PORTOBELLO

Consolidated financial statements 2022

INDEX

PORTOBELLO
PORTOBELLO
PORTOBELLO

Vision

We are working to strengthen our circular, ethical and innovative business model and to extend our sales network throughout the country. We want to ensure the accessibility of quality products to the greatest number of customers and enhance the potential of our partners within a framework of sustainable development.
Creating development opportunities is our vision, but above all our passion.

Our values

INTEGRITY

We always keep our promises and commitments. Our work is characterised by responsibility, ethics, fairness and inclusion. Our operations comply with applicable regulations and the highest standards of sustainability.

INNOVATION

We develop a circular and highly innovative business model. Our Divisions are vertically integrated for efficient use of resources and to create shared value in an alternative and sustainable way.

PASSION

we have a strong passion for our work. Thanks to the enthusiasm, curiosity and dedication of each of us, we are able to find the best solutions and create added value in all our operations.

OPPORTUNITIES

We see every challenge as an opportunity. Our ambition is always to offer our customers and partners the opportunity to access the goods, services and resources they need for their well-being and growth in a spirit of joint development.

SOCIAL OFFICES AND GENERAL INFORMATION

Board of Directors

Pietro Peligra	*President*
Simone Prete	*Managing Director*
Mirco Di *Giuseppe*	*Councillor*
Roberto Bacchi	*Director*
Ciro Esposito	*Independent councillor*

Board of Auditors

Vincenzo Rappoli	*President*
Franco Federici	*Effective*
Gianluca Pellegrino	*Effective*
Luigi Troiani	*Alternate*
Massimo Anticoli	*Alternate*

Auditing Company

Audirevi S.p.A.

Euronext Growth Advisor

Integrae Sim S.p.A.

Company Name and Registered Office

Portobello S.p.A.
Piazzale della Stazione Snc 00071 Pomezia (RM)
Tax code and VAT no. 13972731007
Registered in the Company Register of Rome under no. 13972731007
Share capital Euro 674,450.40 fully paid-up

The Board of Directors and the Board of Statutory Auditors were appointed on 19 April 2021 and will remain in office for three subsequent financial years, i.e. until the date of approval of the financial statements as at 31 December 2023.
The auditing company was appointed on 19 April 2021 and will remain in office until the date of approval of the financial statements as at 31 December 2023.

LETTER TO THE SHAREHOLDERS

***Pietro Peligra**, President*

***Roberto Panfili**, General Manager*

Dear Shareholders,

The Russian-Ukrainian military conflict has sadly characterised 2022 globally, leading to dramatic events, especially in terms of loss of life, which Portobello follows with great attention and deep sorrow. In addition, the ongoing geopolitical crisis has exacerbated some of the critical issues caused by the pandemic and led to an increase in the cost of energy and raw materials, and consequently inflation, which has had an impact on prices and thus on consumption.

Despite the extremely competitive scenario, Portobello has not stopped its growth, proving once again that it has implemented winning medium- to long-term strategies and created a business model, based on a retail chain using barter, that is solid and scalable in all situations, even the most challenging. In fact, when unfavourable market situations arise, the product companies we work with, on the one hand, need access to advertising assets to relaunch their business and, on the other hand, to clear their warehouses of unsold products. Portobello offers them this opportunity without the use of cash. Moreover, in such critical times, consumers also become more cautious and price-sensitive and, therefore, the Company's value proposition, based on an offer that manages to combine the best value for money on the market with an excellent shopping experience, becomes more successful.

In confirmation of this, the Retail SBU grew by 114%, thanks to an unbeatable commercial proposition in terms of price and quality of the brands offered, the new fully digital fidelity programme, and an increase in sales area of more than 11,500 m2. The Media SBU saw an increase in turnover of 31.7% to EUR 71.83 million and the B2B SBU also grew by more than 72.1% to EUR 33.47 million.

During the course of the year, we opened 10 maxi-stores in large shopping centres throughout the country and increased our workforce by more than 100 young resources, more than 50% of whom are women. We expanded the Portobello Group through the acquisition of Italy's leading marketplace ePrice, with the aim of becoming a first-class omnichannel player. Furthermore, we acquired the daily newspaper La Nuova Sardegna, through the SAE Group, and participated in the capital increase of the Class Editori Group, thus strengthening our Media & Advertising SBU to give further impetus to our advertising bartering operations.

Sustainability at Portobello is increasingly integrated into business strategies and processes. We have joined the Forever Zero CO2 carbon offsetting project, thanks to which we have reduced the polluting emissions of our chain of shops to zero. We have become a partner of the Telethon Foundation with which we have carried out several Social Responsibility initiatives, also thanks to the involvement of our employees, collaborators and customers. We have also made numerous donations: clothing for the Ukrainian emergency, winter clothing to Caritas Italiana, kitchen utensils to

Casa Africa Onlus, and a monetary donation to UNICEF.

In the sporting field, we confirmed the existing sponsorships with the Italian Rugby Federation (FIR) and MotoGP™ rider Fabio Di Giannantonio, and activated another one with the Roma Volley Women's Club, proving our support for national and local excellence.

Our efforts were rewarded for the third year running with the 'Champions of Growth' award from ITQF in cooperation with the newspaper la Repubblica, given to the companies with the highest three-year growth, and we also received the Forever Bamboo award for our work in the area of sustainability.

Thanks to the financial collection initiated and the resulting lease agreements signed with leading retail partners, the excellent performance of the stores, and the increasing order intake of the SBU Media, we will be able to continue with our plan to expand our sales network throughout Italy, the ultimate goal of our corporate activities, in the course of 2023.

Our heartfelt thanks go to the women and men of Portobello who, through their professionalism, passion and team spirit, prove every day that they concretely promote our values and are the best interpreters of our mission.

20 March 2023

Pietro Peligra **Roberto Panfili**

President *General Manager*

Report on the Consolidated Financial Statements to 31 December 2022

FOREWORD

This Management Report on the Consolidated Financial Statements of Portobello S.p.A. as at 31 December 2022 (the "Report") has been prepared in accordance with Article 2428 of the Italian Civil Code, as well as in accordance with the Italian Accounting Principles formulated by the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili and the Organismo Italiano di Contabilità (OIC). This report, drafted with values expressed in Euro units, is presented to accompany the Consolidated Financial Statements in order to provide the Group's income, equity, financial and management information accompanied, where possible, by historical elements and prospective evaluations.

THE PORTOBELLO GROUP

The company was founded at the end of 2016 following many months of analysis by the founding partners regarding the evolution of the competitive scenario of the retail market, the needs and buying habits of modern consumers, and the opportunities related to the management of media space aimed at barter operations.
Portobello's business is structured in highly integrated Strategic Business Units ('SBUs') to achieve maximum margins. This integration allows, in addition to an efficient and fast administration of the structure, a strong scalability of the business model, very high customer growth rates and customer appreciation, and margins on a par with the best competitors in the industry.
Also part of the Portobello Group is the marketplace ePrice, one of Italy's leading online shops, specialising in the sale of high-tech products (electronics) and a leader in the large household appliance segment.

THE BUSINESS MODEL

Portobello has created a business model scientifically designed to capture product acquisition opportunities at extremely competitive prices and provide, through an appealing and efficient format, the possibility for consumers to buy these products at lower prices than many other players in the market.

The circularity of the business starts with the media activity, mainly aimed at engaging potential customers in commercial barter advertising relationships, or the direct sale of advertising. Portobello has at its disposal advertising space, either proprietary or under exclusive management, (such as magazines, video walls, etc.) or owned by third parties, (such as outdoor, digital poles, etc.): from the sale or barter business, the company obtains cash or other advertising space or physical products. The second step of the model is the resale of physical products acquired in exchange for goods or purchased directly from suppliers. These products are destined for the Company's B2C channels: the Portobello brand shops and marketplaces. Anything that, due to size or type, cannot be sold in these channels is sold to other resellers in the B2B channel.

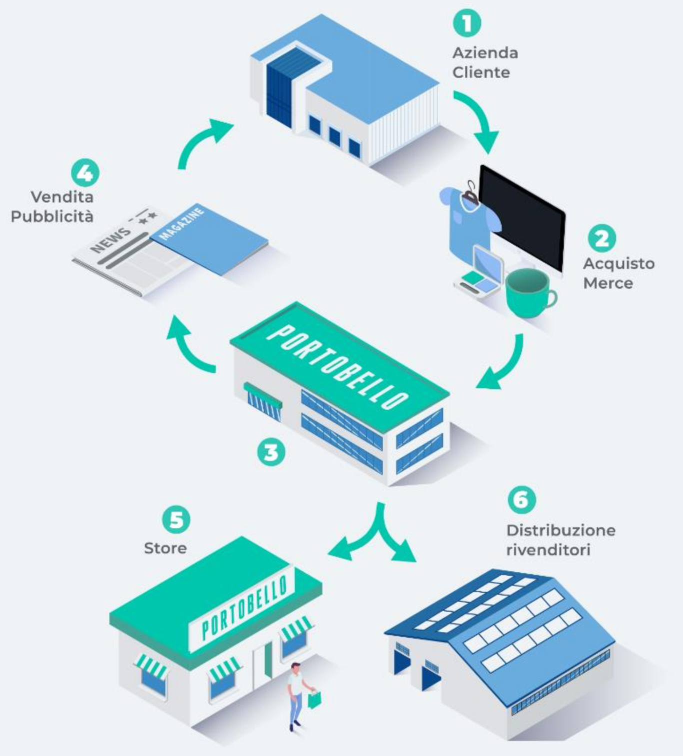


Figure 1 The business model, which is innovative and circular, involves the sale of media space to customer-inserts live or in barter: the resulting products are sold at competitive prices through the Portobello chain of shops, while the remainder is distributed to retailers.

The Company, in order to develop its Business, has established the Strategic Business Units listed below:

- Retail: the retail formula includes shops with high product rotation and resale on major marketplaces.

- **Media & Advertising**: this area includes the purchase and resale of classic third-party advertising space in high-traffic areas, the development of managed media and the circulation of entertainment magazines. The spaces are sold or used in barter activities in order to acquire products for resale through the SBU Retail. Furthermore, in 2018 Portobello became a publisher by launching several magazines on the market ranging from gossip, cooking, and family, to women's fashion and news. The activity is carried out by distributing the magazines nationwide, thus embracing the audience of the average Italian reader. The editorial contents, as well as printing and distribution, are totally outsourced and this allows for excellent management control in terms of costs and to compensate for any seasonal problems in sales. The periodicals, in terms of content and user audience, are also perfectly in line with the potential advertisers of the SBU Media, thus acting as an accelerator for the latter division as well, which handles the sale of advertising space.

- **B2B**: to ensure the best turnover of goods, part of the inventories are sold through B2B channels. This activity makes it possible to improve the marginality on products sold in other channels, to improve the cash cycle and to enter into agreements with international players.

Portobello's business model is circular, efficient and scalable, thanks to the close correlation and vertical integration of the three SBUs. The benefits of such circularity are trifold:

- **Optimisation of resources and asset utilisation**. The Company, through its circular business model, is able to create a strong synergy between the different SBUs and to make full use of all available resources that, taken individually, would certainly generate lower yields and greater risk. In addition, the integrated management model makes the Company's value proposition more attractive to corporate clients, as Portobello is able to guarantee a wide average offer and a very delimited channel for the disposal of inventories.

- **Strategy and competitive positioning** Portobello has outlined a strategy through which it holds a position in the market with clear competitive advantages over competitors in its target sectors. The business model, in fact, allows the company to grow quickly in very difficult industries with great pressure on prices and margins, achieving efficiency of scale and brand recognition among consumers. In the media industry, for example, faced with a stable or slightly declining market on some channels, Portobello is able to grow by acquiring high-margin advertising assets to a greater extent than other operators in the sector. These assets, thanks to the Company's strategy, are able to be valorised and generate significant economic benefits. For this reason, the circular and vertically integrated business model allows Portobello to set itself against the progressive decline of many competitors. This is also true in retail, where the management's expertise in this sector has enabled the company to create a format with great appeal for the consumer, structured in an efficient and scalable manner.

- **Scalability (media, retail)**. The strategy and management model adopted have, as a direct consequence, a strong appeal to consumers seeking better value for money. This generates growth in sales, volumes and points of sale, and, at the same time, an increase in an already good marginality which, thanks to economies of scale, improves further. The strong pressure on prices caused by the emergence of the online sales channel has reduced the margins of many players and is putting out of business all those operators that do not achieve large scale efficiencies. This could represent an opportunity for Portobello, which, having an alternative business model, will be able to grow greater pressures on price and, consequently, create difficulties for its competitors.

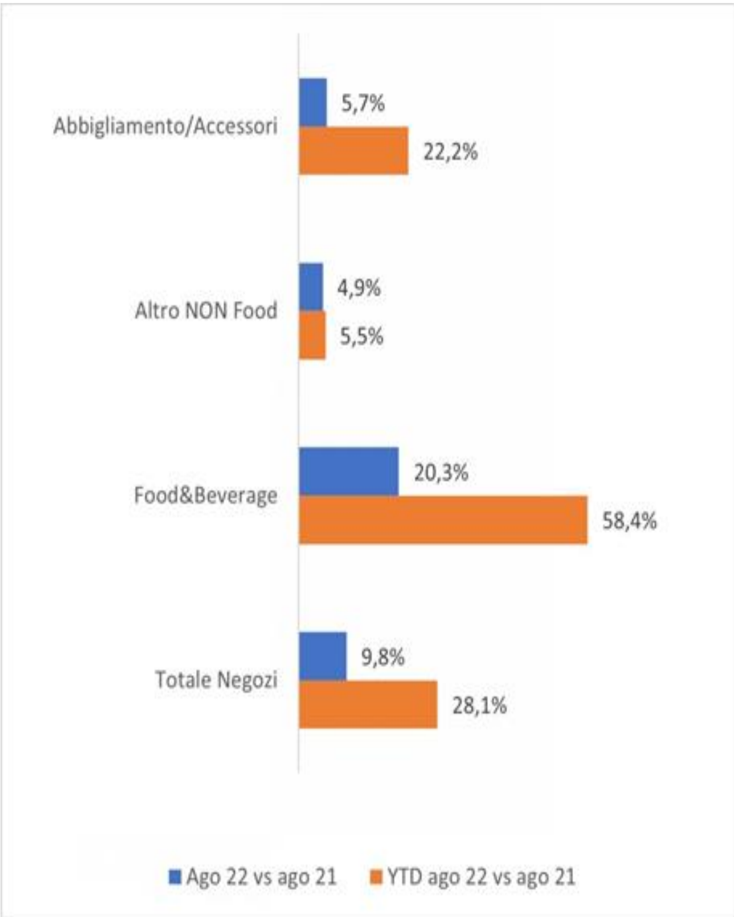
RELEVANT EVENTS

UKRAINIAN CRISIS AND SOCIO-ECONOMIC CONSEQUENCES

Although the Covid-19 health crisis in Italy and the rest of the world was contained in the first half of 2022, the second half of February 2022 witnessed a global geopolitical event of enormous magnitude: the Russian Federation militarily invaded the Ukrainian Republic, causing the dismay of all the world's chancelleries and especially the EU and NATO countries, which responded promptly by imposing strict economic-financial sanctions on the invader. The new scenario, among other consequences, has led to a further exacerbation of energy costs throughout Europe, especially in the countries most dependent on Russian energy supplies, which certainly includes Italy. In addition, rising inflation and higher prices for non-energy commodities, caused mainly by the conflict but also by an exceptional increase in post-covid demand, have put the economies of the globalised world under strain.

RETAIL

Figure 2 - Source: Market Consumption Observatory Confimprese- EY



The year 2022 began with a tightening of many of the critical issues that had characterised the previous year, not least because of geopolitical tensions on a global scale. The month of August, however, closed with remarkable growth compared to 2021. The Confimprese-EY Permanent Observatory - which monitors consumption trends in the catering, clothing and non-food sectors - analysed the data for August 2022 vs. August 2021 and highlights a clear improvement in the total market, which closed at +9.8%. The good results are due to the recovery of tourism, especially of American tourists who are considered top spenders in our country, and a general return to consumption. In the merchandise sectors, catering led the recovery with +20.3% in August 2021. Clothing-accessories were also positive at +5.7% and other non-food close to +5%. In the sales channels, the data reflect the strong surge in tourism in August 22 vs August 21 with travel recovering steadily at +40.8%. High streets also performed well at +12.8%, while other locations (suburban areas of metropolises and provincial towns) closed at +6.6% compared to previous months. In addition, the Confimprese-Jakala Consumption Observatory analysed the data for December 2022 vs. December 2021 and also presented the final figures for the total year calculated on 2019 due to the restrictions still in place for the first 4 months of 2021. The analysis shows that after a very slow start in the first quarter at -16.7% vs. 2019, followed by a steady recovery in the April-November period at -1.9%, we arrive at the abrupt braking in December, which, at -9.8% vs. 2019, brings to light the concern about the slowdown in consumption linked to the erosion of purchasing power and the consequent worry about geopolitical scenarios. From this perspective, the consumption freeze in December can be interpreted as the consumer's orientation towards discount and price range purchases.

