

# PORTOBELLO

## PRESS RELEASE

**PORTOBELLO: Consolidated results as of 31/12/2022 approved for solid growth. Value of Production of about Euro 130.5 million, adjusted EBITDA<sup>1</sup> of about EUR 24.6 million, Net Profit of about EUR 7.6 million**

- Production value +48% or EUR 130.5 million (EUR 88.2 million as of the 31st of December 2021)
- Adjusted EBITDA<sup>(1)</sup> +48.7% or approximately EUR 24.6 million (EUR 16.5 million as of the 31st of December 2021)
- EBIT -2.9% or approximately EUR 13.5 million (EUR 13.9 million as of the 31st of December 2021)
- Net profit -13.1% or approximately EUR 7.7 million (EUR 8.8 million as of the 31st of December 2021)
- Net financial debt EUR 42.4 million (EUR 17.3 million as of the 31st of December 2021), Current financial debt EUR 16.2 million

Rome, 20th March 2023

**Portobello S.p.A.** ("**Portobello**" or the "**Company**") is a company listed on the Euronext Growth Milan market that operates as a barter business in the publishing and advertising sector and is the owner of the retail chain with the same name and of ePrice portal. Today they announced that the Board of Directors of the Company examined and approved the consolidated financial statements as well as the draft financial statements of Portobello as of the 31st of December 2022; the latter will be submitted to the Shareholders' Meeting on the 26th of April 2023 and, if necessary, on second call on the 16th of May 2023.

**Roberto Panfili**, Co-founder and COO of Portobello S.p.A., said:

*"Despite the extremely competitive scenario aggravated by the current geopolitical crisis, Portobello did not stop its growth in 2022. It proved, once again, that it has implemented winning medium to long-term strategies and have created a business model based on a retail chain using barter that is solid and scalable in even the most challenging situations. During the year, we opened ten maxi-stores inside large shopping centres throughout the country and increased our workforce with over 100 young resources, more than 50% of which are women. Thanks to our partnership with Forever Bambù, we have become the leading Italian chain of shops with zero environmental impact, offsetting the emissions of all our stores by planting bamboo forests. We expanded the Portobello Group by acquiring Italy's leading marketplace ePrice, to become a first-rate omnichannel player. Furthermore, we acquired the daily newspaper La Nuova Sardegna through the SAE Group and participated in the capital increase of the Class Editori Group, thus strengthening our SBU Media & Advertising and giving further impetus to our advertising bartering operations."*

### **Consolidated financial results as of the 31st of December 2022**

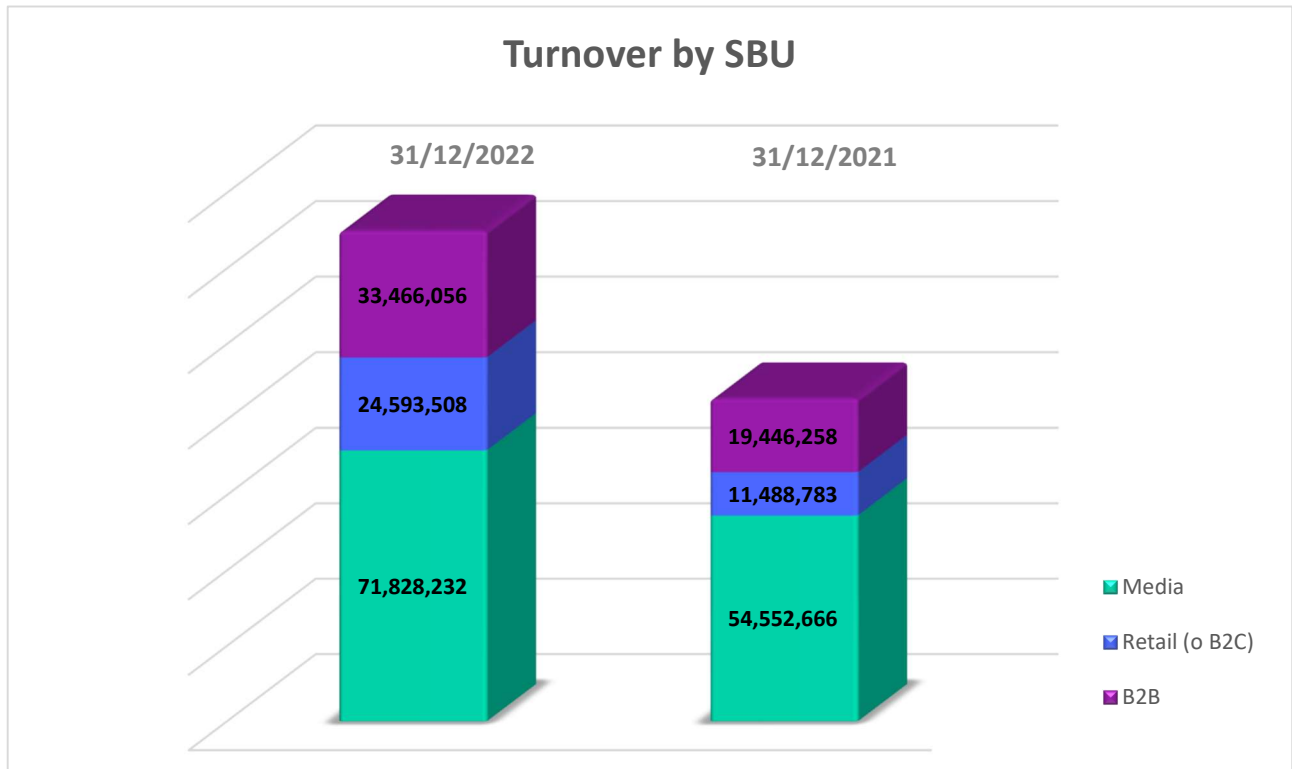
Portobello continues its intense growth phase, recording a value of production of EUR 130.5 million (+48% compared to EUR 88.2 million as of the 31st of December 2021). Below is a breakdown of the net sales of EUR 129.9 million as of 2022 by business area. In 2022, the Media segment saw revenues grow by 31.7% to EUR 71.8 million (EUR 54.6 million as of the 31st of December 2021), while B2C (Retail) grew by 114%

