PORTOBELLO
PORTOBELLO

INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2022

PORTOBELLO
PORTOBELLO
PORTOBELLO
PORTOBELLO

INDEX

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.

CORPORATE 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 the 19th of April 2021 and will remain in office for three financial years, i.e., until the date of approval of the financial statements as of the 31st of December 2023.
The auditing company was appointed on the 19th of April 2021 and will remain in office until the date of approval of the financial statements as of the 31st of December 2023.

Consolidated Half-Year Financial Report as of the 30th of June 2022

FOREWORD

This Management Report on the Interim Consolidated Financial Statements of Portobello S.p.A. as of the 30th of June 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 units of Euro, is presented to accompany the Interim Consolidated Financial Statements in order to provide the Company's income, equity, financial and management information accompanied, where possible, by historical elements and prospective evaluations.

THE PORTOBELLO GROUP

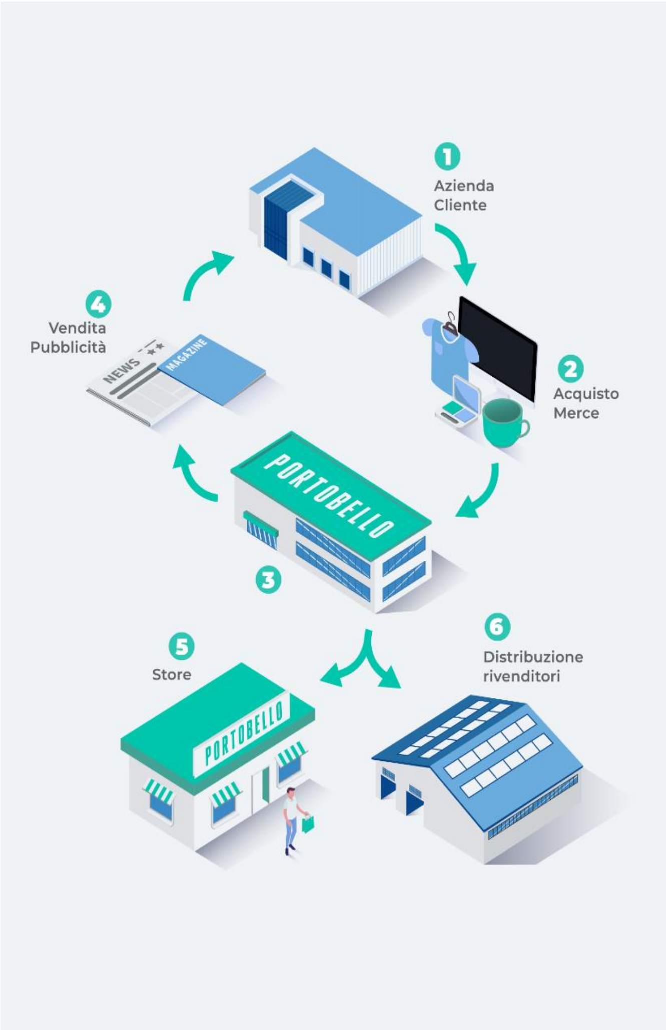
The Company was founded at the end of 2016 following many months of analysis by the founding partners regarding the evolution of the competitive scenario of the retail market, the needs and buying habits of modern consumers, and the opportunities related to the management of media space aimed at barter operations.

Portobello's business is structured in highly integrated Strategic Business Units ('SBUs') to achieve maximum margins. In addition to an efficient and fast administration of the structure, this integration allows robust scalability of the business model, very high customer growth rates and customer appreciation, and margins on par with the best competitors in the industry.

THE BUSINESS MODEL

Portobello has created a business model that is scientifically designed to capture product acquisition opportunities at highly 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 business's circularity starts with media activity, mainly aimed at engaging potential customers in commercial barter advertising relationships or the direct sale of advertising. Portobello has advertising space at its disposal, either proprietary or under exclusive management (such as magazines, video walls, etc.) or owned by third parties (such as outdoor, digital totems, etc.). The Company obtains cash or other advertising space or physical products from the sale or barter business. 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, such as the Portobello branded shops and marketplaces. Due to size or type, anything that cannot be sold in these channels is sold to other resellers in the B2B channel.



The business model, innovative and circular, provides for the sale of media spaces to customers-advertisers live or in barter: the products obtained are sold at competitive prices through the Portobello chain of stores, while the inventories are distributed to retailers.

The Company, to develop its Business, has set up 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 purchasing and reselling classic third-party advertising space in high-traffic areas, developing managed media and circulating entertainment magazines. The spaces are sold or used in barter activities in order to acquire products for resale through SBU Retail. In addition, 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 outsourced, which allows for excellent management control in terms of costs and to make up for any problems with seasonal sales. The periodicals, in terms of content and user audience, are also perfectly in line with the potential advertisers of SBU Media, thus, acting as an accelerator for the latter, 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 of products sold in other channels, improve the cash cycle, and enter 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 manifold:

- **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 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 can guarantee an average wide 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 in its target sectors. The business model allows the Company to grow quickly in very challenging industries with significant pressure on prices and margins, achieving efficiency of scale and brand recognition among consumers. For example, in the media industry, 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, can 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 area has enabled the Company to create a format with great appeal to the consumer, structured in an efficient and scalable manner.

- **Scalability (media, retail)**. The strategy and management model adopted has, 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 intense 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 the price pressures and, consequently, the difficulties of its competitors.

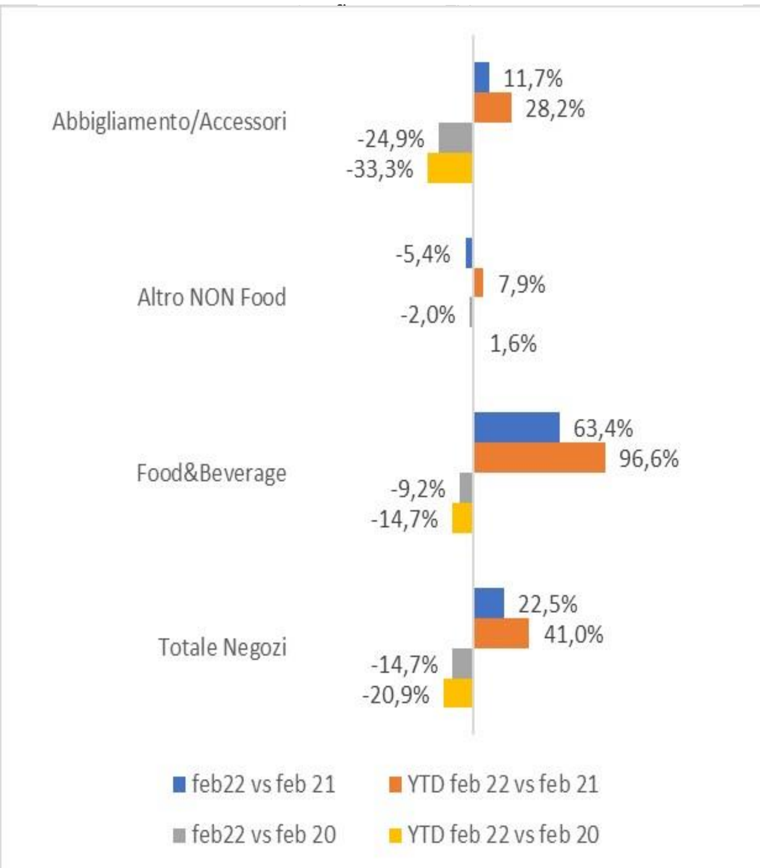
RELEVANT EVENTS

HEALTH EMERGENCY AND THE RUSSIAN-UKRAINIAN CONFLICT

Although in the first half of 2022, the Covid-19 health crisis in Italy and the rest of the world was contained, 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, especially the EU and NATO countries, which responded promptly by imposing strict economic and financial sanctions on the invader. Despite the continuation of the war on Ukrainian territory, it remains unlikely that the war will spread to the EU and, therefore, that Italy will become involved in the conflict. The new scenario, among other consequences, has led to a further exacerbation of the cost of energy throughout Europe, especially in the countries most dependent on Russian energy supplies, including Italy. In addition, rising inflation and rising prices of non-energy commodities, caused mainly by the conflict but also by an exceptional increase in post-covid demand, are putting a strain on the economies of the globalised world.

RETAIL

Figure 1 - Source: Market Consumption Observatory



The year 2022 began with an exacerbation of many critical issues that had characterised the previous year. Not only is consumption still far from its pre-pandemic levels, with a few exceptions, and showing no signs of dynamism, but the situation has worsened further on the cost side regarding energy, transport, and raw materials due to the global geo-political situation. According to the Confimprese-EY Permanent Observatory, which monitors consumption trends in the catering, clothing, and non-food sectors, analysed data for February 2022 on the same month of 2020, not yet affected by the pandemic, and it shows a trend at -14.7% with a partial recovery compared to January (-25.1%) thanks to the better prospects for the exit of the pandemic, which allowed for a modest recovery. On a year-on-year basis, the trend reaches -15% vs 2020, but compared to two years ago, it still stands at -20%. The situation is still far from pre-pandemic levels and is complicated by rising food, utility, and fuel prices. As far as the product sectors are concerned, the most worrying trends are felt in clothing and accessories, which, with a drop of -24.9%, confirms itself as the sector suffering the most. Less negative trends were recorded in catering, which closed the month of February at -9.2%, a clear improvement compared to January (-18.1%), and in non-food retail -2%, i.e., furnishing and culture-related products. Both confirm a stable realignment with pre-pandemic values.

