

# PORTOBELLO

- PRESS RELEASE -

**PORTOBELLO: Strong growth in consolidated results to 30 June 2022 approved. Value of Production of Euro 49.0 million, EBITDA of Euro 6.4 million, Net Profit for the period of Euro 2.7 million <sup>1</sup>**

**Key consolidated financial results as of 30/06/2022**

- Value of Production of 49.0 million Euro
- EBITDA of EUR 6.43 million
- EBIT of EUR 4.67 million
- Net profit for the period of EUR 2.75 million
- Net financial position 27.57 million Euro, Current net financial position 7.01 million Euro

*Rome, 19 September 2022*

**Portobello S.p.A.** ("**Portobello**" or the "**Company**"), a company listed on the Euronext Growth Milan market that operates as barter in the publishing and advertising sector. They also own the retail chain of the same name and the ePrice portal. Today, they announced that the Company's Board of Directors have examined and approved the consolidated half-yearly financial report as of the 30th of June 2022, which is subject to limited audit.

The Company recorded significant growth, although it is not possible to make a direct comparison with the figures as of the 30th of June 2021 because, following the acquisition of the shareholding in PB Retail S.r.l., Portobello for the first year is required to prepare a consolidated half-year financial report as of the 30th of June 2022. This growth, made all the more important by the extraordinary conditions in which it took place, i.e. in a period of crisis due to the Covid-19 pandemic and the Russian-Ukrainian conflict, demonstrates Portobello's business model is efficient and robust. The Company has considerable room for growth, which becomes even greater thanks to the market opportunities generated by these crises.

**Roberto Panfili, Co-founder and COO of Portobello S.p.A.** said: *"Despite the adverse effects generated by the health crisis and the Russian-Ukrainian conflict, the Company continued to grow in the first half of 2022 thanks to a solid, counter-cyclical business model. During these critical periods, consumers become more cautious and sensitive to the price of products. Therefore, the Company's value proposition, based on an offer*

