085	9.25%	22.46%
Sweden	2,490	2,282	1,764	2,222	9.12%	5.85%
Hungary	1,719	1,799	1,724	1,866	(4.45%)	(4.01%)
China	711	1,220	1,220	1,565	(41.71%)	(32.58%)
Other countries	25,170	20,014	19,192	17,593	25.77%	19.61%
Total Revenues from sales - wholesale division	311,845	303,471	279,013	299,379	2.76%	2.06%

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, development of own-brand products and higher margins 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 with quality in a unique and recognizable packaging.

Prosecco remains the main growth driver (+7% in the year also due to the price increases finalized at the end of 2022) and the first product category for the company, but alongside prosecco, is to be noted the growth in turnover of the company's main brands such as Grande Alberone (+4%) as well as Elettra currently being launched (+14%). Added to these are 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 Eastern European market with revenues growing by 25% compared to 2022 (growth in Russia is accompanied by growth in Ukraine, Slovakia, Romania, Baltic States, Bulgaria) (ii) achieve further significant growth in the UK thanks to Prosecco and in France both thanks to the increase in the product portfolio sold to the two main customers and to the progressive success of Prosecco compared to Champagne (iii) lights and shadows as regards the Pacific area: Japan and South Korea doing well; China is relatively 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. The cumulative annual result of online sales detected by the Nielsen panel is negative for both still & semi-sparkling wines and sparkling wines. The first category recorded -12.9% in value and -7.7% in volume, while sparkling wines recorded -8.5% in value and -5.8% in volume. In particular, DOP wines, typically with a higher average price, record a total annual performance of -14.9% in value and -12.7% in volume.

This year too, the repositioning of the mix of products purchased towards products with a lower average price continues. Trend confirmed by the decrease in prices which stands at -5.6% for still and semi-sparkling wines and -2.9% for 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 sales revenues of the distance selling division broken down by country are shown below.

€thousand

	31.12.2023	31.12.2022 pro-forma	31.12.2022	31.12.2021 pro-forma	Δ % 22 / 23	Cagr 21 / 23
Revenues from distance selling division - Italy	24,446	27,682	27,639	32,794	(11.69%)	(13.66%)
Revenues from distance selling div - Foreign markets	37,812	40,864	40,864	49,912	(7.47%)	(12.96%)
Germany	23,214	24,594	24,594	27,987	(5.61%)	(8.92%)
UK	5,425	6,169	6,169	9,058	(12.07%)	(22.61%)
France	3,951	4,183	4,183	5,409	(5.54%)	(14.53%)
Switzerland	2,502	2,798	2,798	3,552	(10.60%)	(16.08%)
Austria	2,074	2,246	2,246	2,678	(7.66%)	(12.00%)
Netherlands	353	417	417	583	(15.52%)	(22.25%)
Belgium	261	427	427	604	(38.96%)	(34.34%)
Other countries	33	30	30	39	9.67%	(8.83%)
Total Revenues from sales - distance selling division	62,257	68,545	68,502	82,706	(9.17%)	(13.24%)

To be noted the contribution of sales made through digital platforms which came to represent 32% of the division's overall sales compared to 19% in 2019.

New payment methods have also been introduced and 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

	31.12.2023	31.12.2022 pro-forma	31.12.2022	31.12.2021 pro-forma	Δ % 22 / 23	Cagr 21 / 23
Revenues from distance selling division - Italy	24,446	27,682	27,639	32,794	(11.69%)	(13.66%)
Direct Mailing	9,911	12,292	12,292	15,441	(19.37%)	(19.88%)
Teleselling	7,386	8,376	8,376	9,990	(11.82%)	(14.02%)
Digital / WEB	7,148	7,013	6,970	7,363	1.92%	(1.47%)
% Direct Mailing on total Italy	40.54%	44.41%	44.48%	47.08%		
% Teleselling on total Italy	30.21%	30.26%	30.30%	30.46%		
% Digital / WEB on total Italy	29.24%	25.34%	25.22%	22.45%		
Revenues from distance selling div - Foreign markets	37,812	40,864	40,864	49,912	(7.47%)	(12.96%)
Direct Mailing	20,514	22,247	22,247	28,261	(7.79%)	(14.80%)
Teleselling	4,769	5,526	5,526	6,816	(13.70%)	(16.36%)
Digital / WEB	12,529	13,091	13,091	14,835	(4.30%)	(8.10%)
% Direct Mailing on total International revenues	54.25%	54.44%	54.44%	56.62%		
% Teleselling on total International revenues	12.61%	13.52%	13.52%	13.66%		
% Digital / WEB on total International revenues	33.13%	32.04%	32.04%	29.72%		
Total Revenues from sales - distance selling division	62,257	68,545	68,502	82,706	(9.17%)	(13.24%)

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 significant 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 table shows the breakdown of the sales revenues of the ho.re.ca channel by country.

€thousand

	31.12.2023	31.12.2022 pro-forma	31.12.2022	31.12.2021 pro-forma	Δ % 22 / 23	Cagr 21 / 23
Revenues ho.re.ca division - Italy	2,858	2,390	530	280	19.60%	219.52%
Revenues from ho.re.ca division - Foreign markets	51,920	54,471	41,172	25,658	(4.68%)	42.25%
UK	27,895	27,402	26,773	16,520	1.80%	29.95%
US	8,775	10,216	7,271	3,872	(14.11%)	50.53%
Germany	3,778	3,290	1,412	966	14.83%	97.78%
Canada	2,819	2,464	2,284	1,569	14.39%	34.02%
China	1,097	1,341	116	51	(18.19%)	366.03%
Netherlands	883	1,553	282	153	(43.15%)	140.56%
Denmark	846	1,120	41	22	(24.51%)	522.05%
Poland	755	700	564	576	7.84%	14.48%
Ireland	319	219	212	140	45.15%	50.74%
Switzerland	255	216	88	38	18.17%	159.62%
France	191	316	50	100	(39.63%)	38.13%
Belgium	136	116	64	55	17.50%	57.55%
Sweden	134	576	50	38	(76.68%)	88.87%
Austria	98	78	13	7	24.77%	279.03%
Hungary	9	8	8	3	17.75%	78.67%
Other countries	3,933	4,857	1,945	1,551	(19.03%)	59.25%
Total Revenues from sales - ho.re.ca division	54,778	56,860	41,703	25,938	(3.66%)	45.32%

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

In 2023, UK remains the first on-trade market for IWB with revenues growing by 1.8%. 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.

The presence in the United States is ensured by the direct presence on the market through Enovation Brands Inc, acquired in 2022 which, in the strategy of the IWB Group, will constitute a factor in accelerating sales in the US market for all the brands in the portfolio. A similar commercial development is expected in the Canadian market. 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 and 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 and 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. It should be noted that in 2023 revenues are reduced by the exchange rate effect.

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.

Margins' Analysis

The cost components which, deducted from the Total Revenue item, contributed to the Adjusted Gross Operating Margin of the Italian Wine Brands Group are represented in detail below.

Adjusted €thousand

	31.12.2023	31.12.2022 pro-forma	31.12.2022	31.12.2021 pro-forma	Δ % 22/23	Cagr % 21/23
Revenues from sales and other revenue	433,537	436,209	396,228	411,887	(0.61%)	2.59%
Raw materials consumed	(291,612)	(295,066)	(271,180)	(276,003)	(1.17%)	2.79%
<i>% of total revenues</i>	<i>(67.26%)</i>	<i>(67.64%)</i>	<i>(68.44%)</i>	<i>(67.01%)</i>		
Costs for services	(70,911)	(78,190)	(70,990)	(72,362)	(9.31%)	(1.01%)
<i>% of total revenues</i>	<i>(16.36%)</i>	<i>(17.92%)</i>	<i>(17.92%)</i>	<i>(17.57%)</i>		
Personnel	(25,078)	(24,256)	(21,633)	(20,492)	3.39%	10.63%
<i>% of total revenues</i>	<i>(5.78%)</i>	<i>(5.56%)</i>	<i>(5.46%)</i>	<i>(4.98%)</i>		
Other operating costs	(1,606)	(1,520)	(1,368)	(1,200)	5.67%	15.68%
<i>% of total revenues</i>	<i>(0.37%)</i>	<i>(0.35%)</i>	<i>(0.35%)</i>	<i>(0.29%)</i>		
Adjusted EBITDA	44,330	37,177	31,057	41,829	19.24%	2.95%
<i>% of total revenues</i>	<i>10.23%</i>	<i>8.52%</i>	<i>7.84%</i>	<i>10.16%</i>		

In 2023 the Group's margin exceeded 10% and returned to 2021 levels.

The table above indicate:

- a reduction in the incidence of raw material consumption on turnover due to (i) the increase in list prices negotiated to counterbalance the 2022 inflationary effects on production costs (ii) the reduction in the cost of dry materials renegotiated with the main suppliers (iii) the different "mix" of sales who benefit from the greater incidence of premium products with higher margins which offset the increase in turnover through the wholesale channel, structurally characterized by a greater incidence of the raw material on sales compared to distance selling channel;



• costs for services (net of non-recurring costs) , equal to Euro 70.9 million, significantly reduced compared to 2022 due mainly to (i) lower energy costs (ii) optimization of transport costs in addition to reductions deriving from lower B2C sales volumes (duties and excise duties , mailing). The greater commercial investments in advertising and commissions are therefore more than compensated.

Below is a breakdown of the costs for services (excluding the impact of non recurring and adjustment) incurred by the Group during 2023 compared with the same items in 2022 and 2021.

Adjusted €thousand

	31.12.2023	31.12.2022 pro-forma	31.12.2022	31.12.2021 pro-forma
Services from third parties	11,509	12,892	11,868	14,397
Duties and excise duties	6,476	7,886	7,887	8,272
Transport	17,769	19,873	18,518	19,448
Postage expenses	3,566	3,921	3,921	4,119
Fees and rents	1,836	1,308	1,138	1,180
Consulting	3,044	2,898	2,175	3,552
Advertising costs	1,826	1,562	1,183	1,299
Utilities	3,201	5,866	5,582	2,597
Remuneration of Directors, Statutory Audi	3,630	1,606	1,514	3,328
Maintenance	2,003	2,074	1,775	2,018
Costs for outsourcing	7,169	7,721	7,721	8,984
Commissions	3,176	2,863	1,599	1,677
Other costs for services	8,457	8,143	6,532	3,693
Non-recurring expenses	(2,751)	(424)	(424)	(2,200)
Total	70,911	78,190	70,990	72,362

Personnel costs (net of non-recurring costs) recorded an increase in absolute values from Euro 24.3 million in 2022 to Euro 25.1 million in 2023, attributable to the greater percentage of wine production and bottling carried out internally which made it possible to significantly reduce processing costs external and to increase the overall operating margin.

The revenue and cost dynamics described above made it possible to obtain an adjusted Gross Operating Margin of Euro 44.3 million in 2023 (10.2% of sales revenue), a significant improvement both in absolute and percentage terms compared to 2022.



Below is the detail of the cost items which from the adjusted EBITDA lead to the pre-tax income of the Italian Wine Brands Group.

Adjusted €thousand

	31.12.2023	31.12.2022 pro-forma	31.12.2022	31.12.2021 pro-forma	Δ % 22/23	Cagr % 21/23
Adjusted EBITDA	44,330	37,177	31,057	41,829	19.24%	2.95%
Write down	(1,601)	(833)	(803)	(1,212)	92.26%	14.93%
<i>% of total revenues</i>	<i>(0.37%)</i>	<i>(0.19%)</i>	<i>(0.20%)</i>	<i>(0.29%)</i>		
Depreciation and amortization	(11,965)	(11,450)	(9,666)	(9,264)	4.50%	13.65%
<i>% of total revenues</i>	<i>(2.76%)</i>	<i>(2.62%)</i>	<i>(2.44%)</i>	<i>(2.25%)</i>		
Non recurring items	(3,368)	(1,306)	(1,322)	(3,021)	157.85%	5.58%
<i>% of total revenues</i>	<i>(0.78%)</i>	<i>(0.30%)</i>	<i>(0.33%)</i>	<i>(0.73%)</i>		
Release (provision) for risks and charges	(24)	(59)	(54)	-	(58.22%)	NA
<i>% of total revenues</i>	<i>(0.01%)</i>	<i>(0.01%)</i>	<i>(0.01%)</i>	<i>-</i>		
Operating profit (loss)	27,372	23,530	19,213	28,332	16.33%	(1.71%)
<i>% of total revenues</i>	<i>6.31%</i>	<i>5.39%</i>	<i>4.85%</i>	<i>6.88%</i>		
Financial income (expenses)	(7,798)	(5,645)	(5,518)	(4,308)	38.14%	
<i>% of total revenues</i>	<i>(1.80%)</i>	<i>(1.29%)</i>	<i>(1.39%)</i>	<i>(1.05%)</i>		
Result before taxes	19,574	17,885	13,695	24,024	9.44%	
<i>% of total revenues</i>	<i>4.51%</i>	<i>4.10%</i>	<i>3.46%</i>	<i>5.83%</i>		

From the table above, it emerges that in 2023, the income statement of the Italian Wine Brands Group was characterized by a significant improvement in the operating result despite:

- (i) the increase in non-recurring charges mainly determined by the incentive plan;
- (ii) the increase in the item Write-downs which includes non-collectible B2C receivables mainly referring to the two-year period 2020-2021 in which Giordano's turnover reached levels higher than the historical average.

Financial charges increase as a result of interest rates increase. Compared to net financial debt, the increase is however limited thanks to:

- (i) the fixed interest rate of 2.5% relating to the bond loan;
- (ii) the conditions negotiated on the revolving/self-liquidating lines stipulated during the last two years.



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

In 2023 investments in fixed capital increased, amounted to a total of Euro 7.8 million, divided between tangible assets (Euro 4.3 million, mainly investments for Enoitalia's photovoltaic systems) and intangible assets (Euro 3.4 million, mainly acquisitions of addresses and customers for Euro 2.5 million, software developments and website development for Euro 0.5 million).

Net Working Capital shows a very significant improvement of 12.1 million euros due to:

(i) the significant reduction in inventory which represents a first positive effect of the corporate reorganisation;

(ii) partially offset by the decrease in trade payables resulting from the conditions applied to the purchases of commercial products.

The dynamics described above of i) limited volumes of investments in fixed capital, ii) decrease of inventory, iii) consistent cash flows produced by operational management, have allowed the improvement of net bank debt which, together with the reduction of debts calculated in accordance with IFRS16 it allows to reach a NFP/Adjusted EBITDA ratio of 2.6.





2 Significant events

2.1 Significant events occurred during the year

In January 2023, as part of the activities aimed at closing the consolidated financial statements as of 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 amount prior to the closing is regulated pursuant to the declarations and guarantees of the SPA and has been consequently deducted from the acquisition price;

(ii) the amount following the closing, net of the tax benefit and the third party share, is equal to Euro 457 thousand and was accounted for in the financial statements closed on 31 December 2022.

On 27 April 2023 the Shareholders' Meeting in second call resolved:

- the 2023–2025 Incentive Plan which aims to (i) aligning the interests of executive directors and managers with strategic responsibilities with those of shareholders, allowing the pursuit of important economic-financial targets (ii) retain the beneficiaries within the group; and (iii) develop a sense of belonging for key resources through the attribution of financial instruments representing the value of the Company.
- the authorization to purchase and dispose of treasury shares for the purpose of providing the Company with a stock of treasury shares to be allocated to service the Incentive Plan, as consideration in extraordinary operations - including the exchange of shareholdings with other parties, in the scope of operations 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 pursuant to by law in the interests of the Company itself.
- to allocate the 2022 profit for the year of Euro 9.444 thousand as per the proposal of the Board of Directors and in particular to distribute an ordinary monetary dividend of Euro 0.1 per share, gross of the withholding tax set aside by law, for each share existing and entitled to the dividend, with therefore exclusion from the calculation of n. 10,681 treasury shares owned by the company, for a total dividend of Euro 946 thousand. The ex-dividend date was May 2, 2023, record date May 3, and payment starting from May 4, 2023.
- the appointment of the Board of Statutory Auditors, which will remain in office until the approval of the 2025 financial statement.



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

On 01 August 2023 the agreements were finalized respectively between:

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

(ii) IWB S.p.A and the “brothers” Giovanni Pecora 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 perpetrated to the detriment of Enovation Brands Inc (which occurred on dates prior to the closing) both in terms of amount and in terms of dates and methods of disbursement in line with the amounts included in the financial statements as at 31 December 2022 (ii) and to redefine 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 of the two-year period 2022/ 2023 to the average Ebitda of 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 contracts was preceded by the favorable opinion of the independent director as the amendment constitutes an agreement with related parties.

On 14 September 2023, the Boards of directors of the Group's Italian subsidiaries approved the corporate reorganization projects aimed at rationalizing and increasing the efficiency of the operating companies. The objective was to concentrate Italian activity on two operating companies (from 6 to the beginning of 2024):

a) one whose mission is 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;

b) one focused on direct sales to end customers.

The proposed merger operation therefore aims to rationalize the organization of the activities of the companies involved, improving efficiency and simplifying management, dedicating the two companies to a specific businesses each.



Finally, the Merger will make it possible to achieve significant savings in the governance and administrative management costs of the entities involved and will make it possible to seek balanced operational dimensions that allow the competitive challenge and development of the company to be met.

