Italian Wine Brands S.p.A.

Review report on interim condensed consolidated financial statements as of June 30, 2022

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(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.)

Review report on interim condensed consolidated financial statements

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

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements comprising the consolidated statement of financial position, the comprehensive consolidated income statement, the consolidated statement of changes in shareholders' equity and the consolidated statement of cash flow and related explanatory notes of Italian Wine Brands S.p.A. and its subsidiaries (Italian Wine Brands Group) as of June 30, 2022.

Management is responsible for the preparation of this interim condensed consolidated financial statements in accordance with the International Financial Accounting Standards applicable to interim financial reporting (IAS 34) endorsed by the European Union.
Our responsibility is to express a conclusion on this interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with review standard recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 dated July 31, 1997. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements of Italian Wine Brands Group as of June 30, 2022 are not prepared, in all material respects, in accordance with the International Financial Reporting Standards applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Milan, September 30, 2022

BDO Italia S.p.A.
(signed on the original)
Vincenzo Capaccio
Partner

Bari, Bologna, Brescia, Cagliari, Firenze, Genova, Milano, Napoli, Padova, Palermo, Roma, Torino, Verona

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ITALIAN WINE BRANDS

Creatori di Eccellenze

CONSOLIDATED HALF-YEAR FINANCIAL REPORT

30 JUNE 2022

ITALIAN WINE BRANDS S.P.A.
Registered office in Milan, Viale Abruzzi, 94
joint-stock company with subscribed and paid-up share capital of €1.046.265,80

Tax Code Companies Reg. No. 08851780968
Registered in the Companies Register of Milan, Monza-Brianza, Lodi
R.E.A. no. 2053323

www.italianwinebrands.it

ITALIAN WINE BRANDS

Creatori di Eccellenze

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ITALIAN WINE BRANDS
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Composition of Corporate Bodies

Board of Directors

Alessandro Mutinelli (Chief Executive Officer and Chairman)

Giorgio Pizzolo (Deputy Chairman)

Simone Strocchi

Pier Paolo Quaranta (Director with delegated powers)

Antonella Lillo (Independent Director)

Massimiliano Mutinelli

Marta Pizzolo

Board of Statutory Auditors

David Reali (Chairman of the Board of Statutory Auditors)

Eugenio Romita (Statutory Auditor)

Debora Mazzaccherini (Statutory Auditor)

Independent Auditors
BDO Italia S.p.A.

Nomad

Intesa Sanpaolo S.p.A.

ITALIAN WINE BRANDS
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Directors' Report on Operations

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

1.1. Reference market in which the company operates

IWB Group is one of the Italian leaders in the production and distribution of italian wines that stands out for the wideness of the reference markets in which it operates, for the number of brands in its portfolio, for the variety of distribution channels and for the ability both to organic growth and through acquisitions (4 in the last 4 years).

At the level of reference markets, IWB achieves its turnover mainly and to an increasing extent, with foreign customers, also thanks to acquisitions.

Sales are mainly made through a portfolio of owned and registered brands. In particular, the Group operates under the different brands indicated below:

GIORDANO
PROVINCO ITALIA
GRANDE ALBERONE GRAND TOUR
ELETTRA

GOMERA
RONCO DI SASSI
OLD WORLD ITALIAN WINE
POGGIO DEL CONCONE

CALAROJAS TEMPRANILLO
FORTE ELERONE
GRANDI MORI
DURANTE

Ripa di Sotto
SAN ZENONE
SANTO NOBILE WINEMAKER'S COLLECTION
DANTI

OROPERLA ESSENTIAL SPARKLING
Svinando
OPTIMACRAFT
SELLARONDA TERRITORI DI MONTAGNA

Terre di Gigli
ITALIAN ART CAFE
RAPHAEL DAL BO PROSECCO E SPUMANTI
SASSO AL VENTO

CANTINE DEL BORGO REALE
CUOR DI PIETRA
FRA MORICONE
AIMONE

ALBERTO NANI Prosecco Organic
VOGA
RED FIRE
PASSO SARDO

Gemma di Luna
EMPORIUM
ARISTOCRATICO

LIGNUM VITIS
NEROPERSO
LUNA DI LUNA
CA' MONTINI TERRE DI VALFREDDA

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

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

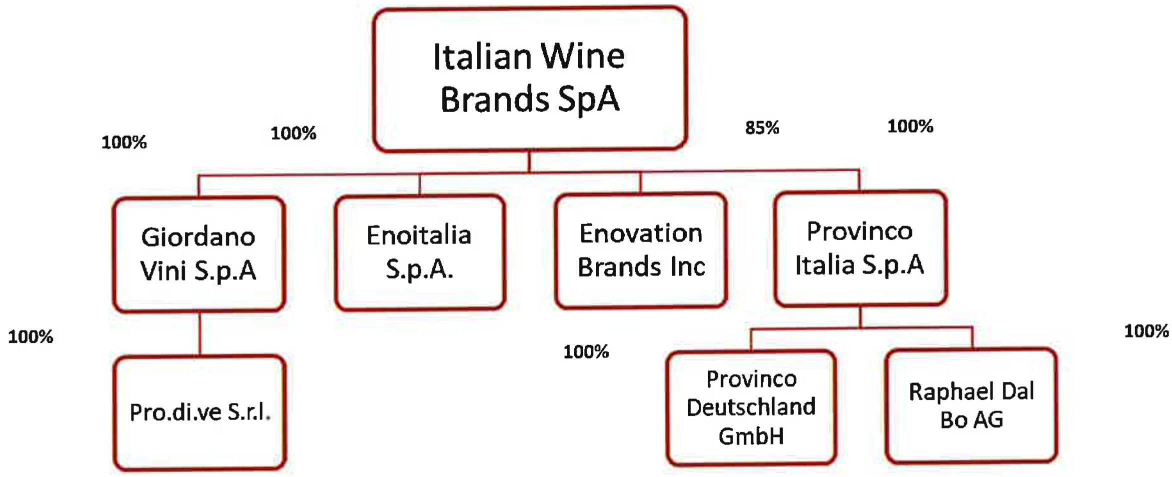
• the “distance selling” channel, aimed at the direct sale of the products in the portfolio to private consumers.

• the Ho.re.ca. aimed at the sale to hotels, restaurants and catering. IWB group is active in this channel thanks to the acquisition of Enoitalia S.p.A, and in particular in the US and UK market.

The Group's production structure consists of (i) 4 proprietary wineries located respectively in Diano d'Alba (CN), Torricella (TA), Calmasino (VR) and Montebello (VI) and (ii) 8 bottling lines of which one located in Diano d'Alba (CN), three in Montebello (VI) and four in Calmasino (VR).

From a corporate point of view, IWB S.p.A. carries out the management and cordination activity for the companies of the Group, holding directly the controlling interests in the main companies of the Group: Giordano Vini S.p.A., Provinco Italia S.p.A., Enoitalia S.p.A and Enovation Brands Inc.

The corporate organization chart of the Italian Wine Brands Group is provided below:



1.2.1 Consolidated situation

Below charts indicate a summary of the half-year consolidated economic and financial results realized by Italian Wine Brands Group in the period between 2020 and 2022 with data expressed in thousands of Euro. The economic results as at 30 June 2022 of Enovation Brands Inc. are consolidated from the moment of acquisition and therefore limited to the period 31 March 2022 - 30 June 2022. The pro-forma income statement, on the other hand, is intended to provide the economic representation of IWB Group including the results of Enovation Brands Inc. for the entire accounting period 01/01/2022 - 30/06/2022.

ITALIAN WINE BRANDS
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	30.06.2022 pro-forma[1]	30.06.2022	30.06.2021	30.06.2020
Revenue from sales	**179.619**	**177.266**	**99.501**	**92.158**
Change in inventories	7.716	7.707	8.219	4.255
Other income	3.072	3.115	1.147	490
Total revenues	**190.407**	**188.088**	**108.867**	**96.903**
Purchase costs	(128.944)	(128.824)	(65.202)	(56.571)
Costs for services	(35.262)	(33.835)	(27.196)	(25.338)
Personnel costs	(11.349)	(10.691)	(4.330)	(4.029)
Other operating costs	(566)	(524)	(314)	(297)
Total operating costs	**(176.121)**	**(173.874)**	**(97.042)**	**(86.235)**
Restated EBITDA[2]	**14.286**	**14.214**	**11.825**	**10.668**
EBITDA	13.921	13.849	11.640	10.151
Restated net profit/(loss)	**4.196**	**4.185**	**6.485**	**5.815**
Net profit/(loss)	**3.929**	**3.918**	**6.344**	**5.349**
Net financial debt	**156.396**	**156.396**	**13.819**	**20.169**
of which net financial debt - third-party lenders	*144.147*	*144.147*	*3.797*	*9.444*
of which net financial debt - right-of-use liabilities	*12.249*	*12.249*	*10.022*	*10.725*

[1] Pro-forma consolidated figures relating to all companies of the group perimeter for the period 1 January 2022 – 30 June 2022

[2] The restated accounting data at 30/0/202 (restated EBITDA and restated Profit/(Loss) for the Period) are shown gross of non-recurring cost, as detailed on page 11.

The reclassified consolidated statement of financial position and income statement are shown below:

Reclassified statement of financial position

€thousand	30.06.2022	31.12.2021	30.06.2021
Other intangible assets	37.453	35.983	34.954
Goodwill	198.146	181.085	68.309
Tangible assets	48.008	50.124	15.125
Right-of-use assets	12.868	14.042	9.644
Equity investments	3	3	2
Total Fixed Assets	**296.478**	**281.237**	**128.034**
Inventory	89.011	77.908	33.697
Net trade receivables	51.901	68.144	21.355
Trade Payables	(113.988)	(137.367)	(54.877)
Other assets (liabilities)	3.572	1.286	222
Net working capital	**30.496**	**9.971**	**397**
Payables for employee benefits	(1.101)	(1.212)	(605)
Net deferred and prepaid tax assets (liabiliies)	(8.544)	(8.451)	(8.129)
Other provisions	(227)	(334)	(240)
NET INVESTED CAPITAL	**317.099**	**281.208**	**119.456**
Shareholders' equity	**160.703**	**159.953**	**105.637**
Profit (loss) for the period	3.933	14.537	6.345
Share capital	1.046	1.046	880
Other reserves	155.895	144.371	98.413
Shareholders' equity of NCIs	(171)		
Net Financial position	**144.147**	**107.977**	**3.797**
Right of use liabilities	**12.249**	**13.278**	**10.022**
TOTAL SOURCES	**317.099**	**281.208**	**119.456**

ITALIAN WINE BRANDS
Creatori di Eccellenze

Reclassified Income statement

€thousand

	Restated 30.06.2022 pro-forma	Restated 30.06.2022	Restated 30.06.2021	Restated 30.06.2020
Revenue from sales	179.619	177.266	99.501	92.158
Change in inventories	7.716	7.707	8.219	4.255
Other income	3.072	3.115	1.147	490
Total revenues	**190.407**	**188.088**	**108.867**	**96.903**
Purchase costs	(128.944)	(128.824)	(65.202)	(56.571)
Costs for services	(35.262)	(33.835)	(27.196)	(25.338)
Personnel costs	(11.349)	(10.691)	(4.330)	(4.029)
Other operating costs	(566)	(524)	(314)	(297)
Total operating costs	**(176.121)**	**(173.874)**	**(97.042)**	**(86.235)**
EBITDA	**14.286**	**14.214**	**11.825**	**10.668**
Write-ups / (Write-downs)	(798)	(798)	(588)	(521)
Amortization and depretiation	(4.966)	(4.931)	(2.131)	(1.910)
Operating result from core business	**8.522**	**8.485**	**9.106**	**8.237**
Exceptional items	(365)	(365)	(185)	(517)
Net releases (accruals) for provision risks and charges	-	-	-	-
EBIT	**8.157**	**8.120**	**8.921**	**7.720**
Net Finance revenues (costs)	(2.548)	(2.521)	(1.269)	(619)
Exceptional Net Finance revenues (costs)	-	-	-	(13)
EBT	**5.610**	**5.599**	**7.652**	**7.089**
Taxes	(1.681)	(1.681)	(1.308)	(1.741)
Net Result	**3.929**	**3.918**	**6.344**	**5.348**
Tax effect of exceptional charges	98	98	44	64
Net profit before exceptional items and related tax effect	**4.196**	**4.185**	**6.485**	**5.814**

ITALIAN WINE BRANDS
Creatori di Eccellenze

Reclassified Income statement

€thousand	Reported 30.06.2022 pro-forma	Management (1)	adjustments (2)	Restated 30.06.2022 pro-forma
Revenue from sales	179.619			179.619
Change in inventories	7.716			7.716
Other income	3.072			3.072
Total revenues	**190.407**			**190.407**
Purchase costs	(128.944)			(128.944)
Costs for services	(35.536)	274		(35.262)
Personnel costs	(11.440)	92		(11.349)
Total operating costs	(566)			(566)
Total operating costs	**(176.486)**	**365**	-	**(176.121)**
EBITDA	**13.921**	**365**	-	**14.286**
Write-ups / (Write-downs)	(798)			(798)
Amortization and depretiation	(4.966)			(4.966)
Operating result from core business	**8.157**	**365**	-	**8.522**
Exceptional items	-	(365)	-	(365)
Net releases (accruals) for provision risks and charges	-			-
EBIT	**8.157**	-		**8.157**
Net Finance revenues (costs)	(2.548)			(2.548)
Exceptional Net Finance revenues (costs)	-			-
EBT	**5.610**	-		**5.610**
Taxes	(1.681)			(1.681)
Net Result	**3.929**	-		**3.929**
Tax effect of exceptional charges				98
Net profit before exceptional items and related tax effect				**4.196**

Management Adjustments

The restated accounting data at 30 June 2022 (with reference to the Restated EBITDA and Restated Net Profit) are reported gross of non recurring costs, amounting in total to € 365 thousand and related to: i) Eur 208 k for the acquisition of Enovation Brands Inc of which Eur 163 k for legal and notary consultancy and Eur 44 k for financial advisory and due diligences, ii) Eur 53 k for legal consultancy relating to personnel redundancy iii) Eur 12 k for commercial and other non recurring expenses and iv) Eur 92 for personnel costs regarding a redundancy transaction with a manager.