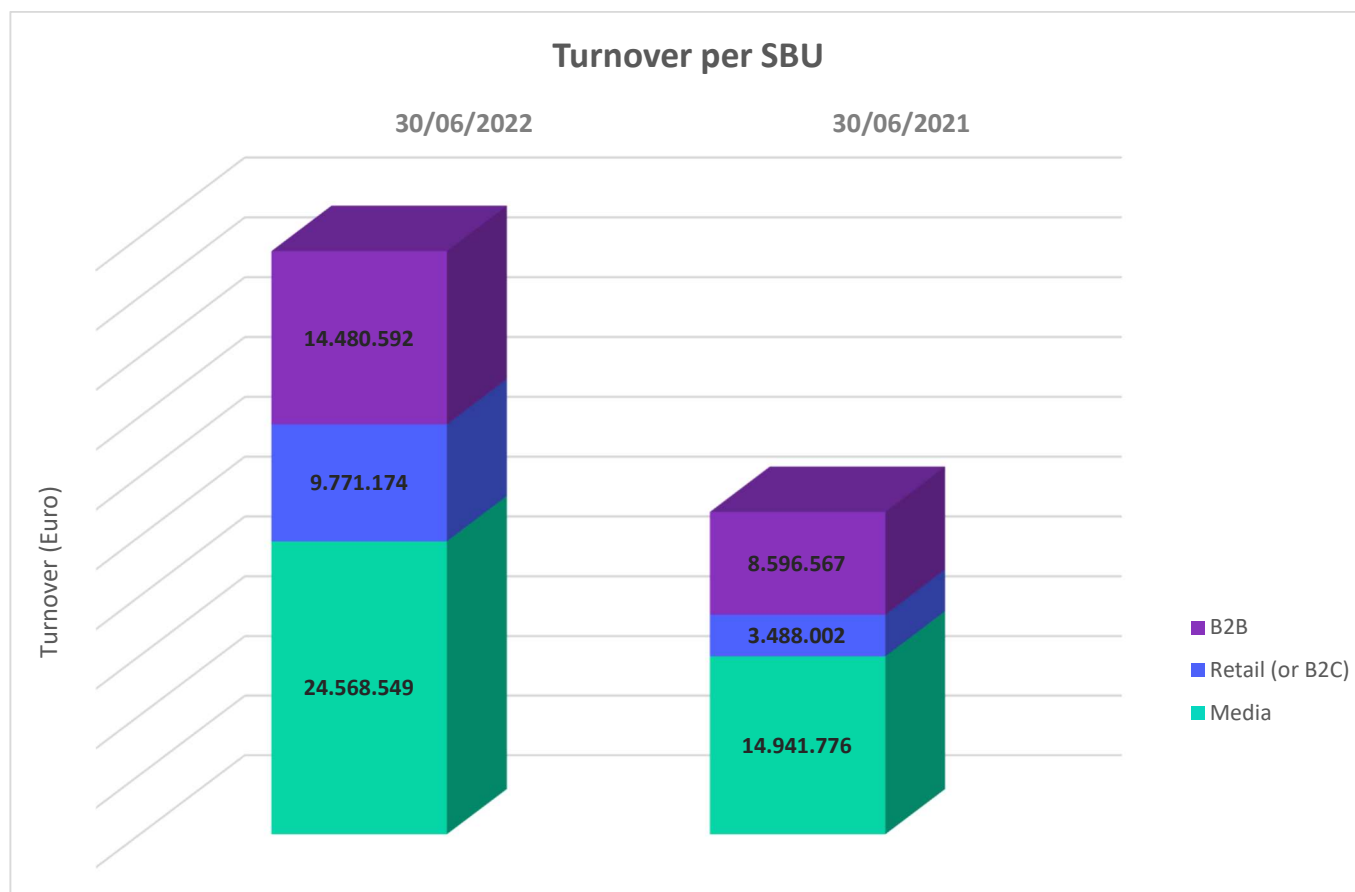
---

<sup>1</sup> Following the acquisition of the shareholding in PB Retail S.r.l., Portobello is required for the first year to prepare a consolidated half-yearly financial report as of 30/06/2022. Therefore, this press release sets out the income statement comparison between the consolidated half-yearly report as of 30/06/2022 and the half-yearly financial report of Portobello S.p.A. as of 30/06/2021. Therefore, with regard to the Company's profit and loss figures on 30/06/2021, please refer to the half-yearly financial report approved by the Board of Directors on /09/2021 and available on Portobello's website.

*that manages to sustainably combine the best value for money on the market with an excellent purchasing experience, becomes more successful, which has been already proven during the pandemic. "*

### **Consolidated Financial Results to 30 June 2022**

Portobello continues its strong growth phase, recording a **total consolidated revenue** of EUR 49.0 million (compared to revenue of EUR 27.0 million as of the 30th of June 2021). Below is a breakdown of net sales as of the 30th of June 2022 by *business area* (consolidated sales as of the 30th of June 2022, Company sales as of the 30th of June 2021).



In the first half of 2022, the Media segment saw turnover grow 64.4% to EUR 24.57 million (EUR 14.94 million as of the 30th of June 2021), while the B2C (Retail) segment grew 180.1% to EUR 9.77 million (EUR 3.49 million as of the 30th of June 2021); the B2B segment grew 68.4% to EUR 14.48 million (EUR 8.6 million as of the 30 of June 2021).

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

**MEDIA** Portobello strengthened its position as a reliable and competitive player in the advertising business throughout the country, also thanks to the management's ability to acquire advertising space with a high media impact. In February 2022, Sae Sardegna S.r.l., a subsidiary of the Sae-Sapere Aude Editori S.p.A. Group (Sae Group), in which Portobello holds an approximately 18% stake, 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. In the first half of 2022, the Media Business Unit increased its turnover by 64.4% to EUR 24.57 million.

**RETAIL** Despite a first half of the year still characterised by a great deal of uncertainty due to the effects of the pandemic and the Russian-Ukrainian conflict, the retail channel, regarding the perimeter of physical shops, recorded a 180.1% increase in sales in the first half of 2022 compared to the same period in 2021. The increase in volumes is mainly related to the expansion of the perimeter of shops due to both the openings in the second half of 2021 and those made during the reporting period.