The demerger and merger deeds were finalized on 5 December and effective from 31 December 2023 and 1 January 2024 respectively.

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

There are no significant events following the end of the financial year other than the effectiveness of the merger between Provinco Italia S.p.A., Enoitalia S.p.A, Barbanera S.r.l. and Fossalto S.r.l. which took place on 1 January 2024.

3. Outlook

The IWB Group is proud and very satisfied about 2023 results: (i) stable turnover despite the market (ii) Ebitda margin above 10% (iii) significant cash generation.

The Group is aware of the uncertainty of the general macroeconomic situation worsened by the conflicts in Ukraine and in the Middle East; nevertheless it continues to be confident in the potential growth of its business in the medium / long term thanks to the strong competitive positioning, to the solid financial structure, to the management's constant commitment to controlling costs and improving the efficiency of the production organization.

In this sector the absolute greatest cost is the one of the bulk wine. In 2023, production stood at 50.4 million quintals of wine grapes compared to 67.2 in 2022, 25.1% less looking at the national average, but with several Regions seeing harvest losses of well over 30%, reaching in some cases losses of 2/3 on last year's production (Source: Official Report about the 2023 harvest campaign - Ministry of Agricultural Policies).

In normal condition the harvest outcome will lead to potential bulk wine cost increase but the stock level at the Italian wineries, as a result of the abundant previous harvest and the drop in sales in terms of volume, is able to counterbalance it.

In this context, the IWB Group positively face 2024 with:



- (i) the main contracts renegotiated with the main customers;
- (ii) commercial initiatives in new countries aimed at expanding the customer portfolio;
- (iii) presence in all commercial channels, therefore with the possibility of following customer movements from one channel to another, without losing turnover;
- (iv) a solid and consolidated production structure;
- (v) corporate integration, effective from 1 January 2024 which will allow further industrial and financial synergies to be obtained;
- (vi) a good level of raw material stock, which allows the year's purchases to be better negotiated;
- (vii) significantly reduced debt characterized by a fixed interest rate of 2.5%.

and consequently in the best position to obtain further improved results compared to 2023.

Our job is to bring consistent results, to manage the company efficiently, to be state of the art, to understand where consumers demand is going and consequently offer them products in line with their desires.

This is the way we managed and we will improve our results.

The market context could also favor a further growth through M&A consistently with the strategy of the Group of growth on international markets, strengthening of brands and premium products.



4. Ethic Code 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 and on 14 September 2023, upon completion of the model, the Whistleblowing procedure was approved.

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 indexed to the ISTAT index plus VAT. For 2023 the fee was Euro 69,067.14.

(ii) a service contract with Electa SpA regarding support for investor relations activities for an amount of Euro 40 thousand on an annual basis.

The relationships described above are regulated at market conditions.

It should also be noted that on 1 August 2023, as detailed in the paragraph Significant events that occurred during the year, following the favorable opinion of the independent director, the amendments to the ownership contract were signed with Norina S.r.l and the brothers Giovanni Pecora 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 is linked the determination of the deferred price for the acquisition of 55% of Enovation Brands Inc.

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 food safety, environment and sustainability, health and safety ethics

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 customer expectations international served.

GFSI CERTIFICATIONS (FOOD SAFETY)



The Group's operational sites (Diano d'Alba, Calmasino, Montebello and Cetona) 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 GFSI certifications is therefore to ensure the quality and safety of 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, 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 to 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 Calmasino, Montebello and Cetona sites are certified according to the ISO 14001:2015 environmental standard.

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.

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;
- define 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).



SUSTAINABILITY CERTIFICATION LONG LIVE sustainability in viticulture



Today, with the commitment of the entire organization, from the workers to the top management, the operational sites of Calmasino and Montebello are managed in compliance with the VIVA certification standard for 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.

- Credibility and 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.

HEALTH AND SAFETY IN THE WORKPLACE - UNI ISO 45001:2018 CERTIFICATION



The operational sites of the Italian Wine Brands Giordano spa Group 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:



- promote employee motivation and involvement by strengthening collaboration, participation and awareness;
- 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;
- define objectives regarding safety and health at work which are monitored in their application by a multidisciplinary team;
- monitor performance and results regarding safety and health at work.
- improve and protect the organisation's reputation;

With this certification, the accredited external body SGS ITALIA S.p.A. has recognized the Group's operating companies for having implemented a management system in line with the highest safety standards and for having also pursued their objectives on a continuous basis, making improvements measurable 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's mission is to offer an ever-increasing number of customers in the world wines and food and wine products 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.

ISO 9001 QUALITY



Enoitalia within the group is 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 company quality policy.

ETHICAL: Sedex – SMETA



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. Sedex is a web system designed to help organizations manage data on working 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.

The Calmasino, Montebello and Cetona sites are registered within the portal which, through a periodically updated self-assessment questionnaire, evaluates compliance with the defined ethical requirements and transparently makes the company profile available to the supply chain and to customers and commercial partners.

Enoitalia spa is also subjected every two years to ethical audits according to the Sedex Smeta 2 pillar scheme and to audits with the aim of ascertaining supply chain security.

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 (Ethical Trade Initiative) basic code, integrating them with the 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).



HEADCOUNT

Below is the year end and average number of personnel by category as of 31 December 2023, 31 December 2022 and 31 December 2021.

	At 31.12.2023	Average no 31.12.2023	At 31.12.2022	Average no 31.12.2022	At 31.12.2021	Average no 31.12.2021
Executives	7	8	8	8	6	6
Middle managers	20	21	23	23	21	21
Employee	211	210	202	205	174	161
Workers	138	141	140	144	127	128
Total	376	380	373	379	328	317



7. Own Shares

As of 12/31/2023 the Parent Company holds n. 65,259 ordinary shares, representing 0.69% of the ordinary share capital. During 2023:

- 54,578 treasury shares were acquired;
- no assignments have been made.



8. RISKS

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

Risks deriving from changes in exchange rates

The Group is subject to market risk deriving from exchange rate fluctuations, as it operates in an international context, with transactions conducted in different currencies. Exposure to risk derives both from the geographical distribution of the commercial activity and from the different countries in which the purchases take place. To mitigate this risk, particularly as a consequence of the exposure arising from the acquisition of Enoitalia, the Group has defined suitable forward contracts in USD.

Risks deriving from changes in rates

Even if financial debt is mainly regulated by a fixed interest rate, the Group is still exposed to the risk of its fluctuation. The evolution of interest rates is constantly monitored by the Company and the opportunity to proceed with adequate coverage of interest rate risk may be assessed in relation to their evolution. Currently the Group does not hedge, considering that most of its financial debt benefit from fixed interest rate. The only exception is an IRS-OTC on a minor loan.

Derivative financial instruments 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 through valuation techniques based on market data, in particular using specific pricing models recognized by the market.

Credit Risk

Credit risk represents the exposure of Group companies to potential losses resulting from failure to fulfill obligations undertaken by counterparties.

The receivables essentially consist of receivables from end consumers for which the risk of non-collection is moderate and in any case of a low individual amount. The Company is organized with preventive control tools for the solvency of each individual customer, as well as credit monitoring and reminding tools through analysis of collection flows, payment delays and other statistical parameters.

Credits towards large-scale retail trade and the ho.re.ca channel are secured; 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 operational management and through the use of external financing sources and is therefore exposed to liquidity risk, represented by the fact that financial resources may not be sufficient to meet financial obligations and commercial within the pre-established terms and deadlines. The cash flows, financing needs and liquidity of the Group are controlled by considering the maturity of the financial assets (trade receivables and other financial assets) and the financial flows expected from the related operations. The Group has both secured and unsecured lines of credit, consisting of short-term revocable lines in the forms of hot financing, current account overdrafts and signature credit.

Risk of default and “covenant” on debt

The risk in question concerns the presence in financing contracts of provisions that legitimize the counterparties to ask the debtor, upon the occurrence of certain events, for the immediate repayment of the sums lent.

Operational and management risks

IWB (i) is not an energy-intensive group (ii) is an "asset light group" i.e. it does not own land therefore its production and revenues are not strictly linked to the harvesting of a "specific" territory.

The strategic value of the Group is the ability of its oenologists to create high quality blends starting from bulk wines purchased in Italy and to offer them to the market with an excellent quality/price ratio and in packages of high commercial and marketing value.

In an extreme long-term scenario that is currently not conceivable, if global warming, fires or a period of drought would affect production or harvest in Italy, IWB could consider the production and sale of bulk wine purchased outside Italy by "expanding" its company name and its scope of application and in the event of any different conditions applied by suppliers IWB could in any case review its agreements with customers as done in 2022 when the lack of dry material and inflation affected production costs. The potential negative effects from climate change would therefore be temporary. The "harvest" risk is monitored through constant relationships with suppliers and wine associations.

The investment in the photovoltaic system (x) is part of the sustainability path that IWB has undertaken on a voluntary basis by obtaining the Viva certification for the subsidiary IWB Italia (y) and contributes to reducing energy costs.

For the above reasons, the risk relating to climate change is not included in the impairment assessments.



9. Directors' Responsibility Statement

The Directors are responsible for preparing the Financial Statements in accordance with applicable laws and regulations; the Directors are required to prepare financial statements for each financial year, which give a true and fair view of the assets, liabilities and financial position of the Company and the Group, and of the profit or loss of the Group for that period. The Directors have elected to prepare Group financial statements and Separate financial statements in accordance with International Financial Reporting Standards ('IFRSs'). In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the financial statements comply with IFRSs as adopted by the European Union; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for ensuring that the Company keeps adequate accounting records which correctly explain and record the transactions of the Company, enabling at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy and ensuring that the financial statements are prepared in accordance with IFRSs as adopted by the European Union. The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website www.italianwinebrands.it.

Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. In accordance with the Central Bank (Investment Market Conduct) Rules, the Directors are required to include a management report containing a fair review of the business and a description of the principal risks and uncertainties the Group is facing. The Directors are also required by applicable law and the Listing Rules issued by Euronext Dublin to prepare a Directors' Report relating to Directors' Corporate Governance.

Each of the Directors, whose names and functions are listed on page 4, confirms that, to the best of their knowledge and belief:

- the Consolidated Financial Statements for the year ended 31 December 2023 have been prepared in accordance with IFRSs as adopted by the European Union. They give a true and fair view of the assets, liabilities, and financial position of the Group and the undertakings included in the consolidation, taken as a whole, as at that date and its profit for the year then ended;
- the Company financial statements, prepared in accordance with IFRSs as adopted by the European Union give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2023;
- The pages 15-34 of Directors' Report include a fair review of the development and performance of the business for the year ended 31 December 2023 and the financial position of the Company and the Group at year end;



- the Risk Management Report provides a description of the principal risks and uncertainties which may impact the future performance of the Company and the Group at year end; and
- the Consolidated Financial Statements, taken as a whole, provides the information necessary for shareholders to assess the Company's and Group's position and performance, business model and strategy and is fair, balanced and understandable.

Alessandro Mutinelli
Chief Executive Officer & Chairman




STATEMENT OF FINANCIAL POSITION

	Note	Restated		
		31.12.2023	31.12.2022	31.12.2022
<i>Amounts in EUR</i>				
Non-current assets				
Intangible assets	5	38,774,598	39,020,818	39,020,818
Goodwill	6	215,968,880	215,968,880	214,743,000
Land, property, plant and equipment	7	51,823,036	52,130,951	52,130,951
Right-of-use assets	7 B	15,464,554	17,709,172	17,709,172
Equity investments	8	5,109	5,109	5,109
Other non-current assets	9	235,310	429,732	429,732
Non-current financial assets		-	-	-
Deferred tax assets	10	2,693,710	1,951,640	1,564,520
Total non-current assets		324,965,198	327,216,302	325,603,302
Current assets				
Inventory	11	78,552,355	101,201,958	102,814,958
Trade receivables	12	52,129,713	61,599,269	61,599,269
Other current assets	13	8,310,750	6,082,797	6,082,797
Current tax assets	14	1,674,105	3,493,237	3,493,237
Current financial assets		524,162	674,237	674,237
Cash and cash equivalents	15	70,900,191	61,049,148	61,049,148
Total current assets		212,091,275	234,100,647	235,713,647
Total assets		537,056,473	561,316,949	561,316,949
Shareholders' equity				
Share capital		1,124,468	1,124,468	1,124,468
Reserves		145,344,279	142,277,658	142,277,658
Reserve for defined benefit plans		(63,762)	(22,659)	(22,659)
Reserve for stock grants		789,694	65,947	65,947
Profit (loss) carried forward		46,203,906	38,992,842	38,992,842
Net profit (loss) for the period		16,300,463	11,242,499	11,242,499
Total Shareholders' Equity of parent company shareholders		209,699,049	193,680,755	193,680,755
Shareholders' equity of NCIs		(208,671)	(366,135)	(366,135)
Total Shareholders' Equity	16	209,490,377	193,314,619	193,314,619
Non-current liabilities				
Financial payables	17	143,336,515	152,393,087	152,393,087
Lease liabilities	17	12,107,779	13,959,419	13,959,419
Provision for other employee benefits	18	1,654,245	1,443,925	1,443,925
Provisions for future risks and charges	19	300,637	288,172	288,172
Deferred tax liabilities	10	9,490,667	9,434,874	9,434,874
Other non-current liabilities	21	-	-	-
Total non-current liabilities		166,889,843	177,519,477	177,519,477
Current liabilities				
Financial payables	17	28,805,836	38,827,981	38,827,981
Lease liabilities	17	3,106,456	3,089,661	3,089,661
Trade payables	20	113,789,742	136,717,241	136,717,241
Other current liabilities	21	10,758,709	8,938,396	8,938,396
Current tax liabilities	22	4,215,509	2,909,575	2,909,575
Provisions for future risks and charges	19	-	-	-
Total current liabilities		160,676,252	190,482,853	190,482,853
Total shareholders' equity and liabilities		537,056,473	561,316,949	561,316,949



Restated 31/12/2022: The amount relating to the goodwill of Barbanera s.r.l. and Fossalto s.r.l. as of 31/12/2022 increased by Euro 1,226 thousand compared to what was recorded in the financial statements as of 31 December 2022 as a result of a detailed evaluation of the raw materials which revealed that some types of wine, acquired by the company in the period 2018-2021 were no more aligned with the fair value at the acquisition date. The different evaluation is essentially due 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 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. The counterbalance is accounted for in the inventory which decreased by Euro 1,613 thousand and in deferred taxes which decreased by Euro 387 thousand.

**COMPREHENSIVE INCOME STATEMENT**

	Note	31.12.2023	31.12.2022
<i>Amounts in EUR</i>			
Revenue from sales	23	429,127,486	390,654,334
Change in inventories	11	(19,764,596)	610,153
Other income	23	4,409,594	5,573,930
Total revenue		413,772,484	396,838,417
Purchase costs	24	(271,847,220)	(271,789,668)
Costs for services	25	(73,661,770)	(71,413,602)
Personnel costs	26	(25,653,665)	(21,783,374)
Other operating costs	27	(1,647,420)	(2,116,351)
Operating costs		(372,810,074)	(367,102,995)
EBITDA		40,962,410	29,735,423
Depreciation and amortization	5-7	(11,964,772)	(9,666,058)
Provision for risks	19	(24,441)	(53,660)
Write-ups / (Write-downs)	28	(1,601,476)	(802,986)
Operating profit/(loss)		27,371,721	19,212,718
Finance revenue		1,489,920	1,522,120
Borrowing costs		(9,287,567)	(7,039,704)
Net financial income/(expenses)	29	(7,797,647)	(5,517,584)
EBT		19,574,074	13,695,134
Taxes	30	(3,116,150)	(2,661,939)
(Loss) Profit from discontinued operations		-	-
Profit (loss) (A)		16,457,924	11,033,196
Attributable to:			
(Profit)/Loss of NCIs		(157,461)	209,303
Group profit (loss)		16,300,463	11,242,499
Other Profit/(Loss) of comprehensive income statement:			
Other items of the comprehensive income statement for the period to be subsequently released to profit or loss		251,734	17,915
Other items of the comprehensive income statement for the period not to be subsequently released to profit or loss			
Actuarial gains/(losses) on defined benefit plans	18	(41,103)	54,974
Tax effect of Other profit/(loss)		-	-
Total other profit/(loss), net of tax effect (B)		210,632	72,889
Total comprehensive profit/(loss) (A) + (B)		16,668,555	11,106,085



Statement of changes in Shareholders' Equity

Amounts in Eur

	Share Capital	Capital Reserves	Translation reserve	Reserve for stock grants	Reserve for defined benefit plans	Retained earnings	Shareholders' equity of NCIs	Total
Balance at 1 January 2022	1,046,266	112,232,204	196,117	518,220	(77,633)	46,039,212	-	159,954,386
Capital increase	78,203	26,238,037						26,316,240
Purchase of own shares		(1,446,020)						(1,446,020)
Sale of own shares		-						-
Dividends		-				(879,216)		(879,216)
Stock grants		1,278,338		(452,274)		(826,065)		-
Legal reserve		72,515				(72,515)		-
Reclassification and other changes		3,688,551				(5,268,575)	(156,832)	(1,736,856)
Total comprehensive profit/ (loss)			17,915		54,974	11,242,499	(209,303)	11,106,085
Balance at 31 December 2022	1,124,468	142,063,627	214,032	65,947	(22,659)	50,235,341	(366,135)	193,314,619
Capital increase								-
Purchase of own shares		(984,657)						(984,657)
Sale of own shares								-
Dividends						(944,930)		(944,930)
Stock grants				789,694				789,694
Legal reserve								-
Reclassification and other changes		3,799,543		(65,947)		(3,086,505)	3	647,095
Total comprehensive profit/ (loss)			251,734		(41,103)	16,300,463	157,461	16,668,555
Balance at 31 December 2023	1,124,468	144,878,513	465,766	789,694	(63,762)	62,504,369	(208,671)	209,490,377