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<sup>1</sup> Adjusted (or normalised) EBITDA is obtained by neutralising an extraordinary cost component of approximately EUR 6.4 million, which is not repeatable, and the related tax impact.

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to EUR 24.6 million (EUR 11.5 million as of the 31st of December 2021); the B2B segment also grew by 72.1% to EUR 33.5 million (EUR 19.4 million as of the 31st of December 2021).



These results are the result of intense activity in the various *business* areas, in particular:

- **MEDIA.** Turnover in Portobello's Media channel increased by 31.7% year-on-year. This remarkable growth was achieved across all sales channels. This was possible thanks to the Company's unique and innovative business model, which enabled it to strengthen its position in the national market, becoming one of the leading players in terms of reliability and competitiveness in the advertising sector. Thanks to the uniqueness of the Company's business model, advertising companies can plan their advertising campaigns without having to access cash, i.e. by purchasing advertising services in exchange for goods, thus obtaining a twofold benefit: the possibility of constructing promotional campaigns without burdening the company's liquidity and lightening warehouse *stocks*. In addition, these companies can take advantage of the tax credit (so-called advertising bonus) up to 75% of the incremental advertising investment compared to the previous year and made in 2022.
- **RETAIL.** The retail channel recorded a 114% increase in sales during 2022 compared to the same period in 2021. The increase in volume is mainly related to new openings, and the consolidation of the customer base of the shops opened during the year 2021. During the year 2022, the Portobello Group opened ten shops at the following shopping centres:
  - S.C. Centroborgo - Bologna;
  - S.C. I Malatesta - Rimini;
  - S.C. Adriatico 2 - Portogruaro (VE);
  - S.C. Il Borgoglioio - Carpi (MO);
  - S.C. Città Fiera - Torreano di Martignacco (UD);
  - S.C. Porto Grande - San Benedetto del Tronto (AP);
  - S.C. Etnapolis - Catania;
  - S.C. ESP - Ravenna;
  - S.C. Mongolfiera Japigia - Bari;
  - S.C. Centro Luna - Sarzana (SP).

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- **B2B.** B2B sales also recorded a remarkable growth of 72.1% compared to the same period in 2021, thanks to the increase in trade-in contracts and the Company's ability to take advantage of opportunities to monetise *stock* without losing margins. This activity is opportunistic and useful to monetise those products that cannot be resold in Portobello shops or related to purchases that have too high volumes compared to the shops currently open.