Despite the complex scenario, the B2C (Retail) SBU recorded excellent results with revenues of EUR 9.77 million as of the 30th of June 2022.

During the first half of 2022, six 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, 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 within the 'I Malatesta' shopping centre has a floor space of approximately 1,500 square metres and employs 13 specially recruited and trained staff.

- **C.C. The Borgogioioso - Carpi (MO)**. With spacious and modern architecture, a hypermarket, bars and restaurants, and themed events, the shopping centre offers various areas dedicated to shopping, dining and leisure. The shop inside the shopping centre has a floor space of around 1600 square metres and employs ten specially recruited and trained people.

- **C.C. Città Fiera - Torreano di Martignacco (UD)**. With 250 shops, 40 food outlets, two 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 in 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 valuable services. The shop inside the 'Porto Grande' shopping centre has a floor space of 1,272 square metres and employs 14 specially recruited and trained people.

PORTOBELLO BRAND OUTLETS OPERATIONAL AS OF THE 30TH OF JUNE 2022

CITY	HEADQUARTERS
OUTLETS MANAGED 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 MANAGED BY THE 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

In addition, during the first half of 2022, the Group signed binding agreements for the leasing of properties with the aim of opening shops under the 'Portobello' brand on highly pedestrianised streets and in large shopping centres throughout Italy. Thanks to these agreements, which relate to a total cubage of the leased properties of approximately 10,800 sqm, Portobello will be able to open additional shops with characteristics (and profitability) comparable to approximately 43 stores built using the standard Portobello concept of 250 sqm.


SSE
PORTOBELLO PORTOBELLO PORTOBE


PORTOBELLO

PORTOBELLO


PORTOBELLO PORTOBELLO
PORTOBELLO
KitchenAid
PORTOBELLO

MEDIA AND PUBLISHING

Based on Nielsen data reported by Confindustria Radio Televisioni (CRTV), the advertising investment market in Italy recorded a total value of approximately EUR 2.75 billion in the first half of 2022, with a downward trend (-2.8%) compared to the values for the same period last year ("traditional perimeter"). In the single month of June, the figure stood at approximately EUR 452 million, a significant decrease of 14.8% compared to the values for the same month in 2021. 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 around EUR 4.4 billion (+0.1% compared to 2021), with a difference from the "traditional perimeter" of around EUR 1.65 billion.

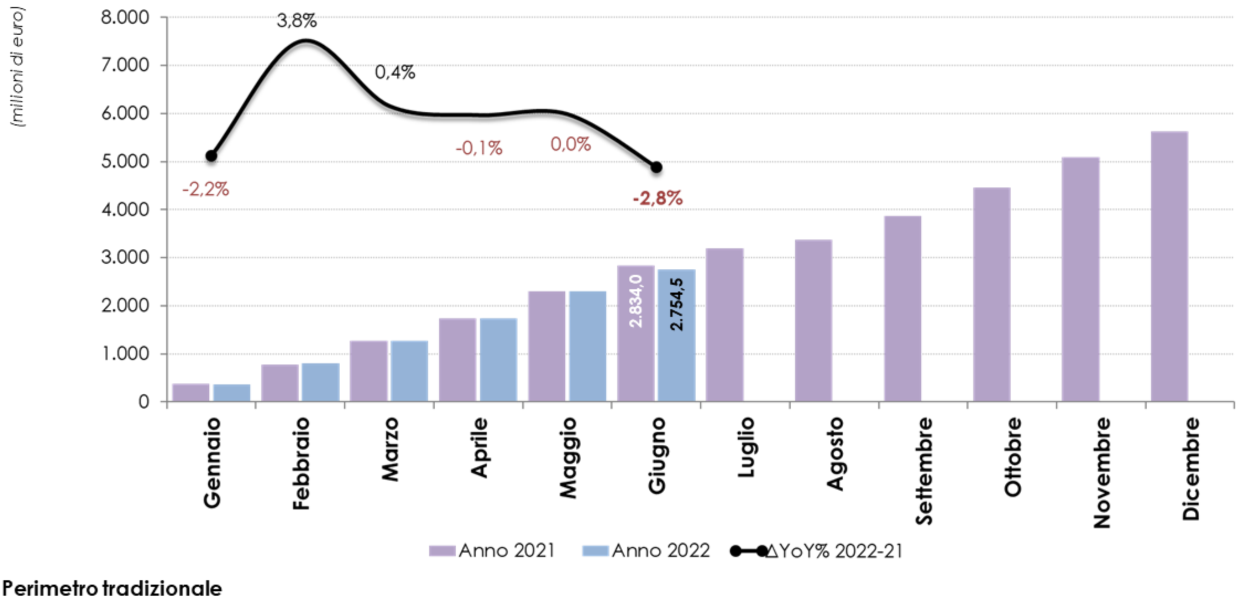


Figure 2 - Source: Confindustria Radio Televisioni (CRTV) elaborations on Nielsen data

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

It should be noted that the first half of 2022 vs the first half of 2021 ended in substantial parity, with a decrease in June due to the comparison with the same month in 2021 in which the European Football Championship took place. Comparing the value reached by the market in this first half of the year with the average of the years without events, total investments are in line with the long-term trend. The slowdown in June could be linked to the lack of relevant entertainment events and the Ukrainian crisis, which has started to materialise on companies' finances. The automotive and food sectors were particularly hard hit, while tourism, clothing and leisure recovered. In any case, the industry could recover in the autumn, also thanks to the 2022 World Cup, which will certainly be a good communication opportunity for brands and the entire market, as has already happened in the recent past.

Regarding Portobello's SBU Media, it should be noted that at the beginning of February this year, Sae Sardegna S.r.l. - a subsidiary of 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 deal 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. Thanks to the acquisition of La Nuova Sardegna, Portobello has expanded its local advertising offer and consequently strengthened SBU Media, through which it can implement advertising bartering operations through specific commercial agreements.

Portobello's SBU Media reported excellent results with revenues of EUR 24.57 million as of the 30th of June 2022.

B2B

Finally, the revenues of Portobello's B2B SBU as of the 30th of June 2022 amounted to EUR 14.48 million, up 68.4% compared to the first half of 2021. The Company considers this activity helpful in 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, not a priority channel in its development strategies.

FINANCING

At the end of January 2022, the Company signed a financing agreement for €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. This is for the opening of new stores throughout Italy, under which the commercial network is expected to increase further by approximately 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, variable-rate and unsecured, amounts to €5 million, has a term of five years, expires on 3 February 2027, and has a quarterly repayment schedule 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, inter alia, 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 the practice for transactions of this kind. Considering the Company's shareholding structure, a "change of top management" clause is also provided for if 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 an additional financing agreement for €5 million with a leading Italian bank. 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. These are under the terms of which the commercial network is expected to increase further by approximately 5,800 metres squared comparable in terms of characteristics and profitability to approximately 23 stores built using Portobello's standard 250 metres squared concept.

The loan, variable-rate and unsecured, amounts to €5 million, has a term of five years and expires on the 30th of June 2027, and a repayment schedule in arrears on a half-yearly basis, 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, inter alia, 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 the practice for transactions of this kind. Within the opportunities created for the Company, this transaction will further strengthen its physical presence and business in the country.

SPONSORSHIPS

Since it was founded, Portobello has been supporting and enhancing sport, representing an important tool for socialising, and promoting fundamental values such as team spirit, respect, loyalty, and inclusion. The Company signed three top-level sports sponsorship agreements in 2021 that are valid through to the first half of 2022. The sponsorships fall within the communication and marketing strategy framework, aimed at representing the Company's Italian identity and its roots in the territory, 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. The three sponsorships were signed with:

- **Frosinone Calcio**. Portobello is the Official Sponsor for the 2021-22 season. Through the Portobello logo on the front of the match shirt, the club further strengthens its brand awareness, especially in the Lazio region, where it is based.

- **Italian Rugby Federation (F.I.R.)**. Portobello is the Official Top Sponsor for the 2021-22 season. The agreement with the F.I.R. allows Portobello to benefit from excellent visibility at a 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 in 2022)**. Portobello is the sponsor of Italian motorcycling talent Fabio Di Giannantonio for the 2022 season. Thanks to the agreement signed in October 2021, the Company will benefit from international visibility by affixing the logo on the right and left sleeves of the suit used by the rider during all free and official practice sessions and races.

ENVIRONMENTAL SUSTAINABILITY AND SOCIAL RESPONSIBILITY

In the complex social, environmental, and economic context that characterised the first half of 2022, partly due to the consequences of the pandemic and the geopolitical crisis, the Company deemed it appropriate to expand the scope of its social responsibility and environmental sustainability operations.