STATEMENT OF CASH FLOWS

Amounts in Eur

	Notes	31.12.2023	31.12.2022
Profit (loss) before taxes		19,574,074	13,695,134
Adjustments for:			
- non-monetary items - stock grant		-	-
- allocations to the provision for bad debts net of utilizations		1,601,476	802,986
- non-monetary items - provisions / (releases)		24,441	53,660
- non-monetary items - amortisation/depreciation		11,964,772	9,666,058
Adjusted profit (loss) for the period before taxes		33,164,763	24,217,839
Cash flow generated by operations			
Income tax paid		(1,993,366)	(1,888,999)
Other financial (income)/expenses without cash flow (financial amortisation)		3,479,355	3,473,329
Total		1,485,989	1,584,330
Changes in working capital			
Change in receivables from customers		7,868,080	17,823,645
Change in trade payables		(22,927,499)	(17,206,508)
Change in inventories		22,661,239	(3,009,645)
Change in other receivables and other payables		1,789,065	2,115,358
Other changes		(11,635)	(299,235)
Change in post-employment benefits and other provisions		157,242	(242,417)
Change in other provisions and deferred taxes		(686,277)	(543,689)
Total		8,850,215	(1,362,491)
Cash flow from operations (1)		43,500,966	24,439,678
Capital expenditure:			
- Tangible		(4,264,347)	(6,297,749)
- Intangible		(3,356,446)	(3,630,091)
- Net cash flow from business combination (*):		-	(48,858,251)
- Financial		-	-
Cash flow from investment activities (2)		(7,620,793)	(58,786,090)
Financial assets			
Long-term borrowings/ (repayments) - Bond		(3,250,000)	(3,250,000)
Short-term borrowings (paid)		3,000,000	6,657,000
Long-term borrowings/ (repayments) - Bond		(10,246,000)	(10,019,000)
Collections / (repayments) revolving loan		(3,500,000)	7,500,000
Collections / (repayments) other financial payables		(5,730,000)	6,620,628
Change in other financial assets		150,076	438,925
Change in other financial liabilities		(6,212,143)	5,847,903
Purchase of own shares		(984,657)	(1,446,020)
Sale of own shares		-	-
Dividends paid		(944,930)	(879,216)
Monetary capital increases		-	26,316,240
Change in reserve for stock grants		789,694	-
Other changes in shareholders equity		898,829	(1,494,293)
Cash flow from financing activities (3)		(26,029,131)	36,292,168
Cash flow from continuing operations		9,851,042	1,945,755
Change in cash and cash equivalents (1+2+3)		9,851,042	1,945,755
Cash and cash equivalents at beginning of period		61,049,148	59,103,393
Cash and cash equivalents at end of period		70,900,191	61,049,148



FORM AND CONTENT OF THE CONSOLIDATED ANNUAL FINANCIAL REPORT

Introduction

This Financial Report as at 31 December 2023 was prepared pursuant to the EGM Regulation and in compliance with the International Accounting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and endorsed by the European Union. “IFRS” also means the International Accounting Standards (“IAS”) still in force, as well as all the interpretative documents issued by the Interpretation Committee, previously called the International Financial Reporting Interpretations Committee (“IFRIC”) and even before that 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 in the European Union to draw up the annual financial report in the language XHTML, based on the ESEF (European Single Electronic Format), approved by ESMA. The Financial Statements Report and the Notes to the Financial Statements as of 31 December 2023 are "marked" to the ESEF taxonomy, using an integrated computer language (iXBRL) for both the consolidated and statutory financial statements of IWB S.p.A.

Financial Statement’s schemes

This Financial Report as at 31 December 2023 consists of the Statement of Financial Position, the Comprehensive Income Statement, the Statement of Changes in Shareholders' Equity, the Cash Flow Statement and the Explanatory Notes, and is accompanied by the directors' report on the performance of the management.

The scheme adopted for the statement of Financial Position provides for the distinction of assets and liabilities between current and non-current.

The Group has chosen for the presentation of the components of the profit/loss for the year in a single statement of comprehensive income, which includes the result for the year and, by homogeneous categories, the income and expenses which, based on IFRS, are charged directly to equity. The income statement scheme adopted provides for the classification of costs by nature.

The statement of changes in equity includes, in addition to the overall profits/losses for the period, the amounts of transactions with capital holders and the movements that occurred during the year in the reserves.

In the statement of cash flows, the financial flows deriving from operating activities are presented using the indirect method, whereby the profit or loss for the year is adjusted by the effects of non-monetary operations, by any deferral or provision of previous or future



operating receipts or payments, and from elements of revenues or costs connected to the financial flows deriving from the investment activity or financial activity.

1. Consolidation Area

The consolidation area includes - IWB S.p.A, an Italian company listed on the EGM active in the production and sale of wine mainly on international markets through all sales channels (wholesale, ho.re.ca, direct sales); - the controlled companies.

Subsidiaries are all investee companies in which the Group simultaneously has:

- 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 itself;
- right to variable results (positive or negative) deriving from the participation in the consolidated entity;
- ability to use one's decision-making power to determine the amount of results deriving from the investment in the consolidated entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is assumed until the moment in which such control ceases to exist. The shares of net equity and the result attributable to minority shareholders are indicated separately, respectively in the consolidated Statement of Financial Position and Comprehensive Income Statement.

The entities included in the consolidation area and the related 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%
IWB Italia 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%	-

The merger project which brought about the aggregation of Enoitalia S.p.A, Provinco Italia S.p.A, Barbanera S.r.l., Fossalto S.r.l. and the B2B and production branch of Giordano Vini S.p.A. is effective from 1 January 2024.



2. Preparation Principles

The consolidated financial statements were drawn up with a view to going concern, with the presentation currency being the Euro and the amounts shown are rounded to the nearest whole number, including, unless otherwise indicated, the amounts highlighted in the accompanying notes.

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.

2.1 Accounting Policies

The most material accounting policies adopted in the preparation of these consolidated financial statements are:

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 contingent 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 non-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 comprehensive income 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 straight line amortizations basis, 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.

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 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 in the 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 financial statements 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 liabilities

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 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 into 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.

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.

As of 31 December 2023, an IRS-OTC derivative contract is recorded in the statement of financial position to hedge 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 42.7 thousand. (see Note 17)

2.2 Accounting judgments and estimates

The preparation of the consolidated financial statements and the related notes in application of the IFRS requires the Management to make estimates and assumptions that have an effect on the values of revenues, costs, of assets and liabilities in the financial statements and on the information relating to assets and contingent liabilities at the reference date.

The estimates and assumptions used are based on experience, other factors considered relevant and available information.

The final results may therefore differ from these estimates. Estimates and assumptions may vary from one financial year to another and are therefore reviewed periodically; the effects of any changes made to them are reflected in the income statement in the period in which the estimate revision takes place.

The main estimates, for which the use of subjective assessments by Management is most required, are typically used for:

- determination of bad debt provisions for direct sales (wholesale and ho.re.ca sales are insured) and any other write-downs of assets;
- acquisitions of companies and related determination of fair values;
- provisions for risk in particular, the evaluation processes concern both the determination of the degree of probability of the occurrence of the conditions that may entail a financial outlay, and the estimate of the related amount;
- evaluation of taxes and deferred tax assets, the registration of which is supported by the Group's taxability prospects resulting from the expected profitability envisaged by the industrial plans and by the "fiscal consolidation";
- definition of the useful life of fixed assets and related depreciation;
- valuation of intangible and tangible assets, equity investments and goodwill based, as regards the estimate of value in use, on the use of financial plans drawn up on a set of assumptions and hypotheses of future events which do not will necessarily occur and determination of the discount rate;
- defined benefit pension plan – actuarial assumptions;



- The determination of the leasing duration for some leasing contracts in which the Group is a lessee, even if the Company is reasonably certain of exercising the options reserved for lessees; the interest rate for rent.

As of the financial statements date at 12/31/2023, no further impacts are expected than those represented in the comprehensive income statement, statement of financial position and statement of cash flow.

3. RISKS

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

Risks deriving from changes in exchange rates

The Group is subject to market risk deriving from exchange rate fluctuations, as it operates in an international context, with transactions conducted in different currencies. Exposure to risk derives both from the geographical distribution of the commercial activity and from the different countries in which the purchases take place. To mitigate this risk, particularly as a consequence of the exposure arising from the acquisition of Enoitalia, the Group has defined suitable forward contracts in USD.

Risks deriving from changes in rates

Even if financial debt is mainly regulated by a fixed interest rate, the Group is still exposed to the risk of their fluctuation. The evolution of interest rates is constantly monitored by the Company and the opportunity to proceed with adequate coverage of interest rate risk may be assessed in relation to their evolution. Currently the Group does not hedge itself, considering that most of its financial debt benefit from fixed interest rate. The only exception is an IRS-OTC on a minor loan.

Derivative financial instruments 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 through valuation techniques based on market data, in particular using specific pricing models recognized by the market.

Credit Risk

Credit risk represents the exposure of Group companies to potential losses resulting from failure to fulfill obligations undertaken by counterparties.



The receivables essentially consist of receivables from end consumers for which the risk of non-collection is moderate and in any case of a low individual amount. The Group is organized with preventive control tools for the solvency of each individual customer, as well as credit monitoring and reminder tools through analysis of collection flows, payment delays and other statistical parameters.

Credits towards large-scale retail trade and the ho.re.ca channel are secured; 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 operational management and through the use of external financing sources and it is therefore exposed to liquidity risk, represented by the fact that financial resources may not be sufficient to meet financial obligations and commercial within the pre-established terms and deadlines. The cash flows, financing needs and liquidity of the Group are controlled by considering the maturity of the financial assets (trade receivables and other financial assets) and the financial flows expected from the related operations. The Group has both secured and unsecured lines of credit, consisting of short-term revocable lines in the forms of hot financing, current account overdrafts and signature credit.

Risk of default and “covenant” on debt

The risk in question concerns the presence in financing contracts of provisions that legitimize the counterparties to ask the debtor, upon the occurrence of certain events, for the immediate repayment of the sums lent.

Operational and management risks

IWB (i) is not an energy-intensive group (ii) is an "asset light group" i.e. it does not own land therefore its production and revenues are not strictly linked to the harvesting of a "specific" territory.

The strategic value of the Group is the ability of its oenologists to create high quality blends starting from bulk wines purchased in Italy and to offer them to the market with an excellent quality/price ratio and in packages of high commercial and marketing value.

In an extreme long-term scenario that is currently not conceivable, if global warming, fires or a period of drought affected production or harvest in Italy, IWB could consider the production and sale of bulk wine purchased outside Italy by "expanding" its company name and its scope of application and in the event of any different conditions applied by suppliers IWB could in any case review its agreements with customers as done in 2022 when the lack of dry material and inflation affected production costs. The potential negative effects from climate change would therefore be temporary.



The "harvest" risk is monitored through constant relations with suppliers and wine associations

The investment in the photovoltaic system (x) is part of the sustainability path that IWB has undertaken on a voluntary basis by obtaining the Viva certification for the subsidiary IWB Italia (y) and contributes to reducing energy costs.

For the above reasons, the risk relating to climate change is not included in the impairment assessments.

4. Accounting Principles

4.1 Approved accounting standards and interpretations in force starting from 1 January 2023

Pursuant to IAS 8 "Accounting standards, changes in accounting estimates and errors", the IFRS in force from 1 January 2023 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 "material" 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. There were no impacts on the Group financial statements following these changes..

- **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. There were no impacts on the Group financial statements following these changes.

- **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. There were no impacts on the Group financial statements following these changes.

- **IFRS 17 – Insurance agreements**

The accounting standard, published by the International Accounting Standards Board (IASB) on 18 May 2017 and amended on 25 June 2020, replaces IFRS 4, as amended in 2020, and establishes an integrated approach to the accounting for insurance contracts, with the objective of ensuring that companies disclose relevant information in their financial statements, which gives a true picture of the contracts under consideration.

This information provides users of the financial statements with the elements to evaluate the effect of insurance contracts on the financial position, economic results and cash flows of companies.

IFRS 17 applies to insurance contracts, reinsurance contracts, as well as investment contracts with discretionary participation elements. There were no impacts on the Group financial statements following these changes.

- **Annual Improvements (2018-2020)**

These are limited amendments to some standards (IFRS 1 First-time adoption of IFRS, IFRS 9 Financial Instruments, IAS 41 Agriculture and illustrative examples of IFRS 16 Leases) which clarify the wording or correct omissions or conflicts between the requirements of the IFRS standards. There were no impacts on the Group financial statements following these changes.

4.2 International accounting standards and/or interpretations issued but not yet entered into force and/or not endorsed

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 31 December 2023 and therefore not applicable, and the foreseeable impacts on the Consolidated Financial Statements.

None of these Standards 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 entity 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 change.



Segment Reporting

An operating segment is a component of an entity:

- a) that undertakes entrepreneurial activities generating revenues and costs (including revenues and costs relating to operations with other components of the same entity);
- (b) whose operating results are reviewed periodically at the entity's highest operational decision-making level for the purpose of making decisions regarding resources to be allocated to the segment and evaluating results; And
- c) for which separate financial statement information is available.

IFRS 8 requires an entity to provide financial and descriptive information about its reportable segments. Reportable segments are operating segments or an aggregation of operating segments that meet specific criteria:

(i) operating segments are components of an entity for which separate financial information is available and is regularly evaluated by the Chief Operating Decision Maker (CODM) to make decisions about resources to allocate to the segment and evaluate its performance.

(ii) in general, information must be presented on the same criteria used internally to evaluate the performance of operating segments and to decide how to allocate resources to operating segments.

As of 31 December 2023, the Group has drawn up periodic information relating to the economic and financial situation of the companies only and an analysis limited to net revenues by geographical area and distribution channel which submitted to the CODM which are used to evaluate the performance of the group as a whole as well as to allocate the resources.

Paragraph 11 of IFRS 8 defines the segment subject to disclosure and, in particular, provides that: an entity must separately provide information on each operating segment that:

- has been identified in accordance with paragraphs 5 to 10 or results from the aggregation of two or more such segments in accordance with paragraph 12, and
- exceeds the quantitative thresholds referred to in paragraph 13."

Based on the above, it is possible to conclude that the Group currently has only one reportable segment pursuant to IFRS 8. Since the Group is made up of a single reportable segment, it is specified that:

- the income statement information required by paragraph 32 of IFRS 8 is already included in the consolidated comprehensive income statement; the information required by par 32 and 33.a are included in the Report on page 26
- the information on investments required by paragraph 33b of IFRS 8 is below



euro thousands

	31.12.2023	Restated 31.12.2022	31.12.2022
Italy	291,655	294,465	293,239
USA	17,741	17,917	17,917
Switzerland	12,876	12,883	12,883
Total non-current assets *	322,271	325,265	324,039

* The total does not include:

- Non-current financial activities
- Deferred tax assets



Notes

First of all, it should be noted that the Group protects its assets and activities through insurance policies aimed at guaranteeing in particular:

- receivables: B2B sales are carried out only against and within the limits of the insurance credit (or against non-recourse assignments, advance payments or letters of credit)
- assets through a property/All risks policy to cover the value of buildings, machinery, equipment, furnishings and warehouse.
- potential liabilities through a liabilities policy (RCT/O/P)
- as well as a D&O and EPL consistent with the Group's structure.

5. Intangible Assets

Intangible assets almost entirely refer to the brands owned by the Group. The changes are shown below.

€thousand

Net carrying amount	INTANGIBLE ASSETS						31.12.2023
	01.01.2023	increases	decreases	amortizations	reclassification	increases from business combination	
Trademarks & patents	32,427	52	(24)	(302)	-	-	32,154
Software	1,872	517	-	(1,056)	36	-	1,368
Set-up costs	10	-	-	(3)	-	-	7
Other intangibles assets	4,467	2,512	-	(2,242)	191	-	4,928
Intangible assets under construction and	245	318	(19)	-	(226)	-	318
Net carrying amount intangible assets	39,021	3,399	(43)	(3,603)	0	-	38,774

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 refer to the following paragraph.

The increases for the 2023 financial year relate to:

(i) for Euro 3,231 thousand for the development of the following activities which mainly 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");
- software development;

(ii) for 52 thousand euros for the registration of new trademarks.



6. Goodwill

The overall goodwill is detailed in the following table.