The interim profitability index called by the directors "Restated EBITDA," compared to the "Net Profit" shown in the consolidated comprehensive income statement, is made up as follows:

Net income less (i) "Taxes", (ii) "Net financial income and charges",(iii) "Write-ups/(Write-downs)" including the write-down of inventories and trade receivables, (iv) "Provisions for risks" and (v) "Amortisation and Depreciation," (vi) also after deducting non-recurring charges and income and costs related to the medium/long-term management incentive plan.

1.2.2 Financial and equity position of the Parent Company

The situation of IWB S.p.A. as at 30 June 2022 set out here in represents the separate financial statements of IWB S.p.A, and indicate:

• A Net Result for the period of € 10.8 million (€ 11.9 million at 30/06/2021);

• A Net financial debt of Euro 80.2 million (compared to a Net financial debt of Euro 72.6 million at 31/12/2021). The increase is explained by the acquisition of Enovation Brands Inc.

Below charts summarize parent company's statement of financial position and income statement.

Reclassified statement of financial position

€thousand

	30.06.2022	31.12.2021	30.06.2021
Other intangible assets	157	196	218
Right-of-use assets	112	179	133
Tangible assets	149	122	208
Investment in subsidiaries	221.653	205.481	54.256
Deferrred tax assets	85		85
Total Fixed Assets	**222.156**	**205.978**	**54.900**
		-	
Inventory			
Net trade receivables	1.659	2.282	1.063
Trade Payables	(218)	(211)	(575)
Other assets (liabilities)	5.900	4.821	4.906
Net working capital	**7.341**	**6.892**	**5.394**
Payables for employee benefits	(44)	(37)	(28)
Net deferred and prepaid tax assets (liabiliies)	-	-	-
Other provisions	-	-	-
Other provisions			
NET INVESTED CAPITAL	**229.454**	**212.833**	**60.266**
Shareholders' equity	**149.220**	**140.266**	**96.636**
Profit (loss) for the period	10.772	9.780	11.906
Share capital	1.046	1.046	880
Other reserves			
Other reserves	137.402	129.440	83.850
Net Financial position	**80.234**	**72.567**	**(36.370)**
TOTAL SOURCES	**229.454**	**212.833**	**60.266**

In relation to the aforementioned balance sheet, it should be noted that:

- the investments in subsidiaries consist of Giordano Vini S.p.A. for Euro 32,823 thousand; Provinco Italia S.p.A. for Euro 21,433 thousand; Enoitalia S.p.A. for Euro 151,225 thousand; Enovation Brands Inc. for Euro 16,172 (including acquisition costs).

- current and non-current financial assets are represented by receivables / loans from subsidiaries.

Reclassified Income statement

€thousand	30.06.2022	30.06.2021	30.06.2020
Revenue from sales	844	485	400
Other income	110	2	38
Total revenues	**954**	**487**	**438**
Purchase costs	-	(16)	(1)
Costs for services	(723)	(444)	(357)
Personnel costs	(354)	(352)	(378)
Other operating costs	(44)	(52)	(54)
Total operating costs	**(1.121)**	**(864)**	**(790)**
EBITDA	**(167)**	**(377)**	**(352)**
Write-ups / (Write-downs)	-	-	-
Amortization and depretiation	(85)	(87)	(75)
Operating result from core business	**(252)**	**(464)**	**(427)**
Exceptional items	(208)	-	-
Net releases (accruals) for provision risks and charges	-	-	-
EBIT	**(460)**	**(464)**	**(427)**
Net Finance revenues (costs)	(1.309)	(361)	87
Dividends	12.180	12.402	9.152
EBT	**10.411**	**11.577**	**8.812**
Taxes	361	330	246
Net Result	**10.772**	**11.907**	**9.058**
Tax effect of exceptional charges	58	-	-
Net profit before exceptional items and related tax effect	**10.922**	**11.907**	**9.058**

ITALIAN WINE BRANDS
Creatori di Eccellenze

Reclassified Income statement

€thousand

	Reported 30.06.2022	Management (1)	adjustments (2)	Restated 30.06.2022
Revenue from sales	844			844
Change in inventories	-			-
Other income	110			110
Total revenues	**954**			**954**
Purchase costs	-			-
Costs for services	(723)			(723)
Personnel costs	(562)	208		(354)
Other operating costs	(44)			(44)
Total operating costs	**(1.329)**	208	-	**(1.121)**
EBITDA	**(375)**	**208**	-	**(167)**
Write-ups / (Write-downs)	-			-
Amortization and depretiation	(85)			(85)
Operating result from core business	**(460)**	208	-	**(252)**
Exceptional items	-	**(208)**	-	(208)
Net releases (accruals) for provision risks and charges	-			-
EBIT	**(460)**	-		**(460)**
Net Finance revenues (costs)	(1.309)			(1.309)
Dividends	12.180			12.180
EBT	**10.411**	-		**10.411**
Taxes	361			361
Net Result	**10.772**	-		**10.772**
Tax effect of exceptional charges				58
Net profit before exceptional items and related tax effect				**10.922**

(1) Eur 208 k for the acquisition of Enovation Brands Inc of which Eur 163 k for legal and notary consultancy and Eur 44 k for financial advisory and due diligences

In relation to the above income statement, it should be noted that:

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

- financial income refers to interest income accrued on the loan granted to the subsidiaries Giordano Vini S.p.A. (equal to Euro 366 thousand) and Enoitalia Sp.A. (equal to Euro 55 thousand); financial charges are mainly represented by interest expense relating to the bond loan equal to Euro 1,721 thousand.

1.2.3 Consolidated net financial position

The details of the net financial debt as at 30 June 2022 as at 31 December 2021, at 30 June 2021 and as at 31 december 2020 are provided below, set out on the basis of the new scheme provided for by the ESMA guideline 32-382-1138 of 4 March 2021.

€thousand	30.06.2022	31.12.2021	30.06.2021	31.12.2020
A. Cash	653	438	48	340
B. Cash equivalents	48.977	58.666	134.657	33.062
C. Other current financial activities	450	1.113	2.013	57
D. Liquidity (A) + (B) + (C)	**50.080**	**60.217**	**136.718**	**33.459**
E. Current financial debt (included financial instruments but not included current part of non current financial debt)	33.137	31.963	6.000	4.565
F. Current part of non current financial debt	12.932	2.894	4.278	6.599
G. Current financial debt (E) + (F)	**46.069**	**34.857**	**10.278**	**11.164**
H. Net current financial debt (G) - (D)	**(4.011)**	**(25.360)**	**(126.440)**	**(22.295)**
I. Non current financial debt (excluded current part and financial instruments)	21.109	4.931	2.790	23.807
J. Financial instruments	129.266	130.795	128.590	-
K. Trade payables and other non current debts/right of use	10.032	10.891	8.880	8.821
L. Non current financial debt (I) + (J) + (K)	**160.407**	**146.617**	**140.260**	**32.628**
M. Net financial position (H) + (L)	**156.395**	**121.256**	**13.819**	**10.332**
of which				
Deferred price aquisition Raphael Dal Bo AG	-	-	-	1.861
Deferred price aquisition Enovation Brands Inc.	7.351	-		
Current payables for the acquisition of right of use	2.217	2.388	1.143	1.088
Non Current payables for the acquisition of right of use	10.032	10.891	8.880	8.821
Net financial position withot the effect of IFRS 16 IFRS 16 and deferred pri	**136.796**	**107.977**	**3.797**	**(1.437)**

1.3 Group Performance

Business volume - Revenues

Italian Wine Brands S.p.A. confirms itself as the first Italian non-cooperative private wine group in Italy consolidating, on a pro-forma half-yearly basis, Euro 179.6 million in turnover and thus recording an increase in turnover of 80.5% compared to the first half of 2021.

The main contribution to growth is linked to the acquisitions of Enoitalia S.p.A. (turnover of the first half 2022 equal to Euro 90.3 million net of intercompany items), finalized in July 2021 and of Enovation Brands Inc. (turnover of the first half 2022 equal to Euro 10.2 million) finalized on 8 April 2022.

The trend in revenues indicates a further strengthening of the Group on international markets, where it achieved sales of approximately Euro 145.5 million (+ 83.0% compared to the first half of 2021), and a more relevant presence on the domestic market, with sales of approximately Euro 32.7 million (+ 67.2% compared to the first half of 2021).

€thousand

	30.06.2022 pro-forma	30.06.2022	30.06.2021	30.06.2020	Δ % 21/22	Cagr 20/22
Revenues from sales - Italy	**32.691**	**32.691**	**19.555**	**19.341**	**67,17%**	**30,01%**
Revenues from sales - Foreign markets	**145.469**	**143.115**	**79.484**	**72.604**	**83,02%**	**41,55%**
UK	33.314	33.314	8.081	9.056	312,27%	91,79%
Germany	26.947	26.947	22.456	20.219	20,00%	15,45%
Switzerland	18.591	18.591	23.355	21.172	(20,40%)	(6,29%)
US	13.334	11.422	2.131	836	525,63%	299,45%
Belgium	13.187	13.187	3.501	1.594	276,63%	187,67%
France	7.226	7.226	3.160	2.864	128,63%	58,85%
Austria	7.023	7.023	8.484	8.473	(17,22%)	(8,96%)
Denmark	3.505	3.505	2.583	2.917	35,72%	9,62%
Poland	3.177	3.177	-	-	NA	NA
Canada	2.945	2.625	286	540	929,31%	133,61%
Ireland	2.377	2.377	-	-	NA	NA
Netherlands	2.297	2.297	618	912	271,59%	58,67%
Sweden	1.007	1.007	500	828	101,23%	10,28%
Hungary	898	898	-	-	NA	NA
China	612	612	542	306	13,04%	41,49%
Other countries	9.029	8.909	3.786	2.889	138,46%	76,78%
Other Revenues	**1.460**	**1.460**	**462**	**213**	**216,30%**	**161,80%**
Total Revenues from sales	**179.619**	**177.266**	**99.501**	**92.158**	**80,52%**	**39,61%**

The table above and the following ones show the consolidated data referring to all the companies currently belonging to the Group perimeter considered for the period January 1st 2022-June 30 nd 2022 (30.06.2022 pro-forma).

Revenues trend show how the acquisitions of Enoitalia and Enovation Brands Inc have ensured greater geographical diversification of revenues, contributing to the strengthening of the Group in key countries such as UK (+ 312.3% growth compared to the first half of the year previous year), the United States (+ 636.5% growth compared to the first half of the previous year) and Germany (+ 20.7%) that represent the first, fourth and second destination markets for Italian wine abroad respectively. In the United States in particular, the acquisition of Enovation Brands Inc. opens prospects for further development for all the Group's higher value-added products.

As required by ESMA (i) the possible consequences on the financial situation, performance and cash flows of the Group deriving from the ongoing conflict between Russia and Ukraine were analyzed. No significant consequences are recorded after verifying that the exposure prior to the conflict was very low. (ii-iii) The revenues made before the outbreak of the war in Ukraine had already been fully collected by IWB and there are no particular critical issues on the new revenues in terms of collection difficulties; consequently, the company is not subject to particular risks and uncertainties and there are no issues of impairment of non-financial assets. (iv) Sales made in the Russian Federation is very low, totaling approximately Euro 0.3 million in 2022 (Euro 2.0 million in 2021).

The breakdown of sales revenues by distribution channels shows a marked strengthening of the wholesale sector (sale to large-scale retail chains and state monopolies), a decrease in the distance selling channel (direct sales to individuals) and the entry of the Group into the Ho .re.ca. (hotel, restaurant and catering).

The breakdown of revenues by business area is shown below.

€thousand	30.06.2022 pro-forma	30.06.2022	30.06.2021	30.06.2020	Δ % 21/22	Cagr 20/22
Total revenues from sales	**179.619**	**177.266**	**99.501**	**92.158**	**80,52%**	**39,61%**
Revenues from *wholesale division*	127.198	125.794	56.508	50.582	125,10%	58,58%
Revenues from *distance selling division*	32.129	32.129	42.532	41.363	(24,46%)	(11,87%)
Revenues from *ho.re.ca*	18.832	17.882	-	-	NA	NA
Other revenues	1.460	1.460	462	213	216,30%	161,80%

Wholesale revenues recorded a very sustained development over the last 3 years, from Euro 50.6 million in the first half of 2020 to Euro 127.2 million in the first half of 2022. The growth is mainly attributable to acquisitions. In particular, during the first half of 2022 the acquisition of Enoitalia contributed to Wholesale revenues for Euro 76 million and Enovation brands Inc. for 5.5 million in addition to the growth achieved by Raphael Dal Bo AG which contributed for Euro 5,6 million. The wholesale distribution channel is by far the main contributor to the Group's revenues, accounting for 71% of total sales revenues in the first half of 2022 (56.8% in the first half of 2021, 54.9% in the first half of 2020) .

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

€thousand

	30.06.2022 pro-forma	30.06.2022	30.06.2021	30.06.2020	Δ % 21/22	Cagr 20/22
Revenues wholesale division - Italy	**19.495**	**19.495**	**3.176**	**2.569**	**513,89%**	**175,47%**
Revenues from wholesale division - Foreign markets	**107.703**	**106.299**	**53.332**	**48.013**	**101,95%**	**49,77%**
UK	18.759	18.759	4.141	4.661	352,97%	100,61%
Switzerland	17.262	17.262	21.414	19.228	(19,39%)	(5,25%)
Germany	14.656	14.656	7.339	6.799	99,70%	46,82%
Belgium	12.936	12.936	3.148	1.259	310,90%	220,54%
US	9.799	8.668	2.131	836	359,74%	242,42%
Austria	5.941	5.941	7.030	7.151	(15,48%)	(8,85%)
France	5.170	5.170	135	103	3727,84%	608,59%
Denmark	3.499	3.499	2.583	2.917	35,49%	9,53%
Poland	3.036	3.036	-	-	NA	NA
Ireland	2.248	2.248	-	-	NA	NA
Netherlands	2.014	2.014	327	589	516,31%	84,91%
Canada	1.943	1.736	286	540	579,29%	89,78%
Sweden	984	984	500	828	96,67%	9,02%
Hungary	894	894	-	-	NA	NA
China	531	531	542	306	(1,92%)	31,80%
Other countries	8.030	7.965	3.757	2.797	113,77%	69,46%
Total Revenues from sales - wholesale division	**127.198**	**125.794**	**56.508**	**50.582**	**125,10%**	**58,58%**

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

- a renewal, expansion, extension and enrichment of the range of its own brand product portfolio, which make the IWB Group's commercial offer attractive, recognized on the market and synonymous with quality;

- the increase in the market share of sales on existing accounts thanks to the excellent rotation parameters of the shelf of its customers;

- the acquisition of new accounts, carried out substantially in every single country in which the Group operates.