During the first half of 2022, six new Portobello brand shops were opened at the following locations:

- C.C. Centroborgo - Bologna
- C.C. I Malatesta - Rimini
- C.C. Adriatico 2 - Portogruaro (VE)
- C.C. The Borgogioioso - Carpi (MO)
- C.C. Città Fiera - Torreano di Martignacco (UD)
- C.C. Porto Grande - San Benedetto del Tronto (AP)

Moreover, 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 the polluting emissions produced by all the shops open until December 2021 to zero. They plan to increase the absorption of CO2 to about 600 tonnes per year, a total of 12,000 tonnes by 2042, with the planting of 23,000 square metres of bamboo forest at Civitella Paganico in Tuscany. Portobello's carbon neutrality, the result of an accurate scientific study carried out 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 in the strategic plan.

**B2B** B2B sales also increased, closing the period to June 30th 2022, at EUR 14.48 million, up 68.4% compared to the previous half-year. This activity is considered useful to monetise those products that are not in line with the Portobello shops or related to purchases that are too high in volume compared to the shops currently open.

**Consolidated EBITDA** stood at EUR 6.43 million as of the 30th of June 2022. EBITDA as a percentage of the value of production stood at 13.1%. This value, which is slightly lower than historical averages, is mainly related to the promotional activity of launching new shops through targeted promotions that quickly created traffic and *brand awareness*.

**Consolidated EBIT** stood at EUR 4.67 million as of the 30th of June 2022, confirming the high profitability of the business model. EBIT as a percentage of production value was 9.5%, while consolidated **EBT** stood at EUR 4.31 million.

The **Net Profit** for the period amounted to EUR 2.75 million. The ratio to the production value was 5.6% as of 30 June 2022.

In terms of consolidated balance sheet values, **net fixed assets** increased by EUR 2.18 million in the first half of 2022. **Finished goods inventories** amounted to EUR 53.72 million (gross of the corresponding depreciation provision), broken down as follows:

- 16.4 million of goods purchased in cash ('Inventories from direct purchases')
- 37.3 million of goods acquired in barter ('Inventories from barter purchases')

Shareholders' Equity, the Group's equity amounted to EUR 38.20 million, with minority interests amounting to EUR -1.17 million.

The **consolidated Net Financial Position** amounted to approximately EUR 27.58 million. Current bank and financial payables refer to short-/medium-term loan agreements, recording a **current consolidated Net Financial Position** of about Euro 7.01 million.

## ***Events after 30 June 2022 and business outlook***

### **Acquisition of e-commerce platform 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 EUR 101.4 million and received almost 65 million visits with 500,000 customers producing 637,000 orders with an average receipt of EUR 287. Through the acquisition of the Eprice marketplace, the Group is preparing to:

- Become an omnichannel operator, creating solid 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
- 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

### **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 is 888 square metres and employs 13 specially recruited and trained people.
- C.C. ESP - Ravenna. The shopping centre has almost 4,500 parking spaces, a cycle track connected to the city, dining and relaxation areas, a hypermarket, an outdoor playground, children's areas and many other facilities. The shop within the 'ESP' shopping centre is 684 square metres and employs 12 specially recruited and trained people.

### **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 specific periods of this 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 on the occasion of the Milan Relay Marathon 2022, with the Company's participation in the solidarity relay race and the involvement of employees in an internal fundraising event.

### **Co-optation Independent Director**

On the 14th of July 2022, the Company received the resignation of Mr Emanuele Ferrari, Non-Executive and Independent Director, elected by the Shareholders' Meeting of 19 April 2021, due to new professional commitments. On the same date, the Company's Board of Directors co-opted Mr Ciro Esposito as a new Independent Director.