Thanks to a very competitive offer, Portobello's B2C (Retail) SBU recorded excellent results with revenues of EUR 24.6 million as at 31 December 2022.

During the year 2022, 10 new Portobello brand shops were opened:

- **C.C. Centroborgo - Bologna**. Since 1989 a point of reference for the people of Bologna, the shopping centre has restaurant areas, a hypermarket, a dental surgery office, a pharmacy and many other services. The shop inside the 'Centroborgo' shopping centre has a floor space of 780 square metres and employs 14 specially recruited and trained people.
- **C.C. I Malatesta - Rimini**. The shopping centre's elegant gallery houses 40 shops of the best brands, a hypermarket, a pharmacy and a large food court with various gastronomic proposals. The shop inside the 'I Malatesta' shopping centre has a floor space of 1430 square metres and employs 14 specially recruited and trained staff.
- **C.C. Adriatico 2 - Portogruaro (VE)**. With more than 2,000 parking spaces, several cafés and restaurants, themed events and a large number of top brand shops, the 'Adriatico 2' shopping centre represents a landmark for local shopping and entertainment. The shop in the 'I Malatesta' shopping centre is approximately 1,500 square metres and employs 13 specially recruited and trained people.
- **C.C. The Borgogioioso - Carpi (MO)**. With a spacious and modern architecture, a hypermarket, bars and restaurants, themed events, the shopping centre offers various areas dedicated to shopping, dining and leisure. The shop inside the shopping centre is about 1600 square metres and employs 10 specially recruited and trained people.
- **C.C. Città Fiera - Torreano di Martignacco (UD)**. With 250 shops, 40 food outlets, 2 supermarkets, a cinema and many play areas for children, "Città Fiera" is the largest shopping centre in the Alpe Adria region, a bridge of communication with neighbouring Austria and Slovenia. The shop within the 'Città Fiera' shopping centre has a floor space of 920 square metres and employs 11 specially recruited and trained staff.
- **C.C. Porto Grande - San Benedetto del Tronto (AP)**. A reference point for the inhabitants of San Benedetto del Tronto and for tourists who flock to the neighbouring beaches along the Adriatic coast, 'Porto Grande' is a state-of-the-art shopping centre with 40 shops, a hypermarket and many useful services. The shop inside the 'Porto Grande' shopping centre is 1,272 square metres and employs 14 specially recruited and trained people.
- **C.C. Etnapolis - Catania**. The shopping centre has more than 6,000 parking spaces, dining and relaxation areas, a hypermarket, a parapharmacy, a multiplex cinema, areas dedicated to children, and many other services. The shop inside the 'Etnapolis' shopping centre is 888 square metres and employs 13 specially recruited and trained people.
- **C.C. ESP - Ravenna**. The shopping centre has almost 4,500 parking spaces, a cycle track connected to the city, dining and relaxation areas, a hypermarket, an outdoor playground, children's areas and many other facilities. The shop within the 'ESP' shopping centre is 684 square metres and employs 12 specially recruited and trained people.
- **C.C. Mongolfiera Japigia - Bari**. The shopping centre has a playground area, relaxation areas, three multidisciplinary sports tracks, an amphitheatre, a pet-friendly area, an urban vegetable garden and other public spaces for socio-cultural activities. The shop inside the Mongolfiera Japigia shopping centre has a floor space of 2,000 square metres and employs 17 specially recruited and trained people.
- **C.C. Centro Luna - Sarzana (SP)**. The shopping centre, a reference point for shopping and leisure in Sarzana, has more than a thousand parking spaces, relaxation and refreshment areas and a large pet-friendly area with play and educational initiatives. The shop inside the 'Centro Luna' shopping centre is approximately 500 square metres and employs 11 specially recruited and trained people.

PORTOBELLO BRAND OUTLETS OPERATIONAL AS AT 31 DECEMBER 2022

CITY	HEADQUARTERS
OUTLETS OPERATED BY PORTOBELLO SPA	
MILAN	Via Torino
MILAN	Corso Buenos Aires
MILAN	Corso Genova
ROME (Capena)	Via Tiberina km 1700
ROME	Via Tiburtina 541
ROME	Via dei Castani 171-175
ROME	Piazza Santa Maria Maggiore 9-10
ROME	Via Francesco Grimaldi 76/78
ROME (Ostia)	Via delle Gondole 20
ROME	204 Libia Avenue
ROME	Via Tuscolana 1048/1058
ROME	Via dei Colli Portuensi 453/455
FROSINONE	Viale Europa snc
OUTLETS OPERATED BY SUBSIDIARY PB RETAIL SRL	
TURIN	C.C. Porte di Torino
FANO (PU)	C.C. Fanocenter
CATANIA	C.C. Porte di Catania
OLBIA	C.C. Olbia Mare
ROME	C.C. Romaest
ROME	C.C. La Romanina
ANCONA	C.C. Caves Centre
FORLI'	C.C. Iron Point
BOLOGNA	C.C. Centroborgo
RIMINI	C.C. I Malatesta
PORTOGRUARO (VE)	C.C. Adriatic 2
CARPI (MO)	C.C. The Borgogioioso
TORREANO DI MARTIGNACCO (UD)	C.C. Fair City
SAN BENEDETTO DEL TRONTO (AP)	C.C. Porto Grande
CATANIA	C.C. Etnapolis
RAVENNA	C.C. ESP
BARI	C.C. Mongolfiera Japigia
SARZANA (SP)	C.C. Moon Centre

ACQUISITION OF THE EPRICE MARKETPLACE

Through the company PB Online S.r.l., in June, Portobello was awarded, as part of the pre-concordination procedure pending before the Court of Milan, the so-called 'marketplace' business unit owned by ePrice Operations S.r.l.

The 'marketplace' business unit concerns the *eprice.co.uk* portal, consisting of the following elements.

- goodwill, understood as the intangible value of the business, reflecting market position, brand awareness, supplier and customer network and business reputation;
- the capital goods and hardware necessary and required to ensure business continuity;
- all intangible assets inherent in the business unit, including the database of (i) personal data of the company's customers, (ii) the personal data and master data of the market place sellers, and (iii) that of the users (i.e. visitors) of the web pages disseminated by the company;
- contracts and all authorisations necessary and required for the conduct of the business branch's activities;
- a 25% shareholding in the Dutch-registered company International Marketing Network b.v., a JV founded with three other operators to create an international marketplace between Italy, France, Germany and Romania;
- labour relations with 25 employees at the business unit necessary and required to ensure business continuity.

The business unit was acquired through PB Online S.r.l., a company established in May 2022 and jointly owned and managed with Riba Mundo Tecnologia S.L., with which Portobello agreed to complete the joint investment.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KitchenAid
PREMIAMO
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MEDIA AND PUBLISHING

On the basis of Nielsen data reported by Confindustria Radio Televisioni (CRTV), the advertising investment market in Italy in the first ten months of 2022 recorded a total value of just over EUR 4.3 billion, with a downward trend (-4.1%) compared to the values of the same period of the previous year ("traditional perimeter"). In the single month of October, the figure stood at approximately EUR 590 million, down 1.8% compared to the values for the same month in 2021.

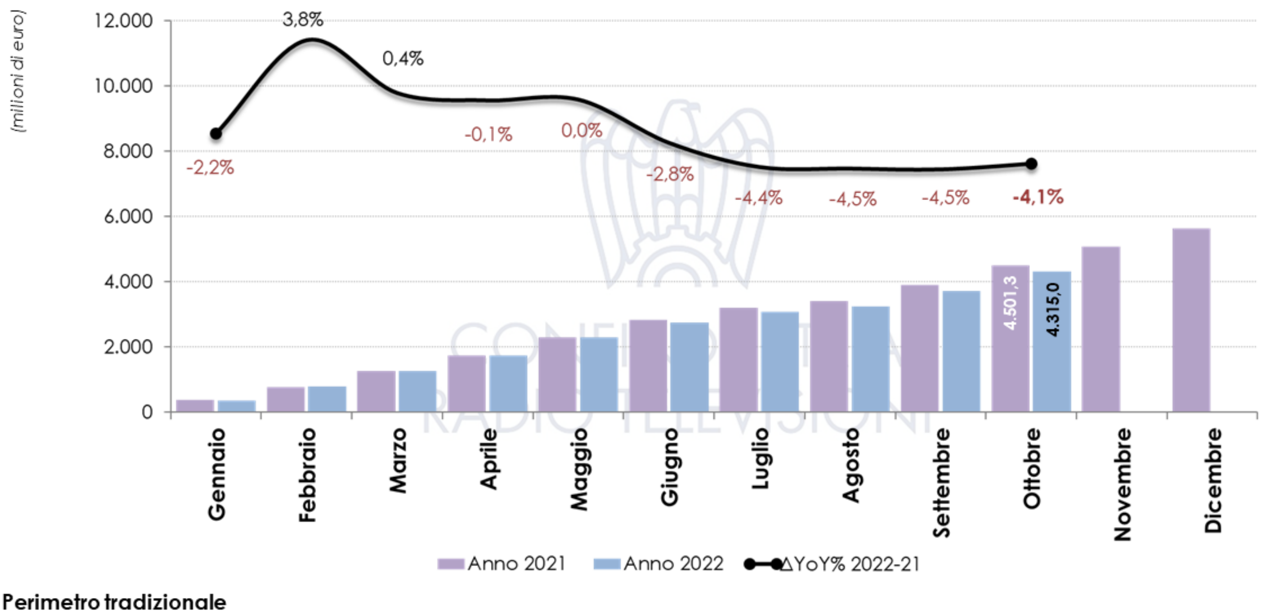

Figure 3 - Advertising investments Italy: TOTAL MEDIA, traditional perimeter
Source: Confindustria Radio Televisioni (CRTV) elaborations on Nielsen data. Net advertising investments.
Note: The 'traditional' perimeter monitored by Nielsen does not include the Search, Social and Classified components of the Internet and the so-called Over The Top.

In terms of the 'extended perimeter' (including the Search, Social and Classified components of the Internet and the so-called Over The Top), the market value stands at just over EUR 7.0 billion (-1.2% compared to 2021), with a difference from the 'traditional' market of around EUR 2.7 billion.

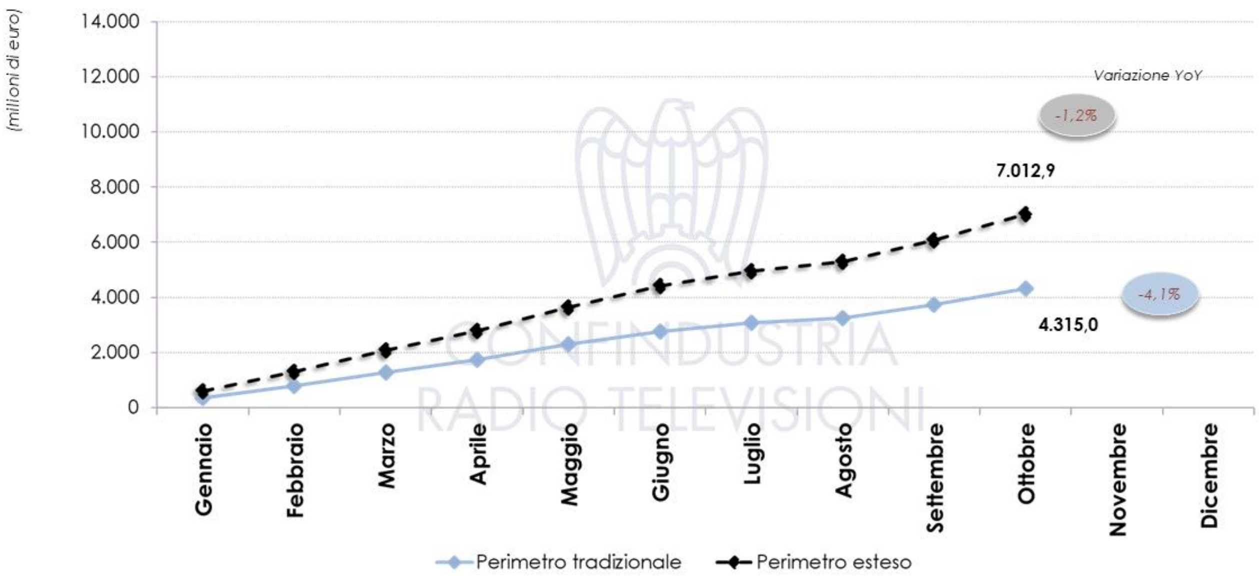

Figure 4 - Advertising investments Italy: TOTAL MEANS, comparison perimeters
Source: Confindustria Radio Televisioni (CRTV) elaborations on Nielsen data. Net advertising investments.
Note: The 'extended' perimeter monitored by Nielsen includes the Search, Social and Classified components of the Internet and the so-called Over The Top.

With regard to Portobello's SBU Media, it should be noted that at the beginning of February 2022, Sae Sardegna S.r.l. - a subsidiary of the Sae-Sapere Aude Editori S.p.A. Group (Sae Group), in which Portobello holds a stake of approximately 18% of the share capital - acquired the daily newspaper La Nuova Sardegna. The transaction follows the Sae Group's acquisition in December 2020 of the daily newspapers Il Tirreno, La Nuova Ferrara, Gazzetta di Modena and Gazzetta di Reggio.

Furthermore, in October, Portobello subscribed to the capital increase of Class Editori S.p.A., a company listed on Euronext Milan, for 500,000 euros, in connection with the approval of the broader restructuring plan of the Class Editori Group agreed with various credit institutions. The investment in Class Editori further consolidates the commercial agreement already in place with Portobello, which has enabled both companies to benefit in terms of synergies and visibility.

Thanks to the acquisition of La Nuova Sardegna and the shareholding in Class Editori, Portobello expanded its advertising offer and consequently strengthened the SBU Media through which it set up advertising bartering operations by means of special commercial agreements.

Portobello's SBU Media reported excellent results with revenues of EUR 71.83 million as at 31 December 2022.

B2B

Finally, the revenues of Portobello's B2B SBU as at 31 December 2022 amounted to EUR 33.47 million, up by 72.1% compared to 31 December 2021. The Company considers this activity to be useful for monetising those products that are not in line with the Portobello shops, or related to purchases that have too high a volume compared to the shops currently open, and therefore is not a priority channel in its development strategies.

FINANCING

At the end of January 2022, the Company signed a financing agreement for a total of €5 million with Deutsche Bank. The purpose of the transaction is to support the Company's multi-year investment plan, having at the same time entered into binding agreements with leading commercial partners active in the retail sector for the opening of new stores throughout Italy, under which the commercial network is expected to increase by approximately a further 5,000 square metres, comparable in terms of characteristics and profitability to approximately 20 stores built using the standard Portobello concept of 250 square metres. The shops will be opened in high-traffic shopping centres throughout the country in order to reach a significantly larger number of customers. The loan, which is variable-rate and unsecured, amounts to €5 million, has a term of five years and expires on 3 February 2027, and a repayment schedule on a quarterly basis in arrears, after an initial pre-amortisation period of six months. The financing agreement contains provisions that are customary for contracts of this kind, including: (i)assumptions of mandatory early repayment, in the event of non-compliance with financial covenants typical of such transactions (Net Financial Debt/Equity and Net Financial Debt/EBITDA, both calculated on an annual basis) (ii) the possibility of voluntary early repayment of the financed amounts, subject to the payment of a penalty; (iii) additional provisions relating to mandatory early repayment events, declarations, covenants (including financial) and obligations not to do anything, events of revocation, consents and materiality thresholds in line with practice for transactions of this kind. In consideration of the Company's shareholding structure, a "change of top management" clause is also provided for in the event that Pietro Peligra, Roberto Panfili and Simone Prete cease to hold, directly or indirectly, a cumulative shareholding between them of at least 30% of the Company's shares.

In March, the Company signed a financing agreement for a total of €5 million with a leading Italian credit institution. The purpose of the transaction is to support Portobello's multi-year investment plan, having at the same time entered into binding agreements with leading commercial partners active in the retail sector for the opening of new stores throughout Italy, under the terms of which the commercial network is expected to increase by approximately a further 5,800 m2 , comparable in terms of characteristics and profitability to approximately 23 stores built using Portobello's standard 250 m2 concept. The loan, which is variable-rate and unsecured, amounts to €5 million, has a term of five years and expires on June 30, 2027, and a repayment plan on a semi-annual basis in arrears, after an initial pre-amortisation period of six months. The loan agreement contains provisions that are customary for contracts of this kind, including: (i) assumptions of mandatory early repayment, in the event of non-compliance with financial covenants typical of such transactions (Net Financial Debt/Equity and Net Financial Debt/EBITDA, both calculated on an annual basis) (ii) the possibility of voluntary early repayment of the financed sums, subject to payment of a penalty; (iii) additional provisions relating to mandatory early repayment events, declarations, covenants (including financial) and covenants not to do, events of revocation, consents and materiality thresholds in line with practice for transactions of this kind. Within the opportunities being created for the Company, this transaction will further strengthen its physical presence and business in the country.