**Consolidated adjusted EBITDA** of EUR 24.6 million as of the 31st of December 2022 improved from the 31st of December 2021 figure of EUR 16.5 million, a change of 48%. Adjusted EBITDA differs from the EBITDA for the period due to an extraordinary and non-recurring component that impacted the Company's income statement; this component, amounting to approximately EUR 6.4 million, refers to media space to be received from a supplier that went into liquidation. Adjusted EBITDA as a percentage of the value of production stood at 18.8% (18.7% as of 31 December 2021), demonstrating how the Company was able to maintain a high profitability ratio even in a context with marked elements of complexity linked to geopolitical tensions.

**Consolidated EBIT** decreased by 2.9% to EUR 13.5 million compared to EUR 13.9 million as of the 31st of December 2021. **Net of the extraordinary component would amount to EUR 19.9 million with year-on-year growth of 43.2%**, demonstrating the high profitability of the business model. **Consolidated EBT** decreased by 6.6% compared to the figures as of the 31st of December 2021, standing at EUR 12.2 million as of the 31st of December 2022 compared to EUR 13.0 million in the same period of 2021. Still, net of the extraordinary component, **it would amount to EUR 18.6 million with year-on-year growth of 42.6%**.

**Consolidated Net Profit as of the 31st of December 2022** amounted to EUR 7.7 million, a decrease of 13.1% compared to the same period in 2021, which ended at EUR 8.8 million, but net of the extraordinary component and the related tax effect, **it would have amounted to EUR 14 million, an increase of 59.5% over 2021.**

**Fixed assets** increased by EUR 5.8 million, or 68.9%, while **inventories of finished goods** increased in absolute value by about EUR 12.3 million to a total value of EUR 58.7 million before the related write-down provision.

Group **equity** of EUR 45.6 million increased due to the profit achieved in 2022.

Total **net financial debt** is EUR 42.4 million (EUR 17.3 million as of the 31st of December 2021), while current financial debt is EUR 16.2 million. This change is mainly due to investments in working capital related to new openings and the acquisition of the ePrice portal.

## **Portobello S.p.A.'s main financial results as of the 31st of December 2022**

- Production value EUR 124.6 million (+43% compared to EUR 87.2 million as of the 31st of December 2021).
- EBITDA EUR 22.7 million (+37% compared to EUR 16.6 million as of the 31st of December 2021).
- Net Profit EUR 13.1 million (+45% compared to the same period in 2021, which closed at EUR 9.1 million).

## **Proposed Appropriation of Profit for the Year**

The Board of Directors resolved to propose to the Shareholders' Meeting to allocate Portobello S.p.A.'s profit for the year, amounting to EUR 13,149,768, to the legal reserve in the amount of EUR 10,992 and to the extraordinary reserve in the amount of EUR 13,138,776.

## **Foreseeable development of operations**

The Russian-Ukrainian conflict has exacerbated some critical issues caused by the pandemic and led to a dramatic increase in the price of energy and raw materials and, consequently, inflation, which has impacted the prices and, thus, consumption. Nevertheless, according to preliminary ISTAT estimates, in

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2022, Italian GDP exceeded the government's estimates, increasing by 3.9% compared to 2021, despite a decrease in the fourth quarter of 0.1% compared to the previous quarter.

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

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

- 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;
- To 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 on costs related to logistics, shipping, communication, and marketing as well as on margins by being able to obtain more favourable terms from suppliers;
- To develop a competitive B2B offer for SMEs, which make up the vast majority of the Italian industrial fabric, also thanks to the advertising exchange mechanism.

In addition to this - thanks to the fully digital loyalty programme, which makes use of the proprietary Fidelity App, downloadable on the main stores (Android and iOS) and integrated with the POS management software and Salesforce CRM - the company expects to achieve the below 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's Customer Lifetime Value;
- Increased word-of-mouth: a satisfied customer will feel the need to recommend the benefits of the Portobello loyalty programme to friends and family, becoming in effect a brand advocate 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, therefore, it is reasonable to assume that the Company will continue to constitute a sustainable economic complex intended to produce income over several years.

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

## **Events after the 31st of December 2022**

In January, Portobello strengthened its environmental sustainability partnership with Forever Bamboo through the Forever Zero CO2 carbon offset programme. Thanks to this ambitious project, Portobello has zeroed the carbon footprint of all shops opened in 2022 by absorbing 600 tonnes of CO2 per year, thus becoming a carbon-neutral chain of shops. Thanks to the first partnership agreement with Forever Bambù, all shops opened from the foundation until the end of 2021 were offset by planting roughly 23,000 square

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metres of bamboo forest in Civitella Paganico (GR). This year, the Company will have an additional 23,700 square metres, of which 16,600 square metres will be in Civitella Paganico and 7,100 square metres in Portomaggiore (FE) to offset a total of 1,200 tonnes of CO2 per year, corresponding to 24,000 tonnes of CO2 by 2043.