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

***Attachments***

The Group's main consolidated financial statements for the interim period ended 30 June 2022 are presented below, compared with the corresponding comparative figures (values in Euro), and specifically

- Profit and Loss Account as of 30/06/2022
- Balance Sheet as of 30/06/2022 vs 31/12/2021
- Cash Flow Statement as of 30/06/2022

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

Consolidated profit and loss account (figures in Euro)	30/06/2022
<i>Revenues from sales and services</i>	48,820,315
<i>Other revenues and income</i>	185,703
<b>Value of production</b>	<b>49,006,018</b>
<i>raw materials, consumables and goods</i>	40,616,318
<i>Change in inventories of raw, ancillary and consumable materials and goods</i>	-10,681,756
<b>Cost of sales</b>	<b>29,934,562</b>
<b>Gross Margin</b>	<b>19,071,456</b>
%	<b>38.90%</b>
<b>Staff</b>	<b>5,042,784</b>
<b>Use of third party assets</b>	<b>3,287,977</b>
<b>Services</b>	<b>3,680,289</b>
<b>Sundry operating expenses</b>	<b>630,207</b>
<b><sup>2</sup>EBITDA[1]</b>	<b>6,430,199</b>
%	13.10%
<b>Depreciation, Amortisation, Provisions and Write-downs</b>	<b>1,757,169</b>
<b><sup>3</sup>EBIT[2]</b>	<b>4,673,030</b>
%	9.50%
<i>Other financial income</i>	12
<i>Interest and other financial charges</i>	-265,720
<i>Value Adjustments on Financial Assets</i>	-100,000
<b>Financial Management</b>	<b>-365,708</b>
<b>EBT</b>	<b>4,307,322</b>
<b>Current, Deferred and Prepaid Income Taxes for the Year</b>	<b>1,559,969</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>2,747,353</b>
%	5.60%

(\*) EBITDA indicates the result before financial and extraordinary management, taxes, depreciation and amortisation of fixed assets, provisions and impairment of receivables. EBITDA, thus defined, is the indicator used by the directors of Portobello S. p. A. to monitor and evaluate the operating performance of the company. Since EBITDA is not identified as an accounting measure within the accounting standards, it must not be considered as an alternative measure for the evaluation of 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 in the context of national accounting standards and its composition is not regulated by the reference accounting standards, the determination 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.

## CONSOLIDATED BALANCE SHEET

Consolidated Balance Sheet (figures in Euro)	30/06/2022	31/12/2021	Variaz. Absolute	Change %
<i>Intangible Fixed Assets</i>	6,183,661	5,346,804	836,857	15.65%
<i>Tangible Fixed Assets</i>	2,721,729	1,995,790	725,939	36.37%
<i>Financial Fixed Assets</i>	1,680,012	1,065,870	614,142	57.62%
<b>NET FIXED ASSETS</b>	<b>10,585,402</b>	<b>8,408,464</b>	<b>2,176,938</b>	<b>25.89%</b>
<i>Inventories from direct purchases</i>	16,454,879	14,358,167	2,096,712	14.60%
<i>Inventories from barter purchases</i>	37,263,518	30,661,405	6,602,113	21.53%
<i>Provision for depreciation</i>	-1,500,000	-1,100,000	-400,000	36.36%
<b>Inventories</b>	<b>52,218,397</b>	<b>43,919,572</b>	<b>8,298,825</b>	<b>18.90%</b>
<i>Customers</i>	10,966,849	4,309,756	6,657,093	154.47%
<i>Suppliers</i>	-23,486,647	-11,887,771	-11,598,876	97.57%
<b>Trade receivables and payables</b>	<b>-12,519,798</b>	<b>-7,578,015</b>	<b>-4,941,783</b>	<b>65.21%</b>
<i>Tax receivables and payables</i>	-6,042,480	-4,420,652	-1,621,828	36.69%
<i>Other credits</i>	1,282,128	1,364,102	-81,974	-6.01%
<i>Other debts</i>	-2,164,943	-2,153,519	-11,424	0.53%
<i>Accrued income and prepaid expenses</i>	1,837,613	2,536,955	-699,342	-27.57%
<i>Accrued expenses and deferred income</i>	-180,814	-256,035	75,221	-29.38%
<b>Other current assets</b>	<b>-5,268,496</b>	<b>-2,929,149</b>	<b>-2,339,347</b>	<b>79.86%</b>
<i>Advertising to consume</i>	25,616,309	20,953,272	4,663,037	22.25%
<i>Advertising to be delivered</i>	-4,174,937	-10,013,118	5,838,181	-58.31%
<b>Advertisement</b>	<b>21,441,372</b>	<b>10,940,154</b>	<b>10,501,218</b>	<b>95.99%</b>
<b>NET WORKING CAPITAL</b>	<b>55,871,475</b>	<b>44,352,562</b>	<b>11,518,913</b>	<b>25.97%</b>
<i>TFR</i>	-535,625	-389,210	-146,415	37.62%
<i>Other funds</i>	-145,873	-32,637	-113,236	346.96%
<b>CONSOLIDATED LIABILITIES</b>	<b>-681,498</b>	<b>-421,847</b>	<b>-259,651</b>	<b>61.55%</b>
<b>NET INVESTED CAPITAL</b>	<b>65,775,379</b>	<b>52,339,179</b>	<b>13,436,200</b>	<b>25.67%</b>
<i>Capital</i>	-674,450	-619,490	-54,960	8.87%
<i>Reserves</i>	-34,760,197	-25,548,707	-9,211,490	36.05%
<i>(Profit) loss for the period</i>	-3,918,023	-8,854,332	4,936,309	-55.75%
<i>Minority (profit) loss</i>	1,170,670	35,570		
<i>Minority shareholders' equity</i>	1,157,240	-13,430		
<b>NET WORTH</b>	<b>-38,195,430</b>	<b>-35,035,959</b>	<b>-3,159,471</b>	<b>9.02%</b>
<i>(Financial debts)</i>	-1,000,994	-1,234,117	233,123	-18.89%
<i>(Bank debts)</i>	-27,472,726	-18,540,278	-8,932,448	48.18%
<i>Liquid assets</i>	893,771	2,471,175	-1,577,404	-63.83%
<b>PFN</b>	<b>27,579,949</b>	<b>-17,303,220</b>	<b>-10,276,729</b>	<b>59.39%</b>
<b>TOTAL SOURCES</b>	<b>65,775,379</b>	<b>-52,339,179</b>	<b>-13,436,200</b>	<b>25.67%</b>