In October, Portobello signed a financing agreement for a total of EUR 9.5 million with UniCredit. The transaction is aimed at supporting Portobello's multi-year investment plan in the retail sector for the opening of new stores throughout Italy. The loan, which bears a floating rate of interest and is covered by a SACE "SupportItalia" guarantee, amounts to €9.5 million, has a term of 7 years maturing on 30/09/2029 and a repayment schedule on a quarterly basis in arrears, after an initial pre-amortisation period of 24 months. The financing agreement contains provisions that are usual for contracts of this kind, including: (i) assumptions of mandatory early repayment, in the event of non-compliance with financial covenants typical of such transactions (Net Financial Debt/Equity and Net Financial Debt/EBITDA, both calculated on an annual basis) (ii) the possibility of voluntary early repayment of the financed sums, subject to payment of a penalty; (iii) further provisions concerning mandatory early repayment events, declarations, covenants (including financial) and obligations not to do anything, events of revocation, consents and materiality thresholds in line with practice for transactions of this kind.

Also in October, Portobello signed a further financing agreement for a total of EUR 4 million with Banco BPM. The transaction is aimed at supporting Portobello's multi-year investment plan in the retail sector for the opening of new stores throughout Italy. The loan, which bears a variable interest rate, amounts to Euro 4 million, has a term of 36 months expiring on 31/12/2025 and a repayment schedule on a quarterly basis, after an initial pre-amortisation period of 6 months. The loan agreement contains provisions that are customary for contracts of this kind, including: (i) the possibility of voluntary early repayment of the financed amounts, subject to payment of a penalty; (ii) additional provisions relating to mandatory early repayment events, declarations, obligations not to do, events of revocation, consents and materiality thresholds in line with practice for transactions of this kind.

SPONSORSHIPS

Since its foundation, Portobello has been supporting and enhancing sport, which represents an important tool for socialising and promoting fundamental values such as team spirit, respect, loyalty and inclusion. The Company has therefore signed a number of top-level sponsorship agreements in the sports sector, which are part of its communication and marketing strategy, aimed at representing the Company's Italian identity and its roots in the territory, and thus supporting both local populations and activities, as well as national excellence. This strategy, together with the numerous openings of sales outlets and a massive media campaign through high-profile 'influencers' and 'brand ambassadors', has helped to strengthen brand awareness throughout the country.

- **Roma Volleyball Club Femminile**: Portobello is the Official Sponsor for the 2022-23 season. Through the Portobello logo affixed on the jersey of the "libero" player and on the shorts of all the players, on the LEDs positioned on the sidelines, on the official website and various activities on the team's social networks, the club further strengthens its brand awareness especially in the Lazio region, where it is based.
- **Italian Rugby Federation (F.I.R.)**: Portobello is reconfirmed as Official Top Sponsor for the 2022-23 season. The agreement with the F.I.R. allows Portobello to benefit from great visibility at the national level, through various initiatives at all home matches of the "Guinness Six Nations Championship" and "Autumn International Series" tournaments.
- **Fabio Di Giannantonio (MotoGP Rider):** Portobello reconfirms its sponsorship of Italian motorcycling talent Fabio Di Giannantonio for the 2022 and 2023 seasons. Thanks to the agreement signed in October 2021 and renewed in 2022, the company will benefit from international visibility through the affixing of the logo on the right and left sleeve of the suit used by the rider during all free practice/official tests and races.

PRIZES AND AWARDS

During 2022, the company was honoured with prestigious prizes and awards at a national level.

- **Champions of Growth:** for the third year in a row, Portobello is a 'Champion of Growth', an award recognised to the companies with the highest average annual growth over the three-year period 2018-2021. "Champions of Growth" is a ranking drawn up by the German Institute for Quality and Finance (ITQF) in collaboration with Affari & Finanza of the daily newspaper la Repubblica, whose aim is to pay tribute to dynamic companies that contribute to giving new impetus to Italian society and economy.
- **Forever Bambù Award:** in the splendid setting of the Palazzo delle Stelline in Milan, Portobello participated in the event 'NFT at the Service of Environmental Sustainability', organised by Forever Bambù and sponsored by Confindustria Cisambiente. During the ceremony, Portobello received a work of art by krypto artist Nicolò Canova as a prize and was recognised by Forever Bambù for its commitment to sustainability.

ENVIRONMENTAL SUSTAINABILITY AND SOCIAL RESPONSIBILITY

In the complex social and economic context of 2022, also due to the consequences of the geopolitical crisis, the Company wanted to expand the scope of its environmental sustainability and social responsibility activities.

- **Forever Bambù Partnership**: Portobello has strengthened its commitment to environmental sustainability through the Forever Zero CO2 project, the carbon offset programme of Forever Bambù, a leader in the planting of giant bamboo with biodynamic and symbiotic agriculture, for industrial, food and energy purposes. Thanks to this ambitious project, Portobello has zeroed the polluting emissions produced by all the shops opened from the foundation until December 2021, through the absorption of about 600 tonnes of CO2 per year, for a total of 12,000 tonnes by 2042, with the planting of 23,000 square metres of bamboo forest in Civitella Paganico in Tuscany.
- **Telethon Foundation Partnership**: By choosing to become a partner of the Telethon Foundation, Portobello has opened a new chapter in its corporate social responsibility. The partnership is dedicated to the 'Diseases without diagnosis' programme, which aims to find a diagnosis for children with as yet unidentified rare genetic diseases. Portobello started this journey by participating in the solidarity relay of the Milan Marathon 2022. Subsequently, a fundraising activity was launched at the checkout, aimed at customers: in all Portobello shops throughout the territory, a special greeting card was distributed against a donation of 1 euro in favour of Telethon. Finally, Portobello chose the Foundation's solidarity baskets as Christmas gifts.
- **UNICEF sponsorship**: Portobello sponsored the charity event "With the Children's Eyes" in favour of UNICEF, which was held in Florence at the Sala dei Cinquecento in Palazzo Vecchio. Thanks to the contribution of the sponsoring companies, UNICEF is able to finance the Istituto degli Innocenti in Florence, Italy's oldest public institution active in child care.
- **Ukrainian emergency**: the Company made a donation of 1,000 items of clothing to the Spanish National Church in Rome, in order to actively contribute to the Ukrainian emergency. This donation is part of the solidarity project that the aforementioned institution has promoted, together with the Spanish Cervantes High School in Rome, and is aimed at collecting basic necessities for the Ukrainian people.
- **La Porta è Sempre Aperta Caritas**: the project, promoted by Caritas Italiana, aims to protect vulnerable people living on the streets in the metropolitan area of Roma Capitale through an extraordinary winter shelter plan. Specifically, the company actively contributed through a donation of 380 winter garments.
- **Visita Sospesa (Suspended Visit)**: promoted by Impresa Sociale Medici in Famiglia and Associazione Panda Onlus, the Visita Sospesa project aims to raise funds, through the Milove charity event, to provide free medical and psychological care to families with children in socially vulnerable conditions. The company's contribution came through the donation of media space to publicise the charity activity.
- **Accademia Arte Culinaria Casa Africa**: Portobello participated in the training project promoted by the Casa Africa Onlus school, with the donation of over 600 products including kitchen utensils, tableware and table accessories. The project aims to place vulnerable young people in vocational

training courses through which they can enter the labour market. The Speedy Truck Consortium, Portobello's service provider, also took part in the initiative, delivering the products free of charge.

MANAGEMENT EVOLUTION

The Russian-Ukrainian conflict has exacerbated some critical issues caused by the pandemic and led to a dramatic increase in the price of energy and raw materials and consequently inflation, which has had an impact on prices and thus on consumption. Nevertheless, according to preliminary ISTAT estimates, in 2022 Italian GDP exceeded the government's estimates, increasing by 3.9% compared to 2021, despite the 0.1% decrease in the fourth quarter compared to the previous quarter.

Portobello's production, by its nature non-energy intensive, has not been particularly affected by rising energy costs. Moreover, in critical periods such as the current one, characterised by uncertainty, inflation and declining purchasing power, consumers become more cautious and sensitive to product prices. Therefore, the Company's value proposition, based on an offer that manages to sustainably combine the best value for money on the market with an excellent purchasing experience, becomes more successful, as already proven during the pandemic period.

Moreover, with the acquisition of the e-commerce platform Eprice, through its subsidiary PB Online, the company is preparing to:

- become an omnichannel operator, creating strong synergies between online (e-commerce) and offline (retail chain) aimed at increasing brand awareness, customer loyalty and optimising contact points with the public;
- Expand the product range on the eprice.co.uk portal with some categories of the Portobello retail chain to strengthen the online offer, marginality and competitiveness of the e-commerce portal;
- rapidly develop economies of scale both on costs related to logistics, shipping, communication, marketing and on margins by being able to obtain more favourable terms from suppliers;
- Developing a competitive B2B offer for SMEs, which make up the vast majority of the Italian industrial fabric, also thanks to the advertising exchange mechanism.

In addition to this - thanks to the fully digital loyalty programme, which makes use of the proprietary Fidelity App, downloadable on the main stores (Android and iOS) and integrated with the POS management software and Salesforce CRM - the company expects to achieve several benefits in the medium term:

- growth in turnover. A loyal customer base will more readily identify with the values of the company and will consequently tend to increase both repeat purchases and the average shopping basket. By increasing brand loyalty, the amount of the average receipt will also increase and so will the customer's Customer Lifetime Value;

- increased word of mouth. A satisfied customer will feel the need to recommend the benefits of the Portobello loyalty programme to friends and family, becoming in effect a brand advocate for the company;

- greater profitability in the long term. Loyal customer purchases will not be concentrated in the period of offers or promotions, but will be frequent and spread throughout the year. In the medium to long term, this will significantly increase the company's profitability and provide a competitive advantage over competitors in the sector.

From a careful analysis of the current situation and the medium- to long-term outlook, therefore, it is reasonable to assume that the Company will continue to constitute a sustainable economic complex intended to produce income over a period of several years.

In confirmation of this, the Portobello Group continues with the development of its chain of shops, which by December 2022 had reached a total area of approximately 24,500 m2, to which new openings already contracted will be added.

ECONOMIC/FINANCIAL PERFORMANCE

ECONOMIC MANAGEMENT DATA

Below are the Group's key operating figures for the year ended 31 December 2022, prepared in accordance with national accounting standards:

Profit and Loss Account of the Company *(figures in Euro)*	**31/12/2022**	**31/12/2021**	**Variaz. Absolute**	**Change %**
Revenues from sales and services	129,887,796	85,487,707	44,400,089	51.94%
Other revenues and income	595,366	2,692,151	-2,096,785	-77.89%
Value of production	**130,483,162**	**88,179,858**	**42,303,304**	**47.97%**
raw materials, consumables and goods	100,065,692	83,330,338	16,735,354	20.08%
Change in inventories of raw, ancillary and consumable materials and goods	(15,809,826)	(28,060,169)	12,250,343	-43.66%
Cost of sales	**84,255,866**	**55,270,169**	**2,8,985,697**	**52.44%**
Gross Margin	**46,227,296**	**32,909,689**	**13,317,607**	**40.47%**
%	**35.4%**	**37.3%**	**-1.89%**	**-5.07%**
Staff	**11,264,083**	**5,406,702**	**5,857,381**	**108.34%**
Use of third party assets	**6,917,707**	**3,424,627**	**3,493,080**	**102.00%**
Services	**9,067,792**	**6,764,358**	**2,303,434**	**34.05%**
Sundry operating expenses	**818,923**	**798,375**	**20,548**	**2.57%**
EBITDA	**18,158,791**	**16,515,627**	**1,643,164**	**9.95%**
%	**13.9%**	**18.7%**	**-4.81%**	**-25.70%**
Depreciation, Amortisation, Provisions and Write-downs	**4,680,538**	**2,629,413**	**2,051,125**	**78.01%**
EBIT	**13,478,253**	**13,886,214**	**-407,961**	**-2.94%**
%	**10.3%**	**15.7%**	**-5.42%**	**-34.41%**
Other financial income	13,504	45	13,459	29908.87%
Interest and other financial charges	(884,653)	(463,518)	(421,135)	90.86%
Value Adjustments on Financial Assets	(440,741)	(400,000)	-40,741	10.19%
Financial Management	**(1,311,890)**	**(863,473)**	**-448,417**	**51.93%**
EBT	**12,166,363**	**13,022,741**	**-856,378**	**-6.58%**
Current, Deferred and Prepaid Income Taxes for the Year	**4,507,452**	**4,203,979**	**303,473**	**7.22%**
PROFIT (LOSS) FOR THE PERIOD	**7,658,912**	**8,818,762**	**-1,159,850**	**-13.15%**
%	**5.9%**	**10.0%**	**-4.13%**	**-41.31%**

The value of production as at 31.12.2022 amounted to Euro 130,483,162 The table below shows the value of production broken down by business area:

Activity Category	31/12/2022	31/12/2021	Absolute change	Change %
Media	71,828,232	54,552,666	17,275,566	31.67%
Retail (or B2C)	24,593,508	11,488,783	13,104,725	114.07%
B2B	33,466,056	19,446,258	14,019,798	72.10%
Other income	595,366	2,692,151	-2,096,785	-77.89%
Value of production	**130,483,162**	**88,179,858**	**42,303,304**	**47.97%**

EBITDA indicates the result before financial and extraordinary management, taxes, depreciation and amortisation of fixed assets, provisions and impairment of receivables. EBITDA thus defined is the indicator used by the directors of Portobello S.p.A. to monitor and evaluate the operating performance of the company. Since EBITDA is not identified as an accounting measure within the accounting standards, it must not be considered as an alternative measure for the evaluation of the operating performance of Portobello S.p.A. Since the composition of EBITDA is not regulated by the relevant accounting standards, the determination criterion applied by Portobello S.p.A. may not be homogeneous with that adopted by other entities and/or groups and may therefore not be comparable. At 31 December 2022, EBITDA amounted to Euro 18,158,791, or 13.9% of the value of production.

EBIT indicates the result before financial expenses and taxes for the year. EBIT therefore represents the operating result before the remuneration of both debt and equity capital. EBIT thus defined represents the indicator used by the company's directors to monitor and evaluate the company's operating performance. Since EBIT is not identified as an accounting measure within the scope of national accounting standards and its composition is not regulated by the reference accounting standards, the calculation criteria applied by the Company may not be homogeneous with that adopted by other entities and therefore may not be comparable with them. As of 31 December 2022, it amounted to €13,478,253.

	31/12/2022	31/12/2021	Absolute change	Change %
Value of production	130,483,162	88,179,858	42,303,304	47.97%
EBITDA	18,158,791	16,515,627	1,643,164	9.95%
EBIT	13,478,253	13,886,214	-407,961	-2.94%

The consolidated net profit for the year ended 31 December 2022 amounted to €7,658,912 and was composed as follows:

- Group share of profit Euro 10,347,617
- Minority interests Euro (2,688,705)

The results for the year ended 31 December 2022 were affected by the presence of an extraordinary and non-recurring item of about EUR 6.4 million. In order to normalise the result for the year and make it comparable with that of the previous year, it was deemed appropriate to prepare adjusted Profit and Loss Account and Balance Sheet schedules stripped of the aforementioned extraordinary item and the related tax impact. The two adjusted reclassification schedules are shown below.