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

## **Convocation of the Shareholders' Meeting and Variation of the Calendar of Corporate Events 2023**

The Board of Directors resolved today to grant the Chairman the powers to convene the Ordinary Shareholders' Meeting to be held on the 26th of April 2023 in the first call and, if necessary, on the 16th of May 2023 in the second call to approve the draft financial statements for the financial year 2022 and the acknowledgement of the consolidated financial statements 2022, instead of the previously announced dates.

Within the terms set forth by the regulations in force, the notice of call of the Shareholders' Meeting (which will also indicate the procedures for participation) will be made available to the public at the Company's registered office as well as made available on the Company's website at [www.portobellospa.com](http://www.portobellospa.com), where the annual financial report as of 31/12/2022, the consolidated financial report as of 31/12/2022 and the illustrative reports of the directors to the Shareholders' Meeting on the proposals concerning the items on the agenda will also be available.

## **Identification of beneficiaries of the 2022-2024 stock grant plan**

The Board of Directors resolved to implement the share-based incentive plan called 'Stock Grant Plan 2022-2024' approved by the shareholders' meeting on the 2nd of May 2022 and intended for employees of Portobello and its subsidiaries.

For the purpose of implementing the aforementioned plan, 13 beneficiaries were identified to whom a total of 39,600 rights were assigned (based on the first and second *tranche* of the plan) to receive a maximum of 39,600 ordinary shares of the Company, subject to the achievement of certain performance targets also identified by the Company's Board of Directors.

Among the beneficiaries were Chairman Pietro Peligra, CEO Simone Prete, Director Mirco Di Giuseppe and COO Roberto Panfili, as well as nine additional employees deemed relevant to the company and the group. For further details in relation to the *stock grant* plan, please refer to the Board of Directors' explanatory report on the items on the agenda of the shareholders' meeting that took place on the 2nd of May 2022.

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## ***Attachments***

Below are the Portobello Group's main accounting schedules relating to the consolidated results as of the 31st of December 2022 compared with the corresponding comparative values (values in Euro) as of 31 December 2021, and specifically:

- Consolidated Profit and Loss Account as of 31/12/2022 (vs Profit and Loss Account as of 31/12/2021);
- Consolidated Balance Sheet as of 31/12/2022 (vs Balance Sheet as of 31/12/2021);
- Consolidated Cash Flow Statement as of 31/12/2022 (vs Cash Flow Statement as of 31/12/2021);
- Consolidated adjusted profit and loss account as of 31/12/2022 (vs profit and loss account as of 31/12/2021);
- Consolidated adjusted balance sheet as of 31/12/2022 (vs balance sheet as of 31/12/2021);

recalling that the data therein are being certified by the appointed auditing firm.

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## CONSOLIDATED PROFIT AND LOSS ACCOUNT