Ukrainian emergency: donation of one thousand items of clothing

In March, the Company donated 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 necessities for the Ukrainian people.

Forever Zero CO2 project: zero-impact shops

In May, the Company launched the environmental sustainability project 'Forever Zero CO2', the carbon offset programme of Forever Bambù, a leading company in the planting of giant bamboo with biodynamic and symbiotic agriculture for industrial, food and energy purposes. Thanks to this ambitious project, Portobello has reduced to zero the polluting emissions produced by all the shops open until December 2021, through the absorption of about 600 tonnes of CO_2 per year, for a total of 12,000 tonnes by 2042, with the planting of 23,000 square metres of bamboo forest at Civitella Paganico in Tuscany. The carbon neutrality of Portobello, which is the result of an accurate scientific study by Forever Bambù's technicians, stems from the Company's desire to implement carbon offsetting in parallel with the increase in the number of points of sale in the country envisaged by the Industrial Plan. The bamboo groves, thanks to Forever Bambù's exclusive cultivation, management and pruning method, can absorb up to 265 tonnes of Co2 per year, 36 times more than a mixed forest under the same conditions.

MANAGEMENT EVOLUTION

While the number of Covid-19 infections remains high, hospitalisations and deaths are now falling steadily, although there are still concerns about new variants of the virus developing as we head into autumn. In addition, the Russian-Ukrainian conflict is exacerbating some of the critical issues caused by the pandemic and leading to a dramatic increase in the price of energy and raw materials and, consequently, inflation, which is impacting prices and, thus, consumption. In addition, due to the government crisis last July that led to the resignation of Prime Minister Mario Draghi, the downturn in Italian financial markets intensified.

In any case, according to ISTAT data, Italy's GDP in the second quarter of 2022, adjusted for calendar effects and seasonally adjusted, increased by 1.1% compared to the previous quarter and by 4.7% compared to the second quarter of 2021, data that show a better trend than in the United States, whose GDP decreased in cyclical terms by 0.1%, while it increased by only 0.5% in France and remained stationary in Germany.

Although some cost-containment measures are under consideration by Italian and European institutions, the energy crisis could last for months, aggravating the overall situation. However, Portobello's production, which by its nature is non-energy intensive, should not be particularly affected by these cost increases. Moreover, in critical periods such as the current one, characterised by uncertainty, inflation, and a decrease in purchasing power, consumers become more cautious and sensitive to the price of products. Therefore, the Company's value proposition, based on an offer that succeeds in sustainably combining the best quality-price ratio on the market with an excellent purchasing experience, becomes more successful, as has already been proven in the pandemic period.

Moreover, with the recent 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, and marketing and on margins by being able to obtain more favourable terms from suppliers
- Developing a competitive B2B offer for SMEs, which make up most of the Italian industrial fabric, also thanks to the mechanism of an advertising merchandise exchange

In addition to this, thanks to the loyalty programme being launched through the proprietary Fidelity App, which can be downloaded on the main marketplaces (Android and iOS) and is 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 easily 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 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 of the Company
- Increased profitability in the long term: purchases by loyal customers will not be concentrated in the period of offers or promotions but will be frequent and distributed 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, it is reasonable to assume that the Company will continue to constitute a sustainable economic complex intended to produce income over several years.

Confirming this, Portobello is continuing the development of its shop chain, which by June 2022 has reached a total area of around 20,500 square metres, to which will be added the new openings already contracted, which will bring the Company during the current year to approximately 30,000 square metres (equivalent to around 120 shops of the standard Portobello format of 250 square metres).

ECONOMIC/FINANCIAL PERFORMANCE

ECONOMIC MANAGEMENT DATA

Below are the Group's key operating figures for the six months that ended on the 30th of June 2022, prepared in accordance with national accounting standards. Since this is the first consolidated half-yearly report, there are no figures for comparison with the economic situation as of the 30th of June 2021:

Consolidated profit and loss account *(figures in Euro)*	**30/06/2022**
Revenues from sales and services	48,820,315
Other revenues and income	185,703
Value of production	**49,006,018**
Inventories of raw materials, consumables, and goods	40,616,318
Change in inventories of raw materials, consumables, and goods	(10,681,756)
Cost of sales	**29,934,562**
Gross Margin	**19,071,456**
%	**38,9%**
Staff	**5,042,784**
Use of third-party assets	**3,287,977**
Services	**3,680,289**
Sundry operating expenses	**630,207**
EBITDA[2]	**6,430,199**
%	**13.1%**
Amortisation, Depreciation, Provisions and Write-downs	**1,757,169**
EBIT[3]	**4,673,030**
%	**9.5%**
Other financial income	12
Interest and other financial charges	(265,720)
Value Adjustments on Financial Assets	(100,000)
Financial Management	**(365,708)**
EBT	**4,307,322**
Income taxes for the year, current, deferred and prepaid	**1,559,969**
PROFIT (LOSS) FOR THE PERIOD	**2,747,353**
%	**5.6%**

[2] *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 scope of the accounting standards, it must not be considered as an alternative measure for evaluating 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. As of 30/06/2022, EBITDA amounted to Euro 6,430,199, or 13.1% of the value of production.*

[3] *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 30/06/2022, the same was equal to Euro 4,673,030 with an incidence of 9.5% on the value of production.*

The value of production as of 30/06/2022 amounted to Euro 49,006,018. The table below shows the value of production broken down by business area:

Activity Category	30/06/2022
Media	24,568,549
Retail (or B2C)	9,771,174
B2B	14,480,592
Other revenues	185,703
Value of production	**49,006,018**

	30/06/2022
Value of production	49,006,018
EBITDA	6,430,199
EBT	4,307,322

The Consolidated Net Profit for the year that ended on the 30th of June 2022 amounted to €2,747,353 and was composed as follows:

- Group share of profit Euro 3,918,023
- Minority interests Euro (1,170,670)

Detail of costs incurred

Below is a table detailing the costs incurred by the Group as of the 30th of June 2022:

VOICE	30/06/2022
Costs for raw materials, consumables, and goods	40,616,318
Costs for services	3,680,289
Lease and rental costs	3,287,977
Personnel costs	5,042,784
- wages and salaries	3,720,056
- social security charges	1,092,673
- provision for severance pay	229,681
- other personnel costs	374
Changes in inventories of raw, ancillary, and consumable materials and goods	(10,681,756)
Other Provisions	460,000
Sundry operating expenses	630,207
Production costs	**43,035,819**

Balance Sheet - Financial Situation

The statement of financial position of Portobello S.p.A. as of the 30th of June 2022 and the comparison with the corresponding figures as of the 31st of December 2021 are shown below:

Company Balance Sheet (figures in euro)	30/06/2022	31/12/2021	Variaz. Absolute	Change %
Intangible Fixed Assets	6,183,661	5,346,804	836,857	15.65%
Tangible Fixed Assets	2,721,729	1,995,790	725,939	36.37%
Financial Fixed Assets	1,680,012	1,065,870	614,142	57.62%
NET FIXED ASSETS	**10,585,402**	**8,408,464**	**2,176,938**	**25,89%**
Inventories from direct purchases	16,454,879	14,358,167	2,096,712	14.60%
Inventories from barter purchases	37,263,518	30,661,405	6,602,113	21,53%
Write-down provision	(1,500,000)	(1,100,000)	(400,000)	36.36%
Inventories	**52.218.397**	**43.919.572**	**8.298.825**	**18.90%**
Customers	10,966,849	4,309,756	6,657,093	154.47%
Suppliers	(23,486,647)	(11,887,771)	(11,598,876)	97.57%
Trade receivables and payables	**(12,519,798)**	**(7,578,015)**	**(4,941,783)**	**65.21%**
Tax receivables and payables	(6,042,480)	(4,420,652)	(1,621,828)	36.69%
Other credits	1,282,128	1,364,102	(81,974)	-6.01%
Other payables	(2,164,943)	(2,153,519)	(11,424)	0.53%
Accrued income and prepaid expenses	1,837,613	2,536,955	(699,342)	-27.57%
Accrued expenses and prepaid income	(180,814)	(256,035)	75,221	-29,38%
Other current assets	**(5,268,496)**	**(2,929,149)**	**(2,339,347)**	**79.86%**
Advertising to be consumed	25,616,309	20,953,272	4,663,037	22.25%
Advertising to be delivered	(4,174,937)	(10,013,118)	5,838,181	-58.31%
Advertisement	**21,441,372**	**10,940,154**	**10,501,218**	**95.99%**
NET WORKING CAPITAL	**55,871,475**	**44,352,562**	**11,518,913**	**25.97%**
Employee Severance Indemnity	(535.625)	(389,210)	(146,415)	37.62%
Other provisions	(145,873)	(32,637)	(113,236)	346.96%
CONSOLIDATED LIABILITIES	**(681,498)**	**(421,847)**	**(259,651)**	**61.55%**
NET INVESTED CAPITAL	**65,775,379**	**52,339,179**	**13,436,200**	**25.67%**
Share capital	(674,450)	(619,490)	(54,960)	8.87%
Reserves	(34,760,197)	(25,548,707)	(9,211,490)	36.05%
(Profit) loss for the period	(3,918,023)	(8,854,332)	4,936,309	-55.75%
Minority (profit) loss	1,170,670	35,570		
Minority shareholders' equity	1,157,240	(13,430)		
NET WORTH	**(38,195,430)**	**(35,035,959)**	**(3,159,471)**	**9.02%**
(Financial debts)	(1,000,994)	(1,234,117)	233,123	-18.89%
(Bank debts)	(27,472,726)	(18,540,278)	(8,932,448)	48.18%
Cash and cash equivalents	893.771	2.471.175	(1.577.404)	-63.83%
PFN	**(27,579,949)**	**(17,303,220)**	**(10,276,729)**	**59.39%**
TOTAL SOURCES	**(65,775,379)**	**(52,339,179)**	**(13,436,200)**	**25.67%**