Adjusted Consolidated Profit and Loss Account	31/12/2022	31/12/2021	Variaz. Absolute	Change %
Revenues from sales and services	129,887,796	85,487,707	44,400,089	51.94%
Other revenues and income	595,366	2,692,151	-2,096,785	-77.89%
Value of production	**130,483,162**	**88,179,858**	**42,303,304**	**47.97%**
raw materials, consumables and goods	93,660,692	83,330,338	10,330,354	12.40%
Change in inventories of raw, ancillary and consumable materials and goods	(15,809,826)	(28,060,169)	12,250,343	-43.66%
Cost of sales	**77,850,866**	**55,270,169**	**22,580,697**	**40.86%**
Gross Margin	**52,632,296**	**32,909,689**	**19,722,607**	**59.93%**
%	**40,34%**	**37,32%**	**3,02%**	**8.08%**
Staff	**11,264,083**	**5,406,702**	**5,857,381**	**108.34%**
Use of third party assets	**6,917,707**	**3,424,627**	**3,493,080**	**102.00%**
Services	**9,067,792**	**6,764,358**	**2,303,434**	**34.05%**
Sundry operating expenses	**818,923**	**798,375**	**20,548**	**2.57%**
EBITDA	**24,563,791**	**16,515,627**	**8,048,164**	**48.73%**
%	**18,83%**	**18,73%**	**0,10%**	**0.51%**
Depreciation, Amortisation, Provisions and Write-downs	**4,680,538**	**2,629,413**	**2,051,125**	**78.01%**
EBIT	**19,883,253**	**13,886,214**	**5,997,039**	**43.19%**
%	**15,24%**	**15,75%**	**-0,51%**	**-3.23%**
Other financial income	13,504	45	13,459	29908.87%
Interest and other financial charges	(884,653)	(463,518)	(421,135)	90.86%
Value Adjustments on Financial Assets	(440,741)	(400,000)	-40,741	10.19%
Financial Management	**(1,311,890)**	**(863,473)**	**-448,417**	**51.93%**
EBT	**18,571,363**	**13,022,741**	**5,548,622**	**42.61%**
Current, Deferred and Prepaid Income Taxes for the Year	**4,507,452**	**4,203,979**	**303,473**	**7.22%**
PROFIT (LOSS) FOR THE PERIOD	**14,063,912**	**8,818,762**	**5,245,150**	**59.48%**
%	**10,78%**	**10,00%**	**0,78%**	**7.77%**

The adjusted income statement was prepared in order to normalise the result for the year from an extraordinary and non-recurring component and the related tax impact in order to make it comparable with the previous year.

Adjusted Consolidated Balance Sheet	31/12/2022	31/12/2021	Variaz. Absolute	Change %
Intangible Fixed Assets	6,312,335	5,346,804	*965,531*	*18.06%*
Tangible Fixed Assets	3,313,805	1,995,790	*1,318,015*	*66.04%*
Financial Fixed Assets	4,575,012	1,065,870	*3,509,142*	*329.23%*
NET FIXED ASSETS	**14,201,152**	**8,408,464**	***5,792,688***	***68.89%***
Inventories	56,262,254	43,919,572	*12,342,682*	*28.10%*
Inventories	**56,262,254**	**43,919,572**	***12,342,682***	***28.10%***
Customers	5,943,856	4,309,756	*1,634,100*	*37.92%*
Suppliers	(7,756,744)	(11,887,771)	*4,131,027*	*-34.75%*
Trade receivables and payables	**(1,812,888)**	**(7,578,015)**	***5,765,127***	***-76.08%***
Tax receivables and payables	(9,272,939)	(4,420,652)	*(4,852,287)*	*109.76%*
Other credits	1,346,651	1,364,102	*(17,451)*	*-1.28%*
Other debts	(2,244,339)	(2,153,519)	*(90,820)*	*4.22%*
Accrued income and prepaid expenses	2,725,218	2,536,955	*188,263*	*7.42%*
Accrued expenses and deferred income	(338,375)	(256,035)	*(82,340)*	*32.16%*
Other current assets	**(7,783,784)**	**(2,929,149)**	***(4,854,635)***	***165.74%***
Advertising to consume	33,844,046	20,953,272	*12,890,774*	*61.52%*
Advertising to be delivered	(1,279,469)	(10,013,118)	*8,733,649*	*-87.22%*
Advertisement	**32,564,577**	**10,940,154**	**21,624,423**	***197.66%***
NET WORKING CAPITAL	**79,230,159**	**44,352,562**	**34,877,597**	***78.64%***
TFR	(752,052)	(389,210)	*(362,842)*	*93.23%*
Other funds	(902,963)	(32,637)	*(870,326)*	*2666.69%*
CONSOLIDATED LIABILITIES	**(1,655,015)**	**(421,847)**	**(1,233,168)**	***292.33%***
NET INVESTED CAPITAL	**91,776,296**	**52,339,179**	***39,437,117***	***75.35%***
Capital	(674,450)	(619,490)	*(54,960)*	*8.87%*
Reserves	(34,592,923)	(25,548,707)	*(9,044,216)*	*35.40%*
(Profit) loss for the period	(16,752,617)	(8,854,332)	*(7,898,285)*	*89.20%*
Minority (profit) loss	2,688,705	35,570		
Minority shareholders' equity	2,675,275	(13,430)		
NET WORTH	**(49,344,715)**	**(35,035,959)**	***(14,308,756)***	***40.84%***
(Financial debts)	(761,315)	(1,234,117)	*472,802*	*-38.31%*
Financial receivables	259,259	-	*259,259*	
(Bank debts)	(44,773,656)	(18,540,278)	*(26,233,378)*	*141.49%*
Cash and cash equivalents	2,844,131	2,471,175	*372,956*	*15.09%*
PFN	**(42,431,581)**	**(17,303,220)**	***(25,128,361)***	***145.22%***
TOTAL SOURCES	**(91,776,296)**	**(52,339,179)**	***(39,437,117)***	***75.35%***

The adjusted balance sheet was prepared in order to normalise the result for the year from an extraordinary and non-recurring component and the related tax impact in order to make it comparable with the previous year.

Balance Sheet - Financial Situation

The Group's statement of financial position as at 31 December 2022 and the comparison with the corresponding figures as at 31 December 2021 are shown below:

Consolidated Balance Sheet	31/12/2022	31/12/2021	*Variaz. Absolute*	*Change %*
Intangible Fixed Assets	6,312,335	5,346,804	*965,531*	*18.06%*
Tangible Fixed Assets	3,313,805	1,995,790	*1,318,015*	*66.04%*
Financial Fixed Assets	4,575,012	1,065,870	*3,509,142*	*329.23%*
NET FIXED ASSETS	**14,201,152**	**8,408,464**	***5,792,688***	***68.89%***
Inventories	56,262,254	43,919,572	*12,342,682*	*28.10%*
Inventories	**56,262,254**	**43,919,572**	***12,342,682***	***28.10%***
Customers	5,943,856	4,309,756	*1,634,100*	*37.92%*
Suppliers	(7,756,744)	(11,887,771)	*4,131,027*	*-34.75%*
Trade receivables and payables	**(1,812,888)**	**(7,578,015)**	***5,765,127***	***-76.08%***
Tax receivables and payables	(9,272,939)	(4,420,652)	*(4,852,287)*	*109.76%*
Other credits	1,346,651	1,364,102	*(17,451)*	*-1.28%*
Other debts	(2,244,339)	(2,153,519)	*(90,820)*	*4.22%*
Accrued income and prepaid expenses	2,725,218	2,536,955	*188,263*	*7.42%*
Accrued expenses and deferred income	(338,375)	(256,035)	*(82,340)*	*32.16%*
Other current assets	**(7,783,784)**	**(2,929,149)**	***(4,854,635)***	***165.74%***
Advertising to consume	27,439,046	20,953,272	*6,485,774*	*30.95%*
Advertising to be delivered	(1,279,469)	(10,013,118)	*8,733,649*	*-87.22%*
Advertisement	**26,159,577**	**10,940,154**	**15,219,423**	***139.12%***
NET WORKING CAPITAL	**72,825,159**	**44,352,562**	**28,472,597**	***64.20%***
TFR	(752,052)	(389,210)	*(362,842)*	*93.23%*
Other funds	(902,963)	(32,637)	*(870,326)*	*2666.69%*
CONSOLIDATED LIABILITIES	**(1,655,015)**	**(421,847)**	**(1,233,168)**	***292.33%***
NET INVESTED CAPITAL	**85,371,296**	**52,339,179**	***33,032,117***	***63.11%***
Capital	(674,450)	(619,490)	*(54,960)*	*8.87%*
Reserves	(34,592,923)	(25,548,707)	*(9,044,216)*	*35.40%*
(Profit) loss for the period	(10,347,617)	(8,854,332)	*(1,493,285)*	*16.87%*
Minority (profit) loss	2,688,705	35,570		
Minority shareholders' equity	2,675,275	(13,430)		
NET WORTH	**(42,939,715)**	**(35,035,959)**	***(7,903,756)***	***22.56%***
(Financial debts)	(761,315)	(1,234,117)	*472,802*	*-38.31%*
Financial receivables	259,259	-	*259,259*	
(Bank debts)	(44,773,656)	(18,540,278)	*(26,233,378)*	*141.49%*
Liquid assets	2,844,131	2,471,175	*372,956*	*15.09%*
NFI	**(42,431,581)**	**(17,303,220)**	***(25,128,361)***	***145.22%***
TOTAL SOURCES	**(85,371,296)**	**(52,339,179)**	***(33,032,117)***	***63.11%***

Net fixed assets as at 31.12.2022 amounted to €14,201,152. Inventories of finished goods at the consolidated balance sheet date amounted to €56,262,254 (net of the related allowance for impairment). Group shareholders' equity amounted to €45,614,990, of which (€2,675,275) was attributable to minority interests.

The net financial position of the Portobello Group as at 31 December 2022 is shown below:

NFI detail (Figures in Euro)	**31/12/2022**	**31/12/2021**	***Absolute Variation***	***Change %***
Case	149,206	88,218	60,988	69.13%
Other liquid assets	2,694,925	2,382,957	311,968	13.09%
Titles	259,259	-	259,259	
LIQUIDITY	**3,103,390**	**2,471,175**	**632,215**	**(-20.00%)**
Current bank debts	(2,041,145)	(1,460,876)	(580,269)	39.72%
Current portion of non-current debt	(13,536,584)	(4,169,114)	(9,367,470)	224.69%
Other current financial payables	(629,870)	(595,151)	(34,719)	5.83%
CURRENT FINANCIAL DEBT	**(16,207,599)**	**(6,225,141)**	**(9,982,458)**	**44.40%**
CURRENT NET FINANCIAL INDEBTEDNESS (i)-(e)-(d)	**(13,104,209)**	**(3,753,966)**	**(9,350,243)**	**146.10%**

Net current financial debt is negative by about EUR 16.2 million. Current bank and financial debts refer to financing contracts for short-/medium-term advances.

The following table shows the Portobello Group's net financial debt, restated in accordance with CONSOB Resolution 15519 of 27 July 2006:

NFI detail (Figures in Euro)	**31/12/2022**	**31/12/2021**	***Absolute Variation***	***Change %***
Case	149,206	88,218	60,988	69.13%
Other liquid assets	2,694,925	2,382,957	311,968	13.09%
Titles	259,259	-	259,259	
LIQUIDITY (a)+(b)+(c)	**3,103,390**	**2,471,175**	**632,215**	**(-20.0%)**
Current bank debts	(2,041,145)	(1,460,876)	(580,269)	39.72%
Current portion of non-current debt	(13,536,584)	(4,169,114)	(9,367,470)	224.69%
Other current financial payables	(629,870)	(595,151)	(34,719)	5.83%
CURRENT FINANCIAL INDEBTEDNESS (f)+(g)+(h)	**(16,207,599)**	**(6,225,141)**	**(9,982,458)**	**44.40%**
CURRENT NET FINANCIAL INDEBTEDNESS (i)-(e)-(d)	**(13,104,209)**	**(3,753,966)**	**(9,350,243)**	**146.10%**
Non-current bank debts	(29,195,927)	(12,910,288)	(16,285,639)	16.70%
Other non-current payables	(131,445)	(638,966)	507,521	(-42.9%)
NON-CURRENT FINANCIAL INDEBTEDNESS (k)+(l)+(m)	**(29,327,372)**	**(13,549,254)**	**(1,365,231)**	**11.20%**
NET FINANCIAL INDEBTEDNESS (j)+(n)	**(42,431,581)**	**(17,303,220)**	**(3,808,237)**	**27.50%**

MAIN PROFITABILITY RATIOS

For a better understanding of the Company's economic situation and results, a number of comparative economic indicators for the two reporting periods are given below, which, although not identified with directly accounting measures, provide a clear view of the Company's business performance.

The indicators listed below should be used as a supplement to the disclosure requirements of the CIU.

Return on Assets

R.O.A.	31/12/2022	31/12/2021	Variation
Net Operating Margin	13,478,253	13,886,214	(407,961)
Total Assets	114,287,978	86,561,825	27,726,153
Net Operating Margin/Total Assets	**11.79%**	**16.04%**	**-4.25%**

The index measures the return on investment with reference to the result before financial management.

Return on Equity

R.O.E.	31/12/2022	31/12/2021	Variation
Net Result	10,347,617	8,854,332	1,493,285
Shareholders' Equity	45,614,990	35,022,529	10,592,461
Net Profit/Shareholders' Equity	**22.68%**	**25.28%**	**-2.60%**

The index measures the return on equity invested in the company.

Return on investment

R.O.I.	31/12/2022	31/12/2021	Variation
Net Operating Margin	13,478,253	13,886,214	(407,961)
Net Invested Operating Capital (*)	85,371,296	52,339,179	33,032,117
Net Operating Margin/Net Invested Capital	**15.79%**	**26.53%**	**-10.74%**

(*) Net Invested Operating Capital is the sum of Net Fixed Assets and Net Working Capital

The index measures the profitability and efficiency of invested capital in relation to typical business operations.

Return on Sales

R.O.S.	31/12/2022	31/12/2021	Variation
Net Operating Margin	13,478,253	13,886,214	(407,961)
Revenues from Sales and Services	129,887,796	85,487,707	44,400,089
Net Operating Margin/Sales and Service Revenues	**10.38%**	**16.24%**	**-5.87%**

The index measures the company's ability to generate profits from sales.

Ebit	31/12/2022	31/12/2021	Variation
EBIT	13,478,253	13,886,214	(407,961)
Value	**13,478,253**	**13,886,214**	**(407,961)**

This is the income margin that measures the result for the year without taking into account extraordinary items and financial expenses. It includes the result of the ancillary and financial area, net of financial expenses.

Primary Structure Margin

	31/12/2022	31/12/2021	*Variation*
Own Means	45,614,990	35,022,529	*10,592,461*
Active Fixed	14,201,152	8,408,464	*5,792,688*
Primary Structure Margin = Equity - Fixed Assets	**31,413,838**	**26,614,065**	***4,799.773***
Primary Structure Ratio = Equity/Fixed Assets	**3,21**	**4,17**	***-0,95***

It expresses in absolute terms the company's ability to cover investments in fixed assets with its own funds.

Secondary structure margin

	31/12/2022	31/12/2021	*Variation*
Own Means	45,614,990	35,022,529	*10,592,461*
Consolidated liabilities	31,686,739	14,659,708	*17,027,031*
Active Fixed	14,201,152	8,408,464	*5,792,688*
Secondary Structure Margin = (Equity + Consolidated Liabilities) - Fixed Assets	**63,100,577**	**41,273,773**	***21,826.804***
Secondary Structure Ratio = (Equity + Consolidated Liabilities) / Fixed Assets	**5.44**	**5.91**	***-0.47***

It expresses in absolute terms the Company's ability to cover its investments in fixed assets with consolidated sources.

SIGNIFICANT EVENTS OCCURRING AFTER THE END OF THE PERIOD

- **Forever Bambù Partnership Renewal**: In January, Portobello strengthened its environmental sustainability partnership with Forever Bambù through the Forever Zero CO2 carbon offset programme. Thanks to this ambitious project, Portobello has zeroed the carbon footprint of all shops opened by 2022 by absorbing an additional 600 tonnes of CO2 per year, thus becoming a carbon neutral chain of shops. Thanks to the first partnership agreement with Forever Bambù, in fact, all shops opened from the foundation until the end of 2021 were offset by planting about 23,000 square metres of bamboo forest in Civitella Paganico (GR). This year, the Company will have an additional 23,700 square metres, of which 16,600 square metres in Civitella Paganico and 7,100 square metres in Portomaggiore (FE) to offset a total of 1,200 tonnes of CO2 per year, corresponding to 24,000 tonnes of CO2 by 2043.

- **Inauguration of new maxi-store:** in February, the company inaugurated a new maxi-store in Lombardy, in Curno (BG), inside the 'Curno' shopping centre. The shopping centre, a local reference point for shopping and leisure, has plenty of parking, relaxation and refreshment areas, children's play areas, a pet-friendly area, a cinema and many other services. The shop within the 'Curno' shopping centre is approximately 550 square metres and employs 11 specially recruited and trained people.

MANAGEMENT AND COORDINATION ACTIVITIES

Pursuant to Section 5 of Article 2497-bis of the Civil Code, it is hereby certified that the Company is not subject to management and coordination by others.

ADEQUATE STRUCTURES

The Directors declared that they have taken steps to draw up adequate structures in accordance with the provisions of Legislative Decree 83/2022.

MAIN RISKS AND UNCERTAINTIES TO WHICH THE COMPANY IS EXPOSED

Pursuant to the first paragraph of Article 2428 of the Italian Civil Code, a description of the main risks and uncertainties to which the Company is exposed is provided below:

Risks associated with the sector in which the Company operates

The Company's economic, asset and financial situation is influenced by various factors that condition the macro-economic framework in the various countries in which it operates, including the level of consumer and business confidence.