€thousand

Company	31.12.2023	Restated 31.12.2022	31.12.2022
Provinco Italia S.p.A.	11,289	11,289	11,289
Giordano Vini S.p.A.	0	43,719	43,719
Prodive S.r.l.	0	447	447
Enoitalia S.p.A.	156,942	112,776	112,776
Enovation Brands Inc	17,038	17,038	17,061
Barbanera S.r.l.	16,687	16,687	16,597
Fossalto S.r.l.	1,159	1,159	
Raphael Dal Bo AG	12,854	12,854	12,854
Total Goodwill	215,969	215,969	214,743

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 (bulk wines) 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 derives from the impossibility of conserving 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.

At 31 December 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 current 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).

As at 31 December 2023, the cash generating units were subjected to impairment testing in order to verify the existence of any losses in value, through the comparison between the book value of the units (including the allocated goodwill, intangible assets with a defined useful life and other net operating assets) and the value in use, or the present value of the expected future financial flows that are expected to derive from the continuous use and possible disposal of the cash generating units at the end of their useful life.

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 cash flows of the 5 years of explicit projection are added to a terminal value determined by discounting the expected perpetual income.

The cash flows projections were drawn up both by reflecting the past experience of the companies and by appropriately evaluating the current economic situation on a prudential basis.

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 indicated for each CGU in the table below, calculated taking into account consideration of the sector in which the company operates, the destination markets for the products, 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.

As at 31 December 2023, no losses in value emerge between the book value and the related value in use (determined according to the Discounted Cash Flow methodology) as per the table below



Reportable Segment	CGU's 2022	Goodwill 2022	CGU's 2023	Goodwill 2023	Carrying Amount	Recoverable amount/VIU	Headroom	WACC
IWB Group	Enoitalia S.p.A.	112,776						
IWB Group	Provinco Italia S.p.A	11,289	IWB Italia S.p.A. *	186,077	265,686	324,504	58,818	6.6%
IWB Group	Barbanera S.r.l	16,597						
IWB Group	Giordano Vini S.p.A	43,719	Giordano Vini S.p.A		28,457	35,893	7,436	7.2%
IWB Group	Prodive s.r.l.	447						
IWB Group	Raphael Dal Bo AG	12,854	Raphael Dal Bo AG	12,854	11,957	104,990	93,033	6.2%
IWB Group	Enovation Brands Inc	17,061	Enovation Brands Inc	17,038	11,817	26,391	14,573	6.6%
	IWB GROUP TOTAL	214,743	IWB GROUP TOTAL	215,969	317,917	491,778	173,861	

The change in the CGUs structure compared to 2022 is explained by the corporate reorganization explained on page 13.



7. Land, property, plant and equipment

the change in tangible fixed assets is shown below

€ thousand

PROPERTY, PLANT AND EQUIPMENT						
Gross Value						
Historical costs	01.01.2023	increases	decreases	reclassification/other changes	increases from business combination	31.12.2023
Land and buildings	40,198	512	-	-	-	40,710
Plant and equipments	55,583	1,472	(305)	355	-	57,105
Equipment	21,572	808	(2)	(12)	-	22,365
Other	7,609	115	(36)	123	-	7,812
Tangible assets under construction	1,101	1,775	(317)	(350)	-	2,209
Right of use assets	29,888	1,559	-	(3,268)	-	28,179
Total historical costs	155,951	6,241	(660)	(3,152)	-	158,379
PROPERTY, PLANT AND EQUIPMENT						
Accumulated depreciation						
Accumulated depreciation	01.01.2023	amortizations	decreases	other changes	increases from business combination	31.12.2023
Land and buildings	(11,399)	(766)	-	-	-	(12,166)
Plant and equipments	(39,965)	(2,606)	206	20	-	(42,345)
Equipment	(15,518)	(1,002)	2	(21)	-	(16,540)
Other	(7,049)	(197)	35	(115)	-	(7,327)
Tangible assets under construction	-	(0)	-	-	-	(0)
Right of use assets	(12,179)	(3,790)	-	3,254	-	(12,714)
total accumulated depreciation	(86,110)	(8,362)	243	3,138	-	(91,092)
PROPERTY, PLANT AND EQUIPMENT						
Net Value						
Net Value	01.01.2023	increases	decreases	amortizations	other changes	31.12.2023
Land and buildings	28,798	512	-	(766)	-	28,544
Plant and equipments	15,618	1,472	(99)	(2,606)	375	14,760
Equipment	6,054	808	-	(1,002)	(33)	5,826
Other	560	115	(1)	(197)	8	485
Tangible assets under construction	1,101	1,775	(317)	(0)	(350)	2,209
Right of use assets	17,709	1,559	-	(3,790)	(14)	15,464
Total Net Value	69,840	6,241	(417)	(8,362)	(14)	67,287

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

- For Euro 1,141 thousand relating to investments in the automation and efficiency of the Giordano production plants relating in particular to (i) new cellar layout (ii) bottling plant (iii) labeling machine;

- For Euro 1,559 thousand the Enoitalia photovoltaic system in addition to Euro 140 thousand for the renovation of the roof

- For 808 thousand euros relating to the new autoclaves.



- For Euro Euro 357k for filters and gas balancers
- For Euro 1,559 relating to bottling machinery in the Montebello plant

7 B. Rights of use

The change in right-of-use assets broken down by underlying type is shown below.

€thousand

Right of use assets	01.01.2023	increases	decreases	amortizations	other changes	31.12.2023
Land and buildings	13,163			(1,902)	(14)	11,247
Plant and equipments	3,559	1,559		(1,547)		3,570
Equipment	890			(292)		598
Other	98			(49)		49
Total	17,709	1,559	-	(3,790)	(14)	15,464

Below are the financial items relating to existing leasing contracts divided by type:

- interest expense charged to the income statement on leasing liabilities;
- short-term and long/medium-term residual lease liabilities;
- the total outgoing financial flows.

€thousand

	Interests	Short term	Medium/long term (within 5 years)	Long term (over 5 years)	Cash Out
Land and buildings	(337)	(1,867)	(9,337)	(851)	(1,928)
Plant and equipments	(70)	(958)	(1,549)	-	(1,543)
Equipment	(43)	(246)	(349)	-	(311)
Other	(8)	(35)	(22)	-	(56)
Total	(458)	(3,106)	(11,256)	(851)	(3,838)

Finally, we point out:

- the costs for leasing low-value assets charged to the income statement amount to Euro 428 thousand;
- the costs relating to the variable payments due for the leasing not included in the measurement of the leasing liabilities amount to Euro 397 thousand.



8. Equity investments

The Equity investments item is detailed as follows.

Amounts in Euro

	Country	31.12.2023	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
Garzan	Italy		
Banca Valdichiana	Italia	1,100	1,100
Banca Tema	Italia	1,250	1,250
Total		5,109	5,109

9. Other not current activities

the item Other non-current assets is detailed as follows.

€thousand

	31.12.2023	31.12.2022
Refund of IRAP credits (DL no. 201 of 2011)	-	179
Security deposits	235	251
Others	-	-
Total	235	430



10. Deferred Taxes

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

Amounts at 31 december 2023

Euro thousand

Description	Tax base	Tax rate	Balance
Losses carried forward	1,345	27.20%	366
Tangible and intangible fixed assets	209	27.90%	58
Provision for risks and charges	153	24.00%	37
Provisions for returns and inventory write down	2,999	27.90%	837
Provision for bads debts	2,935	24.00%	704
Remuneration of directors	2,165	24.00%	520
Exchange rate adjustment	82	24.00%	20
Maintenance	113	24.00%	27
Membership fees deductible in cash	431	27.90%	120
Others	21	24.00%	5
Total Deferred tax assets			2,694

Description	Tax base	Tax rate	Balance
Business combination/Goodwill	25,185	27.90%	7,027
Tangible and intangible fixed assets	8,728	27.90%	2,435
Exchange rate adjustment	123	24.00%	30
Total Provision for deferred taxes			9,491

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 returns 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	Tax base	Tax rate	Balance
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

**Amounts at 31 december 2022***Euro thousand*

Description	Tax base	Tax rate	Balance
Tangible and intangible fixed assets	376	27.90%	105
Provision for risks and charges	154	24.00%	37
Provisions for returns 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			1,564

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. Inventory

The details are shown below.

€thousand

	31.12.2023	Restated 31.12.2022	31.12.2022
Raw materials and consumables	8,505	10,105	10,105
Semi- finished products	43,742	56,291	57,904
Finished products	23,924	29,963	29,963
Advances	2,381	4,843	4,843
Total	78,552	101,202	102,815

**Restated 31/12/2022: The amount relating to the goodwill of Barbanera s.r.l. and Fossalto s.r.l. as of 31/12/2022 increased by Euro 1,226 thousand compared to what was recorded in the financial statements as of 31 December 2022 as a result of a detailed evaluation of the raw materials which revealed that some types of wine, acquired by the company in the period 2018-2021 were no more aligned with the fair value at the acquisition date. The different evaluation is essentially due 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 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. The counterbalance is accounted for in the inventory which decreased by Euro 1,613 thousand and in deferred taxes which decreased by Euro 387 thousand.*



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 significant decrease compared to 2022 was obtained through better planning of supply chain activities and constitutes a first benefit of the corporate integration which simplifies the unitary management of production management and procurement activities intended for sales.

The book value of inventories is shown net of a write-down provision of 1,893 thousand, the movements of which in the period are shown below.

€thousand

Provision at 01.01.2023	3,035
Provisions	(967)
Increase from business combination	0
Amount used	(174)
Provision at the end of the period	1,893

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 referred to in Note above*

12. Trade Receivables

Trade receivables as of 31 December 2023 and 31 December 2022 are detailed below.

€thousand

	31.12.2023	31.12.2022
Trade receivables	56,173	65,416
Provision for bad debts	(4,043)	(3,816)
Total	52,130	61,599



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

€thousand

	31.12.2023
Provision at 01.01.2023	3,816
Provisions	1,611
Increase from business combination	0
Amount used	(1,385)
Provision at the end of the period	4,043

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 in the accounts as a flat-rate and indistinct deduction from the total 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 receivables themselves, adjusted to take into account forecast factors specific to some creditors.

The receivables of the Wholesales and Ho.re.ca division are covered by insurance.

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

13. Other Current Assets

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

€thousand

	31.12.2023	31.12.2022
Security deposits	441	453
Others	6,977	4,691
Advances to suppliers	222	371
Accruals and prepayments	670	568
Total	8,311	6,083

The item others mainly includes receivables from factors (Enoitalia) amounting to Euro 6,759 thousand.



14. Current tax assets

Tax credits as of 31 December 2023 and 31 December 2022 are detailed as per the following table:

€thousand

	31.12.2023	31.12.2022
VAT receivables	0	1,620
Tax Credit	1,387	1,814
Others	287	60
Total	1,674	3,493

The reduction to 0 of the VAT credit derives from a better management of the declarations of intent which allowed the "consumption" of the credit, contributing to the improvement of the net financial position for a corresponding amount.

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. and Enoitalia S.p.A.) has opted for the national IRES tax consolidation regime, the effects of which are also reported in the economic and financial results as at 31 December 2023 .

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 S.p.A. it became part of the Group consolidation starting from the tax return as of 31 December 2023.



15. Cash and Cash Equivalent

Cash and cash equivalents as of 31 December 2023 and 31 December 2022 are detailed as per the following table.

€ thousand

	31.12.2023	31.12.2022
Bank deposits	69,250	59,779
Postal deposits	1,628	1,229
Cheques	0	18
Cash	22	23
Total	70,900	61,049

16. Shareholders' equity

The Group shareholders' equity is made up as follows

Amounts in EUR

	31.12.2023	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	(63,762)	(22,659)
Reserve for stock grants	789,694	65,947
Reserve for translate	465,766	214,032
Reserve for the purchase of treasury shares	(1,243,417)	(258,760)
Other reserves	9,775,605	5,976,062
Prior profits/(losses)	46,203,906	38,992,842
Profit/(loss) of the period	16,300,463	11,242,499
Total reserves	208,574,580	192,556,287
Total Group shareholders' equity	209,699,049	193,680,755
Shareholders' equity of NCIs	(208,671)	(366,135)
Total shareholders' equity	209,490,377	193,314,619

Share capital

As of 31 December 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 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.



As of December 31, 2023, the Parent Company holds n. holds no. 65,259 ordinary shares, representing 0.69% of the ordinary share capital which contributed to increasing:

- the treasury share purchase reserve;
- the stock grant reserve.

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 set out below.

<i>Amounts in EUR</i>	31.12.2023	
	Profit/(loss) for the period	Shareholders' equity
Shareholders' equity IWB SpA - IFRS standards	6,856,302	178,937,566
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	24,157,088	293,753,317
Dividends from subsidiaries	(14,766,019)	-
Consolidation adjustments for transactions between consolidated companies	53,092	(405,631)
Group shareholders' equity and profit/(loss) for the period	16,300,463	209,699,049
Minority interests	157,461	(208,671)
Consolidated shareholders' equity and profit/(loss)	16,457,924	209,490,377



17. Financial liabilities

The situation al 31 December 2023 is the following.

<i>€thousand</i>				31.12.2023
	Short term	Medium/long term (within 5 years)	Long term (over 5 years)	Total
Bond	-	131,248	-	131,248
Short-term unsecured loans	7,034	-	-	7,034
Revolving loans	20,000	-	-	20,000
Other loans in addition to e.g. unsecured	878	7,217	-	8,095
Financial accrued expenses and charges	893	-	-	893
Total Banks	28,806	7,217	-	36,023
Payables to factoring companies	-	-	-	-
Deferred price acquisitions	-	4,405	-	4,405
Other financial loans	-	467	-	467
Total other lenders	-	4,872	-	4,872
Total	28,806	143,337	-	172,142

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

<i>€thousand</i>				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	878	12,947	-	13,825
Financial accrued expenses and charges	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	31.12.2023
Bond	131,018	3,479	(3,250)			131,248
Short-term unsecured loans	14,280	3,000	(10,246)			7,034
Revolving loans	23,500		(3,500)			20,000
Other loans in addition to e.g. unsecured	13,825		(5,730)			8,095
Financial accrued expenses and charges	170	893	(170)			893
Total Banks	51,774	3,893	(19,646)	-	-	36,022
Payables to factoring companies	0	-	(0)			-
Deferred price acquisitions	7,621		(3,217)			4,405
Other financial loans	807		(339)			467
Total other lenders	8,428	-	(3,556)	-	-	4,872
Total	191,221	7,373	(26,452)	-	-	172,142

Bank debt as of 31 December 2023 consists of the following loans:

- Senior, non-convertible, non-subordinated and unsecured bond of Euro 130 million issued by Italian Wine Brands S.p.A. on 13 May 2021 with a duration of 6 years (expires 13 May 2027), bullet repayment, fixed annual rate of 2.50%, with annual payment of interest. The bond 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 subscription date. As of 31 December 2023, the loan has been used for Euro 15 million by the subsidiary Giordano Vini S.p.A. The loans have a quarterly maturity and a rate equal to the 3M Euribor plus a spread of 1.3%. Maximum duration 36 months.
- 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 euro 2 million, repayable in quarterly installments and scheduled for repayment on 28 February 2027, at a rate equal to the 3M Euribor plus a spread of 1.45%. The residual debt at 31 December 2023 valued using the amortized cost method amounts to Euro 1.3 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 increased 3M Euribor from a spread of 1.00%. The residual debt at 31 December 2023 valued using the amortized cost method amounts to Euro 1.1 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 42.7 thousand.
- “Revolving” short-term loan provided to the subsidiary Giordano Vini S.p.A. from Crédit Agricole for an amount of Euro 5 million, with a quarterly maturity and a rate equal to the 3M Euribor increased by a spread of 1%.
- Medium-term loan disbursed on 4 October 2022 by Credito Emiliano to Giordano for an amount equal to 1.5 million repayable in monthly installments and scheduled repayment on 4 April 2024, at a rate equal to the 3M Euribor increased by a spread of 0.95%. The residual debt at 12/31/2023 valued using the amortized cost method amounts to Euro 341 thousand.
- 2 Loans for a total of Euro 941 thousand granted to Giordano S.p.A. from Simest on development projects:
 - o 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%;
 - o 141 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 at 12/31/2023 Euro 141 thousand).
- 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 31 December 2023 is equal to Euro 378 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 3M Euribor plus a spread of 1.4%. The residual debt at 31 December 2023 is equal to Euro 2.5 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 31 December 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 0.4%. Duration: maximum 1 year, with renewal. Refund method: at any time, without penalties for the customer. The residual debt at 31 December 2023 is equal to Euro 2 million.
- “Revolving” short-term financing provided to the subsidiary Provinco 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 initiation plus a spread of 1%.



- Loan for a total of Euro 63 thousand granted to Provinco Italia S.p.A. by Simest on development projects, to be repaid by 11/19/2025 at a rate of 0.55% (residual at 12/31/2023 Euro 53 thousand).
- Line granted by Credito Emiliano to Enoitalia SpA for an amount equal to Euro 1.5 million at a rate equal to the 3M Euribor increased by a spread of 0.75%, residual value at 12/31/2023 Euro 839 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 1M Euribor plus a spread of 0.7%. The residual debt at 12/31/23 was Euro 813 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 6M Euribor plus a spread of 0.5%. The residual debt at 31 December 2023 is equal to Euro 187 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 that occurred during the 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.
- As regards the IRS-OTC, the criterion used for measurement and evaluation at the end of the year is the mark to market prepared by the credit institution. Future flows are calculated based on the FWD curve of the Eur3M at 12/29/23 and discounted by applying the relevant coefficients to the future nettings obtained, so as to obtain the current value at 12/29/23 of the derivative instrument:

<i>euro thousand</i>	2023	2022
Statement of financial position	42,7	84
Income Statement	-41,3	108



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 one at maturity, calculated using the effective interest rate where the application of the amortized cost method is not irrelevant compared to the nominal value.