Net fixed assets as of 30/06/2022 amounted to Euro 10,585,402, an increase of Euro 2.18 ml compared to the figure as of 31/12/2021. Finished goods inventories as of the consolidated Financial Report date amounted to Euro 53,718,397 (gross of the related write-down provision of Euro 1,500,000) broken down as follows:

- Euro 16,454,879 of goods purchased in cash ('Inventories from direct purchases')
- Euro 37,263,518 of goods acquired in barter ('Inventories from barter purchases')

With reference to the item "Advertising", it should be noted that the barter activity takes the form of an exchange between goods and services of customers with advertising services offered by the Company, the consumption of which is diluted over time (generally, the advertising services offered by Portobello in exchange for goods or other services must be consumed within the current financial year or, at the latest, within the financial year following the year in which the relevant contract was signed). As a result of the above, the development of this item, which in the financial statements is included among prepayments and accrued expenses, provides information on the development of the business, and can be equated with an "Order Backlog" in both purchase (advertising to be consumed) and sale (advertising to be provided) and is linked to the timing of consumption of the related advertising services. Therefore, the increase in this item does not take the form of cash absorption since the invoicing of exchange contracts provides for the offsetting of items and therefore does not lead to cash outflows. Lastly, it should be noted that the item 'advertising to be consumed' is entirely attributable to media acquired through barter contracts, therefore, this component will not generate any cash outflow. In fact, media acquired in cash generally does not generate prepaid expenses because the purchase of advertising from third parties occurs concurrently with the end customer's consumption and, therefore, no time lag is generated. Finally, it should be noted that the weight of advertising acquired in cash is around 2% of the total acquisition cost of the media and is recognised in the income statement.

Group shareholders' equity was Euro 39,352,670, with minority interests amounting to EUR (1,157,240).

The net financial position of Portobello S.p.A. as of the 30th of June 2022 is shown below:

NFP Detail (Figures in Euro)	**30/06/2022**	**31/12/2021**	**Absolute Variation**	**Change %**
Cash	84,758	88,218	6,529	19.70%
Other cash and cash equivalents	809,013	2,382,957	(534,094)	(-20.5%)
LIQUIDITY (a)+(b)+(c)	**893,771**	**2,471,175**	**(527,565)**	**(-20.0%)**
Current financial receivables	(1,907,475)	(1,460,876)	(467,180)	47.00%
Current bank payables	(5,392,441)	(4,169,114)	(1,415,517)	51.40%
Other current financial payables	(612,308)	(595,151)	(32,744)	5.80%
CURRENT FINANCIAL INDEBTEDNESS (f)+(g)+(h)	**(7,912,224)**	**(6,225,141)**	**(1,915,441)**	**44.40%**
CURRENT NET FINANCIAL INDEBTEDNESS (i)-(e)-(d)	**(7,018,453)**	**(3,753,966)**	**(2,443,006)**	**146.10%**

The net current financial position is negative by about EUR 8 million. Current bank and financial payables refer to short-/medium-term loan agreements.

The following table shows the net financial position of Portobello S.p.A. restated in accordance with CONSOB Resolution 15519 on the 27th of July 2006:

NFP Detail (Figures in Euro)	**30/06/2022**	**31/12/2021**	**Absolute Variation**	**Change %**
Cash	84,758	88,218	6,529	19.70%
Other cash and cash equivalents	809,013	2,382,957	(534,094)	(-20.5%)
LIQUIDITY (a)+(b)+(c)	**893,771**	**2,471,175**	**(527,565)**	**(-20,0%)**
Current financial receivables	(1,907,475)	(1,460,876)	(467,180)	47.00%
Current bank payables	(5,392,441)	(4,169,114)	(1,415,517)	51.40%
Other current financial payables	(612,308)	(595,151)	(32,744)	5.80%
CURRENT FINANCIAL INDEBTEDNESS (f)+(g)+(h)	**(7,912,224)**	**(6,225,141)**	**(1,915,441)**	**44.40%**
CURRENT NET FINANCIAL INDEBTEDNESS (i)-(e)-(d)	**(7,018,453)**	**(3,753,966)**	**(2,443,006)**	**146.10%**
Non-current bank debts	(20,172,810)	(12,910,288)	(1,844,825)	16.70%
Other non-current payables	(388,686)	(638,966)	479,594	(-42.9%)
NON-CURRENT FINANCIAL INDEBTEDNESS (k)+(l)+(m)	**(20,561,496)**	**(13,549,254)**	**(1,365,231)**	**11.20%**
NET FINANCIAL INDEBTEDNESS (j)+(n)	**(27,579,949)**	**(17,303,220)**	**(3,808,237)**	**27.50%**

MAIN PROFITABILITY RATIOS

For a better understanding of the Company's economic situation and results, we provide some comparative economic indicators for the two reporting periods, 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 information provided by the CIU.

Return on Assets

R.O.A.	30/06/2022
Net Operating Income	4,673,030
Total Assets	105,288,832
Net Operating Income/Total Assets	**4.44%**

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

Return on Equity

R.O.E.	30/06/2022
Net Profit	3,918,023
Shareholders' Equity	38,195,430
Net Profit/Shareholders' Equity	**10,26%**

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

Return on Investment

R.O.I.	30/06/2022
Net Operating Income	4,673,030
Net Invested Operating Capital (*)	66,456,877
Net Operating Income/Net Invested Operating Capital	**7.03%**

(*) 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.	30/06/2022
Net Operating Income	4,673,030
Revenues from Sales and Services	48,820,315
Net Operating Income/Sales and Service Revenues	**9.57%**

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

Ebit

Ebit	30/06/2022
EBIT	4,673,030
Value	**4,673,030**

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

Primary Structure Margin

	30/06/2022	31/12/2021	*Variation*
Equity	38,195,430	35,035,959	3,159,471
Fixed Assests	10,585,402	8,408,464	2,176,938
Primary Structure Margin = Equity - Fixed Assets	**27,610,028**	**26,627,495**	**982,533**
Primary Structure Ratio = Equity/Fixed Assets	**3.61**	**4.17**	**-0.56**

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

Secondary structure margin

	30/06/2022	31/12/2021	*Variation*
Equity	38,195,430	35,035,959	3,159,471
Consolidated liabilities	21,931,601	14,659,708	7,271,893
Fixed Assets	10,585,402	8,408,464	2,176,938
Secondary Structure Margin = (Equity + Consolidated Liabilities) - Fixed Assets	**49,541,629**	**41,287,203**	**8,254,426**
Secondary Structure Ratio = (Equity + Consolidated Liabilities) / Fixed Assets	**5.68**	**5.91**	**-0.23**

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

E-COMMERCE PLATFORM ACQUISITION EPRICE

In July, the Company finalised the acquisition of the so-called 'marketplace' owned by ePrice Operations S.r.l. Founded in Milan in 2000, ePrice is one of Italy's leading online shops, specialising in the sale of high-tech products (electronics) and a leader in the large household appliances segment. In 2020, the "marketplace" business unit recorded sales of approximately € 101.4 million and EBITDA of € -14.1 million. Furthermore, in 2020, the portal received almost 65 million visits with 500,000 customers who produced 637,000 orders with an average receipt of € 287.

The business unit comprises 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 equipment 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 marketplace 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 are necessary and required to ensure business continuity

The business unit was acquired through PB Online S.r.l., a company established in May 2022. The price for the sale and purchase of the business unit is approximately € 6 million, paid in full to the selling party in cash on the closing date and in part by taking over the debt of approximately € 900,000 inherent to the 25 employees being transferred within the unit. The purchase transaction is supported 50% by Portobello through a loan granted by Deutsche Bank and 50% by Riba Mundo Tecnologia S.L.

FIDELITY PROJECT

To increase the process of customer loyalty and improve the customer shopping experience with a view to digital transformation, the Company developed a loyalty project through its proprietary Fidelity App, in the launch phase, which can be downloaded from the main marketplaces (Android and iOS) and is integrated with its POS management software and Salesforce CRM.

