

Italian Wine Brands S.p.A.

Review report on the condensed
consolidated half-year financial
statements as of June 30, 2024

Review report on the condensed consolidated half-year financial statements

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

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

Introduction

We have reviewed the accompanying condensed consolidated half-year financial statements of Italian Wine Brands S.p.A. and its subsidiaries (the IWB Group) as of June 30, 2024, comprising the consolidated statement of financial position, the comprehensive income statement, the statement of cash flows and statement of changes in shareholders' equity and notes, as at and for the six months ended 30 June 2024. The Directors of Italian Wine Brands S.p.A. are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express our conclusion on these condensed interim consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. The review of the condensed interim consolidated financial statements consists of making inquiries, mainly of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full scope audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim consolidated financial statements.

Conclusions

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements of IWB Group as at and for the six months ended 30 June 2024, have not been prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Milan, September 27, 2024

BDO Italia S.p.A.

Signed by
Vincenzo Capaccio
Partner



ITALIAN WINE BRANDS
Creatori di Eccellenze

CONSOLIDATED HALF-YEAR FINANCIAL REPORT

30 JUNE 2024

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 1124468,80

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

italianwinebrands.it





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CORPORATE AND CONTROL 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.

KEY Economic, Equity and Financial data

INCOME DATA

€thousand	30.06.2024	31.12.2023	30.06.2023	30.06.2022
Revenues	191.202	429.127	196.778	177.266
Adjusted EBITDA	21.923	44.330	17.254	14.215
%	11,5%	10,3%	8,8%	8,0%
Adjusted EBIT	15.633	30.764	10.920	8.486
EBIT	14.019	27.372	9.889	8.121
%	7,3%	6,4%	5,0%	4,6%
Adjusted net profit/(loss)	10.279	18.910	5.355	4.185
%	5,4%	4,4%	2,7%	2,4%
Net Result	9.116	16.458	4.612	3.919
%	4,8%	3,8%	2,3%	2,2%

FINANCIAL DATA

€thousand	30.06.2024	31.12.2023	30.06.2023	30.06.2022
Net working capital	13.121	12.138	37.369	30.493
Net Invested Capital	321.248	325.423	351.834	317.099
Shareholders' equity	213.151	209.490	197.606	160.703
Net financial position	108.097	115.932	154.228	156.396
Net financial debt without IFRS 16	93.568	100.718	138.576	144.147
Net Financial position - third parties lenders	92.136	96.313	134.114	136.796

MAIN INDICES

	30.06.2024	31.12.2023	30.06.2023	30.06.2022
EBITDA Adjusted LTM	48.999	44.330	40.216	44.219
Net financial position / Ebitda Adjusted LTM	2,21	2,62	3,83	3,54
Net financial position / Shareholders' Equity	0,51	0,55	0,78	0,97
EPS	0,97	1,75	0,49	0,45

The alternative performance indicators reported above are described on pages 21 -23

Directors' Report on operations

1. Analysis of the market situation, the company, the trend and the management results

As highlighted in the paragraph "key economic, equity and financial data" for the period, IWB achieved extremely positive results, in the first half of 2024, in terms of:

- (i) margins' increase;
- (ii) doubling of the net result for the period;
- (iii) improvement in the NFP, which for the first time, is reduced starting from the first half of the year, despite the buy back plan and given the increase in dividends from 0.10 to 0.50 euros per share as paid in May 2024.

All this in an uncertain market context, which has generally penalized people consumption attitude in the main destination wine markets as better detailed in the following paragraphs.

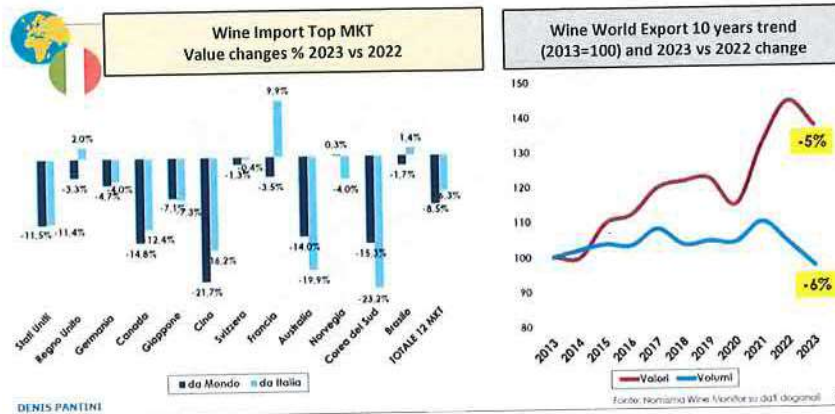
The IWB Group introduced proper and timely actions, rationalizing its commercial and production structure, making it leaner, faster and less expensive. This important process began on January 1, 2024, and was completed during the first half of the year, and saw:

- a) the creation of a single production and commercial entity for the wholesale and ho.re.ca channel (IWB Italia SpA, which merged Enoitalia SpA, Provinco Italia SpA, Barbanera Srl, Fossalto Srl and the production and B2B business from Giordano Vini SpA),
- b) the closure of a bottling plant in Piedmont and
- c) the sale with a simultaneous partnership of the winemaking plant in Puglia.
- d) In addition, the last internal call center of the B2C business unit managed by Giordano Vini SpA (the Group company dedicated to direct sales to end consumers throughout Europe) was definitively decommissioned.

Today the group is even more able to compete on the market, thanks to streamlined costs, a solid financial structure and competent people determined to grow internally and externally.

1.1 The Market

The final data of the world wine market in 2023 and the trends of the first six months of 2024 have now been published. Taking the value of world trade in 2013 as 100, the index continued to grow until the Covid period (2020-2021), then had a very strong acceleration in 2022 after the reopening and sharply slowed down in 2023.

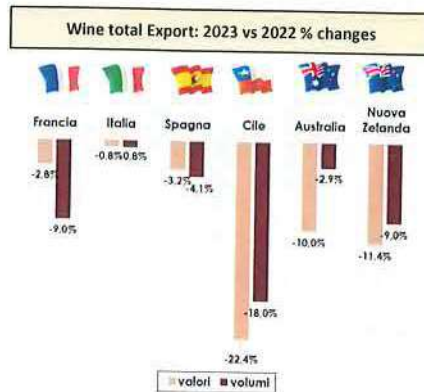


How can these strong variations be explained in a market that has been relatively unvolatile? The Covid period was marked by the closure of premises and therefore by a reduction and in some cases by a cancellation of out-of-home consumption and by the shift of part of this to home consumption, with the progress of the off-trade channel (supermarkets and online). The post-Covid reopenings have brought the consumption distribution back to the historical channels. At wholesale level, we registered a destocking during the Covid period, an overstocking in 2022 (made more relevant by a hoarding effect due to the continuous price increases and the lack of means of transport), followed by a new destocking in 2023. The inflation rose between 2022 and 2023 and the high interest rates have then affected the spending capacity of consumers, who have reduced the volumes purchased.

Italy is the leading wine exporter by volume (second in value after France). How did our exports move within this scenario of 2023 decline, Italy also recorded a decline, but less relevant than other international competitors, as shown in the following graph¹:

¹ Source: Winemonitor Nomisma – August 2024 – Market Scenario & Evolution of Wine Consumption.

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Among the various product categories, sparkling wines maintained their turnover, while still wines “suffered”, especially the redones, which continue to lose market share to whites.

And what about domestic consumption in Italy in 2023?

The large-scale retail channel grew both in volume (1.2%) and value (3.9%) in the sparkling wine category, while it recorded a drop in quantities (-3.6%) and an increase in turnover (2.5%) of still and sparkling wines².

As regards out-of-home consumption, 2023 was positive, thanks above all to tourist flows from abroad, which returned very close to the pre-Covid record of 2019 (65 million foreign tourists in 2019, towards 62.8 million in 2023) and an out-of-home Food&Wine turnover, which went from 81.9 billion in 2022 to 92.5 billion in 2023³.

And what about the first six months of 2024 go?

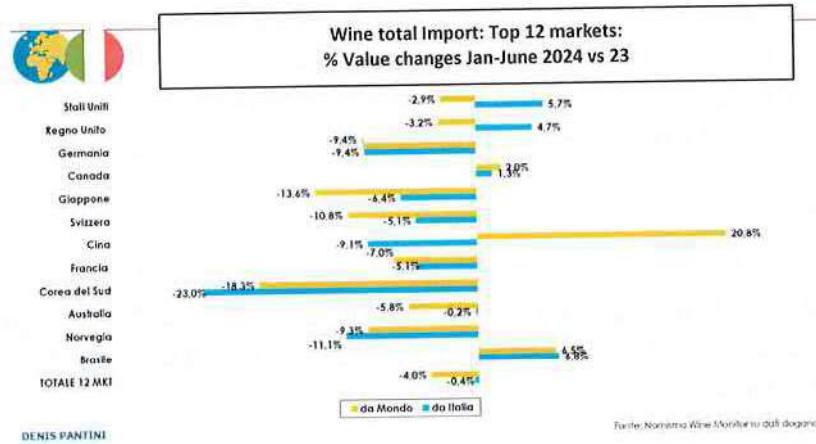
The numbers are in line with those of 2023, the main foreign markets are still in a phase of weakness and, once again, Italy is the country whose exports suffer the least compared to its competitors, with a positive sign on two main destination markets (USA and UK) and a negative sign on the other two (Germany and Switzerland). Turning to the categories, Italian exports of sparkling wines are in positive territory (+4.5%), while still wines are still declining (-2%)⁴.

² Source: Nomisma Wine Monitor based on NIQ data – August 2024 - * Iper+Super+LSP

³ Source: Nomisma Wine Monitor – August 2024 – on Istat data

⁴ Source: Nomisma Wine Monitor – August 2024 – on custom data

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In the first six months of 2024, looking at the domestic market, the off-trade channel recorded a turnover increase of 0.4% with a decrease in volumes of 3.6%. Still with a different trend between sparkling wines (+2.7% in value and +2.5% in volume) and still wines (-0.2% in value and -4.5% in volume). For the Horeca channel, the latest data available in March 2024 still report positive data⁵.

In conclusion: after a decade of constant growth in the value of international wine trade, we have overcome the discontinuities caused by Covid and are now in a phase of market stabilization, mostly determined by the reduced spending capacity of families. In this context, Italian wines and especially the sparkling wine category are proving to be more performing than their competitors. The changes in purchasing behavior of the new generations, more interested in health aspects, more open to occasional consumption and to "less but better", will sustain the most innovative companies that will be able to intercept the changes in progress more quickly. In this context, IWB has the capacity and operational flexibility to take benefit from it.

1.2 2024 harvest⁶

After a 2023 harvest of only 38.3 million hectoliters (the smallest in the last 76 years), in 2024 we expect a return to volumes closer to the historical average (around 50 million hectoliters).

It will be a harvest that comes in a "strange" summer for Italy, due to the climate, with a country effectively divided in two, between heavy rainfall in the North and drought in the

⁵ Source: Nomisma Wine Monitor August 2024 on NIQ data * Champagne included ** Iper+Super+Lsp

⁶ Source: Wine News August 2024

South. Despite the climatic challenges, experts are generally optimistic and predict good quality of the grapes, thanks to a hot and dry summer that favored their ripening. On the contrary, other European countries, such as France, are suffering a significant drop in production, due to adverse weather conditions, which have affected the state of the plants. As for the costs of the raw material, a certain stability and good availability are noted.

1.3 2024-2026 trends⁷

Looking at the outlook for Italian wine, global exports are expected to grow in the medium term by +3-4% in value per year, with a very solid recovery especially starting from 2025 that will allow the sector to exceed €8.5 billion in 2026. The record year (2022), exports stood at around €8 billion.

Speaking of segments or categories, a particularly positive outlook is confirmed for Prosecco and generic sparkling wines, which by virtue of the great recognition, versatility and diffusion among different generations of consumers will continue to grow in value above the market average.

We see the following trends:

- **the outlook will remain positive driven by the mix of "premiumization"** rather than growth in volume (expected to be stable overall). In short, the near future should not be significantly different from the pre-Covid decade, in a "less but better" direction.
- **consumers will tend to prefer light wines**, easy to drink and perhaps even to mix, such as sparkling and fizzy wines. In this context, a continuous growth of white wines is conceivable, while for reds, especially those with a fuller body, the trend of overall contraction in volumes with limited growth in value will continue. The exception will be super premium wines such as Piedmontese and Tuscan wines, for which the growth trend is confirmed, particularly in Scandinavian countries and the United States;
- **small is not always beautiful, aggregations will be necessary** to be able to compete on international markets with greater financial capacity, to develop premiumization and innovation, differentiating not only the content from the bottle, but also the other elements of marketing (from packaging, today often not very distinctive and recognizable, to activities at the point of sale, to more experiential communication
- **product innovation** will have to focus on the development of new segments, aiming at new consumption opportunities in line with the new generations, more focused than the previous ones to the health and ethical aspects of the product, linked to a more occasional and less daily consumption. A change, therefore, from wine-food to wine-occasion of conviviality, sharing moments and experiences.

⁷ Source: Bain&Co Wine Outlook published at Vinitaly 2024; Sace "Wine Focus"

In conclusion, the further growth in the value of international wine trade is a real prospect and will be an opportunity for those companies that, like IWB, will be structured to grasp the trends, through: product innovation, marketing investments, capillarity in multi-channel distribution, production efficiency with a lean and flexible organization.

1.4 IWB Group

1.4.1 Activity and Strategy

IWB is the leading listed private Italian wine producer; its activities are developed thanks to (i) a broader and qualitatively superior product portfolio compared to that normally offered by the competition in each segment, (ii) the diversification of channels in which it operates, the breadth of its reference markets and the number and relevance of its portfolio of customers, all factors that place it in the ideal position to seize all opportunities, including external growth, leveraging its production and commercial efficiency.

Given the market context, we consider even more valuable the results obtained in terms of turnover and the leadership position that the Group has managed to maintain thanks to:

- progressive growth on international markets achieved both by consolidating its positioning in the reference countries and by entering new geographies with high potential, 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 pre-pandemic period, (ii) ho.re.ca, in the post-pandemic period, at the same time as the repositioning of consumption from off-trade channels;
- significant entry into the sparkling, premium and organic wine categories, also thanks to the acquisitions of Enoitalia (now IWB Italia S.p.A.), Barbanera and Raphael Dal Bo;
- careful management of the supply chain, which has allowed it to significantly improve the level of margins and production continuity despite an increase in energy and raw material costs and to manage, with the main customers, price review agreements aimed at not compromising market positioning and volume trends;
- the creation of an integrated corporate, commercial and production platform that allows it to face future challenges with an efficient and streamlined structure and which has contributed significantly to the important increase in profitability that is characterizing the 2024 financial year.



- an ever-increasing focus on sustainability issues both in terms of the development of organic products and in terms of “decarbonization” of the production process;
- the expansion of the commercial structure, in particular for the wholesale channel, to reach more customers especially in the geographies with the greatest potential.

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 perspectives.

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



Rirò “new generation Barbanera” is a new brand to be added to the main brands existing at 31 December 2023; the first Tuscan red IGT wine to be enjoyed cold with ice or mixed in cocktails

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From a corporate point of view, in 2023 the Group carried out a significant reorganization, fully effective from 1 January 2024, which led to the creation of two business units to manage the different sales channels.

1) IWB Italia S.p.A: from the merger 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) developing the Group's B2B Business in both the Wholesale and Ho.re.ca channels also through the coordination of foreign companies focused on the presence and growth of the main reference markets (United States, UK and Switzerland);
- (ii) ensuring flexible production with respect to the needs of the different brands and optimized in terms of costs and supply chain efficiency.

Following the production rationalization carried out in the first half of 2024, the Group's production structure consists of (i) 3 company-owned wineries located in Calmasino (VR), Montebello (VI), Cetona (SI), and (ii) 8 bottling lines, three of which are located in Montebello (VI), four in Calmasino (VR) and one in Cetona (SI) with an overall capacity capable of supporting even very significant growth in turnover.

2) Giordano Vini S.p.A. as a 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;

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(iii) enriching the offer to the customer with traditional Italian food products and complementary products that are functional to making the consumer experience even more attractive.

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

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1.4.2 Consolidated Report

Below is a summary of the consolidated half-yearly economic and financial results obtained by the Italian Wine Brands Group in the period between 2022 and 2024 with data expressed in thousands of Euros. All profitability and financial indicators show a significant improvement compared to the previous year.