The aforementioned financing contracts include terms and conditions usually observable in the marketplace in similar type of instruments. 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 'Lease liabilities' 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 inherent to the contract itself.

For details, please refer to paragraph 7 B. Rights of use assets.



Determination of the adjusted Ebitda for the purposes of the Covenant

"Terms and Conditions" of the bond define that on an annual basis the Group determines the "Consolidated net financial leverage ratio" as the ratio between:

- (i) Net financial position of the Group and
- (ii) Adjusted EBITDA (consolidated)

This ratio which constitutes the so-called "financial covenant" must be equal to 3.5X (or 4 in the event that during the year the Group has completed acquisitions for an Enterprise value of at least 30 million euros)

In 2023 financial year

- a) The net financial position is equal to: 115.9 million
- b) The adjusted Ebitda is equal to 44.3 million
- c) Covenant is equal to 2.62

Any failure to achieve the parameters would not constitute an Event of Default.

**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 31 December 2023 are shown below.

€thousand

	31.12.2023	31.12.2022
Provision at 01.01.	1,444	1,212
Provisions	234	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	(102)	(227)
Actuarial (gains)/losses	41	(55)
Financial costs	37	(4)
Provision at the end of the period	1,654	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	31.12.2023	31.12.2022
Discount rate	3.67%	3.01%
Inflation rate	1.59%	4.53%
Expected average turnover	9.09%	8.87%



19. Provision for risks and charges

During the period the item changed as follow:

<i>€thousand</i>	31.12.2023		
	Non- current	Current	Total
Provision at 01.01.2023	288	0	288
Provisions	24	0	24
Increase by business combination	0	0	0
Releases	0	0	0
Amounts used	(12)	0	(12)
Provision at the end of the period	301	0	301

<i>€thousand</i>	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 include:

- a provision of Euro 147 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 Italian Civil Code;
- a provision of Euro 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

	31.12.2023	31.12.2022
Suppliers Italy	108,318	129,563
Suppliers Foreign markets	5,472	7,154
Total	113,790	136,717

21. Other current liabilities

Other liabilities are made as follow:

€thousand

	31.12.2023	31.12.2022
Employees	4,074	3,608
Social security institutions	1,635	1,377
Directors	999	52
Accruals and deferred income	3,458	3,175
Others	593	727
Total	10,759	8,938

Debt toward employees mainly includes salaries for the month of December 2023 paid in January 2024 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 155 thousand; debts to the board of auditors for Euro 84 thousand and Euro 200 thousand relating to ongoing disputes.



22. Current Tax liabilities

The item is made as follow:

€thousand

	31.12.2023	31.12.2022
VAT	2,416	2,133
IRES	846	385
IRPEF withholding tax	809	770
IRAP	274	(241)
Excise duties	65	6
Other taxes	(195)	(143)
Total	4,216	2,910

**23. Revenues from sales and Other Income**

Revenues from sales and other income as of 31 December 2023, compared with those of the previous period, are detailed below.

€thousand

	31.12.2023	31.12.2022
Revenues from sales - Italy	67,380	70,625
Revenues from sales - Foreign markets	361,500	318,593
UK	104,473	95,365
Germany	66,616	56,399
Switzerland	40,857	42,039
US	31,646	29,216
Austria	17,009	16,415
France	16,709	13,888
Poland	11,495	7,486
Netherlands	8,744	5,643
Belgium	7,521	7,657
Canada	7,444	5,818
Ireland	7,260	5,480
Denmark	6,430	7,139
Sweden	2,624	1,814
China	1,808	1,336
Hungary	1,728	1,732
Other countries	29,136	21,167
Other Revenues	247	1,436
Total Revenues from sales	429,127	390,654

€thousand

	31.12.2023	31.12.2022
Capital gain	9	16
Contributions and tax credits	1,437	2,749
Rentals granted	466	426
Chargebacks	116	408
Contingency Income	1,037	1,402
Others	1,344	574
Total Other income	4,410	5,574



24. Purchase costs

The costs for purchases are divided as follows:

€thousand

	31.12.2023	31.12.2022
Provinco Italia S.p.A.	37,877	45,351
Giordano Vini S.p.A.	28,913	36,629
Enoitalia S.p.A.	184,293	182,693
Enovation Brands Inc	1,866	1,034
Barbanera S.r.l.	15,309	0
Raphael Dal Bo AG	3,587	6,083
IWB S.p.A.	3	1
Total	271,847	271,790

25. Costs for services

The costs for services as of 31 December 2023, compared with those of previous periods, are detailed below.

€thousand

	31.12.2023	31.12.2022	31.12.2021
Services from third parties	17,985	19,755	19,750
Transport	17,769	18,518	17,174
Postage expenses	3,566	3,921	4,119
Fees and rents	1,836	1,138	1,001
Consulting	3,044	2,175	2,539
Advertising costs	1,826	1,183	1,098
Utilities	3,201	5,582	1,776
Remuneration of Directors, Statutory Audi	3,630	1,514	2,664
Maintenance	2,003	1,775	1,313
Costs for outsourcing	7,169	7,721	8,984
Commissions	3,176	1,599	898
Other costs for services	8,457	6,532	2,893
Total	73,662	71,414	64,209



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

€thousand

	31.12.2023	31.12.2022
Directors	3,410	1,342
Statutory auditors	162	141
SB	58	31
Total	3,630	1,514

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

€thousand

	Audit	Consulting
Holding	56	0
Subsidiaries	137	3
Total	193	3

26. Personnel costs

Personnel costs at 31 December 2023, compared with those of the previous year, are detailed below:

€thousand

	31.12.2023	31.12.2022
Wages and salaries	17,452	14,897
Social security charges	4,811	4,284
Termination benefits	842	732
Stock grant	130	0
Administration cost	2,264	1,756
Other costs	155	114
Total	25,654	21,783



The following table shows the number of employees.

	At 31.12.2023	Average no 31.12.2023	At 31.12.2022	Average no 31.12.2022
Executives	7	8	8	8
Middle managers	20	21	23	23
Employee	211	210	202	205
Workers	138	141	140	144
Total	376	380	373	379

27. Other operating costs

€thousand

	31.12.2023	31.12.2022
Capital losses	33	31
Other taxes	385	366
Damages, penalties/fines	82	48
Concessions and licenses	255	237
Extraordinary Costs	458	1,185
Others	434	249
Total	1,647	2,116

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 expenses

Financial income and expenses are detailed in the following tables.

€thousand

	31.12.2023	31.12.2022
On current accounts	268	22
Exchange rate gain/(loss)	1,181	1,494
Others	41	6
Total	1,490	1,522

€thousand

	31.12.2023	31.12.2022
Bond interests	(3,479)	(3,473)
Loans	(1,460)	(424)
Lease liabilities	(458)	(381)
Bank current accounts	(483)	(142)
Financial instruments	(42)	108
Factoring	(1,084)	(321)
Bank fees and charges	(385)	(434)
Exchange rate gain/(loss)	(1,254)	(1,771)
Others	(641)	(202)
Total	(9,288)	(7,040)

In detail, interest on loans includes:

- interest expense on medium-long term loans;
- interest paid 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 31 December 2023 compared with those of the previous year are detailed below
€thousand

	31.12.2023	31.12.2022
IRES	(2,308)	(2,490)
IRAP	(946)	(471)
Taxes for prior periods	(212)	(224)
Total current taxes	(3,465)	(3,185)
Prepaid taxes	380	12
Deferred taxes	(31)	511
Total deferred taxes	349	523
Total	(3,116)	(2,662)

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 indexed to the ISTAT index plus VAT. For 2023 the fee was Euro 69,067.14.

(ii) a service contract with Electa SpA regarding support for investor relations activities for an amount of Euro 40 thousand on an annual basis.

The relationships described above are regulated at market conditions.

It should also be noted that, as detailed in the paragraph Significant events that occurred after the end of the half-year, it should be noted that on 28 August 2023 the agreements were finalized between:

- IWB S.p.A and Norina S.r.l.;
- IWB S.p.A and the Brothers 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 perpetrated to the detriment of Enovation Brands Inc (which occurred on dates prior to the closing) both in terms of amount and in terms of dates and methods of disbursement in line with the amounts included in the financial statements as at 31 December 2022 (ii) and to redefine 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 of the two-year period 2022/ 2023 to the average Ebitda of 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 contracts was preceded by the favorable opinion of the independent Director as the amendment qualifies as a transaction with related parties "of minor importance" pursuant to and for the purposes of the "Procedure for transactions with related parties" adopted by the Company and of the Regulation approved with Consob resolution no. 17221/2010.

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 operations

Pursuant to Consob communication no. DEM/6064293 of 28 July 2006, during the period the Group did not carry out atypical or unusual operations, as defined by the communication itself, according to which atypical and/or unusual operations 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. Law for the market and competition (L04/08/2017 n.124 paragraph 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 2023 are reported below:

- (i) OCM contributions for market promotions for Euro 323,917;
- (ii) tax credit for heavy consumption of methane gas for Euro 65,073 (DL 115/2022 – DL 144 and 176/2022 – DL 197/2022);
- (iii) tax credit for electricity for Euro 192,246 relating to (DL 144 and 176/2022 – DL 197/2022);
- (iv) Brexit contribution of Euro 138,216;
- (v) advertising contribution of Euro 9,604.



34 Significant events

34.1 Significant events occurred during the year

In January 2023, as part of the activities aimed at closing the consolidated financial statements as of 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 amount prior to the closing is regulated pursuant to the declarations and guarantees of the share purchase agreement (SPA) and has been consequently deducted from the acquisition price;

(ii) the amount following the closing, net of the tax benefit and the third party share, is equal to Euro 457 thousand and was accounted for in the financial statements closed on 31 December 2022.

On 27 April 2023 the Shareholders' Meeting in second call resolved:

- the 2023–2025 Incentive Plan which aims to (i) aligning the interests of executive directors and managers with strategic responsibilities with those of shareholders, allowing the pursuit of important economic-financial targets (ii) retain the beneficiaries 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 authorization to purchase and dispose of treasury shares for the purpose of providing the Company with a stock of treasury shares to be allocated to service the Incentive Plan, as consideration in extraordinary operations - including the exchange of shareholdings with other parties, in the scope of operations 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 pursuant to by law in the interests of the Company itself.
- to allocate the 2022 profit for the year of Euro 9,444 thousand as per the proposal of the Board of Directors and in particular to distribute an ordinary monetary dividend of Euro 0.1 per share, gross of the withholding tax set aside by law, for each share existing and entitled to the dividend, with therefore exclusion from the calculation of n. 10,681 treasury shares owned by the company, for a total dividend of Euro 946 thousand. The ex-dividend date was May 2, 2023, record date May 3, and payment starting from May 4, 2023.
- the appointment of the Board of Statutory Auditors, which will remain in office until the approval of the 2025 financial statements.



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

On 01 August 2023 the agreements were finalized respectively between:

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

(ii) IWB S.p.A and the “brothers” Giovanni Pecora 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 perpetrated to the detriment of Enovation Brands Inc (which occurred on dates prior to the closing) both in terms of amount and in terms of dates and methods of disbursement in line with the amounts included in the financial statements as at 31 December 2022 (ii) and to redefine 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 of the two-year period 2022/ 2023 to the average Ebitda of 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 contracts was preceded by the favorable opinion of the independent director as the amendment constitutes an agreement with related parties.

On 14 September 2023, the Boards of directors of the Group's Italian subsidiaries approved the corporate reorganization projects aimed at rationalizing and increasing the efficiency of the operating companies. The objective was to concentrate Italian activity on two operating companies (from 6 to the beginning of 2024):

a) one whose mission is 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;

b) one focused on direct sales to end customers.

The proposed merger operation therefore aims to rationalize the organization of the activities of the companies involved, improving efficiency and simplifying management, dedicating the two companies to a specific businesses each



Finally, the Merger will make it possible to achieve significant savings in the governance and administrative management costs of the entities involved and will make it possible to seek balanced operational dimensions that allow the competitive challenge and development of the company to be met.

The demerger and merger deeds were finalized on 5 December and effective from 31 December 2023 and 1 January 2024 respectively.

34.2 Significant events that occurred after the end of the financial year

There are no significant events following the end of the financial year other than the effectiveness of the merger between Provinco Italia S.p.A., Enoitalia S.p.A, Barbanera S.r.l. and Fossalto S.r.l. which took place on 1 January 2024.

35. Outlook

The IWB Group is proud and very satisfied about 2023 results: (i) stable turnover despite the market (ii) Ebitda margin above 10% (iii) significant cash generation.

The Group is aware of the uncertainty of the general macroeconomic situation worsened by the conflicts in Ukraine and in the Middle East; nevertheless it continues to be confident in the potential growth of its business in the medium / long term thanks to the strong competitive positioning, to the solid financial structure, to the management's constant commitment to controlling costs and improving the efficiency of the production and the organization.

In this sector the absolute greatest cost is the one of the bulk wine. In 2023, production stood at 50.4 million quintals of wine grapes compared to 67.2 in 2022, 25.1% less looking at the national average, but with several Regions seeing harvest losses of well over 30%, reaching in some cases losses of 2/3 on last year's production (Source: Official Report about the 2023 harvest campaign - Ministry of Agricultural Policies).

In normal condition the harvest outcome will lead to potential bulk wine cost increase but the stock level at the Italian wineries, as a result of the abundant previous harvest and the drop in sales in terms of volume, is able to counterbalance it.

In this context, the IWB Group positively face 2024 with:

- (i) the main contracts renegotiated with the main customers;
- (ii) commercial initiatives in new countries aimed at expanding the customer portfolio;



- (iii) presence in all commercial channels, therefore with the possibility of following customer movements from one channel to another, without losing turnover;
- (iv) a solid and consolidated production structure;
- (v) corporate integration, effective from 1 January 2024 which will allow further industrial and financial synergies to be obtained;
- (vi) a good level of raw material stock, which allows the year's purchases to be better negotiated;
- (vii) significantly reduced debt characterized by a fixed interest rate of 2.5%.

and consequently in the best position obtain further improved results compared to 2023.

Our job is to bring consistent results, to manage the company efficiently, to be state of the art, to understand where consumer demand is going and consequently offer them products in line with their desires.

This is the way we have performed and we will improve our results.

The market context could also favor a further growth through M&A consistently with the strategy of the Group on international markets, strengthening of brands and premium products.

For the Board of Directors

The Chairman and Chief Executive Officer

Alessandro Mutinelli





ITALIAN WINE BRANDS
Creatori di Eccellenze

ANNUAL FINANCIAL REPORT

31 DECEMBER 2023

ITALIAN WINE BRANDS S.P.A.

Registered office in Milan, Viale Abruzzi, 94 (Italy)
joint-stock company with subscribed and paid-up share capital of Euro 1.124.468,80

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

www.italianwinebrands.it



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Corporate Bodies

Board of Directors

Alessandro Mutinelli
(Chief Executive Officer and Chairman)

Giorgio Pizzolo
(Deputy Chairman)

Simone Strocchi

Sofia Barbanera

Antonella Lillo
(Independent Director)

Massimiliano Mutinelli

Marta Pizzolo

Board of Statutory Auditors

David Reali
(President of the Board of Statutory Auditors)

Debora Mazzaccherini
(Statutory Auditor)

Eugenio Romita
(Statutory Auditor)

Independent Auditors

BDO Italia S.p.A.

Euronext Growth Advisor

Intesa Sanpaolo S.p.A.



Directors' report on operations

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

1.1. The company and the Group

From a corporate point of view, the Group carried out a significant reorganization in 2023 which led to the creation of two business areas to manage the different sales channels.

1) IWB Italia S.p.A constituted from the merge of Enoitalia S.p.A., Provinco Italia S.p.A., Barbanera S.r.l., Fossalto S.r.l, and the B2B and production branch of Giordano Vini S.p.A with the mission of:

(i) develop the Group's B2B Business both in the Wholesale channel and in the Ho.re.ca channel also through the coordination of foreign companies focused on the management and growth of the main reference markets.

(ii) guarantee flexible production with respect to the needs of the different brands and optimized from the point of view of costs and supply chain efficiency.

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).

2) Giordano Vini S.p.A. as a purely commercial company focused on direct sales to the final consumer:

(i) through integrated management of all direct contact channels (Direct Mailing, Teleselling and Web;

(ii) offering personalized delivery and payment services;

(iii) enriching the offer to the customer with traditional Italian food products and complementary functional products to make the consumption experience further attractive.

IWB S.p.A. maintains management and coordination activity for the Group companies by directly holding controlling interests in the main companies: Giordano Vini S.p.A., Italian Wine Brands Italia S.p.A, Enovation Brands Inc., and IWB UK Ltd. (company established during 2022 as the Group's exporter into the British market in compliance with the new regulations which came into force in January 2024 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.



- **IWB Italia S.p.A** constituted from the merger, effective from 1 January 2024, of Provinco Italia S.p.A., Enoitalia S.p.A, Barbanera S.r.l.; Fossalto S.r.l. and the B2B and production branch of Giordano Vini S.p.A.