The project aims to streamline customer loyalty processes through Marketing Automation mechanisms. Using a CRM integrated together with the mobile customer App and POS management software at the points of sale will enable the Company to obtain all the necessary information on the behaviour of its loyal customers. The master data, the use of points and discount vouchers from the Mobile App cross-referenced with purchase details from the POS software, will allow the CRM to create reports and monitoring dashboards that will optimise and enhance sales and marketing operations through:

- Customer data collection: the Company will acquire data on customers, useful for understanding their purchasing behaviour, habits, and preferences, based on which it will be possible to orient sales strategy.
- Detachment of competitors: the loyal customer will be more inclined to buy from the Portobello chain's shops, becoming less and less sensitive to the marketing activities of competitors

- Brand value: the loyal customer, thanks to the so-called 'halo effect', will extend his positive impression of the brand, which will increase in value

NEW OPENINGS

In the first half of August, in line with the timetable defined in the retail chain's development plan, Portobello opened two maxi-stores in Sicily and Emilia Romagna, respectively, inside the 'Etnapolis' shopping centre in Belpasso (CT) and 'ESP' in Ravenna:

- **C.C. Etnapolis - Belpasso (CT)**. 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 has a floor space of 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 has a floor space of 684 square metres and employs 12 specially recruited and trained people

PARTNERSHIP WITH TELETHON

In line with its Corporate Social Responsibility strategy, in the second half of July, the Company finalised a partnership agreement with Telethon, falling into the category of 'Major Donors'. Thanks to this agreement, during certain periods of the current year, a dedicated greeting card will be available in all Portobello shops, which customers will be able to choose at the till against a 1-euro donation. All proceeds from the collection will be donated to the Telethon Foundation to fund the 'Diseases without diagnosis' programme, which aims to find a diagnosis for children with unidentified rare genetic diseases. The partnership with Telethon represents the second stage of a value-based path shared with the Foundation and already launched last April at the Milan Relay Marathon 2022, with the participation of the Company in the solidarity relay race and the involvement of employees in an internal fundraising event.

NEW INDEPENDENT DIRECTOR

On the 14th of July 2022, the Board of Directors of Portobello S.p.A. acknowledged the resignation, effective immediately, of Mr Emanuele Ferrari, non-executive and Independent Director, elected by the Shareholders' Meeting on the 19th of April 2021, due to new professional commitments. The Company's Board of Directors also co-opted Mr Ciro Esposito as a new Independent Director.

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. The subsidiary PB Retail Srl, on the other hand, is subject to management and coordination by the parent company Portobello SpA.

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. 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 relates 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 is related to the Company's exposure to interest-bearing financial instruments. The Company is exposed to 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 the transaction are reported in the notes to the financial statements.

Exchange rate risks

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

RESEARCH AND DEVELOPMENT ACTIVITIES

No research and development expenses were incurred during the interim period to the 30th of June 2022.

OWN SHARES

Pursuant to Articles 2435-bis and 2428 of the Civil Code, it should be noted that the Company did not hold any treasury shares at the end of the period.

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 financial risk management policies, as it is considered immaterial. However, it is noted that two 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 was 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, 19/09/2022

Consolidated Interim Financial Statements as of the 30th of June 2022

PORTOBELLO S.p. A.

Consolidated Interim Financial Statements as of 30-06-2022

Master data	
Headquartered in	POMEZIA, PIAZZALE DELLA STAZIONE SNC
Tax code	13972731007
Rea Number	RM 1486865
P.I.	13972731007
Share Capital Euro	674,450.40 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 S.p.A.

Consolidated Balance Sheet		
	30/06/2022	31/12/2021
Active		
B) Fixed Assets		
I - Intangible fixed assets		
1) Start-up and expansion costs	3,026	4,302
2) Industrial patent rights and intellectual property rights	1,332,144	1,620,535
3) Concessions, licences, trademarks, and similar rights	63,934	42,256
4) Start-up	35,170	1
5) Fixed assets under construction and advances	329,259	545,439
6) Others	4,420,128	3,134,271
Total intangible fixed assets	6,183,661	5,346,804
II - Tangible fixed assets		
1) Land and buildings	45,506	46,250
2) Plant and machinery	1,639,636	976,319
3) Industrial and commercial equipment	276,592	241,214
4) Other assets	731,960	732,007
5) Fixed assets under construction and advances	28,035	
Total tangible fixed assets	2,721,729	1,995,790
III - Financial fixed assets		
Participation in		
1) Subsidiaries	10,000	-
2) Affiliated companies	100,000	100,000
3) Other enterprises	817,670	922,670
Total participations	927,670	1,022,670
2) Credits		
(a) From subsidiaries		
Due within the next financial year		
Due beyond the next financial year	300,000	-
Total receivables from subsidiaries	300,000	-
Total credits	300,000	-
3) Other titles	72,000	43,200
4) Derivative financial instruments assets	380,342	-
Total financial fixed assets	1,680,012	1,065,870
Total fixed assets (B)	10,585,402	8,408,464
C) Current assets		
I - Inventories		
4) Finished products and goods	52,218,397	43,919,572
Total inventories	52,218,397	43,919,572
Tangible fixed assets held for sale		
II - Credits		
1) Towards customers		
Due within the next financial year	10,966,849	4,309,756
Due beyond the next financial year	-	
Total receivables from customers	10,966,849	4,309,756
3) towards affiliated companies		
Due within the next financial year	365,996	
Due beyond the next financial year	-	
Total receivables from affiliated companies	365,996	
5-bis) Tax Credits		
Due within the next financial year	1,876,068	2,598,529
Due beyond the next financial year	-	
Total tax receivables	1,876,068	2,598,529
5-ter) Deferred tax assets	12,295	12,295
5-quater) towards others		
Due within the next financial year	473,162	560,766
Due beyond the next financial year	442,970	791,041
Total receivables from others	916,132	1,351,807
Total credits	14,137,340	8,272,387
IV - Cash and cash equivalents		
1) bank and postal deposits	809,013	2,382,957
2) cheques	-	
3) cash and valuables on hand	84,758	88,218
Total cash and cash equivalents	893,771	2,471,175
Total current assets (C)	67,249,508	54,663,134

D) Accruals and deferrals	**27,453,922**	**23,490,227**
Total assets	105,288,832	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
Consolidation reserve	(77,466)	
Capital increase reserve Stock Grant	18,000	
Euro rounding reserve	(1)	
Various other reserves	-	-
Total other reserves	21,634,378	12,707,154
VII - Reserve for expected cash flow hedging transactions	234,469	(32,637)
VIII - Profits (losses) carried forward	-	
IX - Profit (loss) for the year	3,918,023	8,854,332
Loss set off in the year	-	
X - Negative reserve for treasury shares in the portfolio		
Total group equity	39,352,670	35,022,529
Minority shareholders' equity		
Capital and reserves of third parties	13,430	49,000
Minority interest in profit (loss)	(1,170,670)	(35,570)
Total third-party equity	(1,157,240)	13,430
Total consolidated shareholders' equity	38,195,430	35,035,959
B) Provisions for risks and charges		
1) for pensions and similar obligations	-	
2) for taxes, including deferred taxes	-	
3) derivative financial instruments liabilities	145,873	32,637
Total provisions for risks and charges	145,873	32,637
C) Severance pay	**535,625**	**389,210**
D) Payables		
3) payables to shareholders for loans		
due within the next financial year		
due beyond the next financial year	680,000	680,000
Total payables to shareholders for loans	680,000	680,000
4) bank debts		
due within the next financial year	7,299,916	5,629,990
due beyond the next financial year	20,172,810	12,910,288
Total due to banks	27,472,726	18,540,278
5) payables to other lenders		
due within the next financial year	612,308	595,151
due beyond the next financial year	388,686	638,966
Total payables to other lenders	1,000,994	1,234,117
7) payables to suppliers		
due within the next financial year	23,486,647	11,887,771
due beyond the next financial year	-	
Total payables to suppliers	23,486,647	11,887,771
10) payables to associated companies		
due within the next financial year	8,600	
due beyond the next financial year	-	
Total payables to affiliated companies	8,600	
12) tax debts		
due within the next financial year	7,547,674	7,019,181
due beyond the next financial year	-	
Total tax payables	7,547,674	7,019,181
13) Payables to social security institutions		
due within the next financial year	383,169	318,451
due beyond the next financial year	-	
Total due to social security institutions	383,169	318,451
14) other payables		
due within the next financial year	1,467,736	1,146,461
due beyond the next financial year	8,607	8,607
Total other payables	1,476,343	1,155,068
Total debts	62,056,153	40,834,866
E) Accruals and deferrals	**4,355,751**	**10,269,153**
Total liabilities	105,288,832	86,561,825