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

€thousand	30.06.2024	30.06.2023	30.06.2022	Δ % 23/24
Revenue from sales	191.202	196.778	177.266	(2,83%)
Change in inventories	(2.809)	2.269	7.707	(223,79%)
Other income	1.715	1.628	3.115	5,34%
Total revenues	190.108	200.675	188.088	(5,27%)
Purchase costs	(122.558)	(135.732)	(128.824)	(9,71%)
Costs for services	(31.914)	(34.613)	(33.836)	(7,80%)
Personnel costs	(13.149)	(12.537)	(10.690)	4,88%
Other operating costs	(563)	(539)	(524)	4,52%
Total operating costs	(168.184)	(183.420)	(173.874)	(8,31%)
Adjusted EBITDA (1)	21.923	17.254	14.215	27,06%
EBITDA	20.309	16.224	13.850	25,18%
Adjusted net profit/(loss) (2)	10.279	5.355	4.185	91,94%
Net profit/(loss)	9.116	4.612	3.919	97,63%
Net financial debt	108.097	154.228	156.396	
<i>of which net financial debt - third-party lenders</i>	<i>92.136</i>	<i>134.114</i>	<i>136.796</i>	
<i>of which net financial debt - Deferred price acquisitions</i>	<i>1.432</i>	<i>4.462</i>	<i>7.351</i>	
<i>of which net financial debt - lease liabilities</i>	<i>14.530</i>	<i>15.652</i>	<i>12.249</i>	

(1) Adjusted Gross Operating Margin indicates the Ebitda net of management adjustments as detailed on page 20.

(2) Adjusted Net Result indicates the Net Result after deducting management adjustments and the related tax effect as detailed on page 20

The reclassified consolidated financial and economic data are shown below.

Reclassified statement of financial position

€ thousand

	30.06.2024	31.12.2023	30.06.2023
Other intangible assets	38.365	38.775	39.028
Goodwill	215.969	215.969	215.969
Tangible assets	39.272	51.823	52.221
Right-of-use assets	13.904	15.465	16.159
Equity investments	5	5	5
Total Fixed Assets	307.515	322.036	323.382
Inventory	76.655	78.552	104.786
Net trade receivables	48.842	52.130	47.824
Trade Payables	(101.929)	(113.790)	(110.696)
Other assets (liabilities)	(10.447)	(4.754)	(4.545)
Net working capital	13.121	12.138	37.369
Payables for employee benefits	(1.648)	(1.654)	(1.650)
Net deferred and prepaid tax assets (liabilities)	(7.845)	(6.797)	(6.989)
Other provisions	(154)	(301)	(278)
Non-current assets (liabilities) held for sale	10.259	0	0
NET INVESTED CAPITAL	321.248	325.423	351.834
Shareholders' equity	213.151	209.490	197.606
Profit (loss) for the period	8.971	16.300	4.575
Share capital	1.124	1.124	1.124
Other reserves	203.120	192.274	192.235
Shareholders' equity of NCIs	(64)	(209)	(328)
Net Financial position - third parties lenders	92.136	96.313	134.114
Deferred price acquisitions	1.432	4.405	4.462
Lease liabilities	14.530	15.214	15.652
TOTAL SOURCES	321.248	325.423	351.834

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Reclassified Income statement

€ thousand	30.06.2024	30.06.2023	30.06.2022
Revenue from sales	191.202	196.778	177.266
Change in inventories	(2.809)	2.269	7.707
Other income	1.715	1.628	3.115
Total revenue	190.108	200.675	188.088
Purchase costs	(122.558)	(135.732)	(128.824)
Costs for services	(31.914)	(34.613)	(33.836)
Personnel costs	(13.149)	(12.537)	(10.690)
Other operating costs	(563)	(539)	(524)
Operating costs	(168.184)	(183.420)	(173.874)
Adjusted EBITDA	21.923	17.254	14.215
Write-downs	(574)	(828)	(798)
Amortization and depreciation	(5.717)	(5.506)	(4.931)
Net releases (accruals) for provision risks and charges	0	0	0
Operating result Adjusted	15.633	10.920	8.486
Net financial income/(expenses)	(1.731)	(3.642)	(2.521)
EBT	13.901	7.278	5.964
Taxes	(3.622)	(1.923)	(1.779)
Net profit before non recurring items and related tax effect	10.279	5.355	4.185

Reclassified Income statement

€ thousand

	Reported 30.06.2024	Management (1)	adjustments (2)	Adjusted 30.06.2024
Revenue from sales	191.202			191.202
Change in inventories	(2.809)			(2.809)
Other income	1.715	0		1.715
Total revenue	190.108	0	0	190.108
Purchase costs	(122.558)			(122.558)
Costs for services	(32.022)	108	0	(31.914)
Personnel costs	(14.655)	1.506	0	(13.149)
Other operating costs	(563)	0		(563)
Operating costs	(169.798)	1.614	0	(168.184)
EBITDA	20.309	1.614	0	21.923
Write-downs	(574)			(574)
Amortization and depreciation	(5.717)			(5.717)
Net releases (accruals) for provision risks and charges	0			0
EBIT	14.019	0	0	15.633
Net financial income/(expenses)	(1.731)			(1.731)
EBT	12.288	0	0	13.901
Taxes	(3.172)	(450)		(3.622)
Net Result	9.116	(450)	0	10.279

Adjusted accounting data at 06/30/2024 (with reference to Adjusted Gross Operating Margin and Adjusted Net Result) represented gross of non-recurring costs, equal to a total of Euro 1,614 thousand in the half-year and attributable to:

i) Costs for services equal to Euro 108 thousand, relating to i) Euro 70 thousand for charges relating to the settlement of supply relationships ii) Euro 38 thousand for legal consultancy fee relating to the operational reorganization;

ii) Personnel costs equal to Euro 1,506 thousand relating to (i) conciliations with former employees and related charges (ii) to the industrial reorganization that affected the Valle Talloria site (iii) to the closure of the internal Teleselling activities of the Giordano Vini company.

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Alternative performance indicators

In this condensed consolidated half year financial report, some economic-financial indicators, which are not identified as accounting measures within the IFRS Accounting Standards, 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 half year consolidated 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 consolidated half year 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.

Adjusted Gross Operating Margin or Adjusted EBITDA" LTM is calculated by adding the Group's Adjusted EBITDA of the reference semester to that of the second semester of the previous financial year. It is used to measure the Net Financial Position / Adjusted EBITDA ratio relating to the semesters to make the relationship between a YTD indicator (NFP) and a Period Indicator (Adjusted EBITDA) consistent.

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 period end date, financed in the two components (x) (Net equity and (y) Net financial position; Deferred price of acquisitions; Debts for leasing.

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 leasing.

It is divided into:

- a) Deferred price of acquisitions
- b) Debts for leasing
- 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 debts for leasing 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) debts for leasing 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.

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1.4.3 Economic and financial situation of the Parent Company

The situation of IWB S.p.A. as of June 30, 2024 represents the separate financial statements of IWB S.p.A, and indicates:

- a Net Result for the period of Euro 8.4 million (Euro 9.7 million as of June 30, 2023);
- a net financial debt – third-party lenders of Euro 92.8 million (Euro 85.7 million as of December 31, 2023), increased compared to the previous year mainly due to the partial waiver by the Parent Company of a short-term loan claimed from the subsidiary Giordano Vini SpA for Euro 7.8 million.

The summary tables of the financial situation and income statement of the Parent Company are presented below.

Reclassified statement of financial position

€thousand	30.06.2024	31.12.2023	30.06.2023
Other intangible assets	121	112	130
Goodwill	0	0	0
Tangible assets	72	82	92
Right-of-use assets	30	60	89
Equity investments	271.720	263.904	263.557
Total Fixed Assets	271.942	264.157	263.868
Inventory	0	0	0
Net trade receivables	4.163	5.800	3.670
Trade Payables	(227)	(328)	(90)
Other assets (liabilities)	1.832	360	1.396
Net working capital	5.768	5.832	4.976
Payables for employee benefits	(70)	(60)	(51)
Net deferred and prepaid tax assets (liabilities)	24	464	(13)
Other provisions	0	0	0
NET INVESTED CAPITAL	277.663	270.394	268.780
Shareholders' equity	183.409	180.256	182.924
Profit (loss) for the period	8.371	7.204	9.670
Share capital	1.124	1.124	1.124
Other reserves	173.913	171.927	172.130
Shareholders' equity of NCIs	0	0	0
Net Financial position - third parties lenders	92.786	85.659	81.283
Deferred price acquisitions	1.432	4.405	4.462
Lease liabilities	37	74	110
TOTAL SOURCES	277.663	270.394	268.780

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

- as of June 30, 2024, the investments in subsidiaries are made up of Giordano Vini S.p.A. for Euro 40,638 thousand; by IWB Italia S.p.A. for Euro 216,016 thousand Enovation Brands Inc. for Euro 15,066 thousand;
- it is noted that as a result of the merger effective from January 1, 2024 of the companies Provinco Italia S.p.A., Barbanera S.r.l., Fossalto S.r.l. into 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 subject to the merger.

Reclassified Income statement

€thousand	30.06.2024	30.06.2023	30.06.2022
Revenue from sales	1.174	1.165	844
Change in inventories	0	0	0
Other income	230	2	110
Total revenue	1.404	1.167	954
Purchase costs	0	(0)	0
Costs for services	(1.002)	(888)	(515)
Personnel costs	(674)	(650)	(562)
Other operating costs	(130)	(80)	(43)
Operating costs	(1.806)	(1.618)	(1.121)
Adjusted EBITDA	(402)	(451)	(167)
Write-downs	0	0	0
Amortization and depreciation	(60)	(74)	(84)
Net releases (accruals) for provision risks and charges	0	0	0
Operating result Adjusted	(462)	(525)	(251)
Net financial income/(expenses)	(1.352)	(1.277)	(1.309)
Dividends	10.000	11.360	12.180
EBT	8.186	9.558	10.620
Taxes	307	363	303
Net profit before non recurring items and related tax effect	8.494	9.921	10.922

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

- dividends refer entirely to the subsidiary Provinco Italia S.p.A.;
- service costs include €241 thousand for directors' fees (excluding the effect of the incentive plan), auditors and supervisory board and €316 thousand for consultancy.
- financial income refers to interest income accrued on loans granted to the subsidiaries Giordano Vini S.p.A. (equal to €264 thousand), IWB Italia S.p.A. (equal to €149 thousand); financial charges are mainly represented by interest expense relating to the bond loan equal to €1,732 thousand.

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1.4.4 Consolidated Net Financial Position

The following is a breakdown of the net financial debt at 30 June 2024 compared with the debt at 31 December 2023, 30 June 2023 and 31 December 2022, shown on the basis of the new scheme provided by ESMA guideline 32-382-1138 of 4 March 2021.

As a result of the optimization resulting from the corporate integration, the Group's financial position did not increase in the half-year due to seasonality effects as occurred in all the previous first half-year, but improved by 6% despite (i) the continuity of the Buy Back plan (ii) the increase in dividends from 0.1 to 0.5 euros per share.

<i>€thousand</i>	30.06.2024	31.12.2023	30.06.2023	31.12.2022
A. Cash	20	23	19	41
B. Cash equivalents	48.977	70.878	48.081	61.008
C. Other current financial activities	720	524	1.042	674
D. Liquidity (A) + (B) + (C)	49.718	71.424	49.142	61.723
E. Current financial debt (included financial instruments but not included current part of non current financial debt)	4.896	27.927	43.904	37.950
F. Current part of non current financial debt	4.746	3.985	4.064	3.968
G. Current financial debt (E) + (F)	9.641	31.912	47.969	41.918
H. Net current financial debt (G) - (D)	(40.076)	(39.512)	(1.173)	(19.806)
I. Non current financial debt (excluded current part and financial instruments)	5.867	7.217	8.339	12.947
J. Financial instruments	129.730	131.248	129.493	131.018
K. Trade payables and other non current debts/right of use	12.577	16.980	17.569	22.387
L. Non current financial debt (I) + (J) + (K)	148.174	155.444	155.401	166.353
M. Net financial position (H) + (L)	108.097	115.932	154.228	146.547
<i>of which</i>				
<i>Deferred price acquisitions</i>	1.432	4.405	4.462	7.621
<i>Current lease payables</i>	3.867	3.106	3.187	3.090
<i>Non Current lease payables</i>	10.662	12.108	12.465	13.959
Net financial position without the effect of IFRS 16 and deferred price acquisitions	92.136	96.313	134.114	121.877

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1.5 Group performance

1.5.1 Volume of activity – Revenues

Italian Wine Brands S.p.A. confirms itself as the leading Italian listed wine group, consolidating revenues of Euro 191.2 million in the first half of 2024.

Revenues show (i) a strengthening of the Group in Italy, where IWB achieved Euro 36.2 million sales (+15.7% compared to revenues in the first half of 2023) due to greater focus on some key customers; (ii) consolidation on foreign markets which continue to represent the greatest growth potential for the Group.

With regard to individual markets, it should be noted that, despite the difficult macroeconomic context, IWB continues its growth path in those with the greatest potential (i) in terms of volumes and values, i.e. the United States, which confirms itself as the leading market for Italy in terms of exports (ii) in terms of margins, i.e. Switzerland, where prices remain higher than the rest of the market. The slowdown in the UK represents a physiological adjustment following the notable growth achieved in previous years, while the decrease in Germany reflects the difficult economic situation of the country. It is also highlighted how IWB, thanks to the breadth and quality of its product portfolio and the pervasiveness and effectiveness of its sales network, continues its international expansion across a broad portfolio of geographies, as represented by the revenues of Other Countries, which achieved 10,3% growth.

€ thousand

	30.06.2024	30.06.2023	30.06.2022	Δ % 23 / 24	Cagr 22 / 24
Revenues from sales - Italy	36.237	31.312	32.691	15,73%	5,28%
Revenues from sales - Foreign markets	154.877	164.956	143.115	(6,11%)	4,03%
UK	40.601	43.188	43.351	(5,99%)	(3,22%)
Germany	27.775	31.854	26.947	(12,80%)	1,53%
Switzerland	19.997	18.760	18.591	6,59%	3,71%
US	16.224	15.114	11.422	7,34%	19,18%
Austria	6.687	7.592	7.023	(11,92%)	(2,42%)
Poland	5.884	5.833	3.177	0,88%	36,09%
France	5.239	8.582	7.226	(38,95%)	(14,85%)
Canada	3.706	4.107	2.625	(9,76%)	18,83%
Netherlands	3.218	3.612	2.297	(10,90%)	18,36%
Denmark	2.770	3.697	3.505	(25,07%)	(11,11%)
Belgium	2.376	2.757	3.150	(13,82%)	(13,17%)
Ireland	2.371	2.825	2.377	(16,07%)	(0,11%)
Sweden	1.233	1.575	1.007	(21,74%)	10,64%
China	755	919	612	(17,81%)	11,08%
Other countries	16.042	14.543	9.806	10,31%	27,90%
Other Revenues	88	510	1.460	(82,67%)	(75,40%)
Total Revenues from sales	191.202	196.778	177.266	(2,83%)	3,86%

The above data also show how the acquisitions have ensured greater geographical diversification of revenues, contributing to the strengthening of the Group in key countries such as the USA, the leading destination market for Italian wine abroad, where the Group

achieved a CAGR 22/24 of +19.2% and which prospectively represents one of the main growth drivers; Switzerland, the main foreign market in terms of margins, where the Group achieved a CAGR 22/24 of +3.7%.

In addition we highlight the progressive penetration of emerging markets which, included in the Other Countries item (CAGR 22/24 +27.9%), constitute and will increasingly represent a potential growth area to support further increases in turnover in the medium term.

In parallel with the increase in the "Country portfolio", IWB pursue the expansion of the customer base. In this regard, it should be noted that the turnover relating to the two main customers amounts respectively to (i) 31,025 thousand euros (ii) 24,108 thousand euros with a progressive decrease in overall dependence. The Group's exposure to sales made in the Russian Federation is limited, and in the first half of 2024 amounted to a total of approximately 2 million euros, fully collected due to the policy that provides for advance payments for sales in Russia.

The breakdown of sales revenues by distribution channels highlights:

(i) a substantial stability of wholesale (sales to large-scale retail chains, state monopolies) despite the complex macroeconomic context;

(ii) a stabilization of the Distance selling channel at pre-pandemic levels with online sales continuing to grow at a rate higher than the market trend thanks in particular to sales on the Svinando platform and largely recovering the physiological decline of the historical channels (direct mailing and teleselling);

(iii) confirmed growth in the ho.re.ca both compared to the previous year and as a CAGR of the three-year period equal to +24.3% and which will go on representing a growth area consistent with the Group's development strategy in premium-end own-brand products.