The distance selling division, after the very strong growth recorded in 2020 and 2021, also due to the limitations on consumption opportunities caused by the pandemic, has repositioned itself on the sales levels of 2019.

Compared to the situation in 2019, however, there is a different mix of sales, significantly shifting to digital channels which partially offset the physiological decrease of the more traditional channels, in particular teleselling. The turnover of the first half of 2022 is also affected by the inflationary macroeconomic dynamics which reduced the purchasing power of households and reoriented consumption on basic necessities. The sales revenues of the distance selling division are shown below, broken down by country:

€thousand

	30.06.2022	30.06.2021	30.06.2020	30.06.2019	Δ % 21/22	Cagr 20/22
Revenues from distan selling division - Italy	**12.991**	**16.379**	**16.772**	**13.916**	**(20,69%)**	**(11,99%)**
Revenues from distance selling div - Foreign markets	**19.138**	**26.152**	**24.592**	**18.565**	**(26,82%)**	**(11,78%)**
Germany	11.714	15.117	13.420	11.289	(22,51%)	(6,57%)
UK	2.565	3.939	4.395	1.816	(34,88%)	(23,60%)
France	2.031	3.025	2.761	2.372	(32,86%)	(14,22%)
Switzerland	1.303	1.941	1.944	1.622	(32,90%)	(18,15%)
Austria	1.078	1.454	1.321	1.086	(25,86%)	(9,67%)
Belgium	222	353	335	165	(37,23%)	(18,59%)
Netherllands	209	291	323	215	(28,12%)	(19,51%)
Other countries	16	30	93	-	(47,54%)	(58,82%)
Total Revenues from sales - distance selling division	**32.129**	**42.532**	**41.363**	**32.481**	**(24,46%)**	**(11,87%)**

In more specific terms, during the first half of 2022 distance selling saw a decrease in sales on the Italian market compared to 2019, and a growth of 3.1% on foreign markets achieved in particular thanks to i) the development of the UK market despite the difficulties linked to Brexit and ii) consolidation on the German market.

It should be noted the contribution of sales achieved through digital platforms, which came to represent 27.6% of the division's overall sales compared to 17.1% in 2019.

These positive results were obtained through 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. This strategy was implemented through different joint actions listed below:

i) substantial investments in technological infrastructure;

ii) development of digital communication;

iii) focus and improvement on the quality of the wine product;

iv) optimization of integrated logistics processes;

v) acquisition of multi-brand platforms (www.svinando.com).

vi) international development.

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

€thousand

	30.06.2022	30.06.2021	30.06.2020	30.06.2019	Δ % 21/22	Cagr 20/22
Revenues from distan selling division - Italy	**12.991**	**16.379**	**16.772**	**13.916**	**(20,69%)**	**(11,99%)**
Direct Mailing	5.822	7.569	7.572	6.536	(23,08%)	(12,31%)
Teleselling	4.106	5.283	4.894	5.602	(22,26%)	(8,40%)
Digital / WEB	3.062	3.528	4.306	1.778	(13,19%)	(15,67%)
% Direct Mailing on total Italy	*44,82%*	*46,21%*	*45,15%*	*46,97%*		
% Teleselling on total Italy	*31,61%*	*32,25%*	*29,18%*	*40,26%*		
% Digital / WEB on total Italy	*23,57%*	*21,54%*	*25,67%*	*12,78%*		
Revenues from distance selling div - Foreign markets	**19.138**	**26.152**	**24.592**	**18.565**	**(26,82%)**	**(11,78%)**
Direct Mailing	10.440	14.908	13.288	11.187	(29,97%)	(11,36%)
Teleselling	2.897	3.640	3.728	3.594	(20,41%)	(11,84%)
Digital / WEB	5.801	7.604	7.576	3.784	(23,71%)	(12,50%)
% Direct Mailing on total International revenues	*54,55%*	*57,00%*	*54,03%*	*60,26%*		
% Teleselling on total International revenues	*15,14%*	*13,92%*	*15,16%*	*19,36%*		
% Digital / WEB on total International revenues	*30,31%*	*29,08%*	*30,81%*	*20,38%*		
Revenues from distance selling division	**32.129**	**42.532**	**41.363**	**32.481**	**(24,46%)**	**(11,87%)**

Thanks to a targeted M&A activity, IWB group has also entered the Ho.re.ca channel to a significant extent. also obtaining a significant improvement in the supervision of the customer base in the different consumption occasions. Revenues 2022 indicate the first signs of recovery in conjunction with the overcoming of the period of the Covid-19 pandemic.

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

€thousand

	30.06.2022	30.06.2021	30.06.2020	30.06.2019	Δ % 21/22	Cagr 20/22
Revenues ho.re.ca division - Italy	**204**	-	-	-	**NA**	**NA**
Revenues from ho.re.ca division - Foreign markets	**17.678**	-	-	-	**NA**	**NA**
UK	11.990	-	-	-	NA	NA
US	2.754	-	-	-	NA	NA
Canada	889	-	-	-	NA	NA
Germany	577	-	-	-	NA	NA
Poland	141	-	-	-	NA	NA
Ireland	129	-	-	-	NA	NA
China	81	-	-	-	NA	NA
Netherlands	74	-	-	-	NA	NA
Belgium	30	-	-	-	NA	NA
Switzerland	26	-	-	-	NA	NA
France	24	-	-	-	NA	NA
Sweden	23	-	-	-	NA	NA
Denmark	6	-	-	-	NA	NA
Austria	4	-	-	-	NA	NA
Hungary	3	-	-	-	NA	NA
Other countries	928	-	-	-	NA	NA
Total Revenues from sales - ho.re.ca division	**17.882**	-	-	-	**NA**	**NA**

UK is confirmed as the first on-trade market for IWB. In this country the group operates with a wide range of wines brands focused in particular on prosecco and sparkling wines. The nation is in fact the second largest importer of wine in the world in terms of volumes and the first in sparkling wines. Over the years, on-trade in the UK has reached over 40% of total wine sales, managing to achieve a dominant position in the Italian market share by collaborating with the most important national groups. The recovery in consumption away from home, associated with the growing interest in Italian sparkling (in particular Prosecco DOC) and a young consumer target interested in discovering new tastes and Italian style have supported the recovery of the Group's sales in the first half year.

As far as the USA is concerned, the on-trade channel plays a double strategic role for the Group: Revenues and market visibility for the historic brands (such as Voga Italia, Ca Montini) which are also marketed in the wholesales channel. The recovery of the market was gradual in accordance with the reopening of the individual states.

As for the smaller countries, there is an evident interest in the main European markets and in particular in Germany and Poland where the share of Italian wine sold in the on-trade channel has increased over the years.

The exposure of the group to sales made in the Russian Federation is very limited, and amounted in 2022 to a total of approximately Euro 0.3 million.

Analysis of operating margins

Below the cost which, deducted from Total Revenues, contributed to the Pro-forma Restated Gross Operating Margin of Italian Wine Brands Group.

Restated €thousand

	30.06.2022 pro-forma[1]	30.06.2022	30.06.2021	30.06.2020	Δ % 21/22	Cagr 20/22
Revenues from sales and other revenues	**182.691**	**180.381**	**100.648**	**92.648**	**81,51%**	**40,42%**
Raw materials consumed	(121.228)	(121.117)	(56.983)	(52.316)	112,74%	52,22%
% of total revenues	*(66,36%)*	*(67,15%)*	*(56,62%)*	*(56,47%)*		
Costs for services	(35.262)	(33.835)	(27.196)	(25.338)	29,66%	17,97%
% of total revenues	*(19,30%)*	*(18,76%)*	*(27,02%)*	*(27,35%)*		
Personnel	(11.349)	(10.691)	(4.330)	(4.029)	162,11%	67,83%
% of total revenues	*(6,21%)*	*(5,93%)*	*(4,30%)*	*(4,35%)*		
Other operating costs	(566)	(524)	(314)	(297)		
% of total revenues	*(0,31%)*	*(0,29%)*	*(0,31%)*	*(0,32%)*	(0,69%)	(1,69%)
Restated EBITDA (*)	**14.286**	**14.214**	**11.825**	**10.668**	**20,81%**	**15,72%**
% of total revenues	*7,82%*	*7,88%*	*11,75%*	*11,51%*		

During the first half of 2022, the incidence of raw material consumption on turnover increased from 56.6% to 66.4% due to the different mix of sales increasingly shifted to the wholesale channel, structurally characterized by a greater incidence on sales of the raw material compared to the distance selling channel ones

Costs for Services, equal to Euro 35.3 million in the half year, increased to absolute values of Euro 8.0 million compared to 2021, but at the same time reduced their incidence on sales revenues (from 27.4% in 2020, to 27.0% in 2021 up to 19.3% in 2022).

With regard to the consumption of raw materials, it should also be noted that starting from the last two months of 2021 there were significant increases in prices, both in the "wine" component (in particular Prosecco) and in the "dry materials" component. These increases continued until April of the current year with incidence on the profit margin.

In addition to this, it should be noted that the lack of supplies of special glass by some glass factories has determined the compression of the sales volume (approximately Euro 5.0 million) of bottles with a high contribution margin.

The details of the costs for services incurred by the Group during the first half of 2022 are provided below, compared with the same items in the first half of 2021 and 2020.

Restated €thousand

	30.06.2022 pro-forma[1]	30.06.2022	30.06.2021	30.06.2020
Services from third parties	6.238	6.177	5.783	5.187
Transport	9.039	8.682	7.604	7.093
Postage expenses	1.914	1.914	2.082	2.076
Fees and rents	601	579	342	294
Consulting	1.140	1.071	457	615
Advertising costs	337	337	2	3
Utilities	2.617	2.614	388	410
Remuneration of Directors, Statutory Auditors and Supervisory Bod	753	753	456	437
Maintenance	1.012	1.012	300	149
Costs for outsourcing	3.671	3.671	3.584	3.619
Duties and excise duties	3.578	3.579	4.319	3.877
Commissions	876	784	82	71
Other costs for services	3.759	2.934	1.797	1.564
Non-recurring expenses	(274)	(274)		(57)
Total	**35.262**	**33.835**	**27.196**	**25.338**

The increase in costs for value-added services in 2022 compared to 2021 is due to the different scope of consolidation. The further reduction in the incidence of costs for services on sales revenues is linked i) to the "mix" of sales, increasingly shifted towards the wholesale distribution channel, structurally characterized by a significantly lower incidence of costs for services on revenues compared to sales made on the distance selling channel.

Personnel costs in the half year recorded an increase in absolute values from Euro 4.3 million in the first half of 2021 to Euro 11.3 million in the first half of 2022 linked almost exclusively to acquisitions. The increase in the absolute value of personnel costs is also accompanied by an increase in the incidence on sales revenues (from 4.3% in 2020, to 4.3% in 2021 up to 6.2% in 2022) related to the higher percentage of wine production and bottling carried out internally and the decrease in the turnover of the individual companies compared to previous years.

The dynamics of revenues and costs described above made it possible to obtain a pro-forma restated Gross Operating Margin of Euro 14.3 million in the first half of 2022 (7.8% of sales revenues).

Below is a breakdown of the cost items that from the Gross Operating Margin lead to the formation of the Net Income of the Italian Wine Brands Group.

Restated €thousand

	30.06.2022 pro-forma[1]	30.06.2022	30.06.2021	30.06.2020	Δ % 21/22	Cagr 20/22
Ebitda adjusted	**14.286**	**14.214**	**11.825**	**10.668**	**20,81%**	**15,72%**
Write downs	(798)	(798)	(588)	(521)	35,71%	23,76%
% of total revenues	*(0,44%)*	*(0,44%)*	*(0,58%)*	*(0,56%)*		
Depreciation and amotization	(4.966)	(4.931)	(2.131)	(1.910)	133,04%	61,25%
% of total revenues	*(2,72%)*	*(2,73%)*	*(2,12%)*	*(2,06%)*		
Exceptional items	(365)	(365)	(185)	(517)	96,94%	(15,97%)
% of total revenues	*(0,20%)*	*(0,20%)*	*(0,18%)*	*(0,56%)*		
Release (provision) for risks and charges	-	-	-	-		
% of total revenues	-	-	-	-		
Operating profit (loss)	**8.157**	**8.120**	**8.921**	**7.720**	**(8,56%)**	**2,79%**
% of total revenues	*4,46%*	*4,50%*	*8,86%*	*8,33%*		
Financial income (expences)	(2.548)	(2.521)	(1.269)	(632)	100,79%	100,79%
% of total revenues	*(1,39%)*	*(1,40%)*	*(1,26%)*	*(0,68%)*		
Taxes	(1.681)	(1.681)	(1.308)	(1.741)	28,52%	(1,74%)
% of total revenues	*(0,92%)*	*(0,93%)*	*(1,30%)*	*(1,88%)*		
Net Result	**3.928**	**3.918**	**6.344**	**5.347**	**(38,08%)**	**(14,29%)**
% of total revenues	*2,15%*	*2,17%*	*6,30%*	*5,77%*		

From the table above, it emerges that the income statement of the Italian Wine Brands Group was characterized in 2022 by an incidence of non-monetary items (write-downs, depreciation, provisions), stable compared to previous years and for an overall incidence on turnover equal to about 3.2%.

Non-recurring charges, equal to Euro 0.4 million (Euro 0.2 million in 2021), are attributable to:

- Costs for services equal to Euro 274 thousand and relating to: i) Euro 208 thousand for the acquisition of 100% of the share capital of Enovation Brands Inc. of which Euro 163 thousand for legal and notary consultancy, Euro 44 thousand for financial advisory and due diligence, ii) Euro 53 thousand for legal advice relating to settlements with former employees, other non-recurring disputes iii) Euro 12 thousand for non-recurring commercial expenses and expenses relating to staff turnover

- Personnel costs of Euro 92 thousand relating to settlements with a former executive

Financial expenses recorded a significant increase linked to the issue of the Bond Loan which impacted for a total of Euro 1.7 million as well as negative exchange differences of Euro 0.3 million. Net of these effects, the financial charges relating to average bank debt fell by approximately Euro 0.3 million.