- **Giordano Vini S.p.A** remains as a company focused on B2C sales

The aim of the demerge, in addition to organizational simplification, is a better focus on commercial and production activities and the maximization of business synergies

- the company Provinco Deutschland GmbH was placed into liquidation in December 2023



1.2.1 Economic and financial situation of the Parent Company

The situation of IWB S.p.A. as at 31 December 2023 shown here represents the separate financial statements of IWB S.p.A, and presents:

- a Net Result for the period of Euro 7.2 million (Euro 9.4 million at 12/31/2022);
- a net financial position of Euro 90.1 million (Euro 95.1 million at 12/31/2022).

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

Reclassified statement of financial position

€thousand

	31.12.2023	31.12.2022	31.12.2021
Other intangible assets	112	119	196
Goodwill	0	0	0
Tangible assets	82	102	122
Right-of-use assets	60	119	179
Equity investments	263,904	263,557	205,481
Total Fixed Assets	264,157	263,897	205,978
Inventory	0	0	0
Net trade receivables	5,800	2,558	2,282
Trade Payables	(328)	(319)	(211)
Other assets (liabilities)	360	3,225	4,736
Net working capital	5,832	5,464	6,807
Payables for employee benefits	(60)	(42)	(37)
Net deferred and prepaid tax assets (liabilities)	464	32	85
Other provisions	0	0	0
NET INVESTED CAPITAL	270,394	269,351	212,833
Shareholders' equity	180,256	174,199	140,266
Profit (loss) for the period	7,204	9,444	9,780
Share capital	1,124	1,124	1,046
Other reserves	171,927	163,630	129,440
Shareholders' equity of NCIs	0	0	0
Net Financial position - third parties lenders	85,659	87,384	72,351
Deferred price acquisitions	4,405	7,621	-
Lease liabilities	74	146	216
TOTAL SOURCES	270,394	269,351	212,833



With reference to the above financial situation, it is noted that:

- as at 31 December 2023, the shareholdings in subsidiary companies are made up 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 Euro 43,358 thousand. The increase compared to 31 December 2022 is due to "capitalised" costs relating to the acquisition of Barbanera S.r.l. and Fossalto S.r.l.
- as a result of the merger effective from 1 January 2024 of the companies Provinco Italia S.p.A., Barbanera S.r.l., Fossalto S.r.l. in Enoitalia S.p.A which gave rise to IWB Italia S.p.A the relative value of the investment corresponds to the sum of the values of the companies involved in the merger.
- Other assets (liabilities) are represented by receivables and financing from subsidiaries.

With reference 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 Euro 776 thousand for directors' fees (excluding the effect of the incentive plan), auditors and supervisory bodies and Euro 597 thousand for consultancy fees;
- financial income refers to the interest income accrued on the loan granted to the subsidiaries Giordano Vini S.p.A. (equal to Euro 789 thousand), Enoitalia Sp.A. (equal to Euro 125 thousand); financial charges are mainly represented by interest expense relating to the bond loan amounting to Euro 3,479 thousand.



Reclassified Income statement

€thousand	31.12.2023	31.12.2022	31.12.2021
Revenue from sales	2,472	1,688	1,369
Change in inventories	0	0	0
Other income	4	121	72
Total revenue	2,476	1,809	1,441
Purchase costs	(3)	(1)	(16)
Costs for services	(2,049)	(1,083)	(979)
Personnel costs	(1,269)	(1,123)	(728)
Other operating costs	(178)	(115)	(214)
Operating costs	(3,498)	(2,322)	(1,937)
Adjusted EBITDA	(1,022)	(513)	(496)
Write-downs	0	0	0
Amortization and depreciation	(154)	(169)	(170)
Operating result Adjusted	(1,176)	(681)	(666)
Non recurring items	(1,926)	(67)	(1,083)
Net releases (accruals) for provision risks and charges	0	0	0
EBIT	(3,102)	(748)	(1,749)
Net financial income/(expenses)	(2,462)	(2,777)	(1,859)
Dividends from subsidiaries	11,360	12,180	12,402
EBT	5,797	8,656	8,794
Taxes	1,407	788	986
Net Result	7,204	9,444	9,780



Reclassified Income statement

€thousand

	Reported 31.12.2023	Management (1)	adjustments (2)	Adjusted 31.12.2023
Revenue from sales	2,472			2,472
Change in inventories	0			0
Other income	4	0		4
Total revenue	2,476	0	0	2,476
Purchase costs	(3)			(3)
Costs for services	(3,793)	133	1,612	(2,049)
Personnel costs	(1,450)	30	151	(1,269)
Other operating costs	(178)	0		(178)
Operating costs	(5,424)	163	1,763	(3,498)
Adjusted EBITDA	(2,948)	163	1,763	(1,022)
Write-downs	0			0
Amortization and depreciation	(154)			(154)
Operating result Adjusted	(3,102)	163	1,763	(1,176)
Non recurring items	-	(163)	(1,763)	(1,926)
Net releases (accruals) for provision risks and charges	0			0
EBIT	(3,102)	0	0	(3,102)
Net financial income/(expenses)	(2,462)			(2,462)
Dividends from subsidiaries	11,360			11,360
EBT	5,797	0	0	5,797
Taxes	1,407			1,407
Net Result	7,204	0	0	7,204
Tax effect of non recurring charges				537
Net profit before non recurring items and related tax effect				8,593

Management & Adjustments

- *Costs for services equal to Euro 133 thousand related to legal non recurring expenses*
- *Personnel costs equal to Euro 30 thousand related to conciliations with former employees*
- *The Adjustments for Costs for services and personnel amounting to a total of Euro 1,763 thousand relating to the full accrual and assignment of the first tranche of the 2023-2025 Stock Grant Plan, representing 20% of the total value of the plan itself and in line with the achievement of the profitability target 2023: that was Adjusted Ebitda equal to at least Euro 44.0 million*



1.2.2 Net Financial Position

Below is the detail of the net financial position as of 31 December 2023 compared with the net financial position as of 31 December 2022, shown on the basis of the new scheme envisaged by ESMA guidance 32-382-1138 of 4 March 2021:

<i>€thousand</i>	31.12.2023	31.12.2022
A. Cash	0	0
B. Cash equivalents	2,043	3,887
C. Other current financial activities	25,563	23,666
D. Liquidity (A) + (B) + (C)	27,606	27,553
E. Current financial debt (included financial instruments but not included current part of non current financial debt)	17	8,019
F. Current part of non current financial debt	74	72
G. Current financial debt (E) + (F)	92	8,091
H. Net current financial debt (G) - (D)	(27,514)	(19,462)
I. Non current financial debt (excluded current part and financial instruments)	0	0
J. Financial instruments	131,248	131,018
K. Trade payables and other non current debts/right of use	4,405	7,695
L. Non current financial debt (I) + (J) + (K)	135,652	138,714
M. Net financial position (H) + (L)*	108,138	119,251
<i>of which</i>		
<i>Deferred price acquisitions</i>	4,405	7,621
<i>Current payables for the acquisition of right of use</i>	74	72
<i>Non Current payables for the acquisition of right of use</i>	0	74
Net financial position without the effect of IFRS 16 and deferred price acquisition	103,659	111,484
<i>*The figure doesn't include financial receivables from subsidiaries with a maturity of more than 12 months.</i>		
N. Other non current financial activities	18,000	24,100
O. NFP (included non current financial receivables) (M) - (N)	90,138	95,151



2. Significant events

2.1 Significant events occurred during the year

In January 2023, as part of the activities aimed at closing the consolidated financial statements as of 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 amount prior to the closing is regulated pursuant to the declarations and guarantees of the SPA and has been consequently deducted from the acquisition price;

(ii) the amount following the closing, net of the tax benefit and the third party share, is equal to Euro 457 thousand and was accounted for in the financial statements closed on 31 December 2022.

On 27 April 2023 the Shareholders' Meeting in second call resolved:

- the 2023–2025 Incentive Plan which aims to (i) aligning the interests of executive directors and managers with strategic responsibilities with those of shareholders, allowing the pursuit of important economic-financial targets (ii) retain the beneficiaries 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 authorization to purchase and dispose of treasury shares for the purpose of providing the Company with a stock of treasury shares to be allocated to service the Incentive Plan, as consideration in extraordinary operations - including the exchange of shareholdings with other parties, in the scope of operations 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 pursuant to by law in the interests of the Company itself.
- to allocate the 2022 profit for the year of Euro 9.444 thousand as per the proposal of the Board of Directors and in particular to distribute an ordinary monetary dividend of Euro 0.1 per share, gross of the withholding tax set aside by law, for each share existing and entitled to the dividend, with therefore exclusion from the calculation of n. 10,681 treasury shares owned by the company, for a total dividend of Euro 946 thousand. The ex-dividend date was May 2, 2023, record date May 3, and payment starting from May 4, 2023.
- the appointment of the Board of Statutory Auditors, which will remain in office until the approval of the 2025 financial statement.



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

On 01 August 2023 the agreements were finalized respectively between:

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

(ii) IWB S.p.A and the “brothers” Giovanni Pecora 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 perpetrated to the detriment of Enovation Brands Inc (which occurred on dates prior to the closing) both in terms of amount and in terms of dates and methods of disbursement in line with the amounts included in the financial statements as at 31 December 2022 (ii) and to redefine 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 of the two-year period 2022/ 2023 to the average Ebitda of 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 contracts was preceded by the favorable opinion of the independent director as the amendment constitutes an agreement with related parties.

On 14 September 2023, the Boards of directors of the Group's Italian subsidiaries approved the corporate reorganization projects aimed at rationalizing and increasing the efficiency of the operating companies. The objective was to concentrate Italian activity on two operating companies (from 6 to the beginning of 2024):

a) one whose mission is 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;

b) one focused on direct sales to end customers.

The proposed merger operation therefore aims to rationalize the organization of the activities of the companies involved, improving efficiency and simplifying management, dedicating the two companies to a specific business each.



Finally, the Merger will make it possible to achieve significant savings in the governance and administrative management costs of the entities involved and will make it possible to seek balanced operational dimensions that allow the competitive challenge and development of the company to be met.

The demerger and merger deeds were finalized on 5 December and effective from 31 December 2023 and 1 January 2024 respectively.

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

There are no significant events following the end of the financial year other than the effectiveness of the merger between Provinco Italia S.p.A., Enoitalia S.p.A, Barbanera S.r.l. and Fossalto S.r.l. which took place on 1 January 2024.

3. Outlook

As a consequence of the corporate reorganisation, in 2024 IWB S.p.A will benefit from a leaner corporate structure which will allow for easier and more functional coordination, greater cash flows and dividends.

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 and on 14 September 2023, upon completion of the model, the Whistleblowing procedure was approved.

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 indexed to the ISTAT index plus VAT. For 2023 the fee was Euro 69,067.14.



(ii) a service contract with Electa SpA regarding support for investor relations activities for an amount of Euro 40 thousand on an annual basis.

The relationships described above are regulated at market conditions.

It should also be noted that on 1 August 2023, as detailed in the paragraph Significant events that occurred during the year, following the favorable opinion of the independent director, the amendments to the ownership contract were signed with Norina S.r.l and the brothers Giovanni Pecora 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 is linked for the acquisition of 55% of Enovation Brands Inc.

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

HEALTH & SAFETY

The Group - which holds the ownership of industrial properties intended for production purposes - has implemented the Risk Assessment Document required by the law on safety at work.

First of all the aforementioned document provides an analysis of the company's risks both for the work activity and for the settlement methods; the measures undertaken to minimize risks, those still to be taken and those to maintain an adequate level of safety are then identified. Finally, the timescales necessary for the implementation of the remaining measures are identified.

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

The Risk Assessment Documents, as well as the Emergency Plans and Floor Plans with safety signs and escape routes are periodically updated.

During 2023, constant health surveillance activity was carried out as required by current legislation.

The awareness-raising activity on environmental and safety issues continued during the year 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, in full compliance with the reference regulatory framework.



Group Headcount

Below is the year end and average number of personnel by category as of 31 December 2023, 31 December 2022 and 31 December 2021.

	At 31.12.2023	Average no 31.12.2023	At 31.12.2022	Average no 31.12.2022	At 31.12.2021	Average no 31.12.2021
Executives	7	8	8	8	6	6
Middle managers	20	21	23	23	21	21
Employee	211	210	202	205	174	161
Workers	138	141	140	144	127	128
Total	376	380	373	379	328	317

7. Own shares

As of 12/31/2023 the Parent Company holds n. 65,259 ordinary shares, representing 0.69% of the ordinary share capital. During 2023

- 54,578 treasury shares were acquired
- no assignments have been made.

8. RISKS

Risks to which the Company is exposed

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

Risks deriving from changes in exchange rates

Currency risk is the risk that the value of a financial asset or liability varies following changes in exchange rates.

With regard to this risk, the strategy adopted is aimed at minimizing the impact on the income statement of changes in exchange rates and provides for the coverage of the risk deriving from financial positions denominated in currencies other than the balance sheet currency, if the need arises .

Based on the above, the exchange rate fluctuations that occurred during the year did not have significant effects on the financial statements.

Risks deriving from changes in rates

Since financial debt is mainly regulated by fixed interest rates, it follows that the company is not significantly exposed to the risk of their fluctuation. The evolution of interest rates is however monitored by the Company and the opportunity to proceed with adequate coverage of the interest rate risk may be assessed in relation to their evolution.



Price Risk

Price risk is represented by the possibility that the value of a financial asset or liability varies following changes in market prices (other than those relating to currencies and rates). This risk is typical of financial assets not listed on an active market, which cannot always be realized in a short time at a value close to their fair value. This risk, given the size of the existing investments, is not significant and therefore is not subject to hedging.

Credit Risk

Credit risk is represented by the possibility that the issuer of a financial instrument does not fulfill its obligation and causes a financial loss to the subscriber.

Credit risk derives from sales made as part of ordinary business activity and from the use of financial instruments that provide for the settlement of positions with the counterparty.

As regards commercial transactions, the company operates exclusively with group companies. As regards financial transactions, they are carried out with group companies and with primary large financial institutions with high creditworthiness, whose rating is monitored for the purpose of limiting the risk of insolvency of the counterparty.

Liquidity Risk

Liquidity risk can manifest itself with the inability to find, under economic conditions, the financial resources necessary for the operations of the Company. The two main factors that influence the Company's liquidity are:

Financial resources generated or absorbed by operating or investment activities;

The maturity characteristics of financial debt.

The Company finances its activities both through the cash flows generated by operational management and through the use of external financing sources and is therefore exposed to liquidity risk, represented by the fact that financial resources are not sufficient to meet financial obligations and commercial within the pre-established terms and deadlines. The cash flows, financing needs and liquidity of the company are controlled by considering the maturity of the financial assets (trade receivables and other financial assets) and the financial flows expected from the related operations. The company has both secured and unsecured lines of credit, consisting of short-term revocable lines in the forms of hot financing, current account overdrafts and signature credit.

The Company has a composition of the long-term debt structure exposed to interest rate risk as reported in the explanatory notes.

As regards the exposure connected to trade debts, there is no significant concentration of suppliers.

Management believes that the funds generated by operating and financing activities will allow the Company to satisfy its needs deriving from investment activities, management of working capital and repayment of debts upon their contractual maturity.



9. Directors' Responsibility Statement

The Directors are responsible for preparing the Financial Statements in accordance with applicable laws and regulations; the Directors are required to prepare financial statements for each financial year, which give a true and fair view of the assets, liabilities and financial position of the Company and the Group, and of the profit or loss of the Group for that period. The Directors have elected to prepare Group financial statements and the holding one in accordance with International Financial Reporting Standards ('IFRSs'). In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the financial statements comply with IFRSs as adopted by the European Union; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for ensuring that the Company keeps adequate accounting records which correctly explain and record the transactions of the Company, enabling at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy and ensuring that the financial statements are prepared in accordance with IFRSs as adopted by the European Union. The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website www.italianwinebrands.it.

Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. In accordance with the Central Bank (Investment Market Conduct) Rules, the Directors are required to include a management report containing a fair review of the business and a description of the principal risks and uncertainties the Group is facing. The Directors are also required by applicable law and the Listing Rules issued by Euronext Dublin to prepare a Directors' Report relating to Directors' Corporate Governance.

Each of the Directors, whose names and functions are listed on page 4, confirms that, to the best of their knowledge and belief:

- the Consolidated Financial Statements for the year ended 31 December 2023 have been prepared in accordance with IFRSs as adopted by the European Union. They give a true and fair view of the assets, liabilities, and financial position of the Group and the undertakings included in the consolidation, taken as a whole, as at that date and its profit for the year then ended;
- the Company financial statements, prepared in accordance with IFRSs as adopted by the European Union give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2023;



- the pages 15-34 of Directors' Report Financial include a fair review of the development and performance of the business for the year ended 31 December 2023 and the financial position of the Company and the Group at year end;
- the Risk Management Report provides a description of the principal risks and uncertainties which may impact the future performance of the Company and the Group at year end; and
- the Financial Statements, taken as a whole, provides the information necessary for shareholders to assess the Company's and Group's position and performance, business model and strategy and is fair, balanced and understandable.