Consolidated Profit and Loss Account	31/12/2022	31/12/2021	Absolute change	Change %
Revenues from sales and services	129,887,796	85,487,707	44,400,089	51.94%
Other revenues and income	595,366	2,692,151	-2,096,785	-77.89%
<b>Value of production</b>	<b>130,483,162</b>	<b>88,179,858</b>	<b>42,303,304</b>	<b>47.97%</b>
Raw, ancillary, consumable materials and goods	100,065,692	83,330,338	16,735,354	20.08%
Change in inventories of raw, ancillary and consumable materials and goods	(15,809,826)	(28,060,169)	12,250,343	-43.66%
<b>Cost of sales</b>	<b>84,255,866</b>	<b>55,270,169</b>	<b>28,985,697</b>	<b>52.44%</b>
<b>Gross Margin</b>	<b>46,227,296</b>	<b>32,909,689</b>	<b>13,317,607</b>	<b>40.47%</b>
%	35.43%	37.32%	-1.89%	-5.07%
<b>Staff</b>	<b>11,264,083</b>	<b>5,406,702</b>	<b>5,857,381</b>	<b>108.34%</b>
<b>Use of third party assets</b>	<b>6,917,707</b>	<b>3,424,627</b>	<b>3,493,080</b>	<b>102.00%</b>
<b>Services</b>	<b>9,067,792</b>	<b>6,764,358</b>	<b>2,303,434</b>	<b>34.05%</b>
<b>Sundry operating expenses</b>	<b>818,923</b>	<b>798,375</b>	<b>20,548</b>	<b>2.57%</b>
<b>EBITDA</b>	<b>18,158,791</b>	<b>16,515,627</b>	<b>1,643,164</b>	<b>9.95%</b>
%	13.92%	18.73%	-4.81%	-25.70%
<b>Amortisation, provisions, and depreciations</b>	<b>4,680,538</b>	<b>2,629,413</b>	<b>2,051,125</b>	<b>78.01%</b>
<b>EBIT</b>	<b>13,478,253</b>	<b>13,886,214</b>	<b>-407,961</b>	<b>-2.94%</b>
%	10.33%	15.75%	-5.42%	-34.41%
Other financial income	13,504	45	13,459	29908.87%
Interest and other financial charges	(884,653)	(463,518)	(421,135)	90.86%
Value adjustments on financial assets	(440,741)	(400,000)	-40,741	10.19%
<b>Financial Management</b>	<b>(1,311,890)</b>	<b>(863,473)</b>	<b>-448,417</b>	<b>51.93%</b>
<b>EBT</b>	<b>12,166,363</b>	<b>13,022,741</b>	<b>-856,378</b>	<b>-6.58%</b>
<b>Current, deferred and prepaid income taxes for the year</b>	<b>4,507,452</b>	<b>4,203,979</b>	<b>303,473</b>	<b>7.22%</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>7,658,912</b>	<b>8,818,762</b>	<b>-1,159,850</b>	<b>-13.15%</b>
%	5.87%	10.00%	-4.13%	-41.31%

(\*) 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 operational performance of the company's business. Since EBITDA is not identified as an accounting measure within the accounting standards, it should not be considered an alternative measure for the evaluation of Portobello S.p.A.'s operating performance. Since the composition of EBITDA is not regulated by the relevant accounting standards, the calculation 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.

(\*\*) EBIT indicates the result before financial expenses and taxes for the year. EBIT, therefore, represents the operating result before the remuneration of both third-party and own capital. EBIT, thus defined, represents the indicator used by the company's directors to monitor and evaluate the operational performance of the company's business. 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.

(\*\*\*) The percentages indicated represent the incidence of the values in relation to the Company's typical revenues. Since these incidences are not identified as accounting measures within the national accounting standards and their composition is not regulated by the reference accounting standards, the determination criterion applied by the Company may not be homogeneous with that adopted by other entities and, therefore, may not be comparable with them.



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## CONSOLIDATED BALANCE SHEET