Taxes show an increase compared to that recorded in the first half of 2021 due to (i) the dynamics of tax recoveries and the lower use of tax assets in particular for the company Giordano S.p.A. which in the first half of 2021 had benefited the impact of the ROL (ii) the higher tax rate equal to about 8 percentage points attributable to the acquired companies that boast a lower tax assets than those of the other companies in the IWB group and therefore they are subject to an effective tax rate similar to the theoretical tax rate.

Investments in Capital Assets, Net Working Capital and Financial Position.

During the half year under review there were investments in Fixed Capital equal to a total of Euro 2.4 million divided between tangible fixed assets (Euro 0.4 million, mainly investments for the automation of production and sparkling wine production lines and for laboratory equipment) and intangible fixed assets (Euro 2.0 million, mainly acquisitions of addresses and customers for Euro 1.2 million, software developments for Euro 0.7 million, WEB developments and improvements on third party assets for Euro 0.1 million).

The building located in Diano d'Alba and the 4 wineries located in Diano d'Alba, Torricella, Calmasino and Montebello as well as the bottling lines of Diano d'Alba, Calmasino and Montebello represent a flagship of the industry Italian winemaking and are able to support, with adequate maintenance investments, the production levels planned for the near future.

Net Working Capital at 30 June 2022 increased compared to 31 December 2021 substantially due to the acquisition of Enovation Brands Inc. and the dynamics of the business in the global macroeconomic context which resulted in:

1) for the trade payables component, a decrease due to the legislation on the terms of payment of agricultural products and the best conditions offered to strategic suppliers;

2) as regards the warehouse, the need to support the development of the business with the advance purchase of materials to deal with the criticalities encountered on the procurement market.

Trade receivables drop due to seasonality which reaches its maximum in the Christmas campaigns.

The aforementioned dynamics of i) limited volumes of investments in fixed capital, ii) increase in net working capital iii) the acquisition of new lines allowed a good holding of the consolidated active cash position despite the investment for the acquisition of Enovation Brands Inc. S.p.A, the distribution of the dividend and the purchase of treasury shares. In particular, the consolidated cash position decreased from Euro 59.1 million at 31 December 2021 to Euro 49.6 million at 30 June 2022.

2. Significant events

2.1 First half 2021 significant events after the end of the period

2.1.1 Acquisizione dell'85% del capitale sociale di Enovation Brands Inc.

On 8 April 2022 Italian Wine Brands S.p.A. announced the signing of agreements for the acquisition of 85% of the share capital of Enovation Brands Inc.

Enovation, based in Miami, is a long-standing importer of Italian wines into North America. It is the owner of proprietary brands that are highly recognised in the US market (Voga®, among the main ones) and it relies on a widespread distribution throughout the North American, both in the supermarkets and ho.re.ca. channels.

From June 2020 to June 2021, Enovation achieved sales revenue of USD 32.2 million (with 82% of sales revenue generated in the US and 18% in Canada). In the same period, Enovation achieved adjusted buyside Ebitda of USD 3.2 million, net accounting profit of USD 3.4 million. The net financial position at 30 June 2021 was USD 0.1 million.

The brothers Giovanni and Alberto Pecora, co-founders and operating managers of the company, hold 45% of Enovation share capital and Norina S.r.l., a financial company that is owned by the four branches of the Pizzolo family ("**Norina**") holds 55% of Enovation share capital. More specifically, today, IWB signed two sale and purchase agreements with deferred and conditional execution, which provide for IWB to acquire, directly or through a company controlled by it, respectively

(i) Norina's entire 55% interest in the share capital of Enovation (the "**Norina Shareholding**"); and

(ii) a shareholding in the share capital of Enovation, equal in total to 30% of the same, owned by the Pecora brothers (the "**Pecora Shareholding**").

Following the completion of the transaction, the share capital of Enovation will therefore be held as follows: ***(a)*** IWB will hold, directly or indirectly, an interest of 85% of the relevant share capital; ***(b)*** Giovanni Pecora will hold an interest of 10% of the relevant share capital; and ***(c)*** Alberto Pecora will hold an interest of 5% of the relevant share capital.

The equity value agreed between IWB and the sellers for the purchase of 85% of Enovation's share capital is USD 22 million, which corresponds to an equity value for 100% of the company of USD 25.9 million. The enterprise value of USD 26.0 million corresponds to an EV/Ebitda adjusted buyside valuation multiple of 8.1x.

The agreements between IWB and the sellers also state that the payment of a portion equal to 20% of the price, i.e. USD 4.4 million (i.e. 20% of USD 22 million), and not yet accounted is subject to the condition precedent of the achievement of accretive EBITDA results in 2022 and 2023. The agreements between the parties also provide for earn-out mechanisms in favour of the brothers Alberto and Giovanni Pecora in the event of strongly positive results of the company to be achieved by 31 December 2024. IWB will use its own cash on hands in order to finance this acquisition with no recourse to new dedicated bank debt.

The execution of the agreements is subject to the fulfilment, by 30 April 2022, of certain conditions precedent, including the positive outcome of the due diligence activities to be carried out by IWB with specific regard to the authorisations and licences owned by Enovation and the obtaining of the consents of the competent US authorities for the change in the shareholding structure.
The agreements provide for the release by the respective sellers of a set of representations and warranties (and related indemnification obligations subject to time limits, materiality thresholds and caps in line with practice for similar transactions), as well as non-competition undertakings by the sellers, undertaken with respect to both IWB and Enovation, and non-solicitation and non-reversal employee undertakings.

Through the integration of Enovation, IWB will have direct access to the American market, which is the main market for Italian wines abroad (EUR 1.8 billion in estimated value in 2021). Among the immediate revenue synergies generated by the transaction, Enovation will certainly benefit from the distribution to its customers of new red wine references, produced in particular in Puglia and Piemonte, where IWB has its own production cellars, while IWB will be able to offer Enovation-branded products on the international markets served through its own commercial network. With regard to cost synergies, possibilities to reduce the purchase price of raw materials will be explored, linked to the higher purchase volumes achieved at group level. The transaction also confirms IWB's propensity to grow both organically and through acquisitions, this being the fourth transaction completed in less than four years after Svinando.com, Raphael Dal Bo Ag and Enoitalia S.p.A..

The signing of the agreements for the acquisition of the majority shareholding in Enovation was positively evaluated by the Board of Directors of IWB as a transaction with a strong strategic value and with contents and potential to increase the value of the Company's shares. For the purposes of the Board's evaluations, the independent expert EY Advisory S.p.A. was specifically engaged to provide benchmark support for the analysis of the estimated value, as of June 30, 2021, for the valuation, from a financial point of view, of the consideration agreed with the shareholders of Enovation in the context of the transaction.

The Company's Board of Directors also approved the transaction subject to the favourable opinion issued by the Company's Independent Director, Antonella Lillo, regarding the signing of the sale and purchase agreement with Norina, as well as on the appropriateness and fairness of the related conditions. This opinion was issued because Norina is a "related party" of the Company as it belongs to the four family branches of the Pizzolo family, including the Vice Chairman of IWB, Giorgio Pizzolo, and the director of IWB, Marta Pizzolo. It should be noted that the sale and purchase of the Norina Shareholding qualifies as a related-party transaction of "less importance" pursuant to the "Procedure for transaction with related party" adopted by the Company and the Regulation approved by Consob with resolution No. 17221/2010.

2.1.4 Asset management

From the point of view of asset management, it should be noted that in the first half of 2022 dividends were distributed for a total of Euro 879 thousand, n. 36,192 Italian Wine Brands treasury shares for a total of Euro 1,430 thousand at an average price of Euro 39.5 per share.

With reference to the effects on the business of the group companies deriving from Covid-19 (SARS-CoV-2), it should be noted that during the first half of 2022 the necessary measures were maintained to ensure the continuation of company activities (i.e. organization of companies to ensure the necessary distancing between people, incentives for remote work with reference to office activities, creation of separate teams for production and transport activities).

2.2 Significant events after the end of the six-month period

No significant events occurred after the end of the half year.

3. Business Outlook

Starting from September 2021 and following throughout the first half of 2022, inflationary tensions have led to a consistent increase in the cost of production factors with an overall average incidence of about 15 cents per bottle.

The management therefore took actions to put in place price repositioning, in particular with regard to large retail chains. During the half-year these actions allowed for a reversal of approximately 50% of the cost increases described above.

Starting from July 2022, new negotiation were also put in place with respect to the retail chains aimed at further recovering the inflationary pressures on dry materials, in particular glass and packaging. At the same time, the first indications on the results of the harvest are substantially positive both in terms of quantities produced and of quality, both in Italy and in Europe and therefore suggest a generalized relaxation on supplies. It is conceivable that these dynamics may have a positive effect on company margins during the last quarter of the year and during 2023.

With regard to sales volumes, starting from June 2022 the IWB group recorded a significant increase in orders compared to the same period of 2021, with sales revenues in the same period of approximately 5% higher than the previous year. These results were obtained despite the unavailability of some special glasses which resulted in non-deliveries for the two-month period July / August equal to approximately Euro 2.0 million

4. Code of Ethics and Organizational Model

On 27 July 2021, the parent company IWB Spa approved the adoption of the Organization, Management and Control Model (the "231 Model") as required by Legislative Decree 231 of 8 June 2001, consistent with company processes and procedures and with the Group's integration plan.

The model consists of a General Part, a Special Part and the Code of Ethics which, in line with that adopted by Giordano Vini, constitutes an ideal alliance that the Group clearly establishes with its Human Resources and with the main external interlocutors.

The entrepreneurial goals of the IWB. they are pursued without ever losing sight of respect, responsibility, transparency, sobriety and continuous innovation, points of reference that have always made it possible to guarantee the centrality of the "Customer" to whom to always offer maximum satisfaction.

The drafting of the Model was carried out through (i) the gap analysis and identification of sensitive processes in view of the most recent predicate offenses referred to in Legislative Decree 231/2001; (ii) verification of the existence of a system of proxies and powers of attorney connected with the organizational responsibilities assigned; (iii) the revision of the prevention and control protocols based on the principle of segregation of duties.

At the same time, the Board of IWB S.p.A. proceeded with the appointment of the Supervisory Body

5. Transactions with related parties

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

(i) a commercial lease agreement entered into on 1 February 2012 between Provinco Italia S.p.A. and Provinco S.r.l. pursuant to which Provinco S.r.l. leased the property located in Rovereto (TN) - Via per Marco, 12/b to Provinco Italia S.p.A.; the lease is valid for six years (until 31 January 2018) with tacit renewal for the same period unless notice of termination is given 12 months before expiry; the agreed rent is equal to €60 thousand per year plus VAT.

(ii) (ii) service contracts with Electa SpA concerning respectively (a) support for the preliminary analyzes and the executive definition of M&A projects for an amount equal to Euro 80 thousand (b) services to support the analysis of possible financing alternatives, the definition of the terms and conditions of the loans, the review of the documentation and the fulfillment of the related corporate obligations for an amount equal to € 100 thousand (c) support for investor relations activities for an amount equal to € 40 thousand

It should also be noted that, as detailed in the paragraph Significant events of the year for the acquisition of 55% of Enovation Inc the Company's Board of Directors approved the transaction subject to the favourable opinion issued by the Company's Independent Director, Antonella Lillo, regarding the signing of the sale and purchase agreement with Norina, as well as on the appropriateness and fairness of the related conditions. This opinion was issued because Norina is a "related party" of the Company as it belongs to the four family branches of the Pizzolo family, including the Vice Chairman of IWB, Giorgio Pizzolo, and the director of IWB, Marta Pizzolo. It should be noted that the sale and purchase of the Norina Shareholding qualifies as a related-party transaction of "less importance" pursuant to the "Procedure for transaction with related party" adopted by the Company and the Regulation approved by Consob with resolution No. 17221/2010.

It should be noted that the Parent IWB has adopted and follows the related Related Party Procedure in compliance with the general provisions of the Euronext Growth Milan Issuer Regulations.

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

In summary, it should be noted:

(i) a commercial lease contract stipulated on February 1, 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 January 31, 2018) with tacit renewal for the same period unless notice of termination is sent 12 months before the expiry date; the agreed rent is equal to Euro 60 thousand per year plus VAT.

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

The relations described above are regulated at conditions in line with those of the market.

It should also be noted that, as detailed in the paragraph Significant events during the year for the acquisition of 55% of Enovation Brands Inc. The Board of Directors of the Company approved the transaction subject to the favorable opinion issued by the Independent Director of the Company, . Antonella Lillo, (regarding the signing of the sales contract with Norina, as well as the convenience and substantial correctness of the related conditions). as Norina is a "related party" of the Company being attributable to the four family branches of the Pizzolo family, including the Vice President of IWB, dr. Giorgio Pizzolo, and the director of IWB, Dr. Marta Pizzolo. It should be noted that the purchase and sale of the Norina shareholding qualifies as a transaction with a related party "of minor significance" pursuant to and for the purposes of the "Procedure for transactions with related parties" adopted by the Company and the Regulation approved with Consob resolution no. . 17221/2010

It should be noted that the Parent Company IWB has adopted and follows the related Related Party Procedure in compliance with the general provisions of the Euronext Growth Milan Issuers Regulation.

6. Information relating to the environment, safety and personnel

HEALTH AND SAFETY

The Group - which owns industrial buildings intended for production purposes - has implemented the Risk Assessment Document required by law on safety in the workplace.

The aforementioned document first of all provides for an analysis of the risks present in the company both for the work activity and for the settlement procedures; the measures taken to minimize the risks, those still to be taken and those to maintain an adequate level of safety are then identified. Finally, the timescales necessary for the implementation of the residual measures are identified.

The way in which the work is carried out was considered in the risk analysis without any specific risk situations being identified. The issue is always under control in the periodic updates of the aforementioned documents.

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

During 2022, constant health surveillance was carried out as required by current legislation.

Awareness raising activities on environmental and safety issues continued during the year with ad hoc training interventions, as well as on the accident prevention measures to be adopted and on first aid, providing specific training for fire prevention and first aid, in full compliance with the reference regulatory framework.