The validity of IWB's strategic choices is therefore confirmed, thanks to (i) a strong positioning on all sales channels (ii) an integrated and international sales team (iii) a brand/product portfolio capable of satisfying diversified customer needs, it manages not only to maintain but also improve its market positioning in premium products and its customer base in a macroeconomic and sector context still characterized by high inflation and uncertainty in consumption.

The breakdown of revenues by business area is shown below.

€thousand

	30.06.2024	30.06.2023	30.06.2022	Δ % 23 / 24	Cagr 22 / 24
Total Revenues from sales	191.202	196.778	177.266	(2,83%)	3,86%
Revenues from wholesale division	135.377	140.089	125.794	(3,36%)	3,74%
Revenues from distance selling division	28.125	29.222	32.129	(3,75%)	(6,44%)
Direct Mailing	13.225	14.279	16.262	(7,38%)	(9,82%)
Teleselling	5.630	6.244	7.004	(9,82%)	(10,34%)
Digital / WEB	9.270	8.699	8.863	6,56%	2,27%
Revenues from ho.re.ca division	27.612	26.957	17.882	2,43%	24,26%
Other Revenues	88	510	1.460	(82,67%)	(75,40%)

- following the integration, wholesales and ho.re.ca were included in B2B segment; at the same time, the turnover at 06/30/23 was aligned with the reallocation of 3.5 million from ho.re.ca. to wholesales. There are no impacts at June 30, 2022.

Wholesale revenues have increased by 3.74% in the last 3 years, from Euro 125.8 million in 2022 to Euro 135.4 million in 2024. The wholesale distribution channel is therefore confirmed by far as the main contributor to the Group's revenues despite the contingent market situation.

The breakdown of the wholesale channel sales revenues by country is provided below.

€thousand

	30.06.2024	30.06.2023	30.06.2022	Δ % 23 / 24	Cagr 22 / 24
Revenues wholesale division - Italy	24.191	18.624	19.495	29,89%	11,39%
Revenues from wholesale division - Foreign markets	111.186	121.466	106.299	(8,46%)	2,27%
UK	23.323	28.334	28.796	(17,68%)	(10,00%)
Switzerland	18.647	17.355	17.262	7,44%	3,93%
Germany	15.534	19.161	14.656	(18,93%)	2,95%
US	12.339	10.944	8.668	12,75%	19,31%
Austria	5.729	6.518	5.941	(12,12%)	(1,81%)
Poland	5.616	5.470	3.036	2,68%	36,01%
France	3.431	6.491	5.170	(47,14%)	(18,54%)
Denmark	2.710	3.187	3.499	(14,95%)	(11,99%)
Netherlands	2.678	2.894	2.014	(7,49%)	15,30%
Canada	2.292	2.453	1.736	(6,57%)	14,91%
Belgium	2.039	2.541	2.899	(19,78%)	(16,14%)
Ireland	2.016	2.321	2.248	(13,14%)	(5,28%)
Sweden	1.232	1.134	984	8,69%	11,90%
China	423	410	531	3,15%	(10,81%)
Other countries	13.177	12.253	8.859	7,55%	21,96%
Total Revenues from sales - wholesale division	135.377	140.089	125.794	(3,36%)	3,74%

Overall, with the **Wholesale channel** performance, IWB has managed to achieve growth rates 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:

- continuous renewal, expansion, extension and enrichment of the own-brand product portfolio, particularly in the "premium" segment which make the commercial offer of the IWB Group essential for reference customers and synonymous of quality in a unique and recognizable package.

Prosecco remains the main growth driver and the first product category for the company, but alongside Prosecco it is worth noting the growth in turnover of the Top Brands which grew by 9.6% in volume and 9.2% in value, increasing the first margin by over 3 percentage points.

- to a consolidated presence in the countries with the highest "resilient" per capita consumption of wine, in addition to the ability to enter new countries/markets both as a reference partner for existing customers and as a capacity to acquire new customers;

- to a widespread international sales force that represents an element of uniqueness in the sector and that has allowed: (i) to develop the Eastern European market with revenues growing by a further 6% compared to 2023 (growth in Russia is accompanied by growth in Ukraine, Poland, Slovakia, Romania, the Baltic countries, Bulgaria) (ii) to achieve further significant growth in the USA thanks to the increased offer of premium products and in Switzerland thanks to Prosecco (iii) lights and shadows as regards the Pacific area where the cultural journey of wine consumption is still underway.

In the **Direct Sales market**, the repositioning of consumption that began in the post-pandemic period continues in favor of other channels, particularly Ho.Re.Ca. The channel is also affected by the different appeal of traditional sales methods (direct mailing and teleselling) and suffers from greater competition on digital channels that allow consumers a better comparison of commercial offers. The cumulative result of online sales detected by the Nielsen panel is negative for still and sparkling wines and positive for sparkling wines. The first category recorded a -7.1% in value and a -14% in volume, while sparkling wines recorded a +7.5% in value and -6.8% in volume.

Instead, the positioning is reversed in favor of the products mix purchased towards products with a higher average price, a trend confirmed by the increase in prices which stands at -10% for still and sparkling wines and +1.2% 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 brands with high recognition and competitive prices that allow for the acceleration of the acquisition of new customers.

The sales revenues of the distance selling division are shown below, divided by country.

€ thousand

	30.06.2024	30.06.2023	30.06.2022	Δ % 23 / 24	Cagr 22 / 24
Revenues from distance selling division - Italy	11.025	11.174	12.991	(1,33%)	(7,88%)
Revenues from distance selling div - Foreign markets	17.099	18.048	19.138	(5,25%)	(5,48%)
Germany	10.831	11.116	11.714	(2,56%)	(3,84%)
UK	2.216	2.438	2.565	(9,09%)	(7,05%)
France	1.709	1.927	2.031	(11,31%)	(8,27%)
Switzerland	1.068	1.237	1.303	(13,69%)	(9,47%)
Austria	934	1.006	1.078	(7,16%)	(6,93%)
Netherlands	196	176	209	11,61%	(3,19%)
Belgium	128	133	222	(3,81%)	(23,99%)
Other countries	17	15	16	14,88%	4,84%
Total Revenues from sales - distance selling division	28.125	29.222	32.129	(3,75%)	(6,44%)

Worth noting is the contribution of sales made through digital platforms, which have come to represent 32% of the division's overall sales compared to 19% in 2019.

New payment methods have also been introduced, which should allow for a further improvement in the user experience and encourage the retention 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.

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

€ thousand

	30.06.2024	30.06.2023	30.06.2022	Δ % 23 / 24	Cagr 22 / 24
Revenues from distance selling division - Italy	11.025	11.174	12.991	(1,33%)	(7,88%)
Direct Mailing	4.251	4.407	5.822	(3,53%)	(14,55%)
Teleselling	3.529	3.731	4.106	(5,43%)	(7,30%)
Digital / WEB	3.245	3.036	3.062	6,90%	2,94%
<i>% Direct Mailing on total Italy</i>	<i>38,56%</i>	<i>39,44%</i>	<i>44,82%</i>		
<i>% Teleselling on total Italy</i>	<i>32,01%</i>	<i>33,39%</i>	<i>31,61%</i>		
<i>% Digital / WEB on total Italy</i>	<i>29,43%</i>	<i>27,17%</i>	<i>23,57%</i>		
Revenues from distance selling div - Foreign markets	17.099	18.048	19.138	(5,25%)	(5,48%)
Direct Mailing	8.973	9.872	10.440	(9,10%)	(7,29%)
Teleselling	2.102	2.512	2.897	(16,35%)	(14,83%)
Digital / WEB	6.025	5.664	5.801	6,38%	1,91%
<i>% Direct Mailing on total International revenues</i>	<i>52,48%</i>	<i>54,70%</i>	<i>54,55%</i>		
<i>% Teleselling on total International revenues</i>	<i>12,29%</i>	<i>13,92%</i>	<i>15,14%</i>		
<i>% Digital / WEB on total International revenues</i>	<i>35,23%</i>	<i>31,38%</i>	<i>30,31%</i>		
Total Revenues from sales - distance selling division	28.125	29.222	32.129	(3,75%)	(6,44%)

The decrease in direct sales is offset by the growth in revenues from the **Ho.re.ca channel** which, initially supported by M&A, has accelerated the development path and allowed the Group to (i) position itself on relevant customers already at the end of the post-pandemic period in the phase in which consumption occasions have moved outside the home environment and (ii) to be at the same time in an extremely favorable situation to acquire new customers. The breakdown of sales revenues from the Ho.re.ca channel by country is provided below.

€ thousand

	30.06.2024	30.06.2023	30.06.2022	Δ % 23 / 24	Cagr 22 / 24
Revenues ho.re.ca division - Italy	1.021	1.514	204	(32,60%)	123,65%
Revenues from ho.re.ca division - Foreign markets	26.592	25.443	17.678	4,52%	22,65%
UK	15.061	12.416	11.990	21,30%	12,08%
US	3.885	4.170	2.754	(6,85%)	18,77%
Canada	1.414	1.653	889	(14,49%)	26,13%
Germany	1.411	1.577	577	(10,54%)	56,37%
Netherlands	344	542	74	(36,44%)	116,15%
Ireland	355	504	129	(29,57%)	65,93%
China	333	509	81	(34,67%)	102,73%
Switzerland	282	168	26	67,99%	227,10%
Poland	268	363	141	(26,30%)	37,80%
Belgium	209	82	30	154,15%	164,23%
France	99	163	24	(39,70%)	101,33%
Denmark	60	510	6	(88,33%)	214,75%
Austria	24	68	4	(64,01%)	162,96%
Sweden	0	441	23	(99,93%)	(88,17%)
Other countries	2.848	2.275	932	25,14%	74,83%
Total Revenues from sales - ho.re.ca division	27.612	26.957	17.882	2,43%	24,26%

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

In the first half of 2024, UK confirmed itself as the first on-trade market for IWB with revenues growing by 21.3%. In this country, the Group operates in the segment with a wide assortment of wines focused in particular on Prosecco and sparkling wines. The nation is in fact the third 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, and in line with the strategy of the IWB Group, will constitute a factor in accelerating sales in the US market, especially for the Top Brands. As regards the USA, the on-trade channel plays a dual strategic role for the Group: both in terms of 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, the Group launched in US two premium brands: Poggio del Concone and Ronco di Sassi, reserved, in the introduction phase, for the Ho.re.ca channel. From these launches, which are developing with a growth rate of 39%, interesting returns are expected, also thanks to the new partnership with the largest distributor of wines & spirits in the nation.

Significant growth in Germany (CAGR 22/24 equal to +56.4%) also thanks to the acquisition of Barbanera which, in addition to volumes, brings a positive increase in Premium products with higher margins.

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1.5.2 Margins' Analysis

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

€ thousand

	30.06.2024	30.06.2023	30.06.2022	Δ % 23/24	Cagr % 22/24
Revenues from sales and other revenues	192.917	198.405	180.381	(2,77%)	3,42%
Raw materials consumed	(125.367)	(133.463)	(121.116)	(6,07%)	1,74%
% of total revenues	(64,99%)	(67,27%)	(67,14%)		
Costs for services	(31.914)	(34.613)	(33.836)	(7,80%)	(2,88%)
% of total revenues	(16,54%)	(17,45%)	(18,76%)		
Personnel	(13.149)	(12.537)	(10.690)	4,88%	10,91%
% of total revenues	(6,82%)	(6,32%)	(5,93%)		
Other operating costs	(563)	(539)	(524)	4,52%	3,65%
% of total revenues	(0,29%)	(0,27%)	(0,29%)		
Adjusted EBITDA	21.923	17.254	14.215	27,06%	24,19%
% of total revenues	11,36%	8,70%	7,88%		

In the first half of 2024, the Group's margins continued to increase both in absolute terms and in percentage terms.

The table above shows

- a significant reduction in the incidence of Raw material consumption on turnover due to (i) the different "mix" of sales which benefit from the greater incidence of premium products with higher margins (ii) the reduction in the cost of dry materials renegotiated with the main suppliers.
- Costs for Services, equal to Euro 31.9 million, significantly reduced compared to the first half of 2023 on all items and in particular (i) lower energy costs (ii) optimization of transport costs, (iii) reduced sales commissions due to commercial integration in addition to the reductions resulting from lower B2C sales volumes (duties and excise duties, postage expenses) demonstrating the synergies resulting from the corporate integration which has allowed significant management optimization.

The following provides a breakdown of the costs for services incurred by the Group during the first half of 2024 compared with the same items in 2023 and 2022.

€ thousand

	30.06.2024	30.06.2023	30.06.2022
Services from third parties	5.805	5.949	6.177
Duties and excise duties	2.801	3.088	3.579
Transport	7.211	8.418	8.682
Postage expenses	1.629	1.726	1.914
Fees and rents	994	1.028	579
Consulting	1.310	1.648	1.072
Advertising costs	397	593	337
Utilities	1.216	1.596	2.613
Remuneration of Directors, Statutory Audi	763	810	753
Maintenance	1.067	958	1.012
Costs for outsourcing	3.358	3.576	3.671
Commissions	1.339	1.723	784
Other costs for services	4.133	4.351	2.935
Non-recurring expenses	(108)	(851)	(274)
Total	31.914	34.613	33.836

Personnel Costs recorded an increase in absolute values from Euro 12.5 million in the first half of 2023 to Euro 13.2 million in the first half of 2024, due to the new contractual conditions and the stabilization of some contracts, previously in temporary employment.

The revenue and cost dynamics described above allowed us to obtain an adjusted Ebitda of Euro 21.9 million in 2023 (11.3% of sales revenues), significantly improving both in absolute terms and in percentage terms compared to the first half of 2023 and further and continuously approaching pre-inflation levels.

The following is a breakdown of the cost items that lead from the Adjusted Ebitda to the Result before taxes of the Italian Wine Brands Group.

€ thousand

	30.06.2024	30.06.2023	30.06.2022	Δ % 23/24	Cagr % 22/24
Adjusted EBITDA	21.923	17.254	14.215	27,06%	24,19%
Write down	(574)	(828)	(798)	(30,69%)	(15,20%)
% of total revenues	(0,30%)	(0,42%)	(0,44%)		
Depreciation and amortization	(5.717)	(5.506)	(4.931)	3,82%	7,67%
% of total revenues	(2,96%)	(2,78%)	(2,73%)		
Non recurring items	(1.614)	(1.030)	(365)	56,62%	110,24%
% of total revenues	(0,84%)	(0,52%)	(0,20%)		
Release (provision) for risks and charges	-	-	-	NA	NA
% of total revenues	-	-	-		
Operating profit (loss)	14.019	9.889	8.121	41,76%	31,39%
% of total revenues	7,27%	4,98%	4,50%		
Financial income (expenses)	(1.731)	(3.642)	(2.521)	(52,46%)	
% of total revenues	(0,90%)	(1,84%)	(1,40%)		
Result before taxes	12.288	6.248	5.599	96,68%	
% of total revenues	6,37%	3,15%	3,10%		

From the table above, it emerges that in the first half of 2024 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 determined by the operational reorganization (production and teleselling) from which significant economic benefits are expected starting from the second half of 2024
- (ii) the increase in depreciation.

Financial charges are halved both due to the reduction in the financial position and due to the optimization of the use of cash deriving from the corporate integration.

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

During the first half of 2024, investments in Fixed Capital increased by a total of Euro 2.7 million, divided between tangible fixed assets (Euro 1.3 million, mainly in production plants at the Montebello site, security at the Calmasino site and for the completion of the photovoltaic system) and intangible fixed assets (Euro 1.3 million, mainly acquisitions of addresses and keywords for Euro 1.2 million, trademark registration for Euro 0.1 million).

It should be noted that the divestment of the Torricella winery has completely offset investments in tangible fixed assets.

Net Working Capital shows a very significant improvement compared to June 30, 2023 and equal to 24.3 million due to:

- (i) the significant reduction in inventory which represents a first positive effect of the corporate reorganization;
- (ii) partially offset by the decrease in trade payables resulting from the conditions applied to the purchases of commercial products.

The above-described dynamics of i) limited volumes of investments in fixed capital, ii) decrease in inventories, iii) significant cash flows produced by operating management, have allowed for **an improvement in net bank debt which, together with the reduction in debt calculated in accordance with IFRS16, allows for the achievement of a NFP/ EBITDA Adjusted LTM ratio of 2.21.**



2. Significant Events

2.1 Significant events occurred during the reporting period

On January 1, 2024, the merger between Provinco Italia S.p.A., Enoitalia S.p.A, Barbanera S.r.l.; Fossalto S.r.l. became effective, leading to the establishment of IWB Italia SpA, the Group's commercial and industrial company, functional to maximizing synergies for all B2B segment activities: commercial, production, management and financial.