Alessandro Mutinelli
Chief Executive Officer & Chairman

**STATEMENT OF FINANCIAL POSITION**

	Note	31.12.2023	31.12.2022
<i>Amounts in EUR</i>			
Non-current assets			
Intangible assets	5	111,796	118,988
Land, property, plant and equipment	6	81,722	102,098
Right-of-use assets	6 B	59,535	119,070
Equity investments	7	263,904,359	263,556,633
Other non-current assets		18,750	-
Non-current financial assets	8	18,000,000	24,100,000
Deferred tax assets	9	493,516	31,681
Total non-current assets		282,669,677	288,028,470
Current assets			
Trade receivables	10	5,800,317	2,557,898
Other current assets	12	2,718,358	3,574,473
Current tax assets	11	617,131	161,437
Current financial assets	13	25,563,191	23,666,202
Cash and cash equivalents	14	2,042,904	3,887,031
Total current assets		36,741,900	33,847,041
Total assets		319,411,578	321,875,511
Shareholders' equity			
Share capital		1,124,468	1,124,468
Reserves		135,102,908	136,087,565
Reserve for defined benefit plans		(2,435)	5,070
Reserve for stock grants		789,694	-
Profit (loss) carried forward		36,037,059	27,537,536
Net profit (loss) for the period		7,204,028	9,444,454
Total Shareholders' Equity	15	180,255,722	174,199,092
Non-current liabilities			
Financial payables	16	135,652,310	138,639,473
Lease liabilities	16	-	74,167
Provision for other employee benefits	17	59,576	42,039
Provisions for future risks and charges		-	-
Deferred tax liabilities		29,418	-
Other non-current liabilities		-	-
Total non-current liabilities		135,741,304	138,755,679
Current liabilities			
Financial payables	18	17,470	8,019,034
Lease liabilities	18	74,167	71,983
Trade payables	19	328,180	318,576
Other current liabilities	20	2,850,845	400,440
Current tax liabilities	21	143,890	110,706
Total current liabilities		3,414,552	8,920,739
Total shareholders' equity and liabilities		319,411,578	321,875,511

**COMPREHENSIVE INCOME STATEMENT**

	Note	31.12.2023	31.12.2022
<i>Amounts in EUR</i>			
Revenue from sales	21	2,471,513	1,688,399
Other income	21	4,265	120,801
Total revenue		2,475,778	1,809,200
Purchase costs	22	(2,708)	(582)
Costs for services	23	(3,792,933)	(1,127,715)
Personnel costs	24	(1,450,166)	(1,145,349)
Other operating costs	25	(177,734)	(114,657)
Operating costs		(5,423,541)	(2,388,302)
EBITDA		(2,947,763)	(579,102)
Depreciation and amortization	5, 6	(154,456)	(168,647)
Operating profit/(loss)		(3,102,219)	(747,749)
Finance revenue		12,547,166	13,038,242
Borrowing costs		(3,648,373)	(3,634,461)
Net financial income/(expenses)	26	8,898,793	9,403,781
EBT		5,796,574	8,656,031
Taxes	27	1,407,454	788,422
(Loss) Profit from discontinued operations		-	-
Profit (loss) (A)		7,204,028	9,444,454
Attributable to:			
(Profit)/Loss of NCIs		-	-
Group profit (loss)		7,204,028	9,444,454
Other Profit/(Loss) of comprehensive income statement:			
Other items of the comprehensive income statement for the period to be subsequently released to profit or loss			
		-	-
Other items of the comprehensive income statement for the period not to be subsequently released to profit or loss			
Actuarial gains/(losses) on defined benefit plans	17	(7,505)	6,836
Tax effect of Other profit/(loss)		-	-
Total other profit/(loss), net of tax effect (B)		(7,505)	6,836
Total comprehensive profit/(loss) (A) + (B)		7,196,523	9,451,290

**CHANGES IN SHAREHOLDER' EQUITY***Amounts in Eur*

	Share Capital	Capital Reserves	Reserve for stock grants	Reserve for defined benefit plans	Retained earnings	Total
Balance at 1 January 2022	1,046,266	110,075,005	267,330	(1,766)	28,879,599	140,266,434
Capital increase	78,203	26,238,037				26,316,240
Purchase of own shares		(1,446,020)				(1,446,020)
Sale of own shares		490,314				490,314
Dividends		-			(879,216)	(879,216)
Stock grants		788,025	(267,330)		(520,695)	-
Legal reserve		33,282			(33,282)	-
Reclassification and other changes		(91,079)			91,129	51
Total comprehensive profit/ (loss)				6,836	9,444,454	9,451,290
Balance at 31 December 2022	1,124,468	136,087,565	-	5,070	36,981,989	174,199,092
Capital increase						-
Purchase of own shares		(984,657)				(984,657)
Sale of own shares						-
Dividends					(944,930)	(944,930)
Stock grants			789,694			789,694
Legal reserve						-
Reclassification and other changes						-
Total comprehensive profit/ (loss)				(7,505)	7,204,028	7,196,523
Balance at 31 December 2023	1,124,468	135,102,908	789,694	(2,435)	43,241,087	180,255,722

**STATEMENT OF CASH FLOW***Amounts in Eur*

	Notes	31.12.2023	31.12.2022
Profit (loss) before taxes		5,796,574	8,656,031
Adjustments for:			
- non-monetary items - stock grant		-	-
- allocations to the provision for bad debts net of utilizations		-	-
- non-monetary items - provisions / (releases)		-	-
- non-monetary items - amortisation/depreciation		154,456	168,647
Adjusted profit (loss) for the period before taxes		5,951,030	8,824,679
Cash flow generated by operations			
Income tax paid		(461,176)	(333,640)
Other financial (income)/expenses without cash flow (financial amortisation)		3,479,355	3,473,329
Total		3,018,179	3,139,689
Changes in working capital			
Change in receivables from customers		(3,242,419)	(276,202)
Change in trade payables		9,604	107,957
Change in inventories		-	-
Change in other receivables and other payables		4,733,889	2,632,822
Other changes		-	-
Change in post-employment benefits and other provisions		10,032	12,009
Change in other provisions and deferred taxes		(432,416)	53,331
Total		1,078,690	2,529,917
Cash flow from operations (1)		10,047,899	14,494,285
Capital expenditure:			
- Tangible		-	-
- Intangible		(67,353)	(11,682)
- Financial		(347,726)	(58,075,548)
Cash flow from investment activities (2)		(415,079)	(58,087,230)
Financial assets			
Long-term borrowings/ (repayments) - Bond		(3,250,000)	(3,250,000)
Short-term borrowings (paid)		-	-
Long-term borrowings/ (repayments) - Bond		-	-
Collections / (repayments) Senior loan		-	-
Collections / (repayments) other financial payables		(8,000,000)	8,000,000
Change in other financial assets		4,203,011	(2,662,025)
Change in other financial liabilities		(3,290,066)	9,544,954
Purchase of own shares		(984,657)	(1,446,020)
Sale of own shares		-	490,314
Dividends paid		(944,930)	(879,216)
Monetary capital increases		-	26,316,240
Change in reserve for stock grants		789,694	-
Change in valuation reserve		-	-
Other changes in shareholders equity		(0)	50
Cash flow from financing activities (3)		(11,476,948)	36,114,297
Cash flow from continuing operations		(1,844,128)	(7,478,648)
Change in cash and cash equivalents (1+2+3)		(1,844,128)	(7,478,648)
Cash and cash equivalents at beginning of period		3,887,031	11,365,680
Cash and cash equivalents at end of period		2,042,903	3,887,031



FORM AND CONTENT OF THE FINANCIAL REPORT

Introduction

The financial statements as at 31 December 2023 (hereinafter "separate financial statements") have been prepared in compliance with the International Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union. "IFRS" also means the International Accounting Standards ("IAS") still in force, as well as all the interpretative documents issued by the Interpretation Committee, previously called the International Financial Reporting Interpretations Committee ("IFRIC") and even before that the Standing Interpretations Committee ("SIC") and was drawn up pursuant to the Euronext Growth Milan Regulation.

1. Basis of preparation

The Separate Financial Statement as at 31 December 2023 consists of the statement of financial position, the comprehensive income statement, the statement of changes in equity, the statement of cash flows and the explanatory notes and is accompanied by the directors' report on the management performance.

The format adopted for the financial position provides for the distinction of assets and liabilities between current and non-current.

The components of the profit/loss for the year are included directly in the statement of comprehensive income. The income statement format adopted provides for the classification of costs by nature.

The statement of changes in equity includes the amounts of transactions with sharecapital holders and the movements that occurred during the year in the reserves.

In the statement of cash flows, the financial flows deriving from operating activities are presented using the indirect method, whereby the profit or loss for the year is adjusted by the effects of non-monetary operations, by any deferral or provision of previous or future operating receipts or payments and from elements of revenue or costs connected to the financial flows deriving from the investment activity or financial activity.

The statement of financial position, the comprehensive income statement, the statement of changes in equity and the statement of cash flows are presented in Euro units; the values reported in the explanatory notes are expressed in thousands of Euros unless a different reference is expressed.



2. Preparation Principles

2.1 Accounting Policies

The separate financial statements have been drawn up with a view to going concern, with the presentation currency being the Euro and the amounts shown are rounded to the nearest whole number, including, unless otherwise indicated, the amounts highlighted in the accompanying notes.

The general principle adopted in the preparation of these separate financial statements is that of cost, with the exception of derivative financial instruments, measured at fair value.

As regards the details of the accounting policies adopted, unless otherwise indicated, the principles for the separate financial statements are the same as those reported in the dedicated section of the consolidated financial statements of the Group to which reference should be made.

Information relating to the main risks and uncertainties has been summarized in the management report.

Equity investments

Subsidiary companies are companies over which the Company autonomously has the power to determine the company's strategic choices in order to obtain the related benefits. Generally, the existence of control is presumed when one holds, directly and indirectly, more than half of the voting rights exercisable in the ordinary shareholder meeting also considering the so-called potential votes (if any), i.e. the voting rights deriving from convertible instruments.

Equity investments in subsidiary and associated companies are valued at purchase cost, possibly reduced in the event of distribution of capital or capital reserves or in the presence of losses in value determined by applying the so-called impairment test.

If the conditions for a previously carried out devaluation cease to exist, the book value of the investment is restored with attribution to the income statement, within the limits of the original cost.

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.

2.2 Accounting judgments and estimates

The preparation of the financial statements and the related notes in application of the IFRS requires the Management to make estimates and assumptions that have an effect on the values of revenues, costs, of assets and liabilities in the financial statements and on the information relating to assets and contingent liabilities at the reference date.

The estimates and assumptions used are based on experience, other factors considered relevant and available information.

The final results may therefore differ from these estimates. Estimates and assumptions may vary from one financial year to another and are therefore reviewed periodically; the effects of any changes made to them are reflected in the income statement in the period in which the estimate revision takes place.

The main estimates, for which the use of subjective assessments by Management is most required, are typically used for:

- acquisitions of companies and related determination of fair values to define goodwill value;
- provisions for risk in particular, the evaluation processes concern both the determination of the degree of probability of the occurrence of the conditions that may entail a financial outlay, and the estimate of the related amount;
- evaluation of taxes and deferred tax assets, the registration of which is supported by the Group's taxability prospects resulting from the expected profitability envisaged by the industrial plans and by the "fiscal consolidation";
- definition of the useful life of fixed assets and related depreciation;
- valuation of intangible and tangible assets, equity investments and goodwill based, as regards the estimate of value in use, on the use of financial plans drawn up on a set of assumptions and hypotheses of future events which do not will necessarily occur and determination of the discount rate;
- defined benefit pension plan – actuarial assumptions
- The determination of the leasing duration for some leasing contracts in which the Group is a lessee, even if the Company is reasonably certain of exercising the options reserved for lessees; The determination of the lessee's marginal borrowing rate used to value lease liabilities



As of the statement of financial position date at 12/31/2023, no further impacts are expected than those represented in the income statement, balance sheet and cash flow statement.

3. RISKS

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

3.1 Risks deriving from changes in exchange rates

Currency risk is the risk that the value of a financial asset or liability varies following changes in exchange rates.

With regard to this risk, the strategy adopted is aimed at minimizing the impact on the income statement of changes in exchange rates and provides for the coverage of the risk deriving from financial positions denominated in currencies other than the balance sheet currency, if the need arises.

Based on the above, the exchange rate fluctuations that occurred during the year did not have significant effects on the financial statements.

3.2 Risks deriving from changes in rates

Since financial debt is mainly regulated by fixed interest rates, it follows that the company is not significantly exposed to the risk of their fluctuation. The evolution of interest rates is however monitored by the Company and the opportunity to proceed with adequate coverage of the interest rate risk may be assessed in relation to their evolution.

3.3 Price Risk

Price risk is represented by the possibility that the value of a financial asset or liability varies following changes in market prices (other than those relating to currencies and rates).

This risk is typical of financial assets not listed on an active market, which cannot always be realized in a short time at a value close to their fair value.

This risk, given the size of the existing investments, is not significant and therefore is not subject to hedging.

3.4 Credit Risk

Credit risk is represented by the possibility that the issuer of a financial instrument does not fulfill its obligation and causes a financial loss to the subscriber.

Credit risk derives from sales made as part of ordinary business activity and from the use of financial instruments that provide for the settlement of positions with the counterparty.

As regards commercial transactions, the company operates exclusively with group companies. As regards financial transactions, they are carried out with group companies and with primary large financial institutions with high creditworthiness, whose rating is monitored for the purpose of limiting the risk of insolvency of the counterparty.



3.5 Liquidity Risk

Liquidity risk can manifest itself with the inability to find, under economic conditions, the financial resources necessary for the operations of the Company. The two main factors that influence the Company's liquidity are:

Financial resources generated or absorbed by operating or investment activities;
The maturity characteristics of financial debt.

The Company finances its activities both through the cash flows generated by operational management and through the use of external financing sources and is therefore exposed to liquidity risk, represented by the fact that financial resources are not sufficient to meet financial obligations and commercial within the pre-established terms and deadlines. The cash flows, financing needs and liquidity of the company are controlled by considering the maturity of the financial assets (trade receivables and other financial assets) and the financial flows expected from the related operations. The company has both secured and unsecured lines of credit, consisting of short-term revocable lines in the forms of hot financing, current account overdrafts and signature credit.

The Company has a composition of the long-term debt structure exposed to interest rate risk as reported in the explanatory notes.

As regards the exposure connected to trade debts, there is no significant concentration of suppliers.

Management believes that the funds generated by operating and financing activities will allow the Company to satisfy its needs deriving from investment activities, management of working capital and repayment of debts upon their contractual maturity.

4. Accounting Principles

4.1 Approved accounting standards and interpretations in force starting from 1 January 2023

Pursuant to IAS 8 "Accounting standards, changes in accounting estimates and errors", the IFRS in force from 1 January 2023 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 "material" 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. There were no impacts on the Group financial statements following these changes.

- **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. There were no impacts on the financial statements following these changes.

- **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. There were no impacts on the Group financial statements following these changes.

- **IFRS 17 – Insurance agreements**

The accounting standard, published by the International Accounting Standards Board (IASB) on 18 May 2017 and amended on 25 June 2020, replaces IFRS 4, as amended in 2020, and establishes an integrated approach to the accounting for insurance contracts, with the objective of ensuring that companies disclose relevant information in their financial statements, which gives a true picture of the contracts under consideration.

This information provides users of the financial statements with the elements to evaluate the effect of insurance contracts on the financial position, economic results and cash flows of companies.

IFRS 17 applies to insurance contracts, reinsurance contracts, as well as investment contracts with discretionary participation elements. There were no impacts on the Group financial statements following these changes.



- **Annual Improvements (2018-2020)**

These are limited amendments to some standards (IFRS 1 First-time adoption of IFRS, IFRS 9 Financial Instruments, IAS 41 Agriculture and illustrative examples of IFRS 16 Leases) which clarify the wording or correct omissions or conflicts between the requirements of the IFRS standards. There were no impacts on the financial statements following these changes.

4.2 International accounting standards and/or interpretations issued but not yet entered into force and/or not endorsed

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 31 December 2023 and therefore not applicable, and the foreseeable impacts on the Financial Statements.

None of these Standards 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 entity 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 financial statements are expected as a result of these change.