Credit risk in relation to business relations with customers

Almost all trade receivables derive from barter transactions that envisage the method of payment by offsetting, therefore there are no risk profiles in credit management, nor is it believed that there could be any negative impact caused by the current emergency situation. With reference to the residual portion of receivables not arising from barter agreements, all appropriate assessments have been carried out and an adequate provision has been allocated to cover the related risk.

Liquidity risks

Liquidity risk, relating to the availability of financial resources and access to the credit market. Liquidity risk is to be considered medium/low, given the Company's level of indebtedness in relation to business volumes and shareholders' equity.

Interest rate risks

Interest rate risk related to the Company's exposure to interest-bearing financial instruments. The Company is exposed for a non-significant amount and therefore there are no risks relative to interest rates on bank debt. However, the Company has taken out two medium/long-term loans with a variable rate linked to the Euribor trend, on which it has implemented hedging transactions. Details on these transactions are reported in the notes to the financial statements.

Exchange rate risks

The Company operates almost entirely in the Euro area. Transactions settled in currencies other than the Euro are very limited. Therefore, there are no significant exchange rate risks.

Litigation risks

The Company, historically, has never been subject to disputes of any kind; however, it should be noted that, following the receipt of a Probate Statement of Dispute, it proposed a request for assessment with adhesion to the Revenue Agency of Rome aimed at clarifying its position against the tax authorities for the years 2017 to 2020. Based on a tax opinion received from the consultants assisting the Company in the hearing and on the documentation produced, the risk borne by the Company is considered remote.

RESEARCH AND DEVELOPMENT ACTIVITIES

During the financial year 2022, the Company did not conduct any research and development activities.

OWN SHARES

Pursuant to Articles 2435-bis and 2428 of the Italian Civil Code, it should be noted that the Company, in the period between 28 October and 12 December 2022, purchased treasury shares on the market through Integrae Sim S.p.A.. In particular, during the period mentioned, the Company purchased 8,400 treasury shares for a total countervalue of Euro 169,058, recording a negative reserve in Shareholders' Equity for the same amount.

USE OF FINANCIAL INSTRUMENTS RELEVANT TO THE ASSESSMENT OF THE FINANCIAL POSITION AND RESULTS OF OPERATIONS FOR THE PERIOD

Pursuant to and for the purposes of point 6-bis) of the third paragraph of Article 2428 of the Italian Civil Code, it is hereby certified that the Company has not undertaken any particular financial risk management policies, as it is considered immaterial. However, it is noted that two new Interest Rate Swap (IRS) derivative contracts have been entered into to hedge against possible fluctuations in the variable rate applied to the loan in question, for details of which please refer to the Explanatory Notes

MAIN NON-FINANCIAL INDICATORS

Pursuant to the second paragraph of Article 2428 of the Italian Civil Code, we certify that, due to the specific activity performed and for a better understanding of the Company's situation, performance and result of operations, the presentation of non-financial indicators is not considered relevant.

ENVIRONMENTAL INFORMATION

It is certified that the Company has not undertaken any particular environmental impact policies because they are not necessary in relation to its business.

INFORMATION ON PERSONNEL MANAGEMENT

No significant information is reported on personnel management.

SHARES/SHARES OF THE PARENT COMPANY

It is hereby certified that the Company is not subject to control by any company or group of companies.

BRANCH OFFICES

In compliance with the provisions of Article 2428 of the Italian Civil Code, the Company's secondary place of business is shown below:

- Milan, Corso Venezia, 45

RELATIONS WITH SUBSIDIARIES, ASSOCIATES, PARENT COMPANIES AND COMPANIES CONTROLLED BY THE PARENT COMPANIES

With reference to this point, please refer to the relevant section of the Notes to the Financial Statements.

Rome, 20/03/2023

The Board of Directors

Pietro Peligra, President
Simone Prete, CEO
Mirco Di Giuseppe, Director
Roberto Bacchi, Director
Ciro Esposito, Director

Consolidated Financial Statements as at 31 December 2022

PORTOBELLO SPA

Consolidated Financial
Statements as at 31-12-2022

Master data	
Headquarters in	POMEZIA, PIAZZALE DELLA STAZIONE SNC
Tax code	13972731007
Rea Number	RM 1486865
P.I.	13972731007
Share Capital Euro	674,450 i.v.
Legal form	Public limited company
Prevalent sector of activity (ATECO)	731101
Company in liquidation	No
Single-member company	No
Company subject to management and coordination by others	No
Belonging to a group	Yes
Parent Company Name	PORTOBELLO SPA

Consolidated Balance Sheet		
	31/12/2022	**31/12/2021**
Active		
B) Fixed Assets		
I - Intangible fixed assets		
1) start-up and expansion costs	1,727	4,302
3) Industrial patent rights and rights of use of intellectual works	864,236	1,620,535
4) concessions, licences, trade marks and similar rights	79,724	42,256
5) start-up	33,320	1
6) fixed assets under construction and advances	551,763	545,439
7) others	4,781,565	3,134,271
Total intangible fixed assets	*6,312,335*	*5,346,804*
II - Tangible fixed assets		
1) land and buildings	44,750	46,250
2) plant and machinery	2,213,449	976,319
3) industrial and commercial equipment	191,077	241,214
4) other assets	864,529	732,007
Total tangible fixed assets	*3,313,805*	*1,995,790*
III - Financial Fixed Assets		
1) participations in		
(b) affiliated companies	2,750,000	100,000
(d-bis) other enterprises	707,670	922,670
Total participations	*3,457,670*	*1,022,670*
2) Credits		
(b) to affiliated companies		
due beyond the next financial year	*360,000*	-
Total receivables from affiliated companies	*360,000*	-
Total credits	*360,000*	-
3) other titles	100,800	43,200
4) derivative financial instruments assets	656,542	-
Total financial fixed assets	*4,575,012*	*1,065,870*
Total fixed assets (B)	*14,201,152*	*8,408,464*
C) Current assets		
I – Inventories		
4) Finished products and goods	56,262,254	43,919,572
Total inventories	*56,262,254*	*43,919,572*
II – Credits		
1) towards customers		
due within the next financial year	5,943,856	4,028,053
Total receivables from customers	*5,943,856*	*4,028,053*
3) towards affiliated companies		
due within the next financial year	459,543	281,703
Total receivables from affiliated companies	*459,543*	*281,703*
5-bis) tax credits		
due within the next financial year	3,266,411	2,598,529
Total tax receivables	*3,266,411*	*2,598,529*
5-ter) Deferred tax assets	12,295	12,295
5-quater) towards others		
due within the next financial year	82,865	560,766
due beyond the next financial year	791,948	791,041
Total receivables from others	*874,813*	*1,351,807*
Total credits	*10,556,918*	*8,272,387*
III - Financial assets not constituting fixed assets		
4) other participations	259,259	-
Total financial assets not constituting fixed assets	*259,259*	-

IV - Cash and cash equivalents		
1) bank and postal deposits	2,694,925	2,382,957
3) cash and valuables on hand	149,206	88,218
Total cash and cash equivalents	*2,844,131*	*2,471,175*
Total current assets (C)	*69,922,562*	*54,663,134*
D) Accruals and deferrals	**30,164,264**	**23,490,227**
Total assets	***114,287,978***	***86,561,825***
Passive		
A) Group equity		
I – Capital	674,450	619,490
II - Share premium reserve	12,767,452	12,767,452
IV - Legal reserve	123,898	106,738
VI - Other reserves, separately indicated		
Extraordinary reserve	21,693,845	12,707,154
Various other reserves	17,999	-
Total other reserves	*21,711,844*	*12,707,154*
VII - Reserve for expected cash flow hedging transactions	158,787	(32,637)
IX - Profit (loss) for the year	10,347,617	8,854,332
X - Negative reserve for treasury shares in portfolio	(169,058)	-
Total group equity	*45,614,990*	*35,022,529*
Minority shareholders' equity		
Capital and reserves of third parties	13,430	49,000
Minority interest in profit (loss)	(2,688,705)	(35,570)
Total third-party equity	(2,675,275)	13,430
Total consolidated shareholders' equity	*42,939,715*	*35,035,959*
B) Provisions for risks and charges		
2) for taxes, including deferred taxes	405,207	-
3) derivative financial instruments liabilities	497,756	32,637
Total provisions for risks and charges	*902,963*	*32,637*
C) Severance pay	752,052	389,210
D) Payables		
3) payables to shareholders for loans		
due beyond the next financial year	695,745	680,000
Total payables to shareholders for loans	*695,745*	*680,000*
4) bank debts		
due within the next financial year	15,577,729	5,629,990
due beyond the next financial year	29,195,927	12,910,288
Total due to banks	*44,773,656*	*18,540,278*
5) payables to other lenders		
due within the next financial year	629,870	595,151
due beyond the next financial year	131,445	638,966
Total payables to other lenders	*761,315*	*1,234,117*
7) payables to suppliers		
due within the next financial year	7,756,744	11,880,771
Total payables to suppliers	*7,756,744*	*11,880,771*
10) payables to associated companies		
due within the next financial year	9,000	7,000
Total payables to affiliated companies	*9,000*	*7,000*
12) tax debts		
due within the next financial year	10,979,808	7,019,181
Total tax payables	*10,979,808*	*7,019,181*
13) Payables to social security institutions		
due within the next financial year	1,559,542	318,451
Total due to social security institutions	*1,559,542*	*318,451*
14) other payables		
due within the next financial year	1,530,987	1,146,461

due beyond the next financial year	8,607	8,607
Total other payables	*1,539,594*	*1,155,068*
Total debts	*68,075,404*	*40,834,866*
E) Accruals and deferrals	1,617,844	10,269,153
Total liabilities	*114,287,978*	*86,561,825*

Consolidated Profit and Loss Account		
	31/12/2022	**31/12/2021**
A) Production value		
1) revenues from sales and services	129,887,796	85,487,707
5) other revenues and income		
operating grants	-	518
Others	595,366	2,691,633
Total other income and revenues	*595,366*	*2,692,151*
Total value of production	*130,483,162*	*88,179,858*
B) Production costs		
6) for raw materials, consumables and goods	100,065,692	83,330,338
7) for services	9,067,792	6,764,358
8) for use of third party assets	6,917,707	3,424,627
9) for staff		
(a) wages and salaries	8,233,773	3,931,746
(b) social security contributions	2,514,308	1,189,796
(c) severance pay	515,584	238,809
(e) other costs	418	46,351
Total personnel costs	*11,264,083*	*5,406,702*
10) depreciation and amortisation		
a) amortisation of intangible fixed assets	2,224,008	1,768,089
b) depreciation of tangible fixed assets	610,996	311,324
(d) write-downs of receivables included in current assets and cash and cash equivalents	60,000	-
Total depreciation and amortisation	2,895,004	2,079,413
11) Changes in inventories of raw, ancillary and consumable materials and goods	(15,809,826)	(28,060,169)
12) Provisions for risks	301,322	-
13) other provisions	1,484,212	550,000
14) sundry operating expenses	818,923	798,375
Total production costs	117,004,909	74,293,644
Difference between value and cost of production (A - B)	13,478,253	13,886,214
C) Financial income and expenses		
16) other financial income		
(a) from receivables recorded as fixed assets		
Others	13,504	45
Total income other than the above	13,504	45
Total other financial income	13,504	45
17) interest and other financial charges		
Others	884,356	462,400
Total interest and other financial charges	884,356	462,400
17-bis) Exchange Gains and Losses	(296)	(1,118)
Total financial income and expenses (15 + 16 - 17 + - 17-bis)	(871,148)	(463,473)
D) Value Adjustments on Financial Assets and Liabilities		
19) devaluations		
(a) of participations	440,741	400,000
Total write-downs	440,741	400,000
Total value adjustments of financial assets and liabilities (18 - 19)	(440,741)	(400,000)
Profit before tax (A - B + - C + - D)	**12,166,364**	**13,022,741**
20) Current, Deferred and Prepaid Income Taxes for the Year		
current taxes	4,507,452	4,203,979
Total income taxes for the year, current, deferred and prepaid	4,507,452	4,203,979
21) Consolidated profit (loss) for the year	7,658,912	8,818,762
Group result	10,347,617	8,854,332
Result attributable to minority interests	**(2,688,705)**	**(35,570)**

Consolidated cash flow statement, indirect method	
	31/12/2022
Cash flow statement, indirect method	
A) Cash flow from operating activities (indirect method)	
Profit (loss) for the year	7,658,912
Income Taxes	4,507,452
Interest expense/(income)	871,148
1) Profit (loss) for the year before income tax, interest, dividends and capital gains /losses on disposal	13,037,512
Adjustments for non-monetary items that had no counterpart in capital net working capital	
Provisions to Funds	2,301,118
Depreciation of fixed assets	2,835,004
Impairment losses	440,741
Total adjustments for non-monetary items that did not have a balancing entry in the net working capital	*5,576,863*
2) Cash flow before changes in net working capital	18,614,375
Changes in net working capital	
Decrease/(Increase) in inventories	(12,342,682)
Decrease/(Increase) in trade receivables	(1,915,803)
Increase/(Decrease) in trade payables	(4,124,027)
Decrease/(Increase) in accrued income and prepaid expenses	(6,674,037)
Increase/(Decrease) in accrued expenses and deferred income	(8,651,309)
Other decreases/(Other increases) in net working capital	1,259,796
Total changes in net working capital	*(32,448,062)*
3) Cash flow after changes in net working capital	(13,833,687)
Other corrections	
Interest received/(paid)	(871,148)
(Income taxes paid)	(546,825)
(Use of funds)	(1,533,069)
Other receipts/(payments)	237,317
Total other adjustments	*(2,713,725)*
Cash flow from operating activities (A)	(16,547,412)
B) Cash flows from investing activities	
Tangible fixed assets	
(Investments)	(1,929,011)
Intangible fixed assets	
(Investments)	(3,189,539)
Financial fixed assets	
(Investments)	(3,293,341)
Financial assets not held as fixed assets	
(Investments)	(259,259)
Cash flow from investing activities (B)	(8,671,150)
C) Cash flows from financing activities	
Third-party means	
Increase/(Decrease) short-term payables to banks	580,269
Funding start-up	29,500,000
(Repayment of loans)	(4,319,693)
Own means	
Disposal/(Purchase) of treasury shares	(169,058)
Cash flow from financing activities (C)	25,591,518
Increase (decrease) in cash and cash equivalents (A ± B ± C)	372,956
Cash and cash equivalents at beginning of year	
Bank and postal deposits	2,382,957
Cash and valuables in the till	88,218
Total cash and cash equivalents at beginning of year	*2,471,175*

Cash and cash equivalents at year-end	
Bank and postal deposits	2,694,925
Cash and valuables in the till	149,206
Total cash and cash equivalents at year-end	*2,844,131*

Notes to the Consolidated Financial Statements as at 31-12-2022

Notes to the accounts, initial part

Introduction

Dear Shareholders, these consolidated financial statements of Portobello S.p.A. and its subsidiaries have been prepared in accordance with the provisions of the Italian Civil Code, supplemented and interpreted by the accounting principles adopted by the Italian Accounting Organisation (O.I.C.).

The consolidated financial statements comply with the provisions of Articles 2423 et seq. of the Italian Civil Code and the national accounting standards as published by the Italian Accounting Organisation; they therefore clearly and fairly represent the company's financial position and results of operations for the year.

The contents of the consolidated balance sheet and the consolidated income statement are as set forth in Articles 2424 and 2425 of the Civil Code.

The notes to the financial statements, drawn up in accordance with Article 2427 of the Civil Code, also contain all the information needed to provide a correct interpretation of the financial statements.

The financial statements in question have also been prepared on the basis of the going concern assumption assuming that the company operates and will continue to operate in the foreseeable future.

Portobello S.p.A. is required to prepare Consolidated Financial Statements pursuant to Article 25 et seq. of Legislative Decree 127/91.

Training Criteria

The consolidated financial statements were prepared in accordance with the provisions of Article 29 of Legislative Decree No. 127/91, as shown in these notes, prepared pursuant to Article 38 of the same decree. Where necessary, the accounting principles laid down by the National Council of Chartered Accountants and Accounting Experts have been applied and, where these are lacking, the accounting principles recommended by the IASB and referred to by Consob.

The Consolidated Financial Statements consist of the Consolidated Balance Sheet (prepared in accordance with the format set forth in Articles 2424 and 2424 bis of the Italian Civil Code), the Consolidated Income Statement (prepared in accordance with the format set forth in Articles 2425 and 2425 bis of the Italian Civil Code), these Notes to the Consolidated Financial Statements, and are accompanied by the Group's Report on Operations.

The purpose of the Notes to the Consolidated Financial Statements is to illustrate, analyse and, in certain cases, supplement the data in the consolidated financial statements and to provide the information required by Article 2427 of the Italian Civil Code, Article 38 of Legislative Decree 127/1991 and those required by other provisions of the same decree.

The Consolidated Balance Sheet, Consolidated Income Statement and these Notes to the Consolidated Financial Statements show values expressed in Euro units pursuant to Article 16, paragraph 8, letter a) of Legislative Decree No. 213 of 24 June 1998.