On March 18, 2024, the Board of Directors of IWB defined the quantitative and qualitative criteria of significance potentially relevant for the purposes of assessing the independence of its members (the "Significance Criteria") in compliance with the provisions of art. 6-bis of the EGM Regulation in force as of today.

On April 24, Italian Wine Brands S.p.A. announced that the Group's subsidiaries, Giordano Vini S.p.A. and IWB Italia S.p.A., have communicated to the trade unions the decision to reorganize the teleselling and production activities of the Valle Talloria di Diano d'Alba (Piedmont) headquarters, respectively headed by Giordano Vini S.p.A. and IWB Italia S.p.A., to optimize productivity and adapt the respective structures to the changed market conditions:

a) with reference to teleselling activities, the reorganization was made necessary following the change in customer purchasing methods, increasingly oriented towards online, to the detriment of telephone sales. Giordano Vini S.p.A. has long developed the digital part of its business, while telephone sales have undergone a progressive and unstoppable downsizing, which makes it economically unsustainable to maintain an internal organization dedicated to this and, as such, must therefore be abandoned: a choice that appears even more necessary and strategic considering the improved efficiency, in this area, of the outsourcing model that, already implemented for years by Giordano Vini S.p.A., will be further pursued;

b) with reference to production activities, given the significant growth through external lines achieved in recent years, the Group has decided to concentrate production, arranging at the same time the consequent transfer of IWB Italia production personnel operating at Valle Talloria di Diano D'Alba to the Calmasino di Bardolino (VR) site, for objective reasons of rationalization and, ultimately, reduction of production costs as well as efficiency of production activities and those obviously related to them.

The IWB Group, together with the trade unions, has defined forms of support for the people affected by the reorganization. The agreements were signed on May 28, 2024 for IWB Italia S.p.A. and May 22, 2024 for Giordano Vini S.p.A.

On April 30 2024, the Shareholders' Meeting

(i) appointed, determining the relative compensation, the Board of Directors, which will remain in office for three financial years until the approval of the financial statements for the 2026 financial year, in the persons of: Alessandro Mutinelli, Giorgio Pizzolo, Simone Strocchi, Antonella Lillo (independent director), Sofia Barbanera, Massimiliano Mutinelli, Marta Pizzolo.

(ii) also approved to authorize the purchase and disposal of ordinary treasury shares pursuant to articles 2357 and 2357-ter of the Civil Code, as well as art. 132 of the TUF, according to the methods proposed in the Report of the Board of Directors, in order to provide the Company with a useful strategic investment opportunity for any purpose permitted by the current provisions, including the purposes contemplated in art. 5 of Regulation (EU) 596/2014 (Market Abuse Regulation, "MAR") and in the practices permitted pursuant to art. 13 MAR, where applicable, including the purpose of purchasing own shares with a view to their subsequent cancellation, in the terms and with the methods that will be eventually decided by the competent corporate bodies after cancellation of the resolution adopted by the meeting of 27 April 2023 for the unexecuted part.

On 16 May 2024, IWB Italia signed a partnership and collaboration agreement with Cantine Hermes, which with 14 plants in 6 regions represents one of the main cooperative operators in the transformation of grapes, aimed on the one hand at enhancing its assets at the Torricella winery and on the other at continuous production efficiency. The agreement, which became effective on 20 June, provides for: (i) the strengthening and expansion of the collaboration and partnership between IWB and Cantine Ermes for the supply of greater volumes of wine, produced according to technical specifications and with the supervision of IWB technicians; (ii) the sale of the Torricella plant from IWB to Cantine Ermes.

On May 24, 2024, Italian Wine Brands S.p.A. joins the Prosecco Consortium with the appointment of Vice President Giorgio Pizzolo as a member of the Prosecco DOC Board of Directors.

On May 28, 2024, Italian Wine Brands S.p.A. strengthens its managerial structure with the appointment of Alessandro Vella as Managing Director.

2.2 Significant events occurred after the end of the semester

On 12 September 2024, the Boards of directors of Giordano Vini S.p.A. and IWB ITALIA S.p.A. approved the partial demerger project for the transfer of the Giordano Vini S.p.A. brand to the beneficiary IWB ITALIA S.p.A. The project completes the corporate reorganization started in 2023 to improve the efficiency the rationalization of the business organization of the companies involved, allowing for the achievement of important synergies. In this context, the concentration of the Group's brands in a single company, namely IWB Italia, will allow for the optimization of their management and development. From an operational point of view, Giordano will continue to benefit from the use of the brand through a specific multi-year contract that will take effect from the Effective Date of the Demerger.

3. Outlook

In the first half of the year, IWB confirmed its ability to generate value even in a macroeconomic context that remains uncertain. The Group is structured in terms of production and commercial organization, as well as financially, to face challenges and to continue to grow both organically and through M&A.

After the inflationary phase, which resulted in a contraction in household consumption, we have now entered a period of reduction in production costs and, as a consequence, in sales prices, which should help a recovery in volumes sold.

IWB is diversifying its revenues worldwide, in all commercial channels and in all price ranges, in order to reduce the risk of concentration and to seize every growth opportunity. In a context of polarization of consumption (entry level and premium), the commercial and marketing focus remains concentrated on the development of premium brands, for those consumers, in particular those of the new generations, who have a "less but better" approach to wine. In addition, IWB's well recognized expertise in sparkling wines (second producer of Prosecco DOC) and "light" white wines, which are the two fastest-growing categories on the market, should support growth in volumes sold.

The general consumer context requires caution in the short term, but we are optimistic about a market recovery in the medium term and further development of our business, having positioned ourselves everywhere with our products and focusing on the growth of our brands in the most profitable markets.

4. Ethic Code and organizational model

On 13 September 2024, the Board of Directors updated the model, introduced in July 2021, to adapt it to the introduction of new crimes and the new organizational structure of the Group.

5. Relationships with Related parties

These transactions fall within the normal business management, within the scope of the typical activity of each interested party, and are regulated under standard conditions.

In summary, we report:

(i) a commercial lease agreement signed 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 notice of termination is sent 12 months before the expiry; the agreed rent is equal to Euro 60 thousand per year indexed to the ISTAT index plus VAT. In the first half of 2024, the fee was 34.9 thousand euros

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

The above-described relationships are regulated under conditions in line with market conditions.

Please note that the Parent Company IWB has adopted and follows the relevant Related Parties 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.

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

GFSI CERTIFICATIONS (FOOD SAFETY)

The Group's operating sites (Calmasino, Montebello Vicentino and Cetona) operate and are certified according to the Global Food Safety Initiative (GFSI) in line with the requirements defined by the food safety standards:

- BRCGS food;
- IFS food (International Featured Standard).

The companies adhere to it for each site in the "unannounced" audit mode, as required by the international large-scale retail trade served, confident in the commitment of the entire organization to comply 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 meet customer requirements. Furthermore, these certifications are a prerequisite for access to the global market in line with the Group's mission.

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

This approach allows to reduce the overall costs of supply chain management and at the same time to 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's companies towards safety, quality and compliance with the standards that regulate the agri-food sector, ensuring the selection and qualification of suppliers and providing a framework for managing the safety, integrity, legality and quality of products.

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

The certifications include the assessment of the suitability of the production departments including the storage sites, of the operating systems and of the procedures and control plans applied by the companies.

This standard offers companies the opportunity to:

- communicate their commitment to safety and, in the event of an incident, limit the possible legal consequences, demonstrating that they 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 food safety management, through the control and monitoring of significant factors;
- reduce the incidence of any deviations, rework and possible product recalls.

Certifications according to the GFSI standards for agri-food safety also promote efficient management of the supply chain, reducing the need for external auditing and increasing the overall reliability of the supply chain.

IWB has also maintained the IFS Broker certification with the aim of guaranteeing the safety and quality of the items marketed, which, as such, are not produced within our production sites. The standard promotes correct communication between customers and suppliers with the aim of ensuring that product requirements and specifications are met and guaranteed.

The standard controls the parties involved to ensure that appropriate measures are in place so that suppliers operate in compliance with the established quality and safety requirements. Certification also ensures monitoring of supplier compliance so that they provide products in compliance with regulations and specifications and offers benefits in terms of excellence in quality and customer satisfaction to gain a competitive advantage in the markets.

UNI EN ISO 14001:2015 ENVIRONMENTAL CERTIFICATION

The Calmasino, Montebello and Cetona sites are certified according to the environmental standard ISO 14001:2015.

Certifying according to ISO 14001 is not mandatory, but is the result of the voluntary choice of the organization that decides to establish, implement, maintain and improve its own environmental management system.

This ISO 14001 certification demonstrates that the certified organization has a management system adequate to monitor the environmental impacts of its activities, and systematically seeks improvement in a coherent, effective and above all sustainable way. ISO 14001 is therefore not a product certification, but a process certification.

By virtue of this certification, IWB undertakes 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 the requirements applicable to the company and assessing the significance of the impacts;
- define a Company Policy;
- define specific responsibilities in environmental matters;
- define, apply and maintain the activities, procedures and records required by the requirements of 1400.

The certified environmental management system allows:

- 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 decisions or technological change;
- to have a tool for creating and maintaining corporate value, safeguarding corporate assets and transparency in acquisitions/mergers (risk management);
- to guarantee a systematic and pre-ordained approach to environmental emergencies;
- Define operating methods for the prevention of environmental crimes;
- Improve the relationship and communication with the authorities;
- Improve the corporate image and reputation (brand integrity).

SUSTAINABILITY CERTIFICATION LONG LIVE sustainability in viticulture

The organization's commitment to the topic of sustainability, increasingly relevant also for international markets, is certified through the adoption of the **VIVA certification standard for sustainability in viticulture**.

With the commitment of the entire organization, from the workforce to senior management, in addition to the operational sites of Calmasino and Montebello, the Cetona site will also be included in the program by 2024, in order to cover 100% of IWB's production units.

VIVA is the Program of the Ministry of the Environment and Energy Security that has been promoting 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 regulations and the use of the "Improvement Plans" envisaged by the Program, allow producers to develop effective strategies for reducing the impacts generated. Overall, in 2024, the third renewal (valid for two years) of the VIVA sustainability certification will be completed, to which IWB adheres as an Organization, which aims to improve and communicate to consumers and all stakeholders in the wine sector the commitment with a view to a transition towards increasingly sustainable production and consumption models.

Advantages:

- Reduction of environmental impacts: the detailed analysis of wine production increases the awareness of companies on the impact it has on climate change, on water resources, on agricultural land and on the territory in a broader sense (social impacts), 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 savings: measures for the reduction of greenhouse gases and water consumption, providing for energy efficiency interventions and technological renewal, are able to reduce not only the impact of the wine company on the environment, but also 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

Since 2024, all the operating sites of the Italian Wine Brands Group (including the Cetona site) have adopted and implemented a Health and Safety Management System in compliance with the UNI-ISO 45001:2018 standard.

The human capital of the IWB Group is 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 operating procedures and work environments.

ISO 45001 in IWB aims to create a Management System for 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 the risks that affect personnel, in order to adopt appropriate measures that improve the working environment and operating conditions.

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

- promote employee motivation and involvement by strengthening collaboration, participation and awareness;
- reduce accidents and prevent health problems due to work practices through careful monitoring and involvement of workers;
- support adequate development and dissemination of the policy on Health and Safety at work, with clear and evident leadership from management and a commitment to comply with current legislation;
- define objectives in terms of safety and health at work that are monitored in their application by a multidisciplinary team;
- monitor performance and results in terms of safety and health at work.
- improve and protect the reputation of the organization;

With this certification, the accredited external body SGS ITALIA S.p.A. has recognized all the Group's operating sites for having implemented a management system in line with the highest safety standards and for having also pursued its objectives continuously, bringing measurable improvements to safety conditions in the workplace.

ISO 9001 QUALITY

The IWB ITALIA head office within the group is certified ISO 9001:2015. 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 enforced as a means to achieve objectives. The customer and their satisfaction are at the

center of the company logic; each activity, application and monitoring of the activities/processes is in fact aimed at determining maximum customer satisfaction. The application phases of the standard start from the definition of procedures and registrations for each individual process or macro-process identified within the company organization in accordance with a careful analysis of the business opportunities and the company mission and vision expressed through the quality policy.

ETHICAL: Sedex – SMETA

SEDEX (Supplier Ethical Data Exchange) is a London-based non-profit organisation committed to advancing the spread of ethical principles along global supply chains and is the largest platform in Europe that collects and processes data on ethical behaviour in supply chains. Sedex is a web-based system designed to help organisations 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 improvement of procedures to be followed within it.

Sedex SMETA (Sedex Member Ethical Trade Audit) is a common audit and reporting methodology developed by Sedex members to meet the multiple needs of customers.

In addition to the principles contained in the ETI (Ethical Trade Initiative) base code, integrating them with applicable national and local laws, the SMETA service also verifies performance with respect to the right to work of migrant workers, management systems, implementation and environmental issues.

All the production sites of Calmasino, Montebello and Cetona are registered within the portal that 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.

By September 2024, the Cetona site will also enter the biennial auditing system according to the Sedex Smeta 2 pillar scheme (verification of working conditions and health and safety) certified by Bureau Veritas to further validate the commitment to compliance with the ethical rules defined internally and also expected by customers.

HEADCOUNT

The specific and average number by category as of June 30, 2024, June 30, 2023 and June 30, 2022 is shown below.

	At 30.06.2024	Average no 30.06.2024	At 30.06.2023	Average no 30.06.2023	At 30.06.2022	Average no 30.06.2022
Executives	7	7	8	8	8	8
Middle managers	21	21	22	23	22	23
Employee	184	202	210	209	192	193
Workers	127	136	142	142	134	129
Total	339	366	382	383	356	352



7. Treasury shares

As of June 30, 2024, the Parent Company holds 52,281 ordinary shares, representing 0.55% of the ordinary share capital. During the first half of 2024

- 24,597 treasury shares were acquired
- 37,575 treasury shares were assigned

8. RISKS

The Group is mainly exposed to the risks coming from exchange and interest rate changes, 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 (now IWB Italia S.p.A), 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 Group companies are 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 report and 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 Group's profit or loss for that period. The Directors have elected to prepare the Group financial statements and the financial statements of the holding company in accordance with International Financial Reporting Standards ("IFRS"). In preparing the financial statements the Directors are required to:

- identify appropriate accounting policies and apply them consistently;
 - make reasonable and prudent judgments and estimates;
 - certify that the financial statements comply with IFRS as adopted by the European Union;
- and
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Group will continue in business.

The Directors are responsible for ensuring that the Company keeps adequate accounting records which properly explain and record the transactions of the Company, enabling the assets, liabilities, financial position and profits or losses of the Company to be determined at all times with reasonable accuracy and ensuring that the financial statements are prepared in accordance with IFRS as adopted by the European Union,

The Directors are also responsible for safeguarding the assets of the Company and therefore for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for maintaining and ensuring the integrity of the corporate and financial information included on the Group website italianwinebrands.it

In accordance with the Central Bank (Conduct of Investment Markets) Rules, the Directors are required to include a management report containing a proper analysis of the business and a description of the principal risks and uncertainties facing the Group. The Directors are also required, under applicable law and the Listing Rules issued by Euronext Dublin, to prepare a Directors' Report and a Corporate Governance Report.

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

- the condensed Consolidated Financial Statements for the first half-year ended 30 June 2024 have been prepared in accordance with IFRS as adopted by the European Union. They give a true and fair view of the financial position, assets and liabilities of the Group and of the companies included in the consolidation, taken as a whole, at that date and of the related profit for the year then ended;
- the financial statements of the Company, prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the financial position, assets and liabilities of the Company as at 30 June 2024;
- the Directors' Report on pages 17-38 includes a fair analysis of the performance of the business for the year ended 30 June 2024 and of the financial position of the Company and the Group at the end of the half-year;
- the Risk Management Report provides a description of the main risks and uncertainties that could affect the future performance of the Company and the Group at the end of the half-year; and
- the Half-Yearly Report and the Condensed Half-Yearly Consolidated Financial Statements, taken as a whole, provide the information necessary for shareholders to assess the situation and performance of the Company and the Group, the business model and the strategy and are correct, balanced and understandable.