UNI ISO 45001:2018 CERTIFICATION

(Occupational Health and Safety Assessment Series)

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

The human capital of the organizations of the IWB group is the main resource, therefore the health and well-being of the employees are some of the main keys for the success of the companies of the Group.

The organization is committed to providing its employees with a safe and healthy work environment, proactively anticipating the possible improvement of procedures and work environments.

ISO 45001 in IWB aims to create a Management System in the field of Safety and Health at work, based on the minimization of occupational risks and on the improvement of safety and working conditions at a global level, capable of identifying, analyzing and assess the risks affecting personnel, in order to take appropriate measures that improve the working environment where necessary.

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

- reduce accidents, health problems due to work practices;
- support adequate development and dissemination of the workplace health and safety policy, with clear and evident leadership on the part of management and a commitment to comply with current legislation;
- improve and protect the organization's reputation;
- define realistic goals for safety and health at work;
- promote employee motivation and involvement by strengthening collaboration and participation;
- ensure clear and evident leadership from management and commitment to the management system and its compliance;
- improve the control of risks and performances and results in matters of safety and health in the workplace.

As part of the management system adopted, the risk assessment documents were created with a view to establishing operational tools aimed at minimizing and controlling risks as well as defining continuous improvement measures.

The analysis of the work activities did not reveal any risk situations that were out of control and not acceptable.

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

As part of its management system, the Group has sanctioned its commitment through the "Quality and Safety Policy" as a tool with which the entire Company has the mission of offering an increasing number of Customers in the world food and wine products of the best Italian tradition, in the comfort of the Group's exclusive service, considering the protection of the health and safety of workers as an integral part of its business.

Certifications GFSI (food safety)

The group's operating sites (Giordano wines and Enoitalia) operate and are certified according to the Global food safety initiative (GFSI) in a manner aligned with the requirements defined by the standards for food safety

- BRCGS food
- IFS food (International Featured Standard)

Companies adhere to it for each site in the unannounced manner, confident of the commitment of the entire organization to compliance with the defined rules.

The systems adopted guarantee independent audits on food safety systems to adopt the highest standards of food safety also with the involvement of the supply chain and to meet customer requirements. Furthermore, these certifications facilitate access to the global market in line with the Group's mission.

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

This approach allows you to reduce the overall costs of supply chain management and at the same time increase the level of security for customers, suppliers and consumers.

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

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

The certification includes the evaluation of the premises, operating systems and procedures of companies.

This standard offers companies the opportunity to:

- communicate its commitment to safety and, in the event of an accident, limit the possible legal consequences, demonstrating that all reasonable measures have been taken to avoid it;
- build and make operational a management system to check that the quality, safety and legal compliance constraints that regulate the food sector are respected, with specific reference to the laws in force in the countries of destination of the finished products;
- have a tool to improve the management of food safety, through the control and monitoring of critical factors;
- reduce the incidence of waste, rework and product recalls.

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

Furthermore, the Provinco Italia company is IFS Broker certified

The IFS Broker was created to ensure product safety and quality, bridging the gap between production and distribution. The standard promotes proper communication between customers and suppliers with the aim that product requirements and specifications are understood and developed.

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

ISO 9001

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

OTHER CERTIFICATIONS

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

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

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

ISO 14001

Adherence to the environmental management standard constitutes historical baggage for Enoitalia. The company has been certified for more than 20 years, demonstrating its commitment to keep the environmental impacts of its activities under control, and to systematically seek improvement in a consistent and effective way.

Long live sustainability in viticulture

Enoitalia is on the second renewal (two-year validity) of the VIVA sustainability certification to which it adheres as an Organization, which aims to improve and communicate sustainability performance to stakeholders through the analysis of 3 indicators (Air, Water, Territory)

Sedex - SMETA (ETHICAL)

Within the group, Enoitalia spa is subjected every two years to ethical audits according to the Sedex Smeta 2 pillar scheme and to audits in order to ascertain supply chain security.

Product certifications are also active according to organic schemes and vegan regulations.

GROUP WORKFORCE

The precise and average headcount by category at 30 June 2022, at 30 June 2021 and at 30 June 2020 is shown below for the Group companies

	At 30.06.2022	Average no 30.06.2022	At 30.06.2021	Average no 30.06.2021	At 30.06.2020	Average no 30.06.2020
Executives	8	8	7	6	6	7
Middle managers	22	23	13	13	13	13
Employee	192	193	118	120	123	122
Workers	134	129	21	23	16	18
Total	**356**	**352**	**159**	**162**	**158**	**159**

7. Treasury shares

As of 30/06/2022 the Parent Company holds no. 9.922 ordinary shares, representing 0.11% of the ordinary share capital. As part of the purchase authorization approved by the Shareholders' Meeting on 7 February 2020, as of 30 June 2022, an additional 36.192 treasury shares were purchased and 32.362 ordinary shares and 32.363 phantom shares were assigned in relation to the Italian Wine Brands SpA and following the accrual of a total of no. 64.725 rights relating to the first tranche included in the performance period of the Plan

ITALIAN WINE BRANDS

Creatori di Eccellenze

BALANCE SHEET

Amounts in EUR

	Notes	30.06.2022	31.12.2021
Non-current assets			
Intangible fixed assets	5	37.453.094	35.983.013
Goodwill	6	198.145.946	181.085.190
Land, property, plant and equipment	7	48.008.249	50.123.900
Right-of-use assets	7	12.868.100	14.041.962
Equity investments	8	2.859	2.859
Other non-current assets	9	2.927.877	2.327.877
Deferred tax assets	10	1.309.839	1.515.513
Total non-current assets		**300.715.964**	**285.080.314**
Current assets			
Inventory	11	89.010.643	77.907.701
Trade receivables	12	51.901.146	68.143.859
Other current assets	13	4.936.806	2.395.938
Current tax assets	14	5.870.379	7.402.216
Current financial assets	17	449.649	1.113.163
Cash and cash equivalents	15	49.630.368	59.103.393
Total current assets		**201.798.991**	**216.066.270**
Non-current assets held for sale			-
Total assets		**502.514.955**	**501.146.584**
Shareholders' equity			
Share capital		1.046.266	1.046.266
Reserves		113.006.733	113.170.255
Reserve for defined benefit plans		(77.633)	(77.633)
Reserve for stock grants		65.947	518.220
Profit (loss) carried forward		42.899.884	30.760.201
Net profit (loss) for the period		3.932.968	14.537.076
Total Shareholders' Equity of parent company shareholders		**160.874.165**	**159.954.385**
Shareholders' equity of NCIs		(171.268)	-
Total Shareholders' Equity	16	**160.702.897**	**159.954.385**
Non-current liabilities			
Financial payables	17	150.375.301	135.725.740
Right-of-use liabilities	17	10.031.998	10.891.065
Provision for other employee benefits	18	1.101.060	1.212.286
Provisions for future risks and charges	19	227.177	333.891
Deferred tax liabilities	10	9.854.243	9.966.431
Other non-current liabilities	21		-
Total non-current liabilities		**171.589.779**	**158.129.413**
Current liabilities			
Financial payables	17	43.851.838	32.467.349
Right-of-use liabilities	17	2.216.607	2.388.122
Trade payables	20	113.987.530	137.367.109
Other current liabilities	21	8.742.814	9.507.718
Current tax liabilities	22	1.423.490	1.332.487
Provisions for future risks and charges	19	-	-
Derivatives		-	-
Total current liabilities		**170.222.279**	**183.062.785**
Liabilities directly related to assets held for sale			-
Total shareholders' equity and liabilities		**502.514.955**	**501.146.584**

ITALIAN WINE BRANDS
Creatori di Eccellenze

Comprehensive consolidated income statement

Amounts in EUR	Notes	30.06.2022	30.06.2021
Revenue from sales	23	177.265.963	99.501.083
Change in inventories	11	7.707.377	8.219.191
Other income	23	3.114.981	1.146.696
Total revenue		**188.088.321**	**108.866.970**
Purchase costs	24	(128.823.667)	(65.202.013)
Costs for services	25	(34.109.278)	(27.195.820)
Personnel costs	26	(10.781.536)	(4.515.307)
Other operating costs	27	(524.173)	(313.704)
Operating costs		**(174.238.654)**	**(97.226.844)**
EBITDA		**13.849.667**	**11.640.126**
Depreciation and amortization	5-7	(4.930.955)	(2.131.333)
Provision for risks	19	-	-
Write-ups / (Write-downs)	28	(798.008)	(587.672)
Operating profit/(loss)		**8.120.704**	**8.921.121**
Finance revenue		270.729	132.787
Borrowing costs		(2.792.177)	(1.401.515)
Net financial income/(expenses)	29	**(2.521.448)**	**(1.268.728)**
EBT		**5.599.256**	**7.652.393**
Taxes	30	(1.680.726)	(1.307.891)
(Loss) Profit from discontinued operations			
Profit (loss) (A)		**3.918.530**	**6.344.502**
Attributable to:			
(Profit)/Loss of NCIs		14.438	
Group profit (loss)		**3.932.968**	**6.344.502**
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	18		
Tax effect of Other profit/(loss)		-	-
Total other profit/(loss), net of tax effect (B)		-	-
Total comprehensive profit/(loss) (A) + (B)		**3.932.968**	**6.344.502**

ITALIAN WINE BRANDS

Creatori di Eccellenze

Consolidated statement of changes in shareholders' equity

Amounts in in Eur

	Share Capital	Capital Reserves	Riserve for stock grants	Reserve from financial assets available for sale	Reserve for defined benefit plans	Retained earnings	Total
Balance sheet at 31 December 2020	**879.854**	**67.027.888**	**739.278**	**-**	**(66.778)**	**35.940.267**	**104.520.509**
Capital Increase							-
Purchase of own shares		(52.440)					(52.440)
Sale of own shares							-
Dividends						(4.784.942)	(4.784.942)
Stock grants		645.168	(645.168)				-
Legal reserve							-
Reclassification and other changes		1.482				(391.879)	(390.397)
Total comprehensive profit/ (loss)						6.344.502	6.344.502
Balance sheet at 30 June 2021	**879.854**	**67.622.098**	**94.110**	**-**	**(66.778)**	**37.107.947**	**105.637.232**

Amounts in in Eur

	Share Capital	Capital Reserves	Riserve for stock grants	Reserve from financial assets available for sale	Reserve for defined benefit plans	Retained earnings	Shareholders' equity of NCIs	Total
Balance sheet at 31 December 2021	**1.046.266**	**113.170.255**	**518.220**	**-**	**(77.633)**	**45.297.277**	**-**	**159.954.385**
Capital Increase	-	-	-	-	-	-	-	-
Purchase of own shares	-	(1.429.629)	-	-	-	-	-	(1.429.629)
Sale of own shares	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(879.216)	-	(879.216)
Stock grants	-	1.278.338	(452.273)	-	-	(826.065)	-	-
Legal reserve	-	33.282	-	-	-	(33.282)	-	-
Reclassification and other changes	-	(45.513)	-	-	-	(658.830)	(156.830)	(861.174)
Total comprehensive profit/ (loss)	-	-	-	-	-	3.932.968	(14.438)	3.918.530
Balance sheet at 30 June 2022	**1.046.266**	**113.006.733**	**65.947**	**-**	**(77.633)**	**46.832.852**	**(171.268)**	**160.702.897**

ITALIAN WINE BRANDS

Creatori di Eccellenze

Consolidated statement of cash flows

Amounts in EUR

	Note	30.06.2022	30.06.2021
Profit (loss) before taxes		5.599.256	7.652.393
Adjustments for:			
- non-monetary items - stock grant		-	-
- allocations to the provision for bad debts net of utilizations		798.008	587.672
- non-monetary items - provisions / (releases)		-	-
- non-monetary items - amortisation/depreciation		4.930.955	2.131.333
Adjusted profit (loss) for the period before taxes		**11.328.219**	**10.371.398**
Cash flow generated by operations			
Income tax paid		(247.135)	(2.271.202)
Other financial (income)/expenses without cash flow (financial amortisatic		1.721.302	327.561
Total		**1.474.168**	**(1.943.641)**
Changes in working capital			
Change in receivables from customers		20.070.927	8.624.127
Change in trade payables		(30.165.047)	(1.931.521)
Change in inventories		(9.927.021)	(8.097.232)
Change in other receivables and other payables		(3.898.150)	(1.800.511)
Other changes		(267.042)	(109.321)
Change in post-employment benefits and other provisions		(217.940)	(36.237)
Change in other provisions and deferred taxes		93.486	100.718
Total		**(24.310.787)**	**(3.249.977)**
Cash flow from operations (1)		**(11.508.401)**	**5.177.780**
Capital expenditure:			
- Tangible		(386.266)	(621.114)
- Intangible		(1.953.378)	(1.871.368)
- Net cash flow from business combination (*):		(15.055.797)	-
- Financial		-	-
Cash flow from investment activities (2)		**(17.395.442)**	**(2.492.482)**
Financial assets			
Short-term borrowings		10.890.050	6.000.000
Short-term borrowings (paid)		-	(10.500.000)
Long-term borrowings/ (repayments) - Bond		-	130.000.000
Collections / (repayments) Senior loan		-	(16.625.000)
Collections / (repayments) other financial payables		7.855.465	247.952
Change in other financial assets		663.514	(1.955.341)
Change in other financial liabilities		3.034.978	(3.321.509)
Purchase of own shares		(1.429.629)	(52.440)
Sale of own shares		-	-
Dividends paid		(879.216)	(4.784.942)
Monetary capital increases		-	-
Change in reserve for stock grants		-	-
Other changes in shareholders equity		(704.344)	(390.398)
Cash flow from financing activities (3)		**19.430.819**	**98.618.322**
Cash flow from continuing operations		**(9.473.024)**	**101.303.621**
Change in cash and cash equivalents (1+2+3)		**(9.473.024)**	**101.303.621**
Cash and cash equivalents at beginning of period		**59.103.393**	**33.401.735**
Cash and cash equivalents at end of period		**49.630.369**	**134.705.356**

(*) Effects of the acquisition of 85% of Enovation Brands shareholders' equity as below detailed:

a) Total amount paid/to be paid (cash):	16.172.051
b) Amount of cash and cash equivalents (with a negative sign):	(1.116.253)
	15.055.798

FORM AND CONTENT
OF THE CONSOLIDATED FINANCIAL REPORT

Introduction

This Financial Report at 31 December 2021 has been prepared in accordance with the AIM Regulation and in compliance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and approved by the European Union. The designation "IFRS" also includes all currently valid International Accounting Standards ("IAS"), as well as all interpretations of the International Accounting Reporting Interpretations Committee ("IFRIC"), formerly the Standing Interpretations Committee ("SIC").