Consolidated Profit and Loss Account	
	30/06/2022
A) Production value	
1) revenues from sales and services	48,820,315
5) other revenues and income	
operating grants	-
others	185,703
Total other income and revenues	185,703
Total value of production	49,006,018
B) Production costs	
6) for raw materials, consumables, and goods	40,616,318
7) for services	3,680,289
8) for use of third-party assets	3,287,977
9) for staff	
(a) wages and salaries	3,720,056
(b) social security contributions	1,092,673
(c) severance pay	229,681
(d) pensions and similar benefits	-
(e) other costs	374
Total personnel costs	5,042,784
10) depreciation and amortisation	
(a) amortisation of intangible fixed assets	1,035,899
b) depreciation of tangible fixed assets	261,270
(d) write-downs of receivables included in current assets and cash and cash equivalents	60,000
Total depreciation and amortisation	1,357,169
11) Changes in inventories of raw, ancillary, and consumable materials and goods	(10,681,756)
13) other provisions	400,000
14) sundry operating expenses	630,207
Total production costs	44,332,988
Difference between value and cost of production (A - B)	**4,673,030**
C) Financial income and expenses	
others	12
Total income other than the above	12
Total other financial income	12
17) interest and other financial charges	
others	265,537
Total interest and other financial expenses	265,537
17-bis) Exchange Gains and Losses	(183)
Total financial income and expenses (15 + 16 - 17 + - 17-bis)	(265,708)
19) devaluations	
(a) of participations	100,000
Total write-downs	100,000
Total value adjustments of financial assets and liabilities (18 - 19)	(100,000)
Profit before tax (A - B + - C + - D)	**4,307,322**
20) Current, Deferred and Prepaid Income Taxes for the Year	
current taxes	1,559,969
deferred and prepaid taxes	-
Total income taxes for the year, current, deferred, and prepaid	1,559,969
21) Consolidated profit (loss) for the year	**2,747,353**
Group result	3,918,023
Result attributable to minority interests	**(1,170,670)**

Consolidated Cash Flow Statement	
	30/06/2022
A) Cash flow from operating activities (indirect method)	
Profit (loss) for the year	2,747,353
Income Taxes	1,559,969
Interest expense/(income)	265,708
1) Profit (loss) for the year before income tax, interest, dividends, and capital gains/losses on disposal	4,573,030
Adjustments for non-monetary items not reflected in net working capital	
Allocations to provisions	229,681
Depreciation/amortisation of fixed assets	1,297,169
Other adjustments up(down) for non-monetary items	593,578
Total adjustments for non-monetary items not offset in net working capital	2,120,428
2) Cash flow before changes in net working capital	6,693,458
Changes in net working capital	
Decrease/(Increase) in inventories	(8,298,825)
Decrease/(Increase) in trade receivables	(6,657,093)
Increase/(Decrease) in trade payables	11,598,876
Decrease/(Increase) in accrued income and prepaid expenses	(3,963,695)
Increase/(Decrease) in accrued expenses and deferred income	(5,913,402)
Other decreases/(Other increases) in net working capital	838,662
Total changes in net working capital	(12,395,477)
3) Cash flow after changes in net working capital	(5,702,019)
Other corrections	
Interest collected/(paid)	(265,708)
(Income taxes paid)	(1,031,476)
(Use of funds)	(83,266)
Other collections/(payments)	348,071
Total other adjustments	(1,032,379)
Cash flow from operating activities (A)	**(6,734,398)**
B) Cash flows from investment activities	
Tangible fixed assets	
(Investments)	(987,209)
Intangible fixed assets	
(Investments)	(1,872,756)
Financial Fixed Assets	
(Investments)	(1,094,484)
Cash flow from investment activities (B)	**(3,954,449)**
C) Cash flows from financing activities	
Third-party means	
Increase/(Decrease) in short-term payables to banks	446,598
Opening of loads	10,000,000
(Repayment of loans)	(1,747,273)
Shareholder's equity	
Other changes in the consolidated Group equity	412,118
Cash flow from financing activities (C)	**9,111,443**
Increase (decrease) in cash and cash equivalents (A ± B ± C)	**(1,577,404)**
Cash and cash equivalents at the beginning of the year	
Bank and postal deposits	2,382,957
Cash and cash equivalents	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	809,013
Cash and cash equivalents	84,758
Total cash and cash equivalents at year-end	**893,771**

NOTES TO THE CONSOLIDATED HALF-YEARLY FINANCIAL STATEMENTS AS OF THE 30TH OF JUNE 2022

NOTES TO THE ACCOUNTS, INITIAL PART

INTRODUCTION

Dear Shareholders, these consolidated interim financial statements of Portobello SpA 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 Organismo Italiano di Contabilità (O.I.C.).

The consolidated interim 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 clearly and fairly represent the Company's financial position and results of operations for the interim period.

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.

Portobello S.p.A. is subject to the obligation to prepare Consolidated Financial Statements pursuant to Art. 25 et seq. of Legislative Decree 127/91. This is the first consolidated interim financial statement produced by the Company, and therefore, there is no comparison with the data of the previous period in relation to the economic data; instead, a comparison with the balance sheet as of 31/12/2021 is proposed.

TRAINING CRITERIA

The consolidated interim 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 Interim Financial Statements consist of the Consolidated Balance Sheet (prepared in accordance with the format provided for by Articles 2424 and 2424 bis of the Italian Civil Code), the Consolidated Income Statement (prepared in accordance with the format provided for by 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.

SCOPE AND METHODS OF CONSOLIDATION

The consolidated interim financial statements are derived from the interim financial statements of Portobello SpA (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 provided below.

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 interim financial statements as of 30.06.2022 of the Parent Company and Subsidiaries.

SCOPE OF CONSOLIDATION

The interim consolidated financial statements as of the 30th of June 2022 include, on a line-by-line basis, the financial statements as of the same date of Portobello SpA and of the companies in which the Group holds the majority of voting rights, with the sole exclusion of PB Online Srl, 100% owned and incorporated on the 26th of May 2022. The Company was not yet operative as of 30/06/2022 and was therefore deemed to be excluded from the consolidation period as it was not material.

LIST OF COMPANIES INCLUDED IN CONSOLIDATION USING THE LINE-BY-LINE 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 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.
- 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:
- The difference arises 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 a specific asset or liability item, is recognised autonomously under assets among intangible assets in an article 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 the 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 are 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, considering 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 the 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 particular 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 charged to the income statement under the item 'deferred income taxes for the year with a balancing entry in a special liability fund 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 items in the consolidated interim financial statements were measured 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, considering the substance of the transaction or contract. In the preparation of the consolidated interim financial statements, income and expenses 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 considered, even if they became known after the end of the financial year.

STRUCTURE AND CONTENT OF THE CONSOLIDATED INTERIM 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, items preceded by Arabic numerals have not been grouped together, as optionally required by Article 2423 of the Civil Code.

Pursuant to Article 2424 of the Civil Code, it is confirmed that there are no assets or liabilities that fall under more than one heading in the interim statement.

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

This is the first consolidated interim financial statement prepared by the Company, so there was no need to adjust any items from the previous year.

EVALUATION CRITERIA APPLIED

COMMENT

The criteria applied in the valuation of the items of the consolidated interim financial statements and in the value, adjustments are in compliance 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 interim consolidated financial statements as of 30/06/2022 are those used in the interim 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 reference to those balance sheet items for which the legislator allows different valuation and adjustment criteria or for which no specific criteria are envisaged.

At the balance sheet date, the Company held payables in foreign currency arising from an invoice for services of a company resident in Great Britain.

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
AIM Listing expenses	3 years on a straight-line basis
Proprietary 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
Expenditure 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 the 19th of March 1983, and as also referred to by subsequent Monetary Revaluation Laws, 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.

FIXED ASSETS UNDER CONSTRUCTION AND ADVANCES

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

MATERIAL GOODS

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 assume 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 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 is 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 the 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.).

RESIDENCIES

Inventories of goods are stated at the lower 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 was 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 recorded 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, considering 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 are not significantly different from the market interest rate.

LIQUID ASSETS

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 of multi-year duration, the existence or permanence of the time condition was verified.

NET WORTH

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

SEVERANCE PAY

The TFR was calculated in accordance with the provisions of Article 2120 of the Civil Code, considering the legislative provisions and the specificities of the contracts and professional categories, and includes the annual amounts accrued and the revaluations made based on ISTAT coefficients.

The amount of the provision is recognised net of advances paid, and portions utilised for terminations of employment during the year and represent 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, considering 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 balance sheet 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 are not significantly different from the market interest rate.

ACCRUALS 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

REVERSE REPURCHASE AGREEMENTS

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 show net 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 the value of any kind been made.

MOVEMENTS OF INTANGIBLE FIXED ASSETS

Introduction

After the amortisation of the interim period, amounting to euro 1,035,899, intangible fixed assets amounted to euro 6,183,661.

The table shows the changes in these fixed assets.

	Start-up and expansion costs	Industrial Patent and Intellectual Property Rights	Concessions, licences, trademarks, and similar rights	Start-up	Intangible assets under construction and advances	Other intangible fixed assets	Total intangible fixed assets
Value at the beginning of the year							
Cost	4,302	1,620,535	42,256	1	545,439	3,134,271	5,346,804
Book value	4,302	1,620,535	42,256	1	545,439	3,134,271	5,346,804
Changes during the year							
Increases due to acquisitions	-	217,446	28,133	35,169	309,259	1,097,292	1,687,299
Changes in category	-	77,250	-	-	(525,439)	448,189	-
Other variations	-	-	-	-	-	185,457	185,457
Decreases due to disposals and divestments (of book value)	-	-	-	-	-	-	-
Amortisation/Depreciation for the year	1,276	583,087	6,455	-	-	445,081	1,035,899
Total changes	(1,276)	(288,391)	21,678	35,169	(216,180)	1,285,857	836,857
Value at the end of the year							
Cost	4,302	1,620,535	42,256	1	545,439	3,134,271	5,346,804
Depreciation (Sinking Fund)	(1,276)	(288,391)	21,678	35,169	(216,180)	1,285,857	836,857
Book value	3,026	1,332,144	63,934	35,170	329,259	4,420,128	6,183,661

Lastly, it should be noted that within 'Other intangible fixed assets', the amount of euro 91,377 refers to the residual value of a transaction carried out with the related party Expandi Srl.