Milan, September 13, 2024

Alessandro Mutinelli

Chairman and Chief Executive Officer



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Condensed Consolidated half-year financial statements

STATEMENT OF FINANCIAL POSITION

	Note	30.06.2024	31.12.2023
<i>Amounts in EUR</i>			
Non-current assets			
Intangible assets	5	38.365.142	38.774.598
Goodwill	6	215.968.880	215.968.880
Land, property, plant and equipment	7	39.271.782	51.823.036
Right-of-use assets	7 B	13.903.903	15.464.554
Equity investments	9	5.109	5.109
Other non-current assets	10	222.324	235.310
Non-current financial assets		-	-
Deferred tax assets	11	1.561.879	2.693.710
Total non-current assets		309.299.019	324.965.198
Current assets			
Inventory	12	76.654.919	78.552.355
Trade receivables	13	48.842.370	52.129.713
Other current assets	14	2.357.545	8.310.750
Current tax assets	15	616.346	1.674.105
Current financial assets		720.097	524.162
Cash and cash equivalents	16	48.997.466	70.900.191
Total current assets		178.188.743	212.091.275
Non-current assets held for sale	8	10.259.276	-
Total assets		497.747.038	537.056.473
Shareholders' equity			
Share capital		1.124.469	1.124.468
Reserves		156.118.439	145.344.279
Reserve for defined benefit plans		(63.762)	(63.762)
Reserve for stock grants		-	789.694
Profit (loss) carried forward		47.064.876	46.203.906
Net profit (loss) for the period		8.970.962	16.300.463
Total Shareholders' Equity of parent company shareholders		213.214.984	209.699.049
Shareholders' equity of NCIs		(64.103)	(208.671)
Total Shareholders' Equity	17	213.150.881	209.490.377
Non-current liabilities			
Financial payables	18	137.511.343	143.336.515
Lease liabilities	18	10.662.489	12.107.779
Provision for other employee benefits	19	1.647.904	1.654.245
Provisions for future risks and charges	20	153.660	300.637
Deferred tax liabilities	11	9.407.062	9.490.667
Other non-current liabilities	22	-	-
Total non-current liabilities		159.382.458	166.889.843
Current liabilities			
Financial payables	18	5.774.010	28.805.836
Lease liabilities	18	3.867.116	3.106.456
Trade payables	21	101.928.978	113.789.742
Other current liabilities	22	9.941.355	10.758.709
Current tax liabilities	23	3.702.238	4.215.509
Provisions for future risks and charges	20	-	-
Total current liabilities		125.213.698	160.676.252
Liabilities directly related to assets held for sale		-	-
Total shareholders' equity and liabilities		497.747.038	537.056.473

INCOME STATEMENT

<i>Amounts in EUR</i>	Note	30.06.2024	30.06.2023
Revenue from sales	24	191.202.129	196.777.796
Change in inventories	12	(2.809.130)	2.269.185
Other income	25	1.714.531	1.627.593
Total revenue		190.107.530	200.674.574
Purchase costs	26	(122.558.236)	(135.732.079)
Costs for services	27	(32.021.740)	(35.463.539)
Personnel costs	28	(14.654.989)	(12.716.320)
Other operating costs	29	(563.187)	(538.817)
Operating costs		(169.798.152)	(184.450.755)
EBITDA		20.309.379	16.223.819
Depreciation and amortization	5-7	(5.716.644)	(5.506.431)
Provision for risks	20	-	-
Write-ups / (Write-downs)	30	(573.829)	(827.927)
Operating profit/(loss)		14.018.906	9.889.461
Finance revenue		1.511.540	671.544
Borrowing costs		(3.242.814)	(4.313.406)
Net financial income/(expenses)	31	(1.731.274)	(3.641.863)
EBT		12.287.631	6.247.598
Taxes	32	(3.172.101)	(1.635.104)
(Loss) Profit from discontinued operations		-	-
Profit (loss) (A)		9.115.531	4.612.494
Attributable to:			
(Profit)/Loss of NCIs		(144.568)	(37.903)
Group profit (loss)		8.970.962	4.574.591
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	19	-	-
Tax effect of Other profit/(loss)		-	-
Total other profit/(loss), net of tax effect (B)		-	-
Total comprehensive profit/(loss) (A) + (B)		9.115.531	4.612.494

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 2023	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								
Sale of own shares								
Dividends						(944.930)		(944.930)
Stock grants:								
Legal reserve								
Reclassification and other changes		3.733.599	(23.208)			(3.086.505)	3	623.889
Total comprehensive profit/ (loss)						4.574.591	37.903	4.612.494
Balance sheet at 30 June 2023	1.124.468	145.797.225	190.824	65.947	(22.659)	50.778.497	(328.229)	197.606.073

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 2024	1.124.468	144.878.513	465.766	789.694	(63.762)	67.504.369	(208.671)	209.490.377
Capital increase								
Purchase of own shares		(504.730)						(504.730)
Sale of own shares								
Dividends						(4.713.414)		(4.713.414)
Stock grants		692.132		(789.694)		97.562		
Legal reserve		15.641				(15.641)		
Reclassification and other changes		10.856.858	(285.741)			(10.808.001)		(236.883)
Total comprehensive profit/ (loss)						8.970.962	144.568	9.115.531
Balance sheet at 30 June 2024	1.124.468	155.938.414	180.025		(63.762)	56.035.838	(64.103)	213.150.881

STATEMENT OF CASH FLOWS

Amounts in Eur

	Notes	30.06.2024	30.06.2023
Profit (loss) before taxes		12.287.631	6.247.598
Adjustments for:			
- non-monetary items - stock grant		-	-
- allocations to the provision for bad debts net of utilizations		573.829	827.927
- non-monetary items - provisions / (releases)		-	-
- non-monetary items - amortisation/depreciation		5.716.644	5.506.431
Adjusted profit (loss) for the period before taxes		18.578.104	12.581.956
Cash flow generated by operations			
Income tax paid		(1.143.287)	(554.535)
Other financial (income)/expenses without cash flow (financial amortisation)		1.732.038	1.724.261
Total		588.751	1.169.726
Changes in working capital			
Change in receivables from customers		2.713.514	12.947.721
Change in trade payables		(11.860.764)	(26.020.769)
Change in inventories		1.437.985	(3.607.664)
Change in other receivables and other payables		3.664.511	1.621.750
Other changes		444.325	23.611
Change in post-employment benefits and other provisions		(153.318)	195.968
Change in other provisions and deferred taxes		1.048.226	(494.379)
Total		(2.705.522)	(15.333.761)
Cash flow from operations (1)		16.461.333	(1.582.079)
Capital expenditure:			
- Tangible		(11.580)	(2.337.984)
- Intangible		(1.427.851)	(1.729.465)
- Net cash flow from business combination (*):		-	-
- Financial		-	-
Cash flow from investment activities (2)		(1.439.431)	(4.067.449)
Financial assets			
Long-term borrowings/ (repayments) - Bond		(3.250.000)	(3.250.000)
Short-term borrowings (paid)		-	13.685.000
Long-term borrowings/ (repayments) - Bond		(2.344.000)	-
Collections / (repayments) revolving loan		(20.000.000)	(8.000.000)
Collections / (repayments) other financial payables		(1.349.194)	(4.607.500)
Change in other financial assets		(195.935)	(367.345)
Change in other financial liabilities		(4.330.471)	(4.438.389)
Purchase of own shares		(504.730)	-
Sale of own shares		-	-
Dividends paid		(4.713.414)	(944.930)
Monetary capital increases		-	-
Change in reserve for stock grants		-	-
Other changes in shareholders equity		(236.883)	623.889
Cash flow from financing activities (3)		(36.924.627)	(7.299.275)
Cash flow from continuing operations		(21.902.725)	(12.948.803)
Change in cash and cash equivalents (1+2+3)		(21.902.725)	(12.948.803)
Cash and cash equivalents at beginning of period		70.900.191	61.049.148
Cash and cash equivalents at end of period		48.997.466	48.100.345

FORM AND CONTENT OF THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

Introduction

These condensed consolidated half-year financial statements as of June 30, 2024 have been prepared in accordance with the EGM Regulation and in compliance with the International Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and approved by the European Union. "IFRS" also refers to the International Accounting Standards ("IAS") currently in force, as well as all the interpretative documents issued by the Interpretation Committee, previously called the International Financial Reporting Interpretations Committee ("IFRIC") and, before that, the Standing Interpretations Committee ("SIC").

This condensed consolidated half-year financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting: in application of the option granted by the accounting principle IAS 34 – Interim Financial Reporting, the information provided in this financial statement is drawn up in summary form and therefore does not include the complete information required for the annual financial statements, as it is aimed at providing an update on the activities, facts and circumstances that occurred in the half-year in object - if considered relevant - as well as on certain minimum additional information expressly required by the same principle, for this reason, this document must be read in conjunction with the Group's consolidated financial statements as of 31 December 2023.

The accounting standards and the recognition, measurement and classification criteria adopted, as well as the consolidation methods applied to this condensed consolidated half year financial statements are uniform with those used for the preparation of the consolidated financial statements as of 31 December 2023, to which reference is made for a more detailed discussion, with the exception of what is reported in section 2.2 - Newly applied accounting standards and interpretations. In this condensed half-year consolidated financial statements, the balance sheet values are compared with those relating to the closing of the previous financial year, while the economic values are compared with those of the closing of the corresponding half-year 2023.

The condensed consolidated half-year financial statements are subject to a limited review by the auditing firm BDO Italia S.p.A.

Financial Statements' schemes

This condensed consolidated half-year financial statements as of June 30, 2024 consist of the statement of financial position, the Statement of Comprehensive Income, the Statement of

Changes in Net Equity, the Cash Flow Statement and the Explanatory Notes, and is accompanied by the Directors' Report on Operations.

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

The Group has opted to present the components of the profit/loss for the year in a single Comprehensive Income Statement, which includes the result for the year and, by homogeneous categories, the income and expenses which, in accordance with IFRS, are directly charged to net equity. The Income Statement format 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 equity holders and movements in reserves during the year.

In the cash flow statement, cash flows from operating activities are presented using the indirect method, whereby the profit or loss for the year is adjusted for the effects of non-cash transactions, any deferral or accrual of previous or future operating receipts or payments, and items of revenue or expense related to cash flows from investing activities or financing activities.

1. Consolidation Area

The perimeter of consolidation includes (i) Italian Wine Brands 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); (ii) subsidiaries.

Are considered subsidiaries all the companies in which the Group has at the same time:

- 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 investment in the consolidated entity;
- ability to use its decision-making power to determine the amount of the results deriving from the investment in the consolidated entity.

The financial statements of subsidiaries are included in the consolidated financial statements starting from the date on which control is assumed until the moment in which such control ceases to exist. The portions of net equity and profit attributable to minority shareholders are indicated separately, respectively in the consolidated statement of financial position and statement of comprehensive income.



The entities included in the scope of consolidation 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	1.124.469	-	Holding	
Giordano Vini S.p.A.	Italy	EUR	500.000	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%
Italian Wine Brands Uk Ltd	England	GBP	1	IWB S.p.A.	100%	100%
Provinco Deutschland GmbH*	Germany	EUR	25.000	IWB Italia S.p.A.	100%	-
Raphael Dal Bo AG	Swiss	CHF	100.000	IWB Italia S.p.A.	100%	-

* in liquidation

The merger project that 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. has been effective since 1 January 2024.

2. Preparation Principles

The condensed consolidated half-year financial statements have been prepared on a going concern basis, 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 condensed consolidated half-year financial statements is the cost one, with the exception of derivative financial instruments measured at fair value.

2.1 Accounting Policies

The most significant accounting principles adopted in the preparation of this condensed consolidated half-yearly 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 profit or loss. 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 statement of comprehensive income.

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 cash generating units or groups of cash generating units.

Each cash generating unit or group of cash generating 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 the 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

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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 condensed Consolidated half year Financial statements 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 statement of comprehensive income 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

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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. IWB ITALIA S.p.A. whose financial statements and reporting packages are respectively drawn up on the basis of IFRS.

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.

<i>€thousand</i>	30.06.2024	Level 1	Level 2	Level 3
<i>Financial assets</i>				
Derivative financial assets	30		30	

<i>€thousand</i>	31.12.2023	Level 1	Level 2	Level 3
<i>Financial assets</i>				
Derivative financial assets	43		43	

As of June 30, 2024, an IRS-OTC derivative contract is recorded in the financial statements 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 29.6 thousand. (see Note 18)

The Group believes that the carrying amount of the following financial assets and financial liabilities is a reasonable approximation of their fair value:

- Trade receivables
- Trade payables
- Cash and cash equivalents

<i>€thousand</i>	30.06.2024		31.12.2023	
	Book value	Fair Value	Book value	Fair Value
<i>Financial assets</i>				
Financial receivables	720	720	524	524
<i>Financial liabilities</i>				
Financial payables	143.285	143.285	172.142	172.142



2.2 Accounting judgments and estimates

The preparation of the condensed consolidated half-year financial statements and the related notes in application of IFRS requires Management to make estimates and assumptions that affect the values of revenues, costs of assets and liabilities in financial statements and the disclosure of potential assets and liabilities at the reference date. The estimates and assumptions used are based on experience, other factors considered relevant and available information. The actual 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 statement of comprehensive income in the period in which the estimate is revised. The main estimates, for which the use of subjective assessments by Management is most required, are typically used for:

- determination of provisions for bad debts Direct sales (wholesale and ho.reca sales are insured) and other possible asset write-downs;
- acquisitions of companies and related determination of fair values;
- provisions for risks in particular, the evaluation processes concern both the determination of the degree of probability of occurrence of the conditions that may lead to a financial disbursement, and the quantification of the related amount;
- calculation of taxes and deferred tax assets, the recording of which is supported by the Group's taxability prospects resulting from the expected profitability forecast by the industrial plans and the "fiscal consolidation";
- definition of the useful life of fixed assets and the related amortization;
- verification of the value retention of intangible assets, tangible assets and investments and goodwill based, as regards the estimate of the value in use, on the use of financial plans developed on a set of assumptions and hypotheses of future events that will not necessarily occur and determination of the discount rate.
- Defined benefit pension plan - actuarial assumptions
- Determination of the lease term 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 the rent.

At the date of the condensed consolidated half-year financial statements at 30 June 2024, no further impacts are expected other than those represented in the statement of comprehensive income, statement of financial position and cash flow statement.

3. RISKS

The Group is mainly exposed to the risks coming from exchange and interest rate changes, 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 (now IWB Italia S.p.A), 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 Group 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 Group companies are 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.

4. Accounting Principles

4.1 Approved accounting standards and interpretations in force starting from 1 January 2024

Accounting principles and interpretations applied from 1 January 2024:

- **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 affected by the probability that the settlement of the liability will be postponed for twelve months after the reporting period. The Group's intention to settle the liability in the short term has no impact on the classification.

These amendments have not had any impact on the disclosures provided regarding the accounting policies applied to the Group's consolidated financial statements.

- **Amendments to IAS 1 - Presentation of Financial Statements – Non-Current Liabilities with Covenants**

These amendments specify that covenants to be complied with after the balance sheet date do not affect the classification of debt as current or non-current at the balance sheet date. Instead, the amendments require the company to provide information on such covenants in the notes to the financial statements.

These amendments have not had any impact on the disclosures provided regarding the accounting principles applied to the Group's consolidated financial statements.

- **Amendments to IFRS 16 - Leases: Lease Liabilities in a Sale and Leaseback Transaction**

These amendments clarify 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 lease contract, the seller-lessee determines the "lease payments" and the "revised lease payments" in such a way as not to recognize gains or losses that relate to the retained right of use.

These amendments have not had any impact on the disclosures provided regarding the accounting policies applied to the Group's consolidated financial statements.

- **Amendments to IAS 7 – Cash Flow Statements and IFRS 7 – Financial Instruments: Disclosures – Supplier Finance Arrangements**

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

These amendments have not had any impact on the disclosures provided in relation to the accounting policies applied to the Group's consolidated financial statements.

4.2 International accounting standards and/or interpretations issued but not yet entered into force and/or not endorsed in 2024

As required by IAS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors", the new Principles or Interpretations already issued, but not yet entered into force or not yet approved by the European Union at 30 June 2024 and therefore not applicable, and the foreseeable impacts on the Consolidated Financial Statements are indicated below.

None of these Principles and Interpretations have been adopted by the Group in advance.

- **Amendments to IAS 21 – The Effects of Changes in Exchange Rates: Lack of Exchangeability**

These amendments clarify when a currency is exchangeable for another currency and, consequently, when it is not. When a currency is not exchangeable for another, these amendments define the methods for determining the exchange rate to be applied. The amendments also specify the information that must be provided when a currency is not exchangeable.