Consolidation Area and Methods

The consolidated financial statements are derived from the annual financial statements of Portobello S.p.A. (Parent Company) and of the Companies in which the Parent Company directly or indirectly holds a controlling interest or exercises control. The financial statements of the Companies included in the consolidation area are taken on a line-by-line basis. A list of these Companies is attached.

Subsidiaries whose activities are heterogeneous with those of the remaining group companies are excluded and valued using the equity method, pursuant to Art. 28, first paragraph of Legislative Decree 127/91; there are no exclusions for heterogeneity in our case.

Excluded from consolidation are those companies over which, for legal or factual reasons, control cannot be exercised. If they exist, a list of them would be provided as an appendix to the notes to the financial statements.

Companies over which joint control is exercised pursuant to Article 37 of Legislative Decree 127/91 are included in the consolidation in proportion to the shareholding held. There are no cases of companies consolidated using the proportional method.

There are no subsidiaries excluded from consolidation pursuant to Legislative Decree 127/91.

Companies in which the interest held is below the 20% threshold and which constitute fixed assets are valued using the cost method.

The financial statements used to prepare the consolidated financial statements are the draft financial statements as at 31.12.2022 of the Parent Company and Subsidiaries prepared and approved by their respective Boards of Directors and submitted for approval to their respective Shareholders' Meetings.

Scope of Consolidation

The consolidated financial statements as at 31 December 2022 include, on a line-by-line basis, the financial statements as at the same date of Portobello S.p.A. and the companies in which the Group holds the majority of voting rights.

List of companies included in consolidation using the full consolidation method

The line-by-line consolidation concerned the shareholdings of the companies listed below in which Portobello Spa directly holds control:

Name	Headquarters	Share Capital	Properties
PB Retail Srl	Piazzale della Stazione Snc - Pomezia (RM)	100,000 euro	51%

Consolidation Criteria

The financial statements are consolidated by applying the line-by-line method. The accounting principles and criteria used for consolidation are as follows:

- The book value of equity investments held by the parent company in subsidiaries consolidated on a line-by-line basis is eliminated against the corresponding fraction of the equity of the investee companies.
- The assets, liabilities, costs and revenues of subsidiaries are taken in their full amount, regardless of the percentage share of the investments held.
- The positive difference between the book value of the eliminated participations and the book value of the corresponding fractions of eliminated shareholders' equity of the investee companies arising on consolidation is treated as follows:
- difference arising at the date of the first inclusion of the investee company in the consolidated financial statements: the excess of the cost of the equity investment over the book value of the corresponding portion of shareholders' equity eliminated, insofar as it cannot be attributed to specific asset or liability items, is recognised autonomously under assets among intangible assets in an item called 'Goodwill' unless it must be recognised wholly or partially in the income statement under item B14. The amount entered as an asset is amortised over the period specified in the first paragraph, no. 6, of Article 2426.
- The difference arising after the date of first inclusion of the investee company in the consolidated financial statements as a result of profits realised or losses incurred by the investee company in financial years subsequent to the year of first consolidation is credited or debited to the Consolidated Shareholders' Equity item 'Consolidation Reserve' or to a specific 'Consolidation reserve for future risks and charges', in compliance with the criterion of Article 33, paragraph 3, of Legislative Decree 127/91. The provision is utilised in subsequent years to reflect the assumptions made when it was estimated at the time of purchase.
- Transactions between companies included in the scope of consolidation, and thus the receivables, payables, costs and revenues arising from such transactions, are eliminated in the consolidation process.
- Profits not yet realised with third parties, arising from transactions between companies included in the scope of consolidation, are eliminated taking into account the relevant tax effect.
- Items that may be present in the statutory financial statements of companies included in the scope of consolidation and accounted for exclusively in application of tax regulations are

eliminated, taking into account the related tax effect.

- The financial statements of the companies included in the consolidation area, where necessary, are aligned with the accounting principles applied by the parent company.
- The portions of shareholders' equity and profit for the year attributable to minority shareholders of the subsidiaries included in the scope of consolidation are shown in special items in the consolidated balance sheet and income statement called 'Minority interest in capital and reserves' and 'Minority interest in profit (loss)'.
- Included in the consolidated financial statements, if any, is the deferred tax charge arising from the elimination of value adjustments made solely for tax purposes and consolidation eliminations. This charge is recognised in the income statement under the item 'deferred income taxes for the year' with a balancing entry in a special fund in the balance sheet liabilities called 'Provision for Taxes'.
- l) If deferred tax assets arise from the aforementioned pre-consolidation and consolidation transactions, they are recognised by debiting the "Deferred Tax Fund" recorded under liabilities up to their full amount; any credit balance is only shown on the assets side of the balance sheet under "Deferred Tax Assets" if it is reasonably certain that, in the years in which the temporary difference that generated the deferred tax assets will be reversed, there will be sufficient taxable income to absorb them.

Drafting Principles

Comment

The valuation of items in the consolidated financial statements was carried out in accordance with the principle of prudence, materiality and on a going concern basis. Pursuant to Article 2423-bis c.1 point 1-bis of the Italian Civil Code, items are recognised and presented taking into account the substance of the transaction or contract. In the preparation of the consolidated financial statements, expenses and income have been recognised on an accrual basis regardless of when they occur, and only profits realised at the end of the financial year have been shown. Risks and losses pertaining to the financial year have also been taken into account, even if they became known after the end of the financial year.

Structure and Content of the Consolidated Financial Statements

The consolidated balance sheet and profit and loss account, cash flow statement and accounting information contained in these notes are consistent with the accounting records, from which they have been directly derived.

In the presentation of the consolidated balance sheet and profit and loss account, no grouping of items preceded by Arabic numerals has been made, as optionally required by Article 2423 ter of the Civil Code.

Pursuant to Article 2424 of the Civil Code, we confirm that there are no assets or liabilities that fall under more than one heading in the balance sheet.

Exceptional cases pursuant to Article 2423(5) of the Civil Code

There were no exceptional cases that made it necessary to resort to derogations under Article 2423(4) and (5) of the Civil Code.

Changes in accounting principles

There were no exceptional cases that made it necessary to resort to derogations under Article 2423-bis c.2 of the Civil Code.

Comparability and adaptation issues

Pursuant to art. 2423 of the civil code, it should be noted that all items in the financial statements are comparable with the previous year; there was, therefore, no need to adjust any item from the previous year.

Evaluation criteria applied

comment

The criteria applied in the valuation of the items in the consolidated financial statements and in the value adjustments are in accordance with the provisions of the Italian Civil Code and the indications contained in the accounting principles issued by the Italian Accounting Body. The criteria used in the preparation of the consolidated financial statements for the year ended 31/12/2022 are those used in the financial statements of the parent company.
Pursuant to Article 2427 c. 1 no. 1 of the Italian Civil Code, we illustrate the most significant valuation criteria adopted in compliance with the provisions of Article 2426 of the Italian Civil Code, with particular reference to those balance sheet items for which the legislator admits different valuation and adjustment criteria or for which no specific criteria are envisaged.

Intangible fixed assets

Intangible assets, which meet the requirements of the accounting principles, are recorded in the consolidated balance sheet assets at purchase and/or production cost and are amortised on a straight-line basis according to their future usefulness.
The value of fixed assets is shown net of accumulated depreciation and write-downs.

Depreciation was performed in accordance with the following pre-established schedule, which is deemed to ensure a correct allocation of the cost incurred over the useful life of the fixed assets in question:

Intangible fixed assets	Period
Corporate expenses	5 years on a straight-line basis
Organisational expenses (AIM listing)	3 years on a straight-line basis
Capitalised software	5 years on a straight-line basis
Intellectual property rights	2 years on a straight-line basis
Brands	10 years in equal instalments - lease term
Concessions and licences	5 years on a straight-line basis
Other Intangible Assets	5 years on a straight-line basis
Expenses on third party assets	Lease term

Any disposals of intangible assets during the year resulted in the elimination of their residual value.
The criterion of amortisation of intangible assets has been applied systematically and in every financial year, in relation to the residual possibility of economic use of each individual asset or expense.
Pursuant to and for the purposes of Article 10 of Law No. 72 of 19 March 1983, and as also referred to by subsequent laws on monetary revaluation, it is noted that no monetary revaluation has ever been carried out for intangible assets still existing in the balance sheet.
It should be noted that it was not necessary to make write-downs on these fixed assets pursuant to Article 2426, Paragraph 1, No. 3 of the Civil Code because, as required by Accounting Principle OIC 9, no indicators of potential impairment of intangible assets were found.

Start-up and expansion costs

Start-up and expansion costs have been recognised as assets in the consolidated balance sheet with the approval of the Board of Statutory Auditors since they have a multi-year useful life; these costs have been amortised over a period not exceeding five years.

Intangible Assets

Intangible assets are recognised at their purchase cost including ancillary costs and are amortised within the legal or contractual limit set for them.

Assets under construction and advances

Intangible fixed assets under construction, recorded under item B.I.6, are initially recognised at the date the first costs are incurred for the construction or acquisition of the asset and include internal and external costs incurred for its realisation. These costs remain recognised as assets under construction until the project is completed and are not depreciated until that time.

Tangible Assets

The book value of assets, grouped in homogeneous classes by nature and year of acquisition, is allocated to the financial years in which they are expected to be used. This procedure is implemented through the systematic allocation to the income statement of depreciation rates corresponding to pre-established plans, defined at the time the asset is available and ready for use, with reference to the presumed residual possibility of use of the assets themselves. These plans, subject to annual verification, are formed with reference to the gross value of the assets and assuming zero realisable value at the end of the process.
The depreciation of tangible fixed assets, the use of which is limited in time, was carried out in accordance with the following schedule:

Items of tangible fixed assets	Rates %
Land and buildings	3%
Air-conditioning system	15%
Other general plant and machinery	30%
Specific warehouse equipment	7.5%
Specific equipment	10%
Furniture and furnishings	12%
Electronic office machines	20%
Other tangible assets	100% - lease duration

Any disposals of assets (sales, scrapping, etc.) during the year resulted in the elimination of their residual value. Any difference between book value and disposal value was recognised in the income statement.
For fixed assets acquired during the year, the above rates have been reduced to half, as the depreciation rate thus obtained is not significantly different from the rate calculated from the time the asset is available and ready for use.
The depreciation criteria for tangible fixed assets did not change from those applied in the previous year.
Pursuant to and for the purposes of Article 10 of Law No. 72 of 19 March 1983, as also referred to by subsequent Monetary Revaluation Laws, it is hereby clarified that no monetary revaluation has ever been carried out for the tangible assets still existing in the assets.
It should be noted that it was not necessary to make write-downs pursuant to Article 2426, Paragraph 1, No. 3 of the Civil Code because, as required by Accounting Principle OIC 9, no indicators of potential impairment of tangible fixed assets were found.

Financial fixed assets

All participations recorded in the financial statements have been valued using the cost method, where cost means the charge incurred for the purchase, regardless of the method of payment, including any ancillary charges (commissions and bank charges, stamp duty, bank brokerage, etc.).

Inventories

Inventories of goods are stated at the lower of purchase cost and realisable value based on market trends. The value of the same is shown net of the relevant provision for depreciation.
The purchase cost includes any directly attributable ancillary charges.

Finished products

The cost of inventories of finished goods and goods of a fungible nature has been calculated using the last cost method.
The value thus determined was appropriately compared, as explicitly required by Article 2426 No. 9 of the Civil Code, with the realisable value inferable from market trends. The comparison between purchase/production cost calculated using the point cost method and realisable value inferable from the market did not reveal, for any of the goods in stock, the prerequisites for valuation based on the lower market value.
Advances to suppliers for the purchase of goods included in inventories recorded under item C.1.5 are initially recognised when the obligation to pay these amounts arises or, in the absence of such an obligation, when they are paid.

Receivables recorded as current assets

Receivables included in current assets were recognised in the financial statements according to the amortised cost criterion, as defined in Article 2426, Section 2 of the Civil Code, taking into account the time factor and estimated realisable value, in accordance with Article 2426, Section 1, No. 8 of the Civil Code.
For receivables for which the application of the amortised cost method and/or discounting has been determined to be irrelevant, for the purpose of giving a true and fair view of the company's balance sheet and economic situation, recognition has been maintained at their presumed realisable value. This is the case, for example, in the presence of receivables with a maturity of less than twelve months or, with reference to the amortised cost criterion, in the case where transaction costs, commissions and any

other difference between initial value and value at maturity are of little significance or, again, in the case of discounting, in the presence of an interest rate inferable from the contractual conditions that is not significantly different from the market interest rate.

Cash and cash equivalents

Liquid assets are valued at nominal value.

Accrued income and prepaid expenses

Accruals have been calculated on an accrual basis by allocating revenues and/or costs common to several years.
In the recording as well as in the review of prepayments with a multi-year duration, the existence or permanence of the time condition was verified.

Net assets

The items are shown in the balance sheet at their book value in accordance with the guidelines in accounting standard OIC 28.

Severance pay

TFR was calculated in accordance with the provisions of Article 2120 of the Civil Code, taking into account the legislative provisions and the specificities of the contracts and professional categories, and includes the annual portions accrued and the revaluations made on the basis of ISTAT coefficients.
The amount of the provision is recognised net of advances paid and portions utilised for terminations of employment during the year and represents the certain liability to employees at the balance sheet date.

Debts

Payables have been recognised in the financial statements according to the amortised cost method, as defined in Article 2426 c.2 of the Italian Civil Code, taking into account the time factor, in compliance with Article 2426, paragraph 1, no. 8 of the Italian Civil Code. For payables for which the application of the amortised cost method and/or discounting has been verified to be irrelevant, for the purpose of giving a true and fair view of the company's equity and economic situation, the nominal value has been maintained. This is the case, for example, in the presence of debts with a maturity of less than twelve months or, with reference to the amortised cost criterion, in the case where transaction costs, commissions and any other difference between initial value and value at maturity are of little significance or, again, in the case of discounting, in the presence of an interest rate inferable from the contractual conditions that is not significantly different from the market interest rate.

Accrued expenses and deferred income

Accruals have been calculated on an accrual basis by allocating costs and/or revenues common to several years.
In the recording as well as in the review of deferred income over several years, the existence or permanence of the time condition was verified.

Other information

Forward Transactions
Pursuant to Article 2427 No. 6-ter, the company certifies that during the year it did not enter into any transactions subject to the obligation of retrocession.

Notes to the accounts, assets

The movements of the individual items in the consolidated financial statements are analysed in detail below.

Fixed assets

Intangible fixed assets

These are stated at historical acquisition cost and shown net of depreciation charged directly to the individual items over the years. Depreciation is systematic due to the multi-year usefulness of the related costs. Start-up and expansion costs with long-term utility have been capitalised with the approval of the Board of Statutory Auditors and are amortised over a period of five financial years. Goodwill, if acquired for consideration, is capitalised within the limits of the cost incurred for it and is amortised over a period of five years.

Pursuant to Article 11 of Law No. 342/2000 and Article 3 of Law No. 448/2001 and subsequent amendments and additions, it is noted that there are no intangible assets on which the revaluation referred to in the same laws has been carried out, nor have any reductions in value of any kind been made.

Movements in intangible fixed assets

Introduction

After recording the year's amortisation of EUR 2,224,009 in the consolidated income statement, intangible assets amounted to EUR 6,312,335.

The table shows the changes in these fixed assets.

	Start-up and expansion costs	Industrial Patent and Intellectual Property Rights	Concessions, licences, trade marks and similar rights	Start-up	Intangible assets in progress and payments on account	Other intangible fixed assets	Total intangible fixed assets
Value at start of year							
Cost	4,302	1,620,535	42,256	1	545,439	3,134,271	5,346,804
Balance sheet value	4,302	1,620,535	42,256	1	545,439	3,134,271	5,346,804
Changes during the year							
Increases for acquisitions	0	383,666	51,865	37,021	1,269,805	1,447,183	3,189,540
Reclassifications	0	77,250	0	0	-1,263,481	1,186,231	0
Depreciation for the year	2,575	1,217,215	14,397	3,702	0	986,120	2,224,008
Total variations	-2,575	-756,299	37,468	-3,702	6,324	1,461,837	743,053
Year-end value							
Cost	4,302	2,081,451	94,121	37,022	551,763	5,767,685	8,536,344
Depreciation (Sinking Fund)	-2,575	-1,217,215	-14,397	-3,702	0	-986,120	-2,224,009
Balance sheet value	1,727	864,236	79,724	33,320	551,763	4,781,565	6,312,335

The same changes include the reclassification of intangible assets in progress and payments on account (item B.I.6) in the amount of €1,263,481, in relation to assets that were previously entered under this item and that have now become available and ready for use, appropriately placed in these financial statements under the item Intellectual Property Rights in the amount of €77,250 and under the item Other Intangible Assets in the amount of €1,186,231.