Directive 2004/109 / EC (the "Transparency Directive") and Delegated Regulation (EU) 2019/815 introduced the obligation for issuers of securities listed on regulated markets of the European Union to draw up the annual financial report in the language XHTML, based on the European Single Electronic Format (ESEF), approved by ESMA. For the year 2021 it is expected that the consolidated financial statements must be "marked" with the ESEF taxonomy, using an integrated computer language (iXBRL).

Statement of financial position schedules

This Financial Report at 31 December 2021 consists of the statement of financial position, the statement of comprehensive income, the statement of changes in shareholders' equity, the statement of cash flows and the notes, and is accompanied by the directors' report on operations.

Statement of financial position schedules are prepared according following methodologies:

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

- The statement of changes in shareholders' equity includes, in addition to total profits/losses for the period, the amounts of transactions with equity holders and changes in reserves during the period.

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

1 Consolidation area

Subsidiaries are defined as all investees in which the Group simultaneously has an interest:
- decision-making power, i.e., the ability to direct the relevant activities of the investee, i.e., those activities that have a significant influence on the results of the investee;
- the right to variable results (positive or negative) from an investment in the consolidated entity;
- the ability to use its decision-making power to determine the amount of profit/loss arising from an investment in a consolidated entity.

Compared to the consolidated statements at 30 June 2021, the consolidation area includes Enoitalia S.p.A., acquired in the second half of 2021, and Enovation Brands Inc., acquired on 06 April 2022; considering the importance of the acquisitions, mainly with regard to Enoitalia S.p.A., the inclusion of these companies had an impact on the comparison of the figures, in particular economic ones, of the first half of 2022 compared to the same of the first half of 2021.

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

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

Company	Country	Share Capital		Parent Company	Percentage Held	Percentage held directly
		Currency	Value			
IWB S.p.A.	Italy	EUR	1.046.266	-	Holding	
Provinco Italia S.p.A.	Italy	EUR	132.857	IWB S.p.A.	100%	100%
Giordano Vini S.p.A.	Italy	EUR	14.622.511	IWB S.p.A.	100%	100%
Enoitalia S.p.A.	Italy	EUR	1.453.055	IWB S.p.A.	100%	100%
Enovation Brands Inc	USA	USD	903	IWB S.p.A.	85%	85%
Provinco Deutschland GmbH	Germany	EUR	25.000	Provinco Italia S.p.A.	100%	-
Pro.Di.Ve. S.r.l.	Italy	EUR	18.486	Giordano Vini S.p.A.	100%	-
Raphael Dal Bo AG	Swiss	CHF	100.000	Provinco Italia S.p.A.	100%	-

2 General principles of preparation

The consolidated Annual Financial Report was prepared on a going concern basis.
The presentation currency being the Euro, and the amounts shown are rounded to the nearest whole number, including, unless otherwise indicated, the amounts shown in the notes.

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

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

Valuations and significant accounting estimates

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

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

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

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

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

Business combinations

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

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

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

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

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

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

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

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

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

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

Intangible assets with indefinite useful life

Goodwill

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

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

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

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

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

Trademark

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

Intangible assets with finite useful life

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

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

Other intangible assets

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

The gross carrying amount of other intangible assets with a finite useful life is systematically allocated over the years in which they are used, by means of constant amortization charges, in relation to their estimated useful life. Amortization begins when the asset is available for

use and is proportionate, for the first reporting period, to the period of actual use. The amortization rates used are determined on the basis of the useful life of the related assets.
The useful life values used for the purposes of preparing this Consolidated Annual Financial Report are as follows:

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

Right-of-use assets

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

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

Land, property, plant and equipment

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

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

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

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

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

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

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

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

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

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

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

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

Impairment of assets

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

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

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

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

Equity investments

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

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

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

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

Financial instruments

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

Non-current financial assets

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

Trade receivables and payables

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

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

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

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

Cash and cash equivalents

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

Financial payables

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

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

Inventory

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

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

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

Assets and liabilities held for sale

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

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

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

Employee benefits

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

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

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

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

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

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

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

Salary benefits in the form of equity participation

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

Provisions for future risks and charges

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

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

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

Revenue from sales

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

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

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

Interest income

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

Public grants

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

Dividends

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

Cost recognition

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

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

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

Interest charges

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

Taxes

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

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

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

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

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

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

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

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

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

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

This valuation category comprises:

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

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

Derivative financial instruments designated as hedging instruments

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

- the items covered and the hedging instruments meet the eligibility requirements;
- at the beginning of the hedging relationship, there is a formal designation and documentation of the hedging relationship, the Group's risk management objectives and the strategy for hedging;
- the hedging relationship meets all of the following efficacy requirements:
  - there is an economic relationship between the hedged item and the hedging instrument;
  - the effect of credit risk is not dominant with respect to the changes associated with the hedged risk;
  - the hedge ratio defined in the hedging relationship is met, including through rebalancing actions, and is consistent with the risk management strategy adopted by the Group.

These derivative instruments are measured at *fair value*.

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

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

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

Fair value estimation

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

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

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

3 Fair value measurement

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

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

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

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

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

3.1 Financial risks

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

Risks deriving from exchange rate fluctuations

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

Risks deriving from changes in interest rates

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

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

Credit risk

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

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

Liquidity risk

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

Default and covenant risk on debt

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

In detail, following the issue of the senior bond loan, non-convertible, unsubordinated and unsecured, with a total nominal value of Euro 130,000,000, called "Italian Wine Brands S.p.A. up to Euro 130,000,000 2.5% Senior Unsecured Fixed Rate Notes due 13 May 2027 " financial covenants have been defined based on the performance of some parameters at the Group consolidated level, the measurement of which is expected starting from 31 December 2021. The parameters defined following the full refinancing of the debt attributable to the subsidiary Giordano Vini SpA which took place in July 2017, no longer existed following the repayment of the loan which took place on 18 June 2021

Operational and management risks

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

4. Accounting standards

4.1 Accounting standards adopted

The accounting standards adopted are the same as those used for the preparation of the consolidated financial statements as at 31 December 2021 to which, for more details, reference is made, except for the following amendments which apply starting from 1 January 2022 but which have no impact on the Group:

Amendments to IAS 16 - Property, Plant and Equipment - Considerations Received Before Intended Use These amendments prohibit deducting from the cost of property, plant and equipment amounts received from the sale of products while the asset is being prepared for its intended use . The proceeds from the sale of the products and the related production cost must be recognized in the income statement.

Amendments to IAS 37 - Provisions, contingent liabilities and contingent assets - Onerous contracts - Costs to fulfill a contract

These amendments specify that the costs to be taken into consideration when evaluating onerous contracts are both the incremental costs for the fulfillment of the contract (for example direct labor and materials) and a share of other costs that relate directly to the fulfillment of the contract (for example, a breakdown of the depreciation rate of the assets used for the fulfillment of the contract).

Annual Improvements (cycle 2018 - 2020)

Issued in May 2020 that make limited changes to some standards (IFRS 1 First-time adoption of IFRS, IFRS 9 Financial instruments, IAS 41 Agriculture and illustrative examples of IFRS 16 Leases) and clarify the wording or correct omissions or conflicts between the requirements of the IFRS principles.

It should also be noted that income taxes are recognized on the basis of the best estimate of the weighted average rate expected for the entire year in line with the indications provided by IAS 34 for the preparation of interim financial statements.

4.2 International accounting standards and / or interpretations issued but not yet entered into force in 2022

The following are the new standards or interpretations already issued, but not yet entered into force or not yet approved by the European Union at 30 June 2022 and therefore not applicable.

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

The amendments clarify the criteria that must be applied for the classification of liabilities as current or non-current and specify that the classification of a liability is not influenced by the probability that the settlement of the liability is postponed by twelve months following the reference year. The Group's intention to liquidate in the short term has no impact on the classification. These changes, which will come into force on 1 January 2023, have not yet been approved by the European Union. No impacts are expected on the classification of financial liabilities following these changes.

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

These changes provide a guide for the application of materiality judgments to the disclosure on accounting principles so that they are more useful; in particular:

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

- a guide has been added on how to apply the concept of relevance to disclosures on accounting principles.

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

These amendments, approved by the European Union, will come into force on January 1, 2023. No impacts are expected on the disclosures of the Group Financial Statements following these changes.

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

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

These changes, approved by the European Union, will come into force on January 1, 2023. No impacts are expected on the Group's financial statements following these changes.

Amendments to IAS 12 Income taxes - deferred and prepaid taxes deriving from a single transaction

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

With reference to leasing contracts, these amendments also clarify that, when lease payments are deductible for tax purposes, it is a matter of judgment (after considering the applicable tax law) whether such deductions are attributable for tax purposes to the tax

Notes

5. Intangibles fied assets

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

Euro thousand

INTANGIBLE FIXED ASSETS Net Carrying amount							
Net carrying amount	**01/01/2022**	**increases**	**decreases**	**amortizations**	**reclassification**	**increases from business combination**	**30/06/2022**
Trademarks & patents	30.319	52	-	(80)	-	845	31.135
Software	1.753	580	-	(460)	-	-	1.872
Other intangibles assets	3.696	1.046	-	(788)	172	-	4.126
Intangible assets under construction an(	216	293	(18)	-	(172)	-	319
Net carrying amount intangible assets	**35.983**	**1.971**	**(18)**	**(1.328)**	**-**	**845**	**37.453**

The item trademarks and patents indicated consists of the Giordano Vini trademark, consisting of the value that emerged from the merger of Ferdinando Giordano S.p.A. in Giordano Vini S.p.A (formerly Alpha S.r.l.) carried out in previous years. Also included are the trademarks owned by Provinco Italia S.p.A. for Euro 8,586 thousand valued at the time of allocation of the acquisition price made in accordance with IFRS 3.

It should be noted that the aforementioned trademarks are identified as having an indefinite useful life and, consequently, are not subject to amortization but to an annual impairment test in the same way as goodwill. The book value is unchanged compared to that of the Consolidated Annual Financial Report as at 31 December 2021, in line with what was done for the purposes of goodwill for which reference should be made to the next paragraph.

The increases in the first half of 2022 due to the following developments:

- development of the customer base through targeted acquisition through successful marketing campaigns ("CPA");

- update of the "engine" to support E Commerce;

- implementation of websites and start-up of operations in new countries (France and Austria also through the Svinando platform)

- introduction of new accounting ERPs in Enoitalia SpA

6. Goodwill

The overall goodwill - equal to Euro 198,146 thousand - arises from the following business combinations: Provinco Italia S.p.A. for Euro 11,289 thousand; Giordano wines S.p.A. for Euro 43,719 thousand; Pro.Di.Ve. S.r.l. for Euro 447 thousand; Raphael Dal Bo AG for Euro 12,854; Enoitalia SpA for Euro 112,776 thousand and Enovation Brans Inc for Euro 17,061, the latter which took place in April 2022.

At 31 December 2021, goodwill and intangible assets with an indefinite useful life were subjected to an impairment test, which consists of estimating the recoverable value of the CGUs, set up by subsidiaries, and comparing them with the net book value of the related assets. , including goodwill.

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

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

At 31 December 2021, the recoverable value of the cash-generating unit was subjected to impairment tests in order to verify the existence of any losses in value, by comparing the book value of the unit (including goodwill , intangible assets with a finite useful life and other net operating assets) and the value in use, or the present value of the expected future cash flows that are supposed to derive from the continuous use and possible disposal of the same at the end of its life useful.

The value in use was determined by discounting the cash flows in line 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 for the company Enoitalia S.p.A. are considered. and 3 years for the other companies of the group added to a terminal value, to determine which the criterion of discounting the perpetual annuity was used.

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

The discount rate (WACC, weighted average cost of capital) applied to forecast cash flows is 6.5% post tax, calculated taking into consideration the sector in which the company operates, the fully operational debt structure and the current economic situation.

For the cash flows relating to the years subsequent to the explicit projection period, a rate of 1.5 was assumed.

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

At December 31, 2021, there were no losses in value between the book value and the relative value in use (determined according to the Discounted Cash Flow method).

At 30 June 2022 the Group has

- performed the impairment test for the company Enovation brands Inc. not included in the test at 31/12/2021 as it was acquired on 8 April 2022.
- repeated the impairment test for the Group companies, introducing a further sensitivity to take into account the evolution of interest rates as well as the economic and equity trend. No losses in value emerged between the book value and the relative value in use (determined according to the Discounted Cash Flow method).

No losses in value emerged between the book value and the relative value in use (determined according to the Discounted Cash Flow method

7. Land, property, plant and equipment

The change in tangible fixed assets is shown below:

Euro thousand

PROPERTY, PLANT AND EQUIPMENT
Gross Value

Hystorical costs	01/01/2022	increases	decreases	reclassification/other changes	increases from business combinations	30/06/2022
Land and buildings	35.082	92	-	16	-	35.190
Plant and equipments	52.136	227	-	1	-	52.364
Equipment	10.782	27	-	1	-	10.811
Other	6.298	26	(471)	5	169	6.027
Tangible assets under construction a	23	17	-	(17)	-	22
Right of use assets	20.354	-	(5)	-	149	20.498
Total hystorical costs	**124.675**	**388**	**(476)**	**6**	**318**	**124.912**

PROPERTY, PLANT AND EQUIPMENT
Accumulated depreciation

Accumulated depreciation	01/01/2022	amortization	divestments	other changes	increases from business combinations	30/06/2022
Land and buildings	(9.497)	(677)	-	-	-	(10.174)
Plant and equipments	(33.717)	(1.389)	-	(1)	-	(35.108)
Equipment	(5.354)	(335)	-	-	-	(5.689)
Other	(5.628)	(121)	469	(4)	(151)	(5.435)
Tangible assets under construction a	-	-	-	-	-	-
Right of use assets	(6.312)	(1.083)	5	(239)	-	(7.630)
total accumulated depretiation	**(60.508)**	**(3.606)**	**474**	**(244)**	**(151)**	**(64.036)**

PROPERTY, PLANT AND EQUIPMENT
Net Value

Net Value	01/01/2022	increases	divestments	amortization	other changes	30/06/2022
Land and buildings	25.585	92	-	(677)	16	25.016
Plant and equipments	18.419	227	-	(1.389)	-	17.257
Equipment	5.428	27	-	(335)	1	5.122
Other	670	26	(2)	(121)	19	592
Tangible assets under construction a	23	17	-	-	(17)	22
Right of use assets	14.042	-	-	(1.083)	(90)	12.868
Total Net Value	**64.166**	**388**	**(2)**	**(3.606)**	**(71)**	**60.876**

The most significant increases from the point of view of actual acquisitions concern the items:

- Land and buildings for improvements introduced in the Montebello plant;

- Plants and machinery for automation and digitization on bottling lines;

- Equipment for the purchase of tool trolleys and electric pumps;

- Other tangible fixed assets for the purchase of hardware;

- Tangible fixed assets in progress for label detectors for the Cherasco plant.