TANGIBLE FIXED ASSETS

MOVEMENTS OF TANGIBLE FIXED ASSETS

Introduction

Tangible assets net of accumulated depreciation amounted to € 2,721,729. Depreciation for the interim period amounted to € 261,270. The table below shows the changes in these fixed assets.

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other tangible fixed assets	Tangible fixed assets under construction and advances	Total Tangible Fixed Assets
Value at the beginning of the year						
Cost	50,000	1,191,343	305,886	1,086,744	-	2,633,973
Depreciation	(3,750)	(215,024)	(64,672)	(354,736)	-	(638,182)
Book value	46,250	976,319	241,214	732,007	-	1,995,790
Changes during the year			-	-		
Increases due to acquisitions	-	820,566	52,921	127,695	28,035	1,029,217
Decreases for disposals	-	-	-	42,008	-	42,008
Amortisation/Depreciation for the year	744	157,248	17,543	85,735	-	261,270
Total changes	(744)	663,318	35,378	(48)	28,035	725,939
Value at the end of the year						
Cost	50,000	2,011,909	358,807	1,172,431	28,035	3,621,181
Depreciation	(4,494)	(372,272)	(82,215)	(440,471)	-	(899,452)
Book value	45,506	1,639,636	276,592	731,960	28,035	2,721,729

Within the item "Other assets", it should be noted that the amount of euro 85,260 refers to the residual value of a transaction carried out in the year 2018 with the related party Nova Spa.

LEASING TRANSACTIONS

Introduction

Finance leases are presented in the interim financial statements according to the balance sheet 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 the 30th of June 2022, the Company had six finance lease agreements 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 the end of the interim period	403,533
Depreciation and amortisation that would have been chargeable to the interim period	27,445
Present value of outstanding instalments at the end of the interim period	211,073
Financial expenses for the interim period based on the effective interest rate	2,822

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	30,411	304	4.67%
Furniture	1481092	27/12/19	60	13,516	129	4.44%
Warehouse systems	1156177	14/07/20	60	58,492	684	6.82%
Printers	4817503	01/01/21	60	49,139	819	11.66%
Office Machines	150200-2	15/11/20	36	7,600	308	10.82%
Office Machines	150200-1	01/12/20	36	8,972	-	0.00%
Office Machines	5093570	10/11/21	60	42,945	578	11.66%

The table below shows the figures for ongoing leases, valuing them as if they were fixed assets.

Category Good	Contract	Depreciation rate	Cost	F. do Adm. 30/06/2022	Adm. 2022 Accountant	
Furniture	1481093	12.00%	72,000	21,600	4,320	46,080
Furniture	1481092	12.00%	32,000	9,600	1,920	20,480
Warehouse systems	1156177	7.50%	140,000	15,750	5,250	119,000
Printers	4817503	20.00%	72,369	14,474	7,237	50,658
Office Machines	150200-2	20.00%	17,100	5,130	1,710	10,260
Office Machines	150200-1	20.00%	19,000	1,710	1,900	15,390
	5093570	20.00%	51,084	10,217	5,108	35,759

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.

Accrual fees	**37.431**
Amortisation/Depreciation	(27,445)
Interest	(2,822)
Increased pre-tax profit	**7,164**
Higher tax	2,065
Increased operating profit	**5,099**

Increased Fixed Assets	**403.553**
Increased accumulated depreciation	(105,926)
Increased Activities	297,627
Increased debts	**211,073**
Increased operating profit	5,099
Major Liabilities	**216,172**

FINANCIAL FIXED ASSETS

Movements in participations, other securities, and derivative financial instruments assets

The following table shows the changes in these fixed assets.

	Holdings in subsidiaries	Holdings in associated companies	Holdings in other companies	Total Participations	Long-term receivables	Other titles	Active financial derivative instruments
Value at the beginning of the year							
Book value	-	100,000	922,670	1,022,670	-	43,200	-
Changes during the year							
Increases due to acquisitions	10,000	-	-	10,000	300,000	28,800	-
Decreases for alienations	-	-	5,000	5,000		-	-
Write-downs made during the year	-	-	100,000	100,000		-	-
Other changes	-	-	-	-		-	380,342
Total changes	10,000	-	(105,000)	(95,000)		28,800	-
Value at the end of the year							
Cost	10,000	100,000	922,670	1,032,670	300,000	72,000	380,342
Decreases	-	-	(5,000)	(5,000)	-	-	-
Write-downs	-	-	(100,000)	(100,000)	-	-	-
Book value	10,000	100,000	817,670	927,670	300,000	72,000	380,342

On the 26th of May 2022, PB Online Srl. was established, owned 100% by Portobello S.p.A.

CHANGES AND MATURITY OF LONG-TERM RECEIVABLES

	Year-end value	Portion due after one year
Long-term receivables from subsidiaries	300,000	300,000
Total long-term receivables	300,000	300,000

This item includes receivables from the subsidiary PB online S.r.l.

DETAILS ON LONG-TERM INVESTMENTS IN AFFILIATED COMPANIES

Details of the associated companies are given below.

Name	City, if in Italy or a 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	(554,614)	(487,619)	2,450	24.50%	100,000
Total								100,000

DETAILS ON LONG-TERM EQUITY INVESTMENTS IN OTHER COMPANIES

Details of the other investee companies are given below.

Name	City, if in Italy or a 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
AXANTI SRL	MILAN	100,000	10,000	10.00%	10,000
CLUBDEAL SPA	MILAN	249,991	400,056	3.42%	300,056
Total					817,670

The table provides a breakdown of equity investments in other companies.

LONG-TERM RECEIVABLES RELATED TO REPURCHASE AGREEMENTS

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.

	Value at the beginning of the year	Changes during the financial year	Value at the end of the year
Finished products and goods	43,919,572	8,298,825	52,218,397
Total inventories	43,919,572	8,298,825	52,218,397

The value shown in the table includes the value of inventories net of the related provision for a write-down. In particular, a provision of euro 400,000 was set aside during the interim period, bringing the total value of the provision to euro 1,500,000. Finished goods and merchandise inventories pertaining to Portobello Spa amounted to euro 52,091,524 net of the relative provision; the remaining amount of euro 126,873 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 the beginning of the year	Changes during the financial year	Value at the end of the year	Portion due within the financial year	Portion due after one year
Trade receivables recorded as current assets	4,309,756	6,657,093	10,966,849	10,966,849	-
Receivables from associated companies	-	365,996	365,996	365,996	-
Tax receivables recorded as current assets	2,598,529	(722,461)	1,876,068	1,876,068	-
Deferred tax assets recognised as current assets	12,295	-	12,295		
Receivables from others recorded as current assets	1,351,807	(435,675)	916,132	473,162	442,970
Total receivables recorded as current assets	8,272,387	5,864,953	14,137,340	13,694,370	442,970

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	9,169,005	1,797,844	10,966,849
Receivables from associated companies	365,996	-	365,996
Tax receivables recorded as current assets	1,876,068	-	1,876,068
Deferred tax assets recognised as current assets	12,295	-	12,295

Receivables from others recorded as current assets	916,132	-	916,132
Total receivables recorded as current assets	12,339,496	1,797,844	14,137,340

CURRENT ASSET RECEIVABLES RELATED TO REVERSE REPURCHASE AGREEMENTS

It is certified that there are no receivables in respect of transactions with the obligation to retrocession forward.

LIQUID ASSETS

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

	Value at the beginning of the year	Changes during the financial year	Value at the end of the year
Bank and postal deposits	2,382,957	(1,573,944)	809,013
Cash and other valuables on hand	88,218	(3,460)	84,758
Total cash and cash equivalents	2,471,175	(1,577,404)	893,771

ACCRUED INCOME AND PREPAID EXPENSES

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

	Value at the beginning of the year	Changes during the year	Value at the end of the year
Prepaid expenses	23,490,227	3,963,695	27,453,922
Total accrued income and prepaid expenses	23,490,227	3,963,695	27,453,922

It should be noted that among the amounts of prepaid expenses, the most significant item is advertising prepaid expenses in the amount of EUR 25,616,309.

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 WORTH

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 the other reserves, if any.