Tangible fixed assets

Movements in tangible fixed assets

Introduction

Tangible assets net of accumulated depreciation amounted to € 3,313,805. Depreciation for the year 2022 amounted to € 610,996. The table below shows the changes in these fixed assets

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other tangible fixed assets	Total Tangible Fixed Assets
Value at start of year					
Cost	50,000	1,191,343	305,886	1,086,741	2,633,970
Depreciation (Amortisation fund)	-3,750	-215,024	-64,672	-354,734	-638,180
Balance sheet value	46,250	976,319	241,214	732,007	1,995,790
Changes during the year					
Increases for acquisitions	0	1,626,168	85,743	259,107	1,971,018
Reclassifications	0	0	-112,800	112,800	0
Decreases for disposals and divestments	0	0	0	42,007	42,007
Depreciation for the year	1,500	389,038	23,080	197,378	610,996
Total variations	-1,500	1,223,131	-50,137	128,893	1,300,387
Year-end value					
Cost	50,000	2,817,511	278,829	1,416,641	4,562,981
Depreciation (Sinking Fund)	-5,250	-604,062	-87,752	-552,112	-1,249,176
Balance sheet value	44,750	2,213,449	191,077	864,529	3,313,805

Lease transactions

Introduction

Finance leases are presented in the balance sheet according to the equity method, with rentals paid being recognised in the income statement on an accrual basis. Supplementary information required by law concerning the presentation of finance leases according to the financial method is provided below. As of 31 December 2022, the company had 6 leasing contracts in place, two relating to furniture at the Tuscolana and Castani outlets, one relating to specific warehouse equipment, one relating to printers in use at the headquarters and outlets, and two relating to electronic machines. In accordance with the indications of the OIC 12 document, the contracts are represented in the financial statements according to the equity method, therefore the value of the assets is not recorded among fixed assets and the rentals are recognised in the income statement on an accrual basis.

	Amount
Total amount of leased assets at year-end	468,404
Depreciation that would have been chargeable to the year	61,376
Present value of instalments not due at year-end	232,331
Financial expenses for the year based on the effective interest rate	12,714

As required by Article 2427, No. 22 of the Civil Code, we provide a series of supplementary schedules useful for comparing the effects on the balance sheet and income statement resulting from the application of the so-called financial method.

Category Good	Contract	Effective date	Duration	VA	Interests	Effective rate
Furniture	1481093	27/12/19	60	23,894	609	4.67%
Furniture	1481092	27/12/19	60	10,620	257	4.44%
Warehouse facilities	1156177	14/07/20	60	48,464	1,523	7.59%
Printers	4817503	01/01/21	60	42,119	4,123	29.37%
Office Machines	150200-2	15/11/20	36	4,750	617	10.82%
Office Machines	150200-1	01/12/20	36	5,805	-	0.00%
Printers	5093570	10/11/21	60	38,313	3,465	33.91%
Printers	10442501	01/08/22	60	58,366	2,120	32.69%

In the table below we show the figures for ongoing leases, valuing them as if they were fixed assets

Category Good	Contract	Depreciation rate	Cost	Admin, provision 01/01/2022	Amortisat. 2022	Accountable
Furniture	1481093	12,00%	72,000	21,600	8,640	41,760
Furniture	1481092	12,00%	32,000	9,600	3,840	18,560
Warehouse facilities	1156177	7,50%	140,000	15,750	10,500	113,750
Printers	4817503	20,00%	72,369	14,474	14,474	43,421
Office Machines	150200-2	20,00%	17,100	5,130	3,420	8,550
Office Machines	150200-1	20,00%	19,000	5,510	3,800	9,690
Printers	5093570	20,00%	51,084	2,554	10,217	38,313
Printers	10442501	20,00%	64,851	-	6,485	58,366

Comparison financial method - equity method

In accordance with the indications provided by the OIC 12 document, the following table provides information on the effects that would have been produced on Shareholders' Equity and the Profit and Loss Account by recognising finance leases using the financial method as opposed to the so-called equity method of charging the rentals paid to the Profit and Loss Account.

Profit and Loss Account	
Accrual fees	**81,654**
Depreciation	-61,376
Interests	-12,714
Higher pre-tax profit	**7,564**
Higher tax	2,180
Higher operating profit	**5,384**

Balance Sheet	
Major Fixed Assets	**468,404**
Higher depreciation funds	-135,994
More Activities	**332,410**
Higher debts	232,331
Higher operating profit	5,384
Major Liabilities	**237,715**

Financial fixed assets

Movements in participations, other securities and derivative financial instruments assets

The following table shows the changes in these fixed assets.

	Investments in associated companies	Investments in other companies	Total Investments	Credits	Other securities	Derivative financial instruments receivable
Value at the start of the year						
Balance sheet value	100,000	922,670	1,022,670	-	43,200	-
Changes during the year						
Increases for acquisitions	2,650,000	-	2,650,000	360,000	57,600	656,542
Decreases for disposals	-	15,000	15,000	-	-	-
Write-downs during the year	-	200,000	200,000	-	-	-
Total variations	2,650,000	-215,000	2,435,000	360,000	57,600	656,542
Year-end value						
Cost	3,150,000	907,670	4,057,670	360,000	100,800	656,542
Write-downs	-400,000	-200,000	-600,000	-	-	-
Balance sheet value	2,750,000	707,670	3,457,670	360,000	100,800	656,542

On 26 May 2022, PB Online Srl was established, in which Portobello S.p.A. holds a 50% stake. The investment in Club Deal S.p.A. was also written down in the amount of EUR 200,000.

Details of long-term investments in affiliated companies

Details of the associated companies are given below.

Name	City, if in Italy, or foreign country	Tax code (for Italian companies)	Capital in euro	Profit (Loss) for the last financial year in euro	Net assets in euro	Share held in euro	Share held in %	Book value or corresponding credit
WEB MAGAZINE MAKERS SRL	MILAN	10883660960	10,000	(381,068)	(868,687)	2,450	24.50%	100,000
Total								100,000

Details of long-term equity investments in other companies

Details of the other investee companies are given below.

Name	City, if in Italy, or Foreign State	Capital in euro	Share held in euro	Share held in %	Book value
SAE GROUP SPA	LIVORNO	2,750,000	507,614	18.46%	507,614
CLUBDEAL SPA	MILAN	249,991	400,056	3.42%	200,056
Total					707,670

Long-term receivables relating to transactions with the obligation to retrocession forward.

It is certified that there are no long-term receivables relating to transactions with the obligation to retrocession forward.

Current assets

Inventories

The following table provides information on changes in inventories.
The value of inventories consists mainly of goods subject to exchange contracts in the last quarter, i.e. the quarter of greatest activity for the Media sector.

	Value at start of year	Change during the financial year	Year-end value
Finished products and goods	43,919,572	12,342,682	56,262,254
Total inventories	43,919,572	12,342,682	56,262,254

The value shown in the table includes the value of inventories net of the related provision for write-down. In particular, during the year a provision of euro 1,484,212 was set aside, bringing the total value of the provision to euro 2,584,212. Inventories of finished goods and merchandise related to Portobello S.p.A. amounted to euro 56,147,891 net of the related provision; the remaining amount of euro 114,363 pertains to the subsidiary PB Retail S.r.l..

Receivables recorded as current assets

Changes and maturity of receivables in current assets

The following table provides information on changes in receivables recognised as current assets as well as, where significant, information on their maturity dates.

	Value at start of year	Change during the financial year	Year-end value	Portion due within the financial year	Portion due after the year
Trade receivables recorded as current assets	4,028,053	1,915,803	5,943,856	5,943,856	-
Receivables from affiliated companies recorded as current assets	281,703	177,840	459,543	459,543	
Tax receivables recorded as current assets	2,598,529	667,882	3,266,411	3,266,411	-
Deferred tax assets recognised as current assets	12,295	-	12,295		
Receivables from others recorded as current assets	1,351,807	-476,994	874,813	82,865	791,948
Total receivables recorded as current assets	8,272,387	2,284,531	10,556,918	9,752,675	791,948

Breakdown of receivables recorded in current assets by geographical area

The following table provides a breakdown of receivables by geographical area

Geographical area	ITALY	EU	Total
Trade receivables recorded as current assets	3,947,936	1,995,920	5,943,856
Receivables from affiliated companies recorded as current assets	459,543	-	459,543
Tax receivables recorded as current assets	3,266,411	-	3,266,411
Deferred tax assets recognised as current assets	12,295	-	12,295
Receivables from others recorded as current assets	874,813	-	874,813
Total receivables recorded as current assets	8,560,998	1,995,920	10,556,918

Receivables under current assets related to reverse repurchase agreements

It is hereby certified that there are no receivables in respect of forward transactions.

Financial Assets Not Constituting Fixed Assets

Changes in financial assets not constituting fixed assets

Financial assets not held as fixed assets are valued at the lower of purchase cost and realisable value based on market trends. The following table shows the changes that occurred during the year

	Value at start of year	Change during the financial year	Year-end value
Other non-capitalised participations	0	259,259	259,259
Total financial assets not constituting fixed assets	0	259,259	259,259

The item includes the investment made in the company Class Editori S.p.A. in relation to which the Company participated in the relative capital increase for the amount of 500,000. The investment was valued on the basis of the market value of the relative shares as of 31/12/2022. A write-down of Euro 240,741 was therefore made.

Liquid assets

The following table provides information on changes in cash and cash equivalents.

	Value at start of year	Change during the financial year	Year-end value
Bank and postal deposits	2,382,957	311,968	2,694,925
Cash and other valuables on hand	88,218	60,988	149,206
Total cash and cash equivalents	2,471,175	372,956	2,844,131

Accrued income and prepaid expenses

The following table provides information on changes in accrued income and prepaid expenses.

	Value at start of year	Change during the financial year	Year-end value
Prepaid expenses	23,490,227	6,674,037	30,164,264
Total accrued income and prepaid expenses	23,490,227	6,674,037	30,164,264

It should be noted that among the amounts of prepaid expenses, the most significant item is advertising prepaid expenses in the amount of EUR 20,953,272.

Capitalised financial charges

All interest and other financial charges were fully expensed during the year. For the purposes of Article 2427, Section 1, No. 8 of the Civil Code, it is therefore certified that there are no capitalised financial expenses.

Notes to the accounts, liabilities and shareholders' equity

The movements of the individual balance sheet items are analysed in detail below.

Net assets

Changes in equity items

With reference to the year under review, the following tables show the changes in the individual items of shareholders' equity, as well as details of other reserves, if any.

	Value at start of year	Other variations		Result for the year	Year-end value
		Increases	Decreases		
Capital	619,490	54,960	-		674,450
Share premium reserve	12,767,452	0	-		12,767,452
Legal reserve	106,738	17,160	-		123,898
Other reserves					
Extraordinary reserve	12,707,154	8,986,691	-		21,693,845
Various other reserves	0	17,999	-		17,999
Total other reserves	12,707,154	9,004,690	-		21,711,844
Reserve for expected cash flow hedging transactions	-32,637	191,424	-		158,787
Profit (loss) for the year	8,854,332		-8,854,332	10,347,617	10,347,617
Reserve for own shares		-169,058			-169,058
Total group equity	35,022,529	10,592,461	-	-	45,614,990
Capital and reserves of third parties	49,000	0	-35,570	-	13,430
Minority interest in profit (loss)	-35,570	0	-2,653,135	-	-2,688,705

Reconciliation Statement of Shareholders' Equity and Result for the Year of Portobello S.p.A. with Shareholders' Equity and Result for the Consolidated Financial Statements

	Net assets	*Result for the year*
As per parent company financial statements	**48,417,141**	**13,149,768**
Reversal of book value of participations	-51,000	-
Start-up	33,320	-3,702
Consolidation Difference	-	-
Other Consolidation Entries	-5,459,746	-5,487,154
Total consolidation entries	**-5,477,426**	**-5,490,856**
Leased Assets - IAS 17	-	-
Total pre-consolidation adjustments	**-**	**-**
Consolidated Shareholders' Equity and Net Profit	**42,939,715**	**7,658,912**
of which		
Shareholders' Equity and Profit/(Loss) attributable to minority interests	**- 2,675,276**	**- 2,688,705**
Shareholders' equity and net profit attributable to the Group	**45,614,990**	**10,347,617**

Changes in the cash flow hedge reserve

The table below shows the changes in the reserve for hedging transactions:

	Reserve for expected cash flow hedging transactions
Value at start of year	(32,637)
Changes during the year	
Increase due to change in fair value	380,342
Decrease due to change in fair value	118,910
Year-end value	158,787

Provisions for risks and charges

The following table shows the information relating to the changes in provisions for risks and charges.

	Provision for taxes, including deferred taxes	**Derivative financial instruments liabilities**	**Total provisions for risks and charges**
Value at the start of the year	103,875	32,637	136,512
Changes during the year			
Provisions during the year	301,332	465,119	766,451
Usage during the year	-	-	-
Other variations	-	-	-
Total variations	301,332	465,119	766,451
Value at the end of the year	405,207	497,756	902,963

In reference to the opening balance of the provision for taxes, it should be noted that the same derives from a reclassification of the related item which had been allocated among tax payables in 2021 to which is added the provision for the year, In reference to derivative financial instruments, please refer to the appropriate section of the explanatory notes.

Severance pay

The following table provides information on changes in the provision for employee severance indemnities.

	Severance pay
Value at start of year	389,210
Changes during the year	
Provision in the financial year	515,584
Use in the financial year	152,742
Total variations	362,842
Year-end value	752,052

Debts

Changes and maturity of debts

The following table sets out information on changes in payables and any information on their maturity,

	Value at start of year	Change during the financial year	Year-end value	Portion due within the financial year	Portion due after one year
Payables to shareholders	680,000	15,745	695,745	-	695,745
Due to banks	18,540,278	26,233,378	44,773,656	15,577,729	29,195,927
Payables to other lenders	1,234,117	-472,802	761,315	629,870	131,445
Payables to suppliers	11,880,771	-4,124,027	7,756,744	7,756,744	-
Payables to affiliated companies	7,000	2,000	9,000	9,000	-
Tax debts	7,019,181	3,960,627	10,979,808	10,979,808	-
Payables to social security institutions	318,451	1,241,091	1,559,542	1,559,542	-
Other debts	1,155,068	384,526	1,539,594	1,530,987	8,607
Total debts	40,834,866	27,240,538	68,075,404	38,043,680	30,031,724

Breakdown of debts by geographical area

The following table provides a breakdown of payables by geographical area

Geographical area	ITALY	EU	EXTRA EU	Total
Payables to shareholders	-	-	695,745	695,745
Due to banks	44,773,656	-	-	44,773,656
Payables to other lenders	761,315	-	-	761,315
Payables to suppliers	5,319,218	2,279,521	158,005	7,756,744
Payables to affiliated companies	9,000	-	-	9,000

Tax debts	10,979,808	-	-	10,979,808
Payables to social security institutions	1,559,542	-	-	1,559,542
Other debts	1,539,594	-	-	1,539,594
Total debts	64,942,133	2,279,521	853,750	68,075,404

Debts secured by collateral on corporate assets

Pursuant to Article 2427, Section 1, No. 6 of the Civil Code, it is certified that there are no corporate debts secured by collateral.

Payables in respect of reverse repurchase agreements

It is hereby certified that there are no debts relating to forward transactions.

Loans made by shareholders of the company

The Company received a loan from third-party shareholders in the amount of Euro 695,745.

Accrued expenses and deferred income

The following table provides information on changes in accrued expenses and deferred income.

	Value at start of year	Change during the financial year	Year-end value
Accrued expenses	91,594	14,118	105,712
Deferred income	10,177,559	(8,665,427)	1,512,132
Total accrued expenses and deferred income	10,269,153	(8,651,309)	1,617,844

It should be noted that among the amounts of deferrals, the most significant item refers to advertising deferred income in the amount of €1,279,469.

Notes to the consolidated income statement

The consolidated income statement shows the economic result for the year.
It provides a representation of management operations by summarising the positive and negative income components that have contributed to determining the economic result. The positive and negative components of income, recorded in the financial statements in accordance with Article 2425-bis of the Civil Code, are distinguished according to whether they belong to the various operations: characteristic, accessory and financial.
Core business identifies the components of income generated by transactions that occur on an ongoing basis and in the sector relevant to the performance of operations, which identify and qualify the special and distinctive part of the economic activity performed by the company.
Financial activities consist of transactions that generate income and expenses of a financial nature. On a residual basis, ancillary activities consist of transactions that generate income components that are part of ordinary activities but do not fall within the scope of characteristic and financial activities.

Value of production

Revenues are recorded in the financial statements on an accrual basis, net of returns, rebates, discounts and premiums, as well as taxes directly related thereto.
With regard to the transfer of assets, the related revenues are recognised when the substantial and non-formal transfer of title has occurred, taking the transfer of risks and rewards as the benchmark for the substantial transfer.
Revenues from the rendering of services are recognised when the service is rendered, i.e. when the service has been performed; in the particular case of continuous services, the related revenues are recognised for the accrued portion.