The increases from business combinations refer to the direct acquisition of Enovation Brands Inc. and consist mainly of commercial items as well as the customer portfolio.

8. Equity investments

The item Equity investments, almost entirely attributable to Giordano Vini S.p.A., is detailed as follows:

Amounts in Euro

	Country	30.06.2022	31.12.2021
Other companies			
BCC di Alba e Roero	Italy	258	258
Consorzio Conai	Italy	675	675
Unione Italiana Vini Scarl	Italy	516	516
Consorzio Natura è Puglia	Italy	500	500
Consorzio Granda Energia	Italy	517	517
Banca Alpi Marittime C.C. Carrù Scpa	Italy	293	293
Garzan	Italy	100	100
Total		**2.859**	**2.859**

9. Other non current assets

They refer for Euro 179 thousand to the IRAP receivable in relation to the cost of labor pursuant to law decree no. 201 of 2011 and for Euro 2,749 thousand to guarantee deposits (mainly Enoitalia Euro 2,700 thousand).

10. Deferred taxes

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

Amounts at 30 June 2022

Euro thousand

Description	Imponibile	Aliquota	Saldo
Provisions for returs and inventory write down	1.694	27,90%	473
Provision for bads debts	2.712	24,00%	651
Remuneration of directors	354	24,00%	85
Provision for pensions	57	27,90%	16
Others	356	24,00%	85
Total Deferred tax assets			**1.310**

Description			
Business combination/Goodwill	8.584	27,90%	2.395
Tangible and intangible fixed assets	26.448	27,90%	7.379
Exchange rate adjustment	57	24,00%	14
Others	277	24,00%	66
Total Provision for deferred taxes			**9.854**

Amounts at 31 december 2021

Euro thousand

Description	Imponibile	Aliquota	Saldo
Provision for risks and charges	100	24,00%	24
Provisions for returs and inventory write down	1.287	27,90%	359
Non capitalisable long term charges for IFRS purposes	140	27,90%	39
Provision for bads debts	3.738	24,00%	897
Remuneration of directors	536	24,00%	129
Provision for pensions	132	27,90%	37
Others	129	24,00%	31
Total Deferred tax assets			**1.516**

Description			
Business combination/Goodwill	8.584	27,90%	2.395
Tangible and intangible fixed assets	26.710	27,90%	7.452
Exchange rate adjustment	158	24,00%	38
Others	338	24,00%	81
Total Provision for deferred taxes			**9.966**

ITALIAN WINE BRANDS
Creatori di Eccellenze

11. Inventory

The composition is shown below:

Euro thousand

	30.06.2022	31.12.2021
Raw materials and consumables	10.163	8.192
Semi-finished products	42.286	43.743
Finished products	32.536	24.342
Advances	4.026	1.631
Total	**89.011**	**77.908**

Individual items include:

- components for making bottles (glass, caps and labels), packaging, oenological products (raw materials);

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

- packaging and gadgets (finished products).

The figure as at 30/06/2022 includes Euro 53,568 thousand referable to the warehouse of Enoitalia S.p.A and mainly consisting of bulk and bottled wine and Euro 1,076 thousand referable to the Enovation brands Inc. warehouse.

The book value of inventories is shown net of a bad debt provision of Euro 1,864 thousand, whose movements in the period are shown below:

Euro thousand

Provision at 1.1.21	**1.614**	**1.736**
Provisions	250	50
Increase from business combination	-	-
Amount used	-	(172)
Provision at the end of the period	**1.864**	**1.614**

Uses mainly refer to the disposal of food products that have reached their expiry date

12. Trade receivable

Trade receivables at 30 June 2022 and 31 December 2021 are detailed below:

€thousand

	30.06.2022	31.12.2021
Trade receivables	55.770	72.482
Provision for writedown	(3.869)	(4.338)
Total	**51.901**	**68.144**

The decrease depends on the seasonality of the business which has a significant concentration in the last part of the year.

During the first half of 2022, the bad debt provision underwent the following movements:

€thousand

	30.06.2022	31.12.2021
Initial amount	**4.338**	**2.490**
Provisions	807	1.155
Increase from business combination	-	825
Utilizzi	(1.276)	(132)
Fondo alla fine del periodo	**3.869**	**4.338**

Provisions have been made on the basis of an estimate of the presumed realizable value of the receivables, also in light of the possible risks of total or partial irrecoverability of the same and according to economic-statistical criteria, in compliance with the principle of prudence. Furthermore, the funds are accounted for as a lump sum and indistinct deduction from the total of the item.

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

There are no receivables with a contractual duration of more than 5 years.

13. Other activities

The other activities as at 30 June 2022 and 31 December 2021 are detailed as per the following table:

€thousand

	30.06.2022	31.12.2021
Receivables from distributors for cash on delivery	(104)	179
Security deposits	443	435
Others	3.532	1.149
Advances to suppliers	624	301
Accruals and prepayments	442	332
Total	**4.937**	**2.396**

The item Other mainly includes receivables from factor (Enoitalia) equal to Euro 3,044 thousand.

14. Current Tax assets

Tax credits at 30 June 2022 and 31 December 2021 are detailed as shown in the following table:

€thousand

	30.06.2022	31.12.2021
VAT receivables	3.942	5.009
Tax Credit	1.910	2.368
Others	18	25
Total	**5.870**	**7.402**

The decrease is attributable to an efficient use of the VAT credit recorded at 31/12/2021 through better management of declarations of intent.

With effect from 2016, the Parent Company (together with the subsidiaries Giordano Vini S.p.A., and Provinco Italia S.p.A.) opted for the national IRES tax consolidation scheme, the effects of which are also reported in the economic and equity results as at 30 June 2022.

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 relations of the tax consolidation, in summary, are defined as follows:

- in relation to the years with a positive taxable amount, the subsidiaries pay the Consolidating Company the higher tax due by the latter to the Treasury;

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

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

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

15 Cash and cash equivalents

A breakdown of cash and cash equivalents at 31 December 2021 and 30 June 2022 is provided in the table below

€thousand

	30.06.2022	31.12.2021
Bank deposits	47.133	56.346
Postal deposits	1.845	2.320
Cheques	622	403
Cash	31	35
Total	**49.630**	**59.103**

16. Shareholders' equity

The company's shareholders' equity is made up as follows:

Amounts in EUR

	30.06.2022	31.12.2021
Share capital	1.046.266	1.046.266
Legal reserve	209.253	175.971
Share premium reserve	109.899.034	109.899.034
Reserve for actuarial gains on defined benefit plans	(77.633)	(77.633)
Reserve for stock grants	65.947	518.220
Reserve for translate	71.095	196.117
Reserve for the purchase of treasury shares	(242.369)	-
Other reserves	3.069.719	2.899.133
Prior profits/(losses)	42.899.885	30.760.201
Profit/(loss) of the period	3.932.968	14.537.077
Total reserves	**159.827.899**	**158.908.120**
Total Group shareholders' equity	**160.874.165**	**159.954.386**
Shareholders' equity of NCIs	(171.268)	-
Total shareholders' equity	**160.702.897**	**159.954.386**

Share capital

At 30 June 2022 the share capital of Italian Wine Brands was equal to Euro 1,046,265.80 divided into no. 8,802,077 ordinary shares, all without indication of par value.

The Extraordinary Shareholders' Meeting of Italian Wine Brands S.p.A. held in second call on July 26, 2021, approved the proposal to increase the share capital against payment and inseparably, for the total amount of Euro 45,500,000.00 (of which Euro 166,412.10 as capital and 45,333,587.90 Euros as a premium). The Reserved Capital Increase provides for the issue of a total of no. 1,400,000 new ordinary shares of the Company, with no par value, at the unit subscription price of Euro 32.50 (including the share premium), with the 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 by way of offsetting.

The Reserved Capital Increase is part of an investment operation by IWB, which provides for 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 by way of offsetting, of the Reserved Capital Increase

The acquisition was completed on July 27, 2021.

Reserves

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

The reserve for defined benefit plans is generated by the actuarial gains / (losses) deriving from the valuation of the employee severance indemnity accrued in accordance with IAS 19.

The other reserves consist of Euro 3,112 thousand from the reserve for "under common control" transactions generated by the first consolidation of the company Giordano Vini S.p.A. in the first half of 2015, net of a negative reserve of Euro 498 thousand generated by direct accounting for shareholders' equity, in accordance with IAS 32, of the charges incurred by the parent company in relation to the aforementioned capital transactions, net of the related deferred taxes.

At 30 June 2022 the Parent Company holds no. holds n. 9,922 ordinary shares, representing 0.11% of the outstanding ordinary share capital.

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

Amounts in EUR	30 June 2022	
	Profit/(loss) for the period	Shareholders' equity
Shareholders' equity IWB SpA - IFRS standards	**10.772.265,99**	**138.447.688**
Elimination of carrying amount of consolidated equity investments:	-	-
Carrying amount of consolidated equity investments Amortisation of consolidation difference	-	(221.653.136)
Pro-quota share of consolidated equity investments net of consolidation differences	19.202.611	244.631.742
Dividends from subsidiaries	(15.105.758)	-
Consolidation adjustments for transactions between consolidated companies	(163.884)	(552.129)
Group shareholders' equity and profit/(loss) for the period	**3.932.968**	**160.874.165**
Third parties	(14.438)	(156.830)
Consolidated shareholders' equity and profit/(loss)	**3.918.530**	**160.717.335**

17. Financial debts

The situation as at 30 June 2022 is as follows:

€thousand				**30.06.2022**
	Short term	**Medium/long term (within 5 years)**	**Long term (over 5 years)**	**Total**
Bond	**677**	-	**128.589**	**129.266**
Short-term unsecured loans	19.032	-	-	19.032
Revolving loans	23.500	-	-	23.500
Other loans in addition to e.g. unsecured loans	1.202	13.753	-	14.955
Financial accrued expenses and charges to be settled	123	-	-	123
Total Banks	**43.857**	**13.753**	-	**57.610**
Deferred price acquisition of Enovation Inc.	-	7.351	-	7.351
Payables to factoring companies	-	-	-	-
Total other lenders	-	**7.351**	-	**7.351**
Total	**44.534**	**21.104**	**128.589**	**194.227**

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The financial debt situation of the Group as at 31 December 2021 is shown below for comparison:

€thousand

	Short term	Medium/long term (within 5 years)	Long term (over 5 years)	31.12.2021 Total
Bond	**2.205**		**128.590**	**130.795**
Short-term unsecured loans	15.642	-	-	15.642
Revolving loans	16.000	-	-	16.000
Other loans in addition to e.g. unsecured loans	576	4.931	-	5.507
Financial accrued expenses and charges to be settled	239	-	-	239
Total Banks	**32.457**	**4.931**	-	**37.388**
Payables to factoring companies	10			10
Total other lenders	**10**	-	-	**10**
Total	**34.672**	**4.931**	**128.590**	**168.193**

The table below shows changes in financial liabilities

€thousand

	31.12.2021	Disbursements / Other changes	Refunds / Other changes	Fair value adjustment	Operating costs/expenses	30.06.2022
Bond	**130.795**	-	**(3.250)**	**1.721**	-	**129.266**
Short-term unsecured loans	15.642	3.390	-	-	-	19.032
Revolving loans	16.000	7.500	-	-	-	23.500
Other loans in addition to e.g. unsecured loans	5.507	9.448	-	-	-	14.955
Financial accrued expenses and charges to be settled	239	-	(116)	-	-	123
Total Banks	**37.388**	**20.338**	**(116)**	-	-	**57.610**
Deferred price acquisition of Enovation Inc.	-	7.351	-	-	-	7.351
Payables to factoring companies	10	-	(10)	-	-	
Total other lenders	**10**	**7.351**	**(10)**	-	-	**7.351**
Total	**168.193**	**27.689**	**(3.376)**	**1.721**	-	**194.227**

The bank debt as of June 30, 2022 consists of the following loans:

• Senior, non-convertible, unsubordinated and unsecured bond loan of Euro 130.0 million issued by Italian Wine Brands S.p.A. on May 13, 2021 with a duration of 6 years (maturity May 13, 2027), bullet repayment, annual fixed rate of 2.50% with annual payment of interest. The bond loan is listed on the MOT market managed by Borsa Italiana and on the Irish Stock Exchange managed by Euronext Dublin.

• Revolving medium-term loan granted on 30 July 2021 to the subsidiary Giordano Vini S.p.A. by BPM for an original amount of Euro 8.0 million, increased by Euro 4.5 million at 30/06/2022 with a quarterly maturity and a rate equal to the 3-month Euribor (zero floor) plus a spread of 1.1% Maximum duration 36 months.

• Short-term financing so-called "Hot money" granted by the Banca d'Alba to the subsidiary Giordano Vini S.p.A. with opening of current account credit for Euro 1.5 million, with a quarterly maturity and a rate of 0.8%.

• "Import" short-term loan granted to the subsidiary Giordano Vini S.p.A. from Banca d'Alba for an amount of Euro 1.0 million with maturity on September 15, 2022 and a rate of 0.75%.

• Medium-term loan of Euro 2.0 million granted to the subsidiary Giordano Vini S.p.A. disbursed on February 28, 2022 by Intesa San Paolo, repayable in quarterly installments and repayment scheduled for February 27, 2027, at a rate equal to the 3-month Euribor plus a spread of 1.45%. The residual debt at 31 December 2021 valued using the amortized cost method amounts to Euro 1.9 million.