Consolidated Balance Sheet	31/12/2022	31/12/2021	Absolute change	Change %
<i>Intangible Fixed Assets</i>	6,312,335	5,346,804	965,531	18.06%
<i>Tangible Fixed Assets</i>	3,313,805	1,995,790	1,318,015	66.04%
<i>Financial Fixed Assets</i>	4,575,012	1,065,870	3,509,142	329.23%
<b>NET FIXED ASSETS</b>	<b>14,201,152</b>	<b>8,408,464</b>	<b>5,792,688</b>	<b>68.89%</b>
<i>Inventories</i>	56,262,254	43,919,572	12,342,682	28.10%
<b>Inventories</b>	<b>56,262,254</b>	<b>43,919,572</b>	<b>12,342,682</b>	<b>28.10%</b>
<i>Customers</i>	5,943,856	4,309,756	1,634,100	37.92%
<i>Suppliers</i>	(7,756,744)	(11,887,771)	4,131,027	-3.75%
<b>Trade receivables and payables</b>	<b>(1,812,888)</b>	<b>(7,578,015)</b>	<b>5,765,127</b>	<b>-76.08%</b>
<i>Tax receivables and payables</i>	(9,272,939)	(4,420,652)	(4,852,287)	109.76%
<i>Other credits</i>	1,346,651	1,364,102	(17,451)	-1.28%
<i>Other debts</i>	(2,244,339)	(2,153,519)	(90,820)	4.22%
<i>Accrued income and prepaid expenses</i>	2,725,218	2,536,955	188,263	7.42%
<i>Accrued expenses and deferred income</i>	(338,375)	(256,035)	(82,340)	32.16%
<b>Other current assets</b>	<b>(7,783,784)</b>	<b>(2,929,149)</b>	<b>(4,854,635)</b>	<b>165.74%</b>
<i>Advertising to consume</i>	27,439,046	20,953,272	6,485,774	30.95%
<i>Advertising to be delivered</i>	(1,279,469)	(10,013,118)	8,733,649	-87.22%
<b>Advertisement</b>	<b>26,159,577</b>	<b>10,940,154</b>	<b>15,219,423</b>	<b>139.12%</b>
<b>NET WORKING CAPITAL</b>	<b>72,825,159</b>	<b>44,352,562</b>	<b>28,472,597</b>	<b>64.20%</b>
<i>TFR</i>	(752,052)	(389,210)	(362,842)	93.23%
<i>Other funds</i>	(902,963)	(32,637)	(870,326)	2666.69%
<b>CONSOLIDATED LIABILITIES</b>	<b>(1,655,015)</b>	<b>(421,847)</b>	<b>(1,233,168)</b>	<b>292.33%</b>
<b>NET INVESTED CAPITAL</b>	<b>85,371,296</b>	<b>52,339,179</b>	<b>33,032,117</b>	<b>63.11%</b>
<i>Capital</i>	(674,450)	(619,490)	(54,960)	8.87%
<i>Reserves</i>	(34,592,923)	(25,548,707)	(9,044,216)	35.40%
<i>(Profit) loss for the period</i>	(10,347,617)	(8,854,332)	(1,493,285)	16.87%
<i>Minority (profit) loss</i>	2,688,705	35,570		
<i>Minority shareholders' equity</i>	2,675,275	(13,430)		
<b>NET WORTH</b>	<b>(42,939,715)</b>	<b>(35,035,959)</b>	<b>(7,903,756)</b>	<b>22.56%</b>
<i>(Financial debts)</i>	(761,315)	(1,234,117)	472,802	-38.31%
<i>Financial receivables</i>	259,259	-	259,259	
<i>(Bank debts)</i>	(44,773,656)	(18,540,278)	(26,233,378)	141.49%
<i>Cash and cash equivalents</i>	2,844,131	2,471,175	372,956	15.09%
<b>Net financial debt</b>	<b>(42,431,581)</b>	<b>(17,303,220)</b>	<b>(25,128,361)</b>	<b>145.22%</b>
<b>TOTAL SOURCES</b>	<b>(85,371,296)</b>	<b>(52,339,179)</b>	<b>(33,032,117)</b>	<b>63.11%</b>



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## CONSOLIDATED CASH FLOW STATEMENT

Consolidated cash flow statement, indirect method	
	31/12/2022
Cash flow statement, indirect method	
<b>A) Cash flow from operating activities (indirect method)</b>	
Profit (loss) for the year	7,658,912
Income Taxes	4,507,452
Interest expense/(income)	871,148
1) Profit (loss) for the year before income tax, interest, dividends and capital gains	13,037,512
/losses on disposal	
Adjustments for non-monetary items that had no counterpart in capital	
Net working capital	
Provisions to Funds	2,301,118
Depreciation of fixed assets	2,835,004
Depreciation from impairment losses	440,741
Total adjustments for non-monetary items that did not have a balancing entry in the net working capital	5,576,863
2) Cash flow before changes in net working capital	18,614,375
Changes in net working capital	
Decrease/(Increase) in inventories	-12,342,682
Decrease/(Increase) in trade receivables	-1,915,803
Increase/(Decrease) in trade payables	-4,124,027
Decrease/(Increase) in accrued income and prepaid expenses	-6,674,037
Increase/(Decrease) in accrued expenses and deferred income	-8,651,309
Other decreases/(Other increases) in net working capital	1,259,796
Total changes in net working capital	-32,448,062
3) Cash flow after changes in net working capital	-13,833,687
Other corrections	
Interest received/(paid)	-871,148
(Income taxes paid)	-546,825
(Use of funds)	-1,533,069
Other receipts/(payments)	237,317
Total other adjustments	-2,713,725
Cash flow from operating activities (A)	-16,547,412
<b>B) Cash flows from investing activities</b>	
Tangible fixed assets	
(Investments)	-1,929,011
Intangible fixed assets	
(Investments)	-3,189,539
Financial fixed assets	
(Investments)	-3,293,341
Financial assets not held as fixed assets	
(Investments)	-259,259
Cash flow from investing activities (B)	-8,671,150
<b>C) Cash flows from financing activities</b>	
Third-party means	
Increase/(Decrease) short-term payables to banks	580,269
Opening of loans	29,500,000
(Repayment of loans)	-4,319,693
Own means	
Disposal/(Purchase) of treasury shares	-169,058
Cash flow from financing activities (C)	25,591,518
Increase (decrease) in cash and cash equivalents (A ± B ± C)	372,956
Cash and cash equivalents at beginning of year	
Bank and postal deposits	2,382,957
Cash and valuables in the till	88,218
Total cash and cash equivalents at beginning of year	2,471,175
Cash and cash equivalents at year-end	
Bank and postal deposits	2,694,925
Cash and valuables in the till	149,206
Total cash and cash equivalents at year-end	2,844,131