These amendments, which will come into force on 1 January 2025, have not yet been endorsed by the European Union. The Group is analysing whether the definition of lack of exchangeability is applicable to the currencies of subsidiaries that fall within the scope of consolidation.

- **IFRS18 Presentation and disclosure of financial statements**

The new standard introduces three sets of new requirements to improve reporting of companies' financial performance and provide investors with a better basis for analyzing and comparing companies: improved comparability in the statement of comprehensive income, greater transparency of management-defined performance measures, more useful grouping of information in the financial statements. IFRS 18 replaces IAS 1 Presentation of Financial Statements, was issued on April 9, 2024 and will be effective for annual periods beginning on



or after January 1, 2027, but companies will be able to apply it earlier. Further investigation is underway into any impacts on financial reporting.

• **IFRS19 Subsidiaries without Public Responsibility Disclosures (issued on 9 May 2024);**

The new accounting standard is dedicated to subsidiaries of entities that prepare consolidated financial statements in accordance with IFRS accounting principles; such entities, according to certain requirements, may, within their individual financial statements, provide reduced disclosures that are more suited to the needs of users of their financial statements. IFRS 19 Subsidiaries without Public Responsibility Disclosure was issued on 9 May 2024 and has not yet been endorsed.

No impacts on the group consolidated financial statements are expected from the adoption of this accounting standard.

• **Amendments to IFRS 9 IFRS 7 - Amendments to the classification and measurement of financial instruments**

The proposed amendments are related to:

- the settlement of financial liabilities using an electronic payment system;
- the assessment of the characteristics of contractual cash flows of financial assets, including those with environmental, social and governance (ESG) characteristics.

The document also proposes amendments or additions to the disclosure requirements for:

- investments in equity instruments designated at fair value through other comprehensive income;
- financial instruments with contractual terms that could change the timing or amount of contractual cash flows based on the occurrence (or not) of a contingent event.

The amendments to IFRS9 and IFRS7 were issued on 30 May 2024 and have not yet been endorsed

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 statements 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.

Until 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 reportable segment and, in particular, provides that: an entity shall disclose separately information about each operating segment that:

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

In light of the reorganisation of the Group, effective from 1 January 2024 as described in detail in paragraph 1.4 page 11 On the basis of the above, it is possible to conclude that from 1 January 2024 the Group has two sectors subject to disclosure pursuant to IFRS 8. Anyway we outline that:

- the income statement information required by paragraph 32 of IFRS 8 relating to product and services is already included in the consolidated income statement as the company sells wine and the processing of further details would be excessively burdensome;

• the information required by paragraphs 33a is reported in the Report on page 27 and in the Notes to the condensed consolidated half year Financial Statements in note 24;

• the investment information required by paragraph 33b of IFRS 8 is set out below:

€thousand

	30.06.2024	31.12.2023	30.06.2023
Italy	277.178	291.655	293.104
United States	17.687	17.741	17.831
Swiss	12.872	12.876	12.879
Total non-current assets *	307.737	322.271	323.813

* The total does not include:

- Non-current financial assets
- Deferred tax assets

Starting from the Report as of June 30, 2024, given the reorganization that has taken place, the Group has prepared segment reporting by identifying as significant segments

- a) B2B, i.e. the economic and financial results relating to the wholesale and ho.re.ca channels
- b) B2C, i.e. the economic and financial results relating to the Distance selling channel (that includes revenues and activities by direct mailing, teleselling and web)

Segment Reporting

INCOME STATEMENT					
	HOLDING	B2B	B2C	Eliminations	Consolidated
<i>€ thousand</i>					
Wholesales		142.984		(7.607)	135.377
Ho.re.ca.		27.612			27.612
Distance selling			29.380	(1.255)	28.125
Others	1.174		304	(1.389)	88
Revenue from sales	1.174	170.596	29.684	(10.252)	191.202
Change in inventories	-	(1.892)	(918)	-	(2.809)
Other income	230	1.036	652	(204)	1.715
Total revenue	1.404	169.740	29.418	(10.455)	190.108
Purchase costs	-	(117.948)	(13.573)	8.963	(122.558)
Costs for services	(1.002)	(18.702)	(13.703)	1.492	(31.914)
Personnel costs	(674)	(10.832)	(1.642)	-	(13.149)
Other operating costs	(130)	(382)	(51)	0	(563)
Operating costs	(1.806)	(147.865)	(28.969)	10.455	(168.184)
Adjusted EBITDA	(402)	21.876	449	-	21.923
Depreciation and amortization	(60)	(3.442)	(2.214)	-	(5.717)
Provision for risks	-	-	-	-	-
Write-ups / (Write-downs)	-	(76)	(497)	-	(574)
Operating result Adjusted	(462)	18.358	(2.263)	-	15.633
Non recurring items	(170)	(579)	(864)	-	(1.614)
Operating profit/(loss)	(632)	17.778	(3.127)	-	14.019
Finance revenue					1.512
Borrowing costs					(3.243)
Net financial income/(expenses)					(1.731)
EBT					12.288
Taxes					(3.172)
(Loss) Profit from discontinued operations					-
Profit (loss) (A)					9.116
Attributable to:					
(Profit)/Loss of NCIs					(145)
Group profit (loss)					8.971

Segment Reporting

STATEMENT OF FINANCIAL POSITION	HOLDING	B2B	B2C	Eliminations	Consolidated
<i>€ thousand</i>					
Non-current assets					
Intangible assets	121	2.718	26.940	8.586	38.365
Goodwill	-	44.166	-	171.803	215.969
Land, property, plant and equipment	72	38.321	879	-	39.272
Right-of-use assets	30	8.327	5.547	-	13.904
Equity investments	270.402	13.828	1	(284.227)	5
Other non-current assets	19	202	2	-	222
Non-current financial assets	-	-	-	-	-
Deferred tax assets	27	736	790	8	1.562
Total non-current assets					309.299
Current assets					
Inventory	-	68.338	8.317	-	76.655
Trade receivables	4.163	49.477	5.844	(10.643)	48.842
Other current assets	5.290	1.859	2.282	(7.074)	2.358
Current tax assets	-	607	9	-	616
Current financial assets	-	-	-	-	720
Cash and cash equivalents	-	-	-	-	48.997
Total current assets					178.189
Non-current assets held for sale	-	10.259	-	-	10.259
Total assets					497.747
Shareholders' equity					
Share capital	-	-	-	-	1.124
Reserves	-	-	-	-	156.118
Reserve for defined benefit plans	-	-	-	-	(64)
Reserve for stock grants	-	-	-	-	-
Profit (loss) carried forward	-	-	-	-	47.065
Net profit (loss) for the period	-	-	-	-	8.971
Total Shareholders' Equity of parent company shareholders					213.215
Shareholders' equity of NCIs	-	-	-	-	(64)
Total Shareholders' Equity					213.151
Non-current liabilities					
Financial payables	-	-	-	-	137.511
Lease liabilities	-	5.801	4.861	-	10.662
Provision for other employee benefits	70	1.406	172	-	1.648
Provisions for future risks and charges	-	154	-	-	154
Deferred tax liabilities	4	1.117	5.891	2.395	9.407
Other non-current liabilities	-	-	-	-	-
Total non-current liabilities					159.382
Current liabilities					
Financial payables	-	-	-	-	5.774
Lease liabilities	37	2.685	1.145	-	3.867
Trade payables	227	97.388	14.885	(10.571)	101.929
Other current liabilities	2.720	13.427	939	(7.145)	9.941
Current tax liabilities	757	2.031	914	-	3.702
Provisions for future risks and charges	-	-	-	-	-
Total current liabilities					125.214
Liabilities directly related to assets held	-	-	-	-	-
Total shareholders' equity and liabilities					497.747

Notes

First of all it should be noted that the Group protects its assets and activities through insurance policies designed to guarantee in particular:

- receivables: B2B sales are made only against and within the limits of the insurance credit (or against pro-soluto assignments, advance payments or letters of credit)
- assets through a property/All risks policy covering the value of buildings, machinery, equipment, furnishings, and inventory.
- potential liabilities through a liabilities policy (RCT/O/P)
- in addition to a D&O and EPL consistent with the Group's structure.

5. Intangible Assets

Intangible assets refer almost entirely to the Group's own brands. The changes are detailed in the table below:

<i>€ thousand</i>							
INTANGIBLE ASSETS							
Net carrying amount							
Net carrying amount	01.01.2024	Increases	decreases	amortizations	reclassification	Increases from business combination	30.06.2024
Trademarks & patents	32.154	61	-	(200)	89	-	32.103
Software	1.368	47	-	(526)	-	-	890
Set-up costs	7	-	-	(5)	-	-	2
Other intangibles assets	4.928	1.028	-	(1.195)	285	-	5.046
Intangible assets under construction an	318	292	-	-	(285)	-	325
Net carrying amount intangible assets	38.774	1.428	-	(1.926)	89	-	38.365

The item trademarks and patents indicated is represented by (i) the Giordano Vini trademark, consisting of the value emerging from the merger of Ferdinando Giordano S.p.A. into Giordano Vini S.p.A (formerly Alpha S.r.l.) carried out in previous years (ii) the trademarks owned by Provinco Italia S.p.A. for Euro 8,586 thousand valued at the time of allocation of the acquisition price carried out pursuant to the IFRS 3 principle.

It should be noted that the aforementioned trademarks are identified as having an indefinite useful life and, consequently, are not subject to amortization but rather to an impairment test carried out annually and, in any case, whenever indicators of potential losses in value emerge, similar to goodwill. The carrying value is unchanged compared to that of the consolidated Annual Financial Report at 31 December 2023, in line with what was done for the purposes of goodwill for which reference is made to the next paragraph.

The increases in the 2024 financial year are related to:

(i) for 1,274 thousand euros to the development of the following activities that involved the company Giordano Vini S.p.A.:

- development of websites to improve web revenues;
 - development of the customer base through targeted acquisition through successful marketing campaigns ("CPA");
 - SW development;

(ii) for 61 thousand euros for the registration of new trademarks.

6. Goodwill

The overall goodwill is detailed in the following table.

€thousand

Company	30.06.2024	31.12.2023
Provinco Italia S.p.A.		11.289
Giordano Vini S.p.A.		0
Enoitalia S.p.A.	186.077	156.942
Barbanera S.r.l.		
Fossalto S.r.l.		
IWB Italia S.p.A.		
Enovation Brands Inc	17.038	17.038
Raphael Dal Bo AG	12.854	12.854
Total Goodwill	215.969	215.969

On January 1, 2024, as a result of the merger between: Provinco Italia S.p.A., Enoitalia S.p.A., Barbanera S.r.l. and Fossalto S.r.l. the goodwill pertaining to the respective companies was transferred to the company resulting from the merger, i.e. IWB Italia S.p.A.

As of December 31, 2023, goodwill and intangible assets with an indefinite useful life had been subjected to an impairment test consisting in the estimate of the recoverable value (value in use) of the CGUs, consisting of the subsidiaries, and in the comparison of the same with the net book value of the related assets (including goodwill, intangible assets with a finite useful life and other net operating assets) pursuant to IAS 36 in order to verify the existence of any impairment losses

The value in use was determined by discounting the expected cash flows that are assumed to arise from the continued use and from the possible disposal at the end of the useful life of the assets subject to impairment using a rate that reflects the specific risks of the individual CGUs at the valuation date, 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 considered, added to a terminal value, to determine which the criterion of discounting the perpetual income was used.

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

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

The discount rate (WACC, weighted average cost of capital) applied to the 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 the sector

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in which the company operates, the markets where the product is unlocked, the debt structure at full capacity and the current economic situation.

For the cash flows relating to the financial years following the explicit projection period, a growth rate (G-Rate) equal to 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 Management based the determination of the recoverable value of the CGU could cause the carrying amount of the CGU itself to exceed the recoverable value.

As of December 31, 2023, no impairment losses have emerged 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 Group	Barbanera S.r.l	16.597	IWB Italia S.p.A. *	186.077	265.686	324.504	58.818	6,6%
IWB Group	Giordano Vini S.p.A	43.719						
IWB Group	Prodiva s.r.l.	447	Giordano Vini S.p.A		28.457	35.893	7.436	7,2%
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 compared to 2022 is explained by the corporate reorganization illustrated on page 13.

At June 30, 2024, the Group, in accordance with the procedure adopted, performed the impairment test limited to Giordano Vini SpA, confirming the plan assumptions and reviewing the discount rate to update it to the parameters at June 30, 2024. The updated rate is equal to 8,3%. No impairment losses emerge, between the book value and the related value in use (determined according to the Discounted Cash Flow methodology).

Reporting Segment	CGU's 2024	Goodwill	Carrying Amount	Recoverable Amount /VIU	Headroom	WACC
B2C	Giordano Vini SpA	0	27,2 Mil	33,2 Mil	6 mil	8,30%

7. Land, property, plant and equipment

The change in tangible fixed assets is shown below.

<i>thousand</i>						
PROPERTY, PLANT AND EQUIPMENT						
Gross Value						
Historical costs	01.01.2024	increases	decreases	reclassification/other changes	increases from business combination	30.06.2024
Land and buildings	40.710	156	(1.412)	(14.301)	-	25.152
Plant and equipments	57.105	689	(2.020)	(15.986)	-	39.787
Equipment	22.365	196	(2.243)	(7.332)	-	12.986
Other	7.812	79	(41)	(2.895)	-	4.954
Tangible assets under construction :	2.209	190	-	(2.109)	-	290
Right of use assets	28.179	-	-	(1.957)	-	26.222
Total historical costs	158.379	1.308	(5.716)	(44.580)	-	109.391
PROPERTY, PLANT AND EQUIPMENT						
Accumulated depreciation						
Accumulated depreciation	01.01.2024	amortizations	decreases	other changes	increases from business combination	30.06.2024
Land and buildings	(12.166)	(381)	551	6.920	(0)	(5.076)
Plant and equipments	(42.345)	(1.352)	1.712	15.631	-	(26.354)
Equipment	(16.540)	(415)	2.115	6.988	-	(7.852)
Other	(7.327)	(81)	41	2.751	-	(4.616)
Tangible assets under construction :	(0)	(0)	-	-	-	(0)
Right of use assets	(12.714)	(1.561)	-	1.957	-	(12.318)
total accumulated depreciation	(91.092)	(3.790)	4.419	34.247	(0)	(56.216)
PROPERTY, PLANT AND EQUIPMENT						
Net Value						
Net Value	01.01.2024	increases	decreases	amortizations	other changes	30.06.2024
Land and buildings	28.544	156	(861)	(381)	(7.381)	20.077
Plant and equipments	14.760	689	(308)	(1.352)	(355)	13.433
Equipment	5.826	196	(128)	(415)	(344)	5.134
Other	485	79	-	(81)	(144)	338
Tangible assets under construction :	2.209	190	-	(0)	(2.109)	290
Right of use assets	15.464	-	-	(1.561)	-	13.904
Total Net Value	67.287	1.308	(1.297)	(3.790)	(10.333)	53.175

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

- For Euro 609 thousand relating to the IWB Italia plant in addition to Euro 126 thousand for internal and external flooring
- For Euro 193 thousand relating to the new autoclaves.

The total value of the disinvestment of the Torricella site is equal to Euro 1,297 thousand.

7 B. Rights of use assets

The change in right-of-use assets broken down by underlying type, compared with the situation at 31 December 2023, is shown below:

€thousand

Net Value	01.01.2024	increases	amortizations	other changes	30.06.2024
Land and buildings	11.247		(1.005)		10.242
Plant and equipments	3.570		(410)		3.160
Equipment	598		(130)		468
Other	49		(16)		34
Total Net Value	15.464	-	(1.561)	-	13.904

€thousand

Net Value	01.01.2023	increases	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 Net Value	17.709	1.559	(3.790)	(14)	15.464

Below are the financial items relating to the existing leasing contracts broken down by type and compared with the situation at 31 December 2023:

- the residual short-term and long/medium-term debts;
- the total outgoing financial flows.