Medium-term loan of Euro 2.4 million granted to the subsidiary Giordano Vini S.p.A. disbursed on February 26, 2021 by Credit Agricole, repayable in quarterly installments and repayment scheduled for February 26, 2026, at a rate equal to the 3-month Euribor plus a spread of 1.00%. The residual debt at 30 June 2022 valued using the amortized cost method amounts to Euro 1.8 million.
An IRS-OTC derivative contract was stipulated against the aforementioned loan 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 any given period;

• "Revolving" short-term loans disbursed on 14 March 2022 and 15 March 2022 respectively to the subsidiary Giordano Vini S.p.A. by Crédit Agricole for an amount respectively of Euro 3.0 million each, with a quarterly maturity and a rate equal to the 3-month Euribor plus a spread of 0.60%.

• Medium-term loan of Euro 3.0 million granted on 30 November 2020 to the subsidiary Provinco Italia S.p.A. from Intesa San Paolo disbursed repayable in quarterly installments and repayment scheduled for 30 November 2023, at the rate equal to the 3-month Euribor plus a spread of 2.00%. The residual debt at 30 June 2022 amounts to Euro 1.5 million.

• Unsecured loan of Euro 1.5 million contracted on 20 September 2021 by Provinco Italia S.p.A with Credito Emiliano repayable in deferred quarterly installments and repayment scheduled on 20 September 2024 at a fixed rate of 0.8% per annum. The residual debt at 30 June 2022 is equal to Euro 1,128 thousand.

• Short-term loan of Euro 8.0 million granted by Deutsche Bank S.p.A. to Provinco S.p.A. paid on 10 September 2021. Maximum duration 1 year with quarterly renewal. Interest rate: variable, determined on an annual nominal basis by the sum of: a) a fixed amount equal to 0.700% called spread; b) a variable portion equal to the 3-month Euribor rate, base 360 (currently equal to -0.570% per annum). The residual debt at December 31, 2021 is equal to euro 8 million. Refund method: at any time, without penalties for the customer.

• Unsecured loan of Euro 5.0 million contracted by Provinco Italia SpA with Unicredit on June 29, 2022, repayable in half-yearly installments and a total duration of 36 months supported by an EIB guarantee. The rate is 1.4%. The residual debt at 30 June was equal to Euro 5.0 million. The resolution includes the availability of a revolving line equal to Euro 5.0 million with a duration of 36 months which at 30 June 2022 has not yet been used.

• Short-term loan of Euro 1.5 million contracted with Credito Emiliano S.p.A. on 14 September 2021. Interest rate: variable, determined on an annual nominal basis by the sum of: a) a fixed amount equal to 0.26% called the spread; b) a variable portion equal to the 3-month Euribor rate, base 360 (currently equal to -0.570% per annum) with a floor of 0.00%. Duration: maximum 1 year, with quarterly renewal. Refund method: at any time, without penalties for the customer. The residual debt at 30 June 2022 is equal to Euro 1.5 million.

• Unsecured loan of Euro 2.0 million contracted by Enoitalia SpA with Credito Emiliano on January 12, 2022, repayable in quarterly installments and a total duration of 36 months. The rate is 0.85%. The residual debt at 30 June was equal to Euro 1.8 million.

• Short-term SBF loans for a total of Euro 7,032 thousand granted to Enoitalia S.p.A by various institutions at an average rate of 0.51%.

• Loans for a total of Euro 969 thousand granted to Giordano S.p.A. by Simest on development projects repayable in 6 years with a pre-amortization period of 24 months and a rate of 0.055%.

• The deferred price for the acquisition of Enovation Brands Inc. refers to the unconditional Consideration to be paid to the sellers and for which a deferred payment has been agreed of respectively (i) USD 3.3 million by and no later than 10 January 2023 (ii) USD 3.3 million no later than 10 January 2024 (iii) USD 1.4 million no later than 1 May 2024.

Financial payables are recognized 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 loans, increased by the accumulated amortization of the difference between the initial value and the maturity, calculated using the effective interest rate where the application of the amortized cost method is not relevant compared to the nominal value

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

The 'Liabilities for rights of use' relate to the entry into force from January 1, 2019 of the IFRS 16 accounting standard which provided for the recording of lease contracts in the accounts, indicating the amount corresponding to the " Right of use "as a counter-entry to a liability calculated as the present value of future cash outlays relating to the contract itself.

18. Termination benefits

Defined contribution plans

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

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

Defined benefit plans

Employee benefit plans, which can be classified as defined benefit plans, are represented by the termination benefits (TFR); the liability is instead determined on an actuarial basis using the "projected unit credit" method. Actuarial gains and losses determined in the calculation of these items are shown in a specific equity reserve. The changes in the liability for termination benefits at 30 June 2022 are shown below

€thousand	**30.06.2022**	**30.12.2021**
Provision at 1 January	**1.212**	**621**
Provisions	40	186
Increases from business combinations	-	436
Increases from transactions "under common control"	-	-
Advances paid during the period	-	-
Benefits paid out in period	(151)	(41)
Actuarial (gains)/losses	-	11
Borrowing costs	-	(2)
Provision at end of period	**1.101**	**1.212**

The component "allocation of costs for employee benefits" and "contribution/benefits paid" are recorded in profit or loss under the item "Personnel costs" in the area to which they refer. The component "financial income/(expenses)" is recognized in profit or loss under "Financial income/(expenses)", while the component "actuarial income/(expenses)" is recognized under *other comprehensive income* and transferred to a Shareholders' equity reserve called "Reserve for defined benefit plans".

19. Provisions for risk and charges

During the period, the item changed as follows:

€thousand

	Non- current	Current	Total
Provision at 1.1.2021	**260**	**-**	**260**
Provisions	-	-	-
Increase by business combination	100	-	100
Releases	-	-	-
Amounts used	(26)	-	(26)
Provision at 31.12.2021	**334**	**-**	**334**

€thousand

	Non- current	Current	Total
Provision at 1.1.2022	**334**	**-**	**334**
Provisions	-		-
Releases	(107)		(107)
Amounts used	-		-
Provision at 30.06.2022	**227**	**-**	**227**

Non-current liabilities mainly include:

• a provision of Euro 125 thousand relating to potential liabilities relating to the supplementary indemnity of client agents set aside by Provinco Italia S.p.A. determined taking into account the collective economic agreements and the maximum limit of art. 1751 of the Civil Code.

• A provision equal to Euro 100 thousand for a lawsuit against a former "agent" set aside by Enoitalia S.p.A

20. Trade payables

This item includes all trade payables which have the following geographical distribution:

€thousand

	30.06.2022	31.12.2021
Suppliers Italy	108.623	134.485
Suppliers Foreign markets	5.364	2.882
	113.988	**137.367**

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21. Other liabilities

The Other liabilities are set up as follows:

€thousand

	30.06.2022	31.12.2021
Employees	3.987	3.764
Social security institutions	658	1.092
Directors	95	976
Accruals and deferred income	2.923	3.078
Others	1.080	599
Total current	**8.743**	**9.508**

Payables to employees mainly include salaries for June 2022 paid in July 2022 and deferred payments for holidays and holidays accrued and not yet taken.

The item deferred income mainly consists of the portion pertaining to future years of the grants on plant account obtained for Industry 4.0 projects and tax credits relating to Enoitalia equal to Euro 1,840 thousand

The item Other includes the payable relating to the settlement agreement, including legal fees, referred to in paragraph 19. Provision for risks and charges.

22. Current tax liabilies

They are made up as follows:

€thousand

	30.06.2022	31.12.2021
VAT	880	1.815
IRES	(196)	(766)
IRPEF withholding tax	604	632
IRAP	27	(337)
Excise duties	65	(16)
Other taxes	45	4
Total	**1.424**	**1.332**

23. Revenues from sales and other revenues

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

€thousand

	30.06.2022	30.06.2021	30.06.2020
Revenues from sales - Italy	**32.691**	**19.555**	**19.341**
Revenues from sales - Foreign markets	**143.115**	**79.484**	**72.604**
UK	33.314	8.081	9.056
Germany	26.947	22.456	20.219
Switzerland	18.591	23.355	21.172
US	11.422	2.131	836
Belgium	13.187	3.501	1.594
France	7.226	3.160	2.864
Austria	7.023	8.484	8.473
Denmark	3.505	2.583	2.917
Poland	3.177	-	-
Canada	2.625	286	540
Ireland	2.377	-	-
Netherlands	2.297	618	912
Sweden	1.007	500	828
Hungary	898	-	-
China	612	542	306
Other countries	8.909	3.786	2.889
Other Revenues	**1.460**	**462**	**213**
Total Revenues from sales	**177.266**	**99.501**	**92.158**

24. Purchase costs

Purchase costs refer for Euro 20.5 million (Euro 32.0 million as at 30/06/2021) to Giordano Vini S.p.A., for Euro 1.6 million to Pro.Di.Ve. S.r.l. (Euro 0.9 million at 06/30/2021), for Euro 30.2 million (Euro 29.2 million at 06/30/21) to Provinco Italia S.p.A, for Euro 3.1 million to Raphael Dal Bo AG (Euro 2.9 million at 31/06/21), for Euro 84.6 million to Enoitalia S.p.A and for Euro 3.2 million to Enovation Brands Inc.

25. Cost for services

The costs for services at 30 June 2022, compared with those of the previous year, are detailed below:

€thousand

	30.06.2022	30.06.2021
Services from third parties	6.177	5.783
Transport	8.682	7.604
Postage expenses	1.914	2.082
Fees and rents	579	342
Consulting	1.071	457
Advertising costs	337	2
Utilities	2.614	388
Remuneration of Directors, Statu	753	456
Maintenance	1.012	300
Costs for outsourcing	3.671	3.584
Duties and excise duties	3.579	4.319
Commissions	784	82
Other costs for services	2.934	1.797
Total	**34.109**	**27.196**

The fees to directors, statutory auditors and the control body are detailed as follows:

€thousand

	30.06.2022	30.06.2021
Directors	664	434
Statutory auditors	71	19
SB	18	3
Total	**753**	**456**

It should be noted that, during the first half of 2022, the fees for the Independent Auditors are divided as follows:

€thousand

	Audit	Consulting
Holding	18	-
Subsidiaries	57	-
Total	**75**	-

26. Personnel costs

Personnel costs at 30 June 2022, compared with those of the previous year, are detailed below:

€thousand

	30.06.2022	30.06.2021
Wages and salaries	7.340	3.244
Social security charges	2.241	1.047
Termination benefits	333	170
Administration cost	823	31
Other costs	45	24
Total	**10.782**	**4.515**

The table below shows the number of employees:

	At 30.06.2022	Average no 30.06.2022	At 30.06.2021	Average no 30.06.2021
Executives	8	8	7	6
Middle managers	22	23	13	13
Employee	192	193	118	120
Workers	134	129	21	23
Total	**356**	**352**	**159**	**162**

27. Other operatives costs

The item "other operating costs" amounts to Euro 524 thousand compared to Euro 314 thousand as at 30/06/2021 and mainly includes: contingent liabilities of Euro 130 thousand, non-deductible taxes for approximately Euro 110 thousand, various taxes and fees, associative..

28. Write down

The item essentially relates to the subsidiary Giordano Vini S.p.A. and relates to the write-down of trade receivables accounted for in the period.

29. Financial income and charges

Financial income and expenses are detailed in the following tables:

€thousand

	30.06.2022	30.06.2021
On current accounts	1	1
Exchange rate gain/(loss)	269	132
Others	2	
Total	**271**	**133**

€thousand

	30.06.2022	30.06.2021
Bond interests	(1.721)	(456)
Loans	(142)	(508)
Right-of-use liabilities	(203)	(149)
Bank current accounts	(23)	(7)
Financial instruments	5	(32)
Factoring costs	(100)	(16)
Bank fees and charges	(187)	(144)
Exchange rate gain/(loss)	(344)	(46)
Others	(77)	(43)
Total	**(2.792)**	**(1.401)**

In detail, interest on loans includes:

• interest expense on medium / long-term loans;

• interest expense on bank current accounts relating mainly to the use of current account overdrafts with various banking institutions;

• realized exchange differences and period-end adjustments relating to items in foreign currency;

• commissions and bank charges including those for sureties.

30. Taxes

Taxes at 30 June 2022, compared with those of the previous year, are detailed below:
€thousand

	30.06.2022	30.06.2021
IRES	(1.063)	(1.505)
IRAP	(465)	(130)
Taxes for prior periods	(2)	181
Total current taxes	**(1.530)**	**(1.455)**
Prepaid taxes	(206)	79
Deferred taxes	55	68
Total deferred taxes	**(151)**	**147**
Total	**(1.681)**	**(1.308)**

31. Related-party transactions

At 30 June 2022 there was:

(i) a commercial lease agreement entered into on 1 February 2012 between Provinco Italia S.p.A. and Provinco S.r.l. pursuant to which Provinco S.r.l. leased the property located in Rovereto (TN) - Via per Marco, 12/b to Provinco Italia S.p.A.; the lease is valid for six years (until 31 January 2018) with tacit renewal for the same period unless notice of termination is given 12 months before expiry; the agreed rent is equal to €60 thousand per year plus VAT.

(ii) a service contracts with Electa SpA concerning the support for investor relations activities for an amount equal to € 40 thousand

The above relationship is regulated at conditions at arm's length.

It should also be noted that, as detailed in the paragraph Significant events during the year for the acquisition of 55% of Enovation Brands Inc. The Board of Directors of the Company approved the transaction subject to the favorable opinion issued by the Independent Director of the Company, . Antonella Lillo, (regarding the signing of the sales contract with Norina, as well as the convenience and substantial correctness of the related conditions). as Norina is a "related party" of the Company being attributable to the four family branches of the Pizzolo family, including the Vice President of IWB, dr. Giorgio Pizzolo, and the director of IWB, Dr. Marta Pizzolo. It should be noted that the purchase and sale of the Norina shareholding qualifies as a transaction with a related party "of minor significance" pursuant to and for the purposes of the "Procedure for transactions with related parties" adopted by the Company and the Regulation approved with Consob resolution no. . 17221/2010

It should be noted that the Parent Company IWB has adopted and follows the related Related Party Procedure in compliance with the general provisions of the Euronext Growth Milan Issuers Regulation.

32. Atypical and unusual transactions

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

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For the Board of Directors
The Chairman and Chief Executive Officer

Alessandro Mutinelli