Breakdown of revenue from sales and services by category of activity

The following table shows the breakdown of revenue from sales and services by category of activity.

Activity category	Current year value
Media	71,828,232
Retail (B2C)	24,593,508
B2B	33,466,056
Total	129,887,796

Breakdown of revenue from sales and services by geographical area

The following table shows the breakdown of revenues by geographical area

Geographical area	Current year value
ITALY	121,976,824
EU	7,910,972
TOTAL	129,887,796

Production costs

Costs and charges are allocated on an accrual basis and according to their nature, net of returns, allowances, discounts and premiums, in compliance with the principle of correlation with revenues, and recorded in the respective items according to the provisions of accounting standard OIC 12. In the case of purchases of goods, the related costs are recognised when the substantial and non-formal transfer of title has occurred, taking the transfer of risks and benefits as the reference parameter for the substantial transfer. In the case of the purchase of services, the related costs are recognised when the service has been received, or when the service has been completed, while, in the case of continuous services, the related costs are recognised for the portion accrued.

Financial income and expenses

Breakdown of participation income

There is no income from participations as referred to in Article 2425, No. 15 of the Civil Code.

Breakdown of interest and other financial expenses by debt type

The following table shows the amount recognised in the income statement for the current year.

	Interest and other financial charges
Due to banks	847,587
More	36,769
Total	884,356

Value Adjustments on Financial Assets and Liabilities

During the year, the shareholding in Club Deal S.p.A. was written down in the amount of EUR 200,000. A write-down was also made on the investment in Class Editori S.p.A. in the amount of EUR 240,741.

Current, Deferred and Prepaid Income Taxes

The company allocated taxes for the year on the basis of the application of current tax regulations. Current taxes refer to taxes pertaining to the year; taxes relating to previous years include direct taxes for previous years, including interest and penalties, and also refer to the positive (or negative) difference between the amount due following the settlement of a dispute or an assessment and the value of the provision set aside in previous years. Finally, deferred tax liabilities and deferred tax assets relate to positive or negative income components respectively subject to taxation or deduction in different years from those in which they are recognised in the statutory accounts.

Taxes totalling EUR 4,507,452 were set aside in the financial statements as follows:

1. euro 3,456,193 for IRES tax for the year of the parent company
2. euro 1,051,259 for IRAP taxes for the year of the parent company

There were no temporary changes that led to the need to recognise deferred tax assets and liabilities.

Notes to the accounts, other information

The other information required by the Civil Code is set out below.

Employment data

The following table shows the average number of employees, broken down by category and calculated on a daily average basis.

	Average number
Managers	12
Employees	281
Workers	33
Total Employees	326

Remuneration, advances and credits granted to directors and auditors and commitments undertaken on their behalf

The following table sets out the information required by Article 2427 No. 16 of the Italian Civil Code, specifying that there are no advances or receivables and no commitments have been undertaken on behalf of the administrative body as a result of guarantees of any kind given.

	Administrators	Mayors
Fees	185,000	37,500

Fees to the statutory auditor or auditing company

The following table shows the fees due to the auditing firm, broken down by type of services rendered.

	Value
Statutory audit of annual accounts	29,500

	Value
Other verification services performed	7,500
Other non-audit services	6,500
Total fees payable to the statutory auditor or audit firm	43,500

Categories of shares issued by the company

The following table shows the number of shares in the company, as well as any movements during the year.

Description	Initial consistency, number	Initial stock, nominal value	Shares subscribed during the year, number	Shares subscribed during the year, nominal value	Final consistency, number	Final stock, nominal value
ACTIONS	3,236,902	619,490	274,800	54,960	3,511,702	674,450
Total	3,236,902	619,490	274,800	54,960	3,511,702	674,450

Securities issued by the company

The company has not issued any security or similar value falling under the provision of Article 2427 No. 18 of the Civil Code.

Details of other financial instruments issued by the company

The company has not issued any other financial instruments within the meaning of Article 2346(6) of the Civil Code.

Commitments, guarantees and contingent liabilities not shown in the balance sheet

The following table provides the information required by Article 2427 No. 9 of the Civil Code:

For Portobello S.p.A.

- Guarantee given to guarantee the lease contract of the shop located in Via dei castani in Rome, in favour of S.A.M.A.V. s.r.l. for an amount of euro 72,000 and expiring on 31/03/2025.
- Guarantee given to guarantee the lease of the shop located in Viale Libia in Rome, in favour of Romoli Venturi Ennio, Romoli Venturi Sonia and Romoli Venturi Andrea, for an amount of EUR 60,000 and expiring on 30/06/2020, renewable until 30/06/2025.
- Guarantee given to guarantee the lease of the shop located in Via Tuscolana in Rome, in favour of Colasanti Serenella for an amount of euro 18,000 and expiring on 31/07/2020, renewable until 31/07/2031.
- Guarantee given to guarantee the lease of the shop located in Via Tuscolana in Rome, in favour of Colasanti Marco for an amount of euro 36,000 and expiring on 31/07/2020, renewable until 31/07/2031
- Guarantee given to guarantee the lease agreement of the building located in Piazzale della Stazione in Santa Palomba - Pomezia, in favour of Angelini Immobiliare S.p.A. for an amount of euro 53,000 and expiring on 31/07/2021, renewable from year to year unless terminated by the bank or the lessor.
- Guarantee given to guarantee the lease of the shop located in Corso Genova in Milan, in favour of Gecfin s.r.l. for an amount of Euro 146,250 and expiring on 31/07/2026.
- Guarantee given to guarantee the lease of the shop located in Corso Buenos Aires in Milan, in favour of Estate s.r.l. for an amount of euro 400,000 and expiring on 31/08/2021, renewable until 31/08/2032.
- Guarantee granted to guarantee the lease of the shop located in Viale dei Colli Portuensi in Rome, in favour of Marrucco Cristiana for an amount of euro 27,000 and expiring on 03/12/2021, renewable from year to year, unless revoked by the Bank.
- Guarantee given to guarantee the lease of the shop located in Corso Genova in Milan, in favour of Gecfin s.r.l. for an amount of Euro 146,250 and expiring on 31/07/2026.
- Guarantee given to guarantee the lease contract of the shop located at Via Speronari 8, corner of Via Torino in Milan, in favour of Via Speronari 8 S.r.l for an amount of Euro 800,000.00 expiring on 30/06/2022, renewable until 30/06/2033.
- Surety given to guarantee the lease contract of the shop located in Ostia, Via delle Baleari n. 302 in favour of L'Attico Srl for an amount of euro 27,000.00 expiring on 31/12/2033, renewable until 30/06/2033.

For the subsidiary PB Retail S.r.l.

- Guarantee given to guarantee the business branch lease contract of the shop located at the Grotte Center Shopping Centre in Via Farfisa snc/Via Campo dell'Aviazione n.17 in Camerano, in favour of Olinda Centers S.r.l for an amount of euro 62,302.30 and expiring on 19/09/2022, renewable tacitly from year to year unless revoked by the bank.
- Surety given to guarantee the business unit lease contract of the shop located at Centro Commerciale Roma Est in Via Collatina km 12,800 in Rome, in favour of Gemma S.r.l., for an amount of Euro 203,333.33 and expiring on 31/12/2028. Surety given to guarantee the punctual

and proper performance of the obligations arising towards the Consorzio degli Operatori del Centro Commerciale RomaEst, as provided for in the business unit lease agreement with the company Gemma S.r.l. of the shop located at Centro Commerciale Roma Est in Via Collatina km 12,800 in Rome, for an amount of Euro 22,875.00 and expiring on 31/12/2028.

- Guarantee given to guarantee the business branch lease contract of the shop located at the Porte di Torino Shopping Centre at 460 Corso Romanina in Turin, in favour of Granato S.p.a. for an amount of Euro 90,000.00 and expiring on 21/09/2028.
- Guarantee given to guarantee the business branch lease contract of the shop located at the Porte di Catania Shopping Centre in Via Gelso Bianco in Catania, in favour of Granato S.p.A. for an amount of Euro 72,500.00 and expiring on 09/09/2028.
- Guarantee given to guarantee the business branch lease contract of the shop at the Fano Center Shopping Centre located at Via Einaudi no. 30 in Fano, in favour of Ceetrus Italy S.p.a., for an amount of Euro 85,000.00 and expiring on 31/10/2028.
- Surety bond provided to guarantee the business branch lease contract of the shop located at the Punta di Ferro Shopping Centre in Piazzale della Cooperazione no. 2 and 3 in Forlì, in favour of IGD SIIQ S.p.A. for an amount of euro 75,000.00 and expiring on 01/06/2032.
- Surety bond pledged as guarantee for the business branch lease contract of the shop located at the La Romanina shopping centre in Via Enrico Ferri no. 8, Rome, in favour of Klecar Italia S.p.a. for an amount of EUR 81,670.00 and expiring on 15/09/2028.
- Guarantee provided as security for the business unit lease agreement with the company IGD SIIQ S.p.a. of the shop located at Centro Borgo Shopping Centre at 186 Via Marco Emilio Lepido in Bologna, in favour of IGD SIIQ S.p.a, for an amount of EUR 90,000.00 and expiring on 30/06/2032. Surety bond pledged as security for the obligations assumed in connection with the membership of Consorzio CentroBorgo as set forth in the business unit lease agreement with IGD SIIQ S.p.a of the shop located at Centro Borgo Shopping Centre at 186 Via Marco Emilio Lepido, Bologna, in the amount of Euro 90,000 and expiring on 30/06/2032.
- Guarantee given to guarantee the business branch lease contract of the shop located at the Adriatic 2 Shopping Centre, in favour of L.S.G.I ITALIA 6 SPA for an amount of Euro 65,000.00 and expiring on 17/04/2032.
- Surety bond provided as a guarantee for the lease of the business unit of the shop located at Centro Commerciale I Malatesta at Via Emilia no. 150 in Rimini, in favour of COOP ALLEANZA 3.0 SOCIETA COOPERATIVA, for an amount of EUR 50,000.00 and valid until 31/10/2023, tacitly renewed year by year until 31/10/2025. Surety bond provided as a guarantee of the obligations undertaken in connection with the membership of Consorzio I Malatesta as per the business branch lease agreement with the company COOP ALLEANZA 3.0 SOCIETA COOPERATIVA of the shop located in the I Malatesta Shopping Centre in Via Emilia no. 150 in Rimini, for an amount of euro 52,338.00 and expiring on 31/12/2029, after 6 months from the expiry date, and therefore on 30/06/2030 without any request for its effectiveness, the same shall become null and void regardless of its restitution.
- Surety bond provided as a guarantee for the lease of the business unit of the shop located at the Porto Grande Shopping Centre at 144 Via Pasubio in San Benedetto del Tronto, in favour of IGD SIIQ SPA, for an amount of EUR 80,000.00 and valid until 31/07/2023, tacitly renewed year by year until 30/11/2031. Surety bond pledged as security for the obligations assumed in connection with the membership of CONSORZIO CENTRO COMMERCIALE PORTOGRANDE as set forth in the business unit lease agreement with IGD SIIQ SPA of the shop located in the Porto Grande Shopping Centre at 144 Via Pasubio in San Benedetto del Tronto, in the amount of euro 29,892.00 and expiring on 31/07/2023, tacitly renewed year by year until 30/11/2031.
- Surety bond provided to guarantee the sublease contract of the shop located at the Borgogioioso Shopping Centre in Via dell'Industri in Carpi, in favour of COOP ALLEANZA 3.0 SOC. COOP., for an amount of euro 87,500.00 and valid until 26/12/2022, tacitly renewed year by year until 26/03/2029. Guarantee given to guarantee the payment of the lump-sum contribution to the municipal charges as provided for in the sublease agreement with the company COOP ALLEANZA 3.0 SOC. COOP of the shop located Borgogioioso Shopping Centre in Via dell'Industri in Carpi, for an amount of Euro 27,930.00 and expiring on 26/12/2022, tacitly renewed year by year until 26/03/2029.
- Guarantee given to secure the business branch lease contract of the shop located at Centro Commerciale Etnapolis in c.da Valcorrente in Belpasso, in favour of MONTENISIA SRL, for an amount of euro 67,500.00 and valid until 30/09/2023, tacitly renewed year by year until 08/06/2029.

- Surety bond provided as security for the lease of the business unit of the shop located at Centro Commerciale ESP in Via Marco Bussato 46, Ravenna, in favour of IGD SIIQ SPA, for an amount of EUR 80,000.00 and valid until 18/10/2023, tacitly renewed year by year until 31/01/2032. Surety bond pledged as security for the obligations assumed in connection with the membership of CONSORZIO CENTRO COMMERCIALE ESP as set forth in the business unit lease agreement with IGD SIIQ SPA of the shop located at Centro Commerciale ESP in Via Marco Bussato 46, Ravenna, in the amount of euro 55,552.00 and expiring on 18/10/2023, tacitly renewed year by year until 31/01/2032.
- Guarantee given to guarantee the business branch lease contract of the shop located at Centro Commerciale Curno in Via Fermi 1, Curno, in favour of ECP CURNO 2022 SRL, for an amount of Euro 135,000.00 and valid until 16/10/2031.

Information on assets and financing allocated to a specific business

Assets earmarked for a specific business

It is hereby certified that at the balance sheet date there were no assets intended for a specific business purpose as defined in No. 20 of Article 2427 of the Civil Code.

Financing earmarked for a specific business

It is hereby certified that at the balance sheet date, there were no loans intended for a specific business purpose as referred to in No. 21 of Article 2427 of the Civil Code.

Information on related party transactions

During the year, there were transactions with related parties in relation to which, although they were concluded at market conditions, the information is provided in the tables below:

Company name	*Trade Receivables*	*Trade Payables*	*Purchases*	*Sales*
Expandi Srl	42,167	-	-	290,000
Hi Capital Advisors Ltd	-	-	72,000	-
Nova Spa	-	-	65,218	49,426
Portobello Consulting Srl	-	-	171,562	71,982
RS Production Srl	1,314,775	-	245,140	1,320,000
Wolt Spa	-	-	-	91,853
Web Magazine Maker Srl	456,694	-	9,000	1,750,000
Matilde Sas	50,000	-	-	-
Xcoin Srl	-	-	-	50,000
Oli-tech Srl	-	-	-	50,000
Foodia Srl	-	-	-	50,000
Aimedia Srl	-	-	-	50,000
SAE Group Spa	-	-	-	289,700

Company name	*Revenues as at 31/12/2022*	*% Revenues as at 31/12/2022*
Expandi Srl	70,000	0.05%
RS Production Srl	1,883,000	1.44%
Web Magazine Maker Srl	1,893,435	1.45%
Matilde Sas	50,000	0.04%
Xcoin Srl	25,000	0.02%
Oli-tech Srl	50,000	0.04%
Foodia Srl	50,000	0.04%
Aimedia Srl	42,000	0.03%
SAE Group Spa	289,700	0.22%

Information on agreements not shown in the balance sheet

No agreements were entered into during the year that were not reflected in the consolidated balance sheet.

Information on significant events occurring after the end of the financial year

With reference to point 22 of Article 2427 of the Italian Civil Code, in regards to the reporting of the main events that occurred after the end of the financial year and that had a significant impact on the balance sheet, financial position and results of operations, please refer to the specific section contained in the Report on Operations.

Disclosure of Derivative Financial Instruments Pursuant to Article 2427-bis of the Civil Code

As of 31/12/2022, five different derivative contracts were in place for the purpose of hedging against possible fluctuations in the variable rate applied to the underlying financing contracts, variable rate contracts linked to the Euribor trend and in particular:

- Year 2020, Deutsche Bank, market value of the derivative on 31/12/2022 is EUR (99,764)
- Year 2021, Monte dei Paschi di Siena, market value of the derivative as at 31/12/2022 is euro 344,505
- Year 2022, Monte dei Paschi di Siena, market value of the derivative as at 31/12/2022 is euro 312,037
- Year 2022, Deutsche Bank, market value of the derivative on 31/12/2022 is EUR (251,420)
- Year 2022, Unicredit Bank, market value of the derivative at 31/12/2022 is EUR (146,572)

Notes to the accounts, final part

Dear Shareholders, We confirm that these consolidated financial statements, consisting of the consolidated balance sheet, consolidated profit and loss account and notes to the financial statements, give a true and fair view of the company's financial position and results of operations for the year and correspond to the accounting records. We therefore invite you to approve the draft consolidated financial statements as at 31.12.2022, as prepared by the Board of Directors.

The balance sheet is true and real and corresponds to the accounting records

The Board of Directors

Pietro Peligra, President
Simone Prete, Vice President and CEO
Mirco Di Giuseppe, Director
Roberto Bacchi, Director
Ciro Esposito, Director

PORTOBELLO