30.06.2024

€thousand

	Short term	Medium/long term (within 5 years)	Long term (over 5 years)	Cash Out
Land and buildings	(2.761)	(8.861)	(374)	(220)
Plant and equipments	(831)	(1.191)	-	(519)
Equipment	(240)	(232)	-	(140)
Other	(35)	(5)	-	(20)
Total	(3.867)	(10.289)	(374)	(900)

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31.12.2023

<i>€thousand</i>				
	Short term	Medium/long term (within 5 years)	Long term (over 5 years)	Cash Out
Land and buildings	(1.867)	(9.337)	(851)	(1.928)
Plant and equipments	(958)	(1.549)	-	(1.543)
Equipment	(246)	(349)	-	(311)
Other	(35)	(22)	-	(56)
Total	(3.106)	(11.256)	(851)	(3.838)

The following shows the interest expense charged to the statement of comprehensive income on leasing liabilities compared to the situation as of June 30, 2023:

<i>€thousand</i>		
Interests	30.06.2024	30.06.2023
Land and buildings	(161)	(170)
Plant and equipments	(35)	(35)
Equipment	(17)	(21)
Other	(3)	(4)
Total	(215)	(230)

Finally, we note:

- the costs for leasing of low-value assets charged to the statement of comprehensive income amount to Euro 257 thousand (as of 30 June 2023: Euro 241 thousand);
- the costs relating to variable payments due for leasing not included in the valuation of leasing liabilities amount to Euro 136 thousand (as of 30 June 2023: Euro 117 thousand).

8. Non-current assets held for sale

As described in the paragraph Significant events that occurred during the financial year, on April 24, IWB Italia S.p.A announced the closure of the Group's production activities at the Valle Talloria site and the simultaneous transfer to the Calmasino di Bardolino production site.

The Group considers the sale is highly probable and it has started all the necessary activities to identify a buyer; Furthermore, the completion of the sale is expected within one year from the date of classification, in any case the Group is committed to implementing its asset sale program in the shortest possible time.

The production activity ceased on May 31, 2024, making the Valle Talloria assets available for sale, which are shown here in accordance with IFRS 5. In particular:

- depreciation ceased as of June 30, 2024
- exposure in the balance sheet is at book value, as this is lower than the presumed realizable value currently estimated based on initial feedback from market valuations.

Non-current assets held for sale are composed of the following items

	30.06.2024		
<i>€thousand</i>	Historical costs	Accumulated depreciation	Net Value
Land and buildings	14.301	(6.920)	7.381
Plant and equipments	17.884	(15.452)	2.432
Equipment	7.356	(6.974)	382
Other	2.968	(2.904)	64
Total	42.509	(32.250)	10.259

As required by IFRS5:

Par. 6: "An entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use."

Par. 7 "For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition, subject to conditions that are customary and customary for the sale of such assets (or disposal groups), and the sale must be highly probable."

Par. 8 "For the sale to be highly probable, management at an appropriate level must be committed to a plan to dispose of the asset (or disposal group), and activities must have begun to identify a buyer and complete the plan. In addition, the asset (or disposal group) must be actively traded in the market and offered for sale, at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to be completed within one year of the date of classification, except as permitted by the provisions of paragraph 9, and the actions required to complete the plan of sale should demonstrate that the plan is unlikely to be

significantly altered or cancelled. The likelihood of shareholders' approval (if required by law) should be considered as part of the assessment of whether the sale is highly probable"

9. Equity investments

The Shareholdings item is detailed as follows:

Amounts in Euro

	Country	30.06.2024	31.12.2023
Other companies			
BCC di Alba e Roero	Italy	258	258
Consorzio Conai	Italy	675	675
Unione Italiana Vini Scarl	Italy	516	516
Consorzio Natura è Puglia	Italy	500	500
Consorzio Granda Energia	Italy	517	517
Banca Alpi Marittime C.C. Carrù Scpa	Italy	293	293
Banca Valdichiana	Italy	1.100	1.100
Banca Tema	Italy	1.250	1.250
Total		5.109	5.109

10. Other not current assets

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

€thousand

	30.06.2024	31.12.2023
Security deposits	222	235
Total	222	235

11. Deferred Taxes

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

Amounts at 30 June 2024

Euro thousand

Description	Tax base	Tax rate	Balance
Non-deductible interest expense	21	24,00%	5
Tangible and intangible fixed assets	216	27,90%	60
Provision for risks and charges	596	24,00%	143
Provisions for returns and inventory write down	2.364	27,90%	660
Provision for bads debts	2.301	24,00%	552
Remuneration of directors	297	24,00%	71
Exchange rate adjustment	14	24,00%	3
Maintenance	-	24,00%	-
Membership fees deductible in cash	214	27,90%	60
Others	33	24,00%	8
Total Deferred tax assets			1.562

Description	Tax base	Tax rate	Balance
Business combination/Goodwill	24.923	27,90%	6.954
Tangible and intangible fixed assets	8.781	27,90%	2.450
Exchange rate adjustment	15	24,00%	4
Total Provision for deferred taxes			9.407

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

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12. Inventory

The details are shown below

<i>€thousand</i>	30.06.2024	31.12.2023
Raw materials and consumables	9.541	8.505
Semi- finished products	34.435	43.742
Finished products	29.136	23.924
Advances	3.543	2.381
Total	76.655	78.552

The individual items include:

- components for the production of bottles (glass, caps and labels), packaging, wine products (raw materials);
- food, bulk and bottled wine, spirits (semi-finished products);
- packaging and gadgets (finished products).

The decrease compared to 31 December 2023 was obtained as a result of the optimization of the management of the Supply chain following the corporate and operational integration of production and procurement activities effective from 1 January 2024.

The book value of inventories is shown net of a write-down provision of 1,782 thousand, the movement of which in the period is shown below.

<i>€thousand</i>	
Provision at 01.01.2024	1.893
Provisions	275
Increase from business combinator	0
Amount used	(386)
Provision at the end of the period	1.782

The uses are mainly related to the disposal of expired food products and pallets.

13. Trade Receivables

Trade receivables as of June 30, 2024 and December 31, 2023 are detailed below.

<i>€thousand</i>		
	30.06.2024	31.12.2023
Trade receivables	52.247	56.173
Provision for bad debts	(3.405)	(4.043)
Total	48.842	52.130

During the first half of 2024, the bad debt provision had the following movement.

<i>€thousand</i>	
	30.06.2024
Provision at 01.01.2024	4.043
Provisions	574
Increase from business combination	0
Amount used	(1.212)
Provision at the end of the period	3.405

The provisions were made based on the estimate of the evaluated 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 provisions are deducted, in a lump sum and indistinctly, from the total of the item.

Specifically, for the write-down of receivables relating to the "distance selling" division, the Group applies a simplified approach, calculating the expected losses throughout the life of the receivables starting from the moment of initial recognition. The Group uses a matrix based on historical experience and linked to the ageing 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.

14. Other Current Assets

Other activities as of June 30, 2024 and December 31, 2023 are detailed as per the following table:

<i>€thousand</i>	30.06.2024	31.12.2023
Security deposits	73	441
Others	1.431	6.977
Advances to suppliers	112	222
Accruals and prepayments	741	670
Total	2.358	8.311

The item others mainly includes credits vs factor (IWB Italia) equal to 1,105 thousand euros; the reduction compared to the value at 31 December 2023 equal to 6,759 thousand euros is part of the process of "optimizing" financial management resulting from the corporate integration effective from 1 January 2024.

15. Current tax assets

Tax credits as of June 30, 2024 and December 31, 2023 are detailed as per the following table:

<i>€thousand</i>	30.06.2024	31.12.2023
Tax Credit	548	1.387
Others	68	287
Total	616	1.674

The elimination of the VAT credit derives from a better management of the declarations of intent that has allowed the "consumption" of the credit contributing to the improvement of the Net Financial Position,

With effect from the 2016 financial year, the Parent Company (together with the subsidiaries Giordano Vini S.p.A., and IWB Italia S.p.A.) has opted for the Ires National Tax Consolidation regime, the effects of which are also reported in the economic and financial results as of 30 June 2024.

Adherence to the tax consolidation is governed by a specific regulation that is in force for the entire period of validity of the option.

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

- with regard to the financial years with a positive taxable income, the controlled companies pay the Consolidating Company the greater tax due by the latter to the Treasury;
- the consolidated companies with a negative taxable income receive from the Parent Company a compensation corresponding to 100% of the tax savings achieved at Group level accounted for on an accrual basis. The compensation is instead paid only when actually used by the Parent Company, for itself and/or for other companies in the Group;
- 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 to exist before the end of the three-year period of validity of the option, the tax losses that can be carried forward resulting from the declaration are attributed to the consolidating company or entity.

IWB Italia S.p.A. has become part of the Group consolidation starting from the tax return as of 31 December 2023.

16. Cash and Cash Equivalent

Liquid assets as of June 30, 2024 and December 31, 2023 are detailed as per the following table.

<i>€thousand</i>	30.06.2024	31.12.2023
Bank deposits	47.162	69.250
Postal deposits	1.815	1.628
Cash	20	22
Total	48.997	70.900

The corporate integration effective from 1 January 2024 has allowed an optimization of the use of cash with a simultaneous reduction of short-term financial debt and related financial charges.

17. Shareholders' equity

The Group shareholders' equity is made up as follows :

<i>Amounts in EUR</i>		
	30.06.2024	31.12.2023
Share capital	1.124.469	1.124.468
Legal reserve	224.894	209.253
Share premium reserve	136.137.071	136.137.072
Reserve for actuarial gains on defined benefit plans	(63.762)	(63.762)
Reserve for stock grants	-	789.694
Reserve for translate	180.025	465.766
Reserve for the purchase of treasury shares	(1.056.016)	(1.243.417)
Other reserves	20.632.464	9.775.605
Prior profits/(losses)	47.064.876	46.203.906
Profit/(loss) of the period	8.970.962	16.300.463
Total reserves	212.090.515	208.574.580
Total Group shareholders' equity	213.214.984	209.699.049
Shareholders' equity of NCIs	(64.103)	(208.671)
Total shareholders' equity	213.150.881	209.490.377

Share capital

As of 30 June 2024, 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 June 30, 2024, the Parent Company holds n. 52,281 ordinary shares, representing 0.55% of the ordinary share capital, which contributed to increasing:

- the reserve for the purchase of own shares;
- the stock grant reserve.

The minority shareholders' equity refers to the minority interests in Enovation Brands Inc. held respectively by Giovanni Pecora (10%) and Alberto Pecora (5%).

The reconciliation table between the equity and the result of the Parent Company and the consolidated ones is shown below.

<i>Amounts in EUR</i>	30.06.2024	
	Profit/(loss) for the period	Shareholders' equity
Shareholders' equity IWB SpA - ITA GAAP standards		
Differences in accounting standards		
Shareholders' equity IWB SpA - IFRS standards	8.370.965	183.408.546
Elimination of carrying amount of consolidated equity investments:		
Carrying amount of consolidated equity investments		(270.401.697)
Pro-quota share of consolidated equity investments net of consolidation differences	12.485.662	297.913.764
Dividends from subsidiaries	(14.164.931)	-
Consolidation adjustments for transactions between consolidated companies	2.568.403	2.166.166
Group shareholders' equity and profit/(loss) for the period	9.260.099	213.086.779
Minority interests	(144.568)	64.103
Consolidated shareholders' equity and profit/(loss)	9.115.531	213.150.881

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18. Financial liabilities

The situation as of June 30, 2024 is as follows.

<i>Ethousand</i>				30.06.2024
	Short term	Medium/long term (within 5 years)	Long term (over 5 years)	Total
Bond	-	129.730	-	129.730
Short-term unsecured loans	4.690	-	-	4.690
Revolving loans	-	-	-	-
Other loans in addition to e.g. unsecured loans	878	5.867	-	6.746
Financial accrued expenses and charges to be settled	206	-	-	206
Total Banks	5.774	5.867	-	11.641
Payables to factoring companies	-	-	-	-
Deferred price acquisitions	1.000	432	-	1.432
Other financial loans	-	483	-	483
Total other lenders	-	1.914	-	1.914
Total	5.774	137.511	-	143.285

The situation of the Group's financial debts as of 31 December 2023 is shown below for comparison purposes.

<i>Ethousand</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 loans	878	7.217	-	8.095
Financial accrued expenses and charges to be settled	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 following table shows the movement of financial liabilities.

<i>€ thousand</i>	31.12.2023	Disbursements / Other changes	Refunds / Other changes	30.06.2024
Bond	131.248	1.732	(3.250)	129.730
Short-term unsecured loans	7.034		(2.344)	4.690
Revolving loans	20.000		(20.000)	-
Other loans in addition to e.g. unsecured loans	8.095		(1.349)	6.746
Financial accrued expenses and charges to be settled	893	206	(893)	206
Total Banks	36.023	206	(24.587)	11.641
Payables to factoring companies	-			-
Deferred price acquisitions	4.405		(2.973)	1.432
Other financial loans	467	15		483
Total other lenders	4.872	15	(2.973)	1.914
Total	172.142	1.953	(30.810)	143.285

Bank debt as of June 30, 2024 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 May 13, 2021, with a duration of 6 years (expires May 13, 2027), bullet repayment, annual fixed rate equal to 2.50%, with annual interest payments. The bond is listed on the MOT market managed by Borsa Italiana and on the Irish Stock Exchange managed by Euronext Dublin.
- Medium-term financing granted on February 28, 2022 by Intesa San Paolo to the subsidiary Giordano Vini S.p.A. for an amount of €2 million, repayable in quarterly installments and due on February 28, 2027, at a rate equal to Euribor 3M plus a spread of 1.45%. The residual debt as of June 30, 2024, valued using the amortized cost method, amounts to €1.1 million.
- Medium-term financing granted on February 26, 2021 by Credit Agricole to the subsidiary Giordano Vini S.p.A., for an amount of €2.4 million, repayable in quarterly installments and due on February 26, 2026, at a rate equal to Euribor 3M plus a spread of 1.00%. The residual debt as of June 30, 2024, valued using the amortized cost method, amounts to €0.868 million.

In relation to the above-mentioned financing, an IRS-OTC derivative contract was stipulated to cover the interest rate risk for the entire duration of the financing; 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 financing in each given period; the Mark To Model value of the derivative is positive by Euro 29.6 thousand.

- 2 Financing for a total of Euro 969 thousand granted to Giordano S.p.A. by Simest for 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 169 thousand disbursed on 04/06/2022 to be repaid by 12/10/2025 with a pre-amortization period of 12 months and a rate of 0.055% (residual at 06/30/2024 Euro 82 thousand).

Unsecured loan taken out on 20 September 2021 by Provinco Italia S.p.A. (now IWB Italia S.p.A.) with Credito Emiliano for Euro 1.5 million, repayable in deferred quarterly installments and due for repayment on 20 September 2024 at a fixed rate of 0.8% per annum. The residual debt as of 30 June 2024 is equal to Euro 126 thousand.

- Unsecured loan taken out on 29 June 2022 by Provinco Italia S.p.A. (now IWB Italia S.p.A.) with Unicredit for an amount of Euro 5.0 million, repayable in deferred quarterly installments and with a total duration of 36 months, supported by an EIB guarantee. The rate is equal to the Euribor 3M i increased by a spread of 1.4%. The residual debt as of June 30, 2024 is equal to Euro 1.667 million. The resolution includes the availability of a Revolving line equal to Euro 5.0 million with a duration of 36 months that has not yet been used as of June 30, 2024.

- Short-term financing, contracted by IWB Italia S.p.A. with Credito Emiliano S.p.A. on October 5, 2023 for an amount of Euro 2 million. Interest rate equal to the 1-month Euribor increased by a spread equal to 0.4%. Duration: maximum 1 year, with renewal. Repayment method: at any time, without penalties for the customer. The residual debt as of June 30, 2024 is equal to Euro 2 million.

- Revocable line granted by Credito Emiliano to Enoitalia S.p.A. (now IWB Italia S.p.A.) for an amount equal to Euro 1.5 million at a rate equal to the Euribor at 3M increased by a spread of 0.75%, residual value at 06/30/2024 Euro 504 thousand.

- Unsecured loan contracted on March 30, 2021 by Barbanera S.r.l. with Intesa SanPaolo for Euro 1.0 million repayable with monthly installments and total duration of 6 years. The rate is equal to the Euribor at 1M increased by a spread of 0.7%. The residual debt at 06/30/24 Euro 688 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 settlement has been agreed respectively equal to (i) USD 3.3 million no later than January 10, 2026 (iii) USD 1.4 million no later than May 1, 2026. The debt is reduced by USD 927 thousand in consideration of the reimbursement provided for pursuant to art. 8 of the financing agreement due to the fraud

that emerged in the company's accounts during the preparatory activities for the preparation of the Consolidated Financial Statements as of December 31, 2022. For further details, please refer to paragraph 2.2 Significant events that occurred during the financial year at December 31, 2022.