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## ADJUSTED CONSOLIDATED PROFIT AND LOSS ACCOUNT

Adjusted Consolidated Profit and Loss Account	31/12/2022	31/12/2021	Absolute Change	Change %
Revenues from sales and services	129,887,796	85,487,707	44,400,089	51.94%
Other revenues and income	595,366	2,692,151	-2,096,785	-77.89%
<b>Value of production</b>	<b>130,483,162</b>	<b>88,179,858</b>	<b>42,303,304</b>	<b>47.97%</b>
Raw, ancillary and consumable materials and goods	93,660,692	83,330,338	10,330,354	12.40%
Change in inventories of raw, ancillary and consumable materials and goods	(15,809,826)	(28,060,169)	12,250,343	-43.66%
<b>Cost of sales</b>	<b>77,850,866</b>	<b>55,270,169</b>	<b>22,580,697</b>	<b>40.86%</b>
<b>Gross Margin</b>	<b>52,632,296</b>	<b>32,909,689</b>	<b>19,722,607</b>	<b>59.93%</b>
%	40.34%	37.32%	3.02%	8.08%
Staff	11,264,083	5,406,702	5,857,381	108.34%
Use of third party assets	6,917,707	3,424,627	3,493,080	102.00%
Services	9,067,792	6,764,358	2,303,434	34.05%
Sundry operating expenses	818,923	798,375	20,548	2.57%
<b>EBITDA</b>	<b>24,563,791</b>	<b>16,515,627</b>	<b>8,048,164</b>	<b>48.73%</b>
%	18.83%	18.73%	0.10%	0.51%
Amortisation, Provisions and Write-downs	4,680,538	2,629,413	2,051,125	78.01%
<b>EBIT</b>	<b>19,883,253</b>	<b>13,886,214</b>	<b>5,997,039</b>	<b>43.19%</b>
%	15.24%	15.75%	-0.51%	-3.23%
Other financial income	13,504	45	13,459	>1.000%
Interest and other financial charges	(884,653)	(463,518)	(421,135)	90.86%
Value Adjustments on Financial Assets	(440,741)	(400,000)	-40,741	10.19%
<b>Financial Management</b>	<b>(1,311,890)</b>	<b>(863,473)</b>	<b>-448,417</b>	<b>51.93%</b>
<b>EBT</b>	<b>18,571,363</b>	<b>13,022,741</b>	<b>5,548,622</b>	<b>42.61%</b>
Current, Deferred and Prepaid Income Taxes for the Year	4,507,452	4,203,979	303,473	7.22%
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>14,063,912</b>	<b>8,818,762</b>	<b>5,245,150</b>	<b>59.48%</b>
%	10.78%	10.00%	0.78%	7.77%

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

# PORTOBELLO

## ADJUSTED CONSOLIDATED BALANCE SHEET

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

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

# PORTOBELLO

*The press release is available online at [www.portobellospa.com](http://www.portobellospa.com) in the Investor Relations section and at [www.1info.it](http://www.1info.it).*

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**Portobello S.p.A.** founded in Rome in 2016 and listed on the Euronext Growth Milan market, operates through 3 Business Units active in the Media & Advertising, Retail and B2B sectors. The Company deals with the resale of advertising space, either owned or purchased from third parties, for monetary consideration or alternatively through the barter system. The Company is part of the Portobello Group, which owns and operates a chain of own-brand shops and the e-commerce portal ePrice. In 2022, the Group achieved Revenues of EUR 130.5 million with an EBITDA of EUR 18.1 million and a Net Profit of EUR 7.6 million.

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