Notes

5. Intangible assets

Intangible assets almost entirely refer to the IT infrastructure and ERP of the company also used for the purposes of the Group consolidation. The changes compared to the previous year are shown below:

€thousand

INTANGIBLE ASSETS							
Net carrying amount							
Net carrying amount	01.01.2023	increases	decreases	amortizations	reclassification	increases from business combination	31.12.2023
Trademarks & patents	-	-	-	-	-	-	-
Software	119	67	-	(75)	-	-	112
Set-up costs	-	-	-	-	-	-	-
Other intangibles assets	-	-	-	-	-	-	-
Intangible assets under construction and	-	-	-	-	-	-	-
Net carrying amount intangible assets	119	67	-	(75)	-	-	112



6. Land, property, plant and equipment

The change in tangible fixed assets is shown below:

€ thousand

PROPERTY, PLANT AND EQUIPMENT						
Gross Value						
Historical costs	01.01.2023	increases	decreases	reclassification/other changes	increases from business combination	31.12.2023
Land and buildings	-	-	-	-	-	-
Plant and equipments	83	-	-	-	-	83
Equipment	-	-	-	-	-	-
Other	80	-	-	-	-	80
Tangible assets under construction	-	-	-	-	-	-
Right of use assets	327	-	-	-	-	327
Total historical costs	491	-	-	-	-	491
PROPERTY, PLANT AND EQUIPMENT						
Accumulated depreciation						
Accumulated depreciation	01.01.2023	amortizations	decreases	other changes	increases from business combination	31.12.2023
Land and buildings	-	-	-	-	-	-
Plant and equipments	(30)	(10)	-	-	-	(40)
Equipment	-	-	-	-	-	-
Other	(31)	(10)	-	-	-	(42)
Tangible assets under construction	-	-	-	-	-	-
Right of use assets	(208)	(60)	-	-	-	(268)
total accumulated depreciation	(270)	(80)	-	-	-	(350)
PROPERTY, PLANT AND EQUIPMENT						
Net Value						
Net Value	01.01.2023	increases	decreases	amortizations	other changes	31.12.2023
Land and buildings	-	-	-	-	-	-
Plant and equipments	53	-	-	(10)	-	43
Equipment	-	-	-	-	-	-
Other	49	-	-	(10)	-	38
Tangible assets under construction	-	-	-	-	-	-
Right of use assets	119	-	-	(60)	-	60
Total Net Value	221	-	-	(80)	-	141



6 B. Right of use

The change in right-of-use assets detailed by underlying destination is shown below
€thousand

Right of use assets	01.01.2023	increases	decreases	amortizations	other changes	31.12.2023
Land and buildings	119			(60)		60
Plant and equipments	-			-		-
Equipment	-			-		-
Other	-			-		-
Total	119	-	-	(60)	-	60

Below are the financial items relating to existing leasing contracts divided by type:

- interest expense charged to the income statement on leasing liabilities;
- short-term and long/medium-term residual lease liabilities;
- the total outgoing financial flows.

<i>€thousand</i>	Interests	Short term	Medium/long term	Cash Out
Land and buildings	(3)	(74)	-	(75)
Plant and equipments	-	-	-	-
Equipment	-	-	-	-
Other	-	-	-	-
Total	(3)	(74)	-	(75)

Finally, we point out:

- the costs for leasing low-value assets charged to the income statement amount to Euro 36 thousand;
- the costs relating to the variable payments due for the leasing not included in the measurement of the leasing liabilities amount to Euro 46 thousand.



7. Equity investments

The item is detailed as follow

Amounts in Euro

	Country	31.12.2023	31.12.2022
Giordano Vini SpA	Italy	32,822,790	32,822,790
Provinco SpA	Italy	21,433,193	21,433,193
Enoitalia SpA	Italy	151,225,103	151,225,103
Enovation Brands Inc	United States	15,065,547	15,065,547
Barbanera S.r.l.	Italy	41,357,726	41,010,000
Fossalto S.r.l.	Italy	2,000,000	2,000,000
Italian Wine Brands Uk Ltd	England	1	1
Total		263,904,359	263,556,633

As at 31 December 2023, the company verified that the equity value calculated as the difference between the enterprise value and the net financial position of each company was at least equal to the value of the investment. There were no losses in value.

The increase compared to 31 December 2022 is due to "capitalised" costs relating to the acquisition of Barbanera S.r.l. and Fossalto S.r.l.

8. Financial non current assets

They refer to medium-term loans granted to Giordano Vini S.p.A.



9. Deferred Tax Assets

Deferred taxation arises from the following temporary differences:

Amounts at 31 december 2023

Euro thousand

Description	Tax base	Tax rate	Balance
Remuneration of directors	2,040	24.00%	490
Exchange rate adjustment	17	24.00%	4
Total Deferred tax assets			494

Description

Exchange rate adjustment	123	24.00%	29
Total Provision for deferred taxes			29

Amounts at 31 december 2022

Euro thousand

Description	Imponibile	Aliquota	Saldo
Remuneration of directors	132	24.00%	32
Total Deferred tax assets			32

10. Trade Receivables

Trade receivables from subsidiaries as of 31 December 2023 and 31 December 2022 are detailed below:

€thousand

	31.12.2023	31.12.2022
Trade receivables	5,800	2,558
Provision for bad debts	0	0
Total	5,800	2,558



11. Current tax assets

Tax credits as of 31 December 2023 and 31 December 2022 are detailed below:

€thousand

	31.12.2023	31.12.2022
VAT receivables	0	87
IRAP receivables	56	56
IRES receivables	561	18
IRPEF withholding tax	0	0
Others	0	0
Total	617	161

12. Other current assets

Le altre attività al 31 dicembre 2023 e al 31 dicembre 2022 sono dettagliate come da tabella seguente:

€thousand

	31.12.2023	31.12.2022
Others	2,455	3,488
Advances to suppliers	92	76
Accruals and prepayments	172	10
Total	2,718	3,574

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 national IRES tax consolidation regime, the effects of which are also reported in the economic and financial results as at 31 December 2021.

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 due to the Consolidating Company;



- 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 the 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 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 became part of the Group consolidation starting from the tax return as of 31 December 2022.

8-13. Current and non current Financial Assets

Financial assets at 31 December 2023 and 31 December 2022 are detailed as per the following table:

<i>€ thousand</i>	31.12.2023			
	Short term	Medium/long term (within 5 years)	Long term (over 5 years)	Total
Refund on Acquisitions	463	-	-	463
Financial credit vs CFO (Buy-back)	0	-	-	0
Total other lenders	463	-	-	463
Giordano Vini	8,000	-	-	8,000
Provinco	-	-	-	-
Enoitalia	11,000	-	-	11,000
Total Loans to Subsidiaries	19,000	-	-	19,000
Shareholder loans to Giordano Vini	6,100	18,000	-	24,100
Total Shareholder loans to Subsidiaries	6,100	18,000	-	24,100
Total	25,563	18,000	-	43,563



<i>€thousand</i>				31.12.2022
	Short term	Medium/long term (within 5 years)	Long term (over 5 years)	Total
Refund on Acquisitions	480	-	-	480
Financial credit vs CFO (Buy-back)	187	-	-	187
Total other lenders	666	-	-	666
Giordano Vini	8,000	-	-	8,000
Provinco	-	-	-	-
Enoitalia	11,000	-	-	11,000
Total Loans to Subsidiaries	19,000	-	-	19,000
Shareholder loans to Giordano Vini	4,000	24,100	-	28,100
Total Shareholder loans to Subsidiaries	4,000	24,100	-	28,100
Total	23,666	24,100	-	47,766

14. Cash and cash equivalents

Cash and cash equivalents as of 31 December 2023 and 31 December 2022 are detailed as per the following table:

<i>€thousand</i>	31.12.2023	31.12.2022
Bank deposits	2,043	3,887
Total	2,043	3,887



15. Net Equity

The company's equity is made up as follows:

Amounts in EUR

	31.12.2023	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	(2,435)	5,070
Reserve for stock grants	789,694	-
Reserve for the purchase of treasury shares	(1,243,417)	(258,760)
Prior profits/(losses)	36,037,059	27,537,536
Profit/(loss) of the period	7,204,028	9,444,454
Total reserves	179,131,253	173,074,624
Total shareholders' equity	180,255,722	174,199,092

Share capital

As of 31 December 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 as a result of the capital increase 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 December 31, 2023, the Parent Company holds n. holds no. 65,259 ordinary shares, representing 0.69% of the ordinary share capital in circulation.

**16. Financial Liabilities**

The situation as of 31 December 2023 is as follows:
€thousand 31.12.2023

	Short term	Medium/long term (within 5 years)	Long term (over 5 years)	Total
Bond	-	131,248	-	131,248
Short-term unsecured loans	-	-	-	-
Revolving loans	-	-	-	-
Other loans in addition to e.g. unsecured	-	-	-	-
Financial accrued expenses and charges	17	-	-	17
Total Banks	17	-	-	17
Payables to factoring companies	-	-	-	-
Deferred price acquisitions	-	4,405	-	4,405
Other financial loans	-	-	-	-
Total other lenders	-	4,405	-	4,405
Total	17	135,652	-	135,670

€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	-	-	-	-
Revolving loans	-	-	-	-
Other loans in addition to e.g. unsecured	8,000	-	-	8,000
Financial accrued expenses and charges	19	-	-	19
Total Banks	8,019	-	-	8,019
Payables to factoring companies	-	-	-	-
Deferred price acquisitions	-	7,621	-	7,621
Other financial loans	-	-	-	-
Total other lenders	-	7,621	-	7,621
Total	8,019	138,639	-	146,659

Financial debt as of 31 December 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 (expires 13 May 2027), bullet repayment, annual fixed rate of 2.50%, annual interest. The bond is listed on the MOT market managed by Borsa Italiana and on the Irish Stock Exchange managed by Euronext Dublin.



- The Price 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 on 10 January 2023 (ii) USD 3.3 million no later than 10 January 2024 (iii) USD 1.4 million no later than 1 May 2024. The debt is reduced by USD 927 thousand in consideration of the repayment envisaged pursuant to art. 8 of the financing contract 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 that occurred during the 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 financial statements 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 final value. 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 'Lease liabilities' 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 inherent to the contract itself.

For details, please refer to paragraph 6 B. Rights of use assets.



17. 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 31 December 2023 are shown below.

<i>€ thousand</i>	31.12.2023	31.12.2022
Provision at 01.01.	43	37
Provisions	14	12
Increases from business combinations	0	0
Increases from transactions "under common control"	0	0
Advances paid during the period	0	0
Benefits paid out in period	(6)	0
Actuarial (gains)/losses	8	(7)
Financial costs	1	(0)
Provision at the end of the period	60	43

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	31.12.2023	31.12.2022
Discount rate	3.67%	3.01%
Inflation rate	1.59%	4.53%
Expected average turnover	12.72%	8.87%



19. Trade Payables

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

€thousand

	31.12.2023	31.12.2022
Suppliers Italy	341	317
Suppliers Foreign markets	(12)	1
Total	328	319

20. Other current liabilities

Other liabilities are made up as follows:

€thousand

	31.12.2023	31.12.2022
Employees	335	259
Social security institutions	595	127
Directors	980	0
Accruals and deferred income	0	0
Others	941	15
Total	2,851	400

21. Revenue from sales and other income

Revenues from sales relate to services provided to subsidiaries and regulated by contracts.

22. Purchasing costs

Purchase costs refer to office materials.



23. Costs for services

The costs for services at 31 December 2023, compared with those of the previous year, are detailed below:

A) Excluding non recurring costs

Adjusted €thousand

	31.12.2023	31.12.2022
Services from third parties	84	103
Fees and rents	181	182
Consulting	597	402
Advertising costs	6	4
Utilities	11	8
Remuneration of Directors, Statutory Audi	2,388	320
Maintenance	9	3
Other costs for services	516	105
Non-recurring expenses	(1,744)	(45)
Total	2,049	1,083

B) Including non recurring costs

€thousand

	31.12.2023	31.12.2022
Services from third parties	84	103
Fees and rents	181	182
Consulting	597	402
Advertising costs	6	4
Utilities	11	8
Remuneration of Directors, Statutory Audi	2,388	320
Maintenance	9	3
Other costs for services	516	105
Total	3,793	1,128



The remuneration of directors, statutory auditors and supervisory bodies is detailed as follows:

€thousand

	31.12.2023	31.12.2022
Directors	2,321	276
Statutory auditors	55	44
SB	12	0
Total	2,388	320

€thousand

	Audit	Consulting
Holding	56	0
Total	56	0

24. Personnel costs

Personnel costs as of 31 December 2023, compared with those of the previous year, are detailed below:

€thousand

	31.12.2023	31.12.2022
Wages and salaries	969	781
Social security charges	330	315
Termination benefits	54	39
Stock grant	62	0
Other costs	35	10
Total	1,450	1,145



The table below indicates Holding Headcount

	At 31.12.2023	Average no 31.12.2023	At 31.12.2022	Average no 31.12.2022	At 31.12.2021	Average no 31.12.2021
Executives	4	5	5	5	4	3
Middle managers	2	2	2	2	2	1
Employee	1	1	1	0		
Workers						
Total	7	8	8	7	6	4

25. Other operating costs

The item "other operating costs" amounts to Euro 178 thousand compared to Euro 115 thousand at 31 December 2022.

26. Financial income and charges

Financial income and expenses are detailed in the following tables:

€thousand

	31.12.2023	31.12.2022
On current accounts	1,064	848
Dividends	11,360	12,180
Exchange rate gain/(loss)	123	10
Others	0	1
Total	12,547	13,038

€thousand

	31.12.2023	31.12.2022
Bond interests	(3,479)	(3,473)
Loans	(124)	(5)
Lease liabilities	(3)	(5)
Bank fees and charges	(4)	(14)
Exchange rate gain/(loss)	(29)	(132)
Others	(10)	(5)
Total	(3,648)	(3,634)



In detail, interest on loans includes:

- interest expense on medium-long term loans;
- bank commissions and expenses including those for sureties.

27. Taxes

Taxes at 31 December 2023, compared with those of the previous year, are detailed below:
€thousand

	31.12.2023	31.12.2022
IRES	1,017	860
IRAP	0	0
Taxes for prior periods	(42)	(19)
Total current taxes	975	842
Prepaid taxes	462	(53)
Deferred taxes	(29)	0
Total deferred taxes	432	(53)
Total	1,407	788

28. 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 indexed to the ISTAT index plus VAT. For 2023 the fee was Euro 69,067.14.

(ii) a service contract with Electa SpA regarding support for investor relations activities for an amount of Euro 40 thousand on an annual basis.

The relationships described above are regulated at market conditions.



It should also be noted that on 1 August 2023, as detailed in the paragraph Significant events that occurred during the year, following the favorable opinion of the independent director, the amendments to the ownership contract were signed with Norina S.r.l and the brothers Giovanni Pecora 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 is linked for the acquisition of 55% of Enovation Brands Inc.

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.

29. Atypical and unusual operations

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

30. Significant events occurred during the year

In January 2023, as part of the activities aimed at closing the consolidated financial statements as of 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 amount prior to the closing is regulated pursuant to the declarations and guarantees of the SPA and has been consequently deducted from the acquisition price;

(ii) the amount following the closing, net of the tax benefit and the third party share, is equal to Euro 457 thousand and was accounted for in the financial statements closed on 31 December 2022.

On 27 April 2023 the Shareholders' Meeting in second call resolved:

- the 2023–2025 Incentive Plan which aims to (i) aligning the interests of executive directors and managers with strategic responsibilities with those of shareholders, allowing the pursuit



of important economic-financial targets (ii) retain the beneficiaries 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 authorization to purchase and dispose of treasury shares for the purpose of providing the Company with a stock of treasury shares to be allocated to service the Incentive Plan, as consideration in extraordinary operations - including the exchange of shareholdings with other parties, in the scope of operations 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 pursuant to by law in the interests of the Company itself.
- to allocate the 2022 profit for the year of Euro 9.444 thousand as per the proposal of the Board of Directors and in particular to distribute an ordinary monetary dividend of Euro 0.1 per share, gross of the withholding tax set aside by law, for each share existing and entitled to the dividend, with therefore exclusion from the calculation of n. 10,681 treasury shares owned by the company, for a total dividend of Euro 946 thousand. The ex-dividend date was May 2, 2023, record date May 3, and payment starting from May 4, 2023.
- the appointment of the Board of Statutory Auditors, which will remain in office until the approval of the 2025 financial statement.

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

On 01 August 2023 the agreements were finalized respectively between:

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

(ii) IWB S.p.A and the “brothers” Giovanni Pecora 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 perpetrated to the detriment of Enovation Brands Inc (which occurred on dates prior to the closing) both in terms of amount and in terms of dates and methods of disbursement in line with the amounts included in the financial statements as at 31 December 2022 (ii) and to redefine 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 of the two-year period 2022/ 2023 to the average Ebitda of 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 contracts was preceded by the favorable opinion of the independent director as the amendment constitutes an agreement with related parties.

On 14 September 2023, the Boards of directors of the Group's Italian subsidiaries approved the corporate reorganization projects aimed at rationalizing and increasing the efficiency of the operating companies. The objective was to concentrate Italian activity on two operating companies (from 6 to the beginning of 2024):

a) one whose mission is 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;

b) one focused on direct sales to end customers.

The proposed merger operation therefore aims to rationalize the organization of the activities of the companies involved, improving efficiency and simplifying management, dedicating the two companies to a specific businesses each

Finally, the Merger will make it possible to achieve significant savings in the governance and administrative management costs of the entities involved and will make it possible to seek balanced operational dimensions that allow the competitive challenge and development of the company to be met.

The demerger and merger deeds were finalized on 5 December and effective from 31 December 2023 and 1 January 2024 respectively.

31. Significant events that occurred after the end of the financial year

There are no significant events following the end of the financial year other than the effectiveness of the merger between Provinco Italia S.p.A., Enoitalia S.p.A, Barbanera S.r.l. and Fossalto S.r.l. which took place on 1 January 2024.



32. Outlook

As a consequence of the corporate reorganization, in 2024 IWB S.p.A will benefit from a leaner corporate structure which will allow for easier and more functional coordination, greater cash flows and dividends.

For the Board of Directors

Chief Executive Officer and President

Alessandro Mutinelli