- 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 semester 2024 in the presence of an increase in the average Ebitda for the two-year period 2022-2023 compared to 2021 for the companies Barbanera S.r.l. and Fossalto S.r.l.
- As regards the IRS-OTC, the criterion used for the measurement and valuation at the end of the year is the Mark to Market prepared by the credit institution. The future flows are calculated based on the FWD curve of the Eur3M as of 06/30/24 and discounted by applying the relative coefficients to the future nettings obtained, so as to obtain the current value at December 29, 2023 of the derivative instrument:

<i>€ thousand</i>	30.06.2024	31.12.2023
STATEMENT OF FINANCIAL POSITION	29,6	42,7
INCOME STATEMENT	(13,1)	(41,3)

- 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 value 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 agreements have similar clauses and are standard practice for this type of transaction, such as, for example: (i) provision of a financial covenant (calculation provided for at the Italian Wine Brands Group level) based on the performance of certain financial parameters at the consolidated Group level; (ii) disclosure obligations in relation to the occurrence of significant events affecting the Company, as well as corporate disclosure; (iii) commitments and obligations, usual for financing transactions of this kind, such as, for 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.

'Lease liabilities' are related to the entry into force from 01 January 2019 of the accounting standard IFRS 16 which provided for the registration in the accounts of lease contracts 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, see paragraph 7 B. Right of use assets.

Determination of the adjusted EBITDA for the purposes of the Covenant

The "Terms and Conditions" relating to the bond define that on an annual basis the Group determines the "Consolidated net financial leverage ratio" or 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 if during the financial year the Group has completed acquisitions for an Enterprise value of at least 30 million euros)

In the 2023 financial year

- a) The net financial position was equal to: 115.9 million
- b) Adjusted EBITDA was equal to 44.3 million
- c) Covenant was equal to 2.62

In the first half of 2024 the financial parameters further improved.

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

19. 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 liabilities of 30 June 2024 are shown below

€thousand

	30.06.2024	31.12.2023
Provision at 01.01.	1.654	1.444
Provisions	43	234
Benefits paid out in period	(50)	(102)
Actuarial (gains)/losses	0	41
Financial costs	0	37
Provision at the end of the period	1.648	1.654

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

The main actuarial assumptions used are the following.

Actuarial assumptions	30.06.2024	31.12.2023
Discount rate	3,67%	3,67%
Inflation rate	1,59%	1,59%
Expected average turnover	9,09%	9,09%

20. Provision for risks and charges

During the period the item changed as follow:

€thousand

	30.06.2024		
	Non- current	Current	Total
Provision at 01.01.2024	301	0	301
Provisions	0	0	0
Increase by business combination	0	0	0
Releases	0	0	0
Amounts used	(147)	0	(147)
Provision at the end of the period	154	0	154

Non-current liabilities include:

- a provision of 154 thousand euros for a lawsuit against a former "agent" set aside by IWB Italia S.p.A.

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21. Trade Payables

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

€ thousand

	30.06.2024	31.12.2023
Suppliers Italy	97.749	108.318
Suppliers Foreign markets	4.180	5.472
Total	101.929	113.790

22. Other current liabilities

Other liabilities are made up as follows.

€ thousand

	30.06.2024	31.12.2023
Employees	5.072	4.074
Social security institutions	1.193	1.635
Directors	284	999
Accruals and deferred income	2.968	3.458
Others	425	593
Total	9.941	10.759

The payable to employees mainly includes the salaries for the month of June 2024 paid in July 2024 and the deferred accrued and unused vacation and holiday pay.

The item deferred income mainly consists of the portion of future years of contributions to plant obtained for Industry 4.0 projects and tax credits relating to IWB Italia.

The item Other mainly includes: advances from customers for Euro 52 thousand; payables to the board of auditors for Euro 67 thousand and Euro 200 thousand relating to ongoing disputes.

23. Current liabilities

Current liabilities are made as follow:

<i>€thousand</i>	30.06.2024	31.12.2023
VAT	402	2.416
IRES	1.340	846
IRPEF withholding tax	1.337	809
IRAP	709	274
Excise duties	76	65
Other taxes	(162)	(195)
Total	3.702	4.216

24. Revenues from sales

Sales revenues as of June 30, 2024, compared with those of the corresponding half-year of 2023, are detailed below.

€thousand

	30.06.2024	30.06.2023
Revenues from sales - Italy	36.237	31.312
Revenues from sales - Foreign markets	154.877	164.956
UK	40.601	43.188
Germany	27.775	31.854
Switzerland	19.997	18.760
US	16.224	15.114
Austria	6.687	7.592
Poland	5.884	5.833
France	5.239	8.582
Canada	3.706	4.107
Netherlands	3.218	3.612
Denmark	2.770	3.697
Belgium	2.376	2.757
Ireland	2.371	2.825
Sweden	1.233	1.575
China	755	919
Other countries	16.042	14.543
Other Revenues	88	510
Total Revenues from sales	191.202	196.778

In this regard, it should be noted that the turnover relating to the two main customers amounts to (i) 31,025 thousand euros (ii) 24,108 thousand euros respectively. Since these are international customers with sales referring to a variety of countries, it should be noted that the sales per product at the overall customer level are not significant and the cost of the report at the moment would be excessive.

25. Other Income

Other Income as of June 30, 2024, compared with those of the corresponding half-year of 2023, is detailed below

€thousand

	30.06.2024	30.06.2023
Capital gain	410	2
Contributions and tax credits	335	503
Rentals granted	230	221
Chargebacks	52	163
Contingency Income	438	550
Others	251	187
Total Other income	1.715	1.628

26. Purchase costs

The costs for purchases are divided as follows:

:

€thousand

	30.06.2024	30.06.2023
Provinco Italia S.p.A.	0	19.487
Giordano Vini S.p.A.	6.020	15.285
IWB Italia S.p.A.	114.270	89.911
Enovation Brands Inc	972	570
Barbanera S.r.l.	0	8.611
Raphael Dal Bo AG	1.296	1.869
IWB S.p.A.	0	0
Total	122.558	135.732

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27. Costs for services

The costs for services as of June 30, 2024, compared with those of the corresponding semester of 2023 and 2022, are detailed below.

€thousand

	30.06.2024	30.06.2023	30.06.2022
Services from third parties	8.607	9.037	9.757
Transport	7.211	8.418	8.682
Postage expenses	1.629	1.726	1.914
Fees and rents	994	1.028	579
Consulting	1.310	1.648	1.072
Advertising costs	397	593	337
Utilities	1.216	1.596	2.613
Remuneration of Directors, Statutory Audi	763	810	753
Maintenance	1.067	958	1.012
Costs for outsourcing	3.358	3.576	3.671
Commissions	1.339	1.723	784
Other costs for services	4.133	4.351	2.935
Total	32.022	35.464	34.109

The compensations to directors, statutory auditors and the supervisory body are detailed as follows.

€thousand

	30.06.2024	30.06.2023
Directors	660	717
Statutory auditors	70	75
SB	34	17
Total	763	810

Please note that, during 2024, the fees for the independent Audit Firm are distributed as follows.

€thousand

	Audit	Consulting
Holding	38	0
Subsidiaries	90	0
Total	127	0

28. Personnel costs

Personnel costs as of June 30, 2024, compared with those of the first half of the previous financial year, are detailed below.

<i>€thousand</i>	30.06.2024	30.06.2023
Wages and salaries	10.460	8.684
Social security charges	2.639	2.415
Termination benefits	501	458
Stock grant	0	0
Administration cost	1.025	1.090
Other costs	31	68
Total	14.655	12.716

The following table shows the number of employees.

	At 30.06.2024	Average no 30.06.2024	At 30.06.2023	Average no 30.06.2023
Executives	7	7	8	8
Middle managers	21	21	22	23
Employee	184	202	210	209
Workers	127	136	142	142
Total	339	366	382	383

The decrease in the number of employees is related to the reorganization carried out at the Valle Talloria site and which involved:

- IWB Italia employees

- of the production site (cellar and bottling) of Valle Talloria who were not available for the transfer to the Calmasino site
- of the Torricella winery whose contracts were transferred at the same time as the transfer of the business unit to Cantine Hermes

- Giordano Vini SpA employees engaged in the Teleselling activity which was outsourced

29. Other operating costs

<i>€thousand</i>	30.06.2024	30.06.2023
Capital losses	0	1
Other taxes	179	185
Damages, penalties/fines	26	32
Concessions and licenses	146	119
Extraordinary Costs	92	71
Others	120	131
Total	563	539

30. 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.

31. Financial income and expenses

Financial income and expenses are detailed in the following tables.

<i>€thousand</i>	30.06.2024	30.06.2023
On current accounts	236	74
Exchange rate gain/(loss)	701	597
Others	574	0
Total	1.512	672

<i>€thousand</i>	30.06.2024	30.06.2023
Bond interests	(1.732)	(1.724)
Loans	(219)	(669)
Lease liabilities	(215)	(230)
Bank current accounts	(5)	(161)
Financial instruments	(13)	(11)
Factoring	(460)	(480)
Bank fees and charges	(282)	(228)
Exchange rate gain/(loss)	(23)	(542)
Others	(294)	(269)
Total	(3.243)	(4.313)

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In detail, interest on financing includes:

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

The significant decrease in financial charges is related to the better use of cash following the merger of the Italian companies aimed at the B2B business and production which, in addition to the operational and corporate benefits, has allowed a significant reduction in short-term financial debt to be achieved.

32. Taxes

Taxes as of June 30, 2024 compared to those of the first half of the previous financial year are detailed below.

<i>€thousand</i>	30.06.2024	30.06.2023
IRES	(1.739)	(1.258)
IRAP	(545)	(358)
Taxes for prior periods	(0)	(44)
Total current taxes	(2.284)	(1.660)
Prepaid taxes	(597)	67
Deferred taxes	(291)	(42)
Total deferred taxes	(888)	24
Total	(3.172)	(1.635)

33. relationships with Related parties

These transactions fall within the normal business management, within the scope of the typical activity of each interested party, and are regulated under standard conditions.

In summary, we report:

- (i) a commercial lease agreement signed 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 notice of termination is



sent 12 months before the expiry; the agreed rent is equal to Euro 60 thousand per year indexed to the ISTAT index plus VAT. In the first half of 2024, the fee was 34.9 thousand euros

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

The above-described relationships are regulated under conditions in line with market conditions.

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

34. Atypical and unusual transactions

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

35. Law for the market and competition (L04/08/2017 n.124 paragraph 125)

In compliance with the transparency obligation referred to in paragraph 125 of art. 1 of Law 124/2017, the contributions collected in the first half of 2024 are reported below:

- (i) OCM contributions for market promotions for Euro 28,698;

36 Significant Events

36.1 Significant events occurred during the reporting period

On January 1, 2024, the merger between Provinco Italia S.p.A., Enoitalia S.p.A, Barbanera S.r.l.; Fossalto S.r.l. became effective, leading to the establishment of IWB Italia SpA, the Group's commercial and industrial company, functional to maximizing synergies for all B2B segment activities: commercial, production, management and financial.

On March 18, 2024, the Board of Directors of IWB defined the quantitative and qualitative criteria of significance potentially relevant for the purposes of assessing the independence of

its members (the "Significance Criteria") in compliance with the provisions of art. 6-bis of the EGM Regulation in force as of today.

On April 24, Italian Wine Brands S.p.A. announced that the Group's subsidiaries, Giordano Vini S.p.A. and IWB Italia S.p.A., have communicated to the trade unions the decision to reorganize the teleselling and production activities of the Valle Talloria di Diano d'Alba (Piedmont) headquarters, respectively headed by Giordano Vini S.p.A. and IWB Italia S.p.A., to optimize productivity and adapt the respective structures to the changed market conditions:

a) with reference to teleselling activities, the reorganization was made necessary following the change in customer purchasing methods, increasingly oriented towards online, to the detriment of telephone sales. Giordano Vini S.p.A. has long developed the digital part of its business, while telephone sales have undergone a progressive and unstoppable downsizing, which makes it economically unsustainable to maintain an internal organization dedicated to this and, as such, must therefore be abandoned: a choice that appears even more necessary and strategic considering the improved efficiency, in this area, of the outsourcing model that, already implemented for years by Giordano Vini S.p.A., will be further pursued;

b) with reference to production activities, given the significant growth through external lines achieved in recent years, the Group has decided to concentrate production, arranging at the same time the consequent transfer of IWB Italia production personnel operating at Valle Talloria di Diano D'Alba to the Calmasino di Bardolino (VR) site, for objective reasons of rationalization and, ultimately, reduction of production costs as well as efficiency of production activities and those obviously related to them.

The IWB Group, together with the trade unions, has defined forms of support for the people affected by the reorganization. The agreements were signed on May 28, 2024 for IWB Italia S.p.A. and May 22, 2024 for Giordano Vini S.p.A.

On April 30 2024, the Shareholders' Meeting

(i) appointed, determining the relative compensation, the Board of Directors, which will remain in office for three financial years until the approval of the financial statements for the 2026 financial year, in the persons of: Alessandro Mutinelli, Giorgio Pizzolo, Simone Strocchi, Antonella Lillo (independent director), Sofia Barbanera, Massimiliano Mutinelli, Marta Pizzolo.

(ii) also approved to authorize the purchase and disposal of ordinary treasury shares pursuant to articles 2357 and 2357-ter of the Civil Code, as well as art. 132 of the TUF, according to the methods proposed in the Report of the Board of Directors, in order to provide the Company with a useful strategic investment opportunity for any purpose permitted by the current

provisions, including the purposes contemplated in art. 5 of Regulation (EU) 596/2014 (Market Abuse Regulation, "MAR") and in the practices permitted pursuant to art. 13 MAR, where applicable, including the purpose of purchasing own shares with a view to their subsequent cancellation, in the terms and with the methods that will be eventually decided by the competent corporate bodies after cancellation of the resolution adopted by the meeting of 27 April 2023 for the unexecuted part.

On 16 May 2024, IWB Italia signed a partnership and collaboration agreement with Cantine Hermes, which with 14 plants in 6 regions represents one of the main cooperative operators in the transformation of grapes, aimed on the one hand at enhancing its assets at the Torricella winery and on the other at continuous production efficiency. The agreement, which became effective on 20 June 2024, provides for: (i) the strengthening and expansion of the collaboration and partnership between IWB and Cantine Ermes for the supply of greater volumes of wine, produced according to technical specifications and with the supervision of IWB technicians; (ii) the sale of the Torricella plant from IWB to Cantine Ermes.

On May 24, 2024, Italian Wine Brands S.p.A. joins the Prosecco Consortium with the appointment of Vice President Giorgio Pizzolo as a member of the Prosecco DOC Board of Directors.

On May 28, 2024, Italian Wine Brands S.p.A. strengthens its managerial structure with the appointment of Alessandro Vella as Managing Director.

36.2 Significant events occurred after the end of the semester

On 12 September 2024, the Boards of directors of Giordano Vini S.p.A. and IWB ITALIA S.p.A. approved the partial demerger project for the transfer of the Giordano Vini S.p.A. brand to the beneficiary IWB ITALIA S.p.A. The project completes the corporate reorganization started in 2023 to improve the efficiency the rationalization of the business organization of the companies involved, allowing for the achievement of important synergies. In this context, the concentration of the Group's brands in a single company, namely IWB Italia, will allow for the optimization of their management and development. From an operational point of view, Giordano will continue to benefit from the use of the brand through a specific multi-year contract that will take effect from the Effective Date of the Demerger.

37. Outlook

In the first half of the year, IWB confirmed its ability to generate value even in a macroeconomic context that remains uncertain. The Group is structured in terms of production and commercial organization, as well as financially, to face challenges and to continue to grow both organically and through M&A.

After the inflationary phase, which resulted in a contraction in household consumption, we have now entered a period of reduction in production costs and, as a consequence, in sales prices, which should help a recovery in volumes sold.

IWB is diversifying its revenues worldwide, in all commercial channels and in all price ranges, in order to reduce the risk of concentration and to seize every growth opportunity. In a context of polarization of consumption (entry level and premium), the commercial and marketing focus remains concentrated on the development of premium brands, for those consumers, in particular those of the new generations, who have a “less but better” approach to wine. In addition, IWB’s well recognized expertise in sparkling wines (second producer of Prosecco DOC) and “light” white wines, which are the two fastest-growing categories on the market, should support growth in volumes sold.

The general consumer context requires caution in the short term, but we are optimistic about a market recovery in the medium term and further development of our business, having positioned ourselves everywhere with our products and focusing on the growth of our brands in the most profitable markets.

Milano, September 13, 2024

For the Board of Directors

Chief Executive Officer and President

Alessandro Mutinelli