		Other Changes			
	Value at the beginning of the year	Increases	Decreases	Result for the year	Value at the end of the year
Share capital	619,490	54,960	-		674,450
Share premium reserve	12,767,452	-	-		12,767,452
Legal reserve	106,738	17,160	-		123,898
Other reserves					
Extraordinary reserve	12,707,154	9,059,651	72,960		21,693,845
Consolidation reserve	-		77,466		(77,466)
Capital increase reserve Stock grant	-	18,000	-		18,000
Various other reserves	-	-	1		(1)
Total other reserves	12,707,154	9,077,651	150,427		21,634,378
Reserve to hedge derivative cash flow transactions	(32,637)	267,106	-		234,469
Profit (loss) for the year	8,854,332	-	8,854,332	3,918,023	3,918,023
Total net assets	35,022,529	9,416,877	9,004,759	3,918,023	39,352,670

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

	Net assets	Result for the year
As per parent company financial statements	**40,650,439**	**5,138,326**
Reversal of book value of participations	(51,000)	-
Start-up	35,170	(1,851)
Consolidation Difference	(77,466)	-
Other Consolidation Entries	(2,361,713)	(2,389,122)
Total consolidation entries	**(2,455,009)**	**(2,390,973)**
Leased Assets - IAS 17	-	-
Total pre-consolidation adjustments	**-**	**-**
Consolidated Shareholders' Equity and Net Profit	**38,195,430**	**2,747,353**
of which		
Shareholders' Equity and Profit/(Loss) attributable to minority interests	**(1,157,239)**	**(1,170,670)**
Shareholders' equity and net profit attributable to the Group	**39,352,670**	**3,918,023**

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 the beginning of the year	(32,637)
Changes during the year	
Increase due to change in fair value	380,342
Decrease due to change in fair value	(113,236)
Value at the end of the year	234,469

SEVERANCE PAY

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

	Severance pay
Value at the beginning of the year	389,210
Changes during the year	
Provision in the financial year	229,681
Use in the financial year	83,266
Total changes	146,415
Value at the end of the year	535,625

DEBTS

Changes and maturity of debts

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

	Value at the beginning of the year	Changes during the financial year	Value at the end of the year	Portion due within the financial year	Portion due after one year
Payables to shareholders	680,000	-	680,000	-	680,000
Due to banks	18,540,278	8,932,448	27,472,726	7,299,916	20,172,810
Payables to other lenders	1,234,117	(233,123)	1,000,994	612,308	388,686
Payables to suppliers	11,887,771	11,598,876	23,486,647	23,486,647	-
Payables to associated companies	-	8,600	8,600	8,600	-
Tax debts	7,019,181	528,493	7,547,674	7,547,674	-
Payables to social security institutions	318,451	64,718	383,169	383,169	-
Other debts	1,155,068	321,275	1,476,343	1,467,736	8,607
Total debts	40,834,866	21,221,287	62,056,153	40,806,050	21,250,103

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	680,000	-	-	680,000
Due to banks	27,472,726	-	-	27,472,726
Payables to other lenders	1,000,994	-	-	1,000,994
Payables to suppliers	21,199,503	2,221,020	66,124	23,486,647
Payables to associated companies	8,600	-	-	8,600
Tax debts	7,547,674	-	-	7,547,674
Payables to social security institutions	383,169	-	-	383,169
Other debts	1,476,343	-	-	1,476,343
Total debts	62,056,153	-	-	62,056,153

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 RELATING TO REPURCHASE AGREEMENTS

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

FINANCING BY SHAREHOLDERS OF THE COMPANY

The Company received a loan from third-party shareholders in the amount of Euro 680,000.

ACCRUALS AND DEFERRED INCOME

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

	Value at the beginning of the year	Changes during the year	Value at the end of the year
Accrued expenses	91,594	(58,883)	32,711
Deferred income	10,177,559	(5,854,519)	4,323,040
Total accrued expenses and deferred income	10,269,153	(5,913,402)	4,355,751

It should be noted that among the amounts of deferrals, the most significant item refers to deferred advertising income in the amount of EUR 4,174,937.

Notes to the consolidated income statement

The consolidated income statement shows the economic result for the interim period.
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 carried out by the Company for which it is intended.
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.
Regarding 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 case of continuous services, the related revenues are recognised for the accrued portion.

BREAKDOWN OF REVENUES 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	24,568,549
Retail (B2C)	9,771,174
B2B	14,480,592
Total	185,703

BREAKDOWN OF REVENUES FROM SALES AND SERVICES BY GEOGRAPHICAL AREA

The breakdown of sales by geographic area is not relevant and is therefore omitted.

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 TYPE OF DEBT

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

	Interest and other financial charges
Towards banks	263,589
More	2,119
Total	265,708

VALUE ADJUSTMENTS TO FINANCIAL ASSETS AND LIABILITIES

During the year, the investment in Club Deal Spa was written down by euro 100,000.

CURRENT, DEFERRED AND PREPAID INCOME TAXES

The Company allocated taxes for the interim period on the basis of the application of current tax regulations. Current taxes refer to taxes pertaining to the financial year; taxes relating to previous years include direct taxes for previous years, including interest and penalties, and 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 1,559,969 were set aside in the financial statements as follows:

1. Euro 1,186,508 for IRES tax for the interim period
2. Euro 373,461 for IRAP taxes for the interim period

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

Notes to the accounts, cash flow statement

The Company has prepared the cash flow statement, which represents the summary document that links the changes that occurred during the year in the Company's assets with the changes in the financial situation; it highlights the values relative to the financial resources that the Company needed during the year as well as the relative uses.

Regarding the method used, it should be noted that, in accordance with the provisions of OIC 10, the Company has adopted the indirect method whereby the cash flow is reconstructed by adjusting the result for the year for non-monetary components.

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
Quadri	12
Employees	249
Workers	34
Total Employees	295

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	9,500	18,750

FEES TO THE STATUTORY AUDITOR OR AUDITING FIRM

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

	Value
Statutory audit of annual accounts	8,750
Other verification services performed	7,500

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 ON 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 list provides the information required by Article 2427 No. 9 of the Civil Code:

For Portobello SpA

- 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 granted 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 contract 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 building located in Corso Venezia in Milan, in favour of Immobiliare Automobile Club di Milano S.p.A., for an amount of Euro 85,000 and expiring on 14/12/2021, renewable from year to year, unless revoked by the Bank.
- Guarantee given 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.

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 bond pledged as a guarantee of 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 bond given to guarantee the punctual and proper performance of the obligations arising towards the Consorzio degli Operatori del Centro Commerciale RomaEst, as set forth 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.
- Surety bond provided to guarantee the lease of the business unit 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 a 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 security for the obligations undertaken in connection with the membership of Consorzio I Malatesta as set forth in 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.

INFORMATION ON ASSETS AND FINANCING ALLOCATED TO A SPECIFIC BUSINESS

Assets earmarked for a specific business

It is hereby certified that as of the closing date of the consolidated interim financial statements, 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 as of the closing date of the consolidated interim financial statements, there were no loans intended for a specific business purpose as defined in No. 21 of Article 2427 of the Civil Code.

INFORMATION ON RELATED PARTY TRANSACTIONS

During the year, there were transactions with related parties. 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	201,968	129,600	120,000	10,000
Hi Capital Advisors Ltd	-	72,000	-	-
Nova Spa	1355	65,218	49,426	-
Portobello Consulting Srl	-	171,562	-	-
RS Production Srl	1,302,195	-	-	461,000
Wins Srl	-	2,260	-	-
Wolt Spa	-	18,164	46,106	-
Web Magazine Maker Srl	365,966	8,600	751,600	819,092

Company name	Revenues to 30/06/2022	% Revenues as of 30/06/2022
Web Magazine Maker Srl	819,092	1.67%
RS Production Srl	461,000	0.94%
Expandi Srl	10,000	0.02%

INFORMATION ON AGREEMENTS NOT REFLECTED 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-quater of Article 2427 of the Italian Civil Code, regarding 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.

INFORMATION ON DERIVATIVE FINANCIAL INSTRUMENTS PURSUANT TO ART. 2427-BIS OF THE CIVIL CODE

As of 30/06/2022, four different derivative contracts are active:

Contract activated in the year 2020 with Deutsche Bank (IRS).

Contract activated in the year 2021 with Monte dei Paschi di Siena (IRS).

Contract activated in the year 2022 with Monte dei Paschi di Siena (CAP).

Contract activated in the year 2022 with Deutsche Bank. (IRS)

These are all interest rate hedging contracts that allow the interest payments of the variable-rate loans to which they are linked to be transformed into fixed-rate cash flows.

Reference Institute	Hedging instrument	Structured Code	PV 30.06.2022
Deutsche Bank	IRS	L027542ML	(50,317)
Deutsche Bank	IRS	P730414ML	(95,555)
MPS	IRS	0231315	213,326
MPS	POSTAL CODE	0241306	167,015

Notes to the accounts, final part

Dear Shareholders, we confirm that these consolidated interim financial statements, consisting of the consolidated balance sheet, the consolidated profit and loss account and the notes to the consolidated financial statements, give a true and fair view of the Company's financial position and results of operations for the interim period and correspond to the accounting records. We, therefore, invite you to approve the draft consolidated financial statements as of 30/06/2022, 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 Managing Director

Mirco Di Giuseppe, Director

Roberto Bacchi, Director

Ciro Esposito, Director

PORTOBELLO
PORTOBELLO
PORTOBELLO
PORTOBELLO
PORTOBELLO
PORTOBELLO
PORTOBELLO