## CASH FLOW STATEMENT

Consolidated Cash Flow Statement	
	30/06/2022
<b>A) Cash flow from operating activities (indirect method)</b>	
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	
Provisions to Funds	229,681
Depreciation of fixed assets	1,297,169
Value adjustments to financial assets and liabilities of derivative financial instruments not involving monetary movements	593,578
Total adjustments for non-monetary items that did not have a balancing entry 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 received/(paid)	(265,708)
(Income taxes paid)	(1,031,476)
(Use of funds)	(83,266)
Other receipts/(payments)	348,071
Total other adjustments	(1,032,379)
<b>Cash flow from operating activities (A)</b>	<b>(6,734,398)</b>
<b>B) Cash flows from investing activities</b>	
Tangible fixed assets	
(Investments)	(987,209)
Intangible fixed assets	
(Investments)	(1,872,756)
Financial fixed assets	
(Investments)	(1,094,484)
<b>Cash flow from investing activities (B)</b>	<b>(3,954,449)</b>
<b>C) Cash flows from financing activities</b>	
Third-party means	
Increase/(Decrease) short-term payables to banks	446,598
Funding start-up	10,000,000
(Repayment of loans)	(1,747,273)
Own means	
Other Changes in Consolidated Equity	412,118
<b>Cash flow from financing activities (C)</b>	<b>9,111,443</b>
<b>Increase (decrease) in cash and cash equivalents (A ± B ± C)</b>	<b>(1,577,404)</b>
Cash and cash equivalents at beginning of year	
Bank and postal deposits	2,382,957
Cash and valuables in the till	88,218
<b>Total cash and cash equivalents at beginning of year</b>	<b>2,471,175</b>
Cash and cash equivalents at year-end	
Bank and postal deposits	809,013
Cash and valuables in the till	84,758
<b>Total cash and cash equivalents at year-end</b>	<b>893,771</b>



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

\*\*\*\*

**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 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 2021, the Group achieved Revenues of EUR 88.2 million with an EBITDA of EUR 16.5 million and a Net Profit of EUR 8.8 million.

\*\*\*\*

#### **Contact**

**INTEGRAE SIM**  
**Euronext Growth Advisor**  
Piazza Castello 24 - 20121 Milan  
T +39 02 9684 6864  
[info@integraesim.it](mailto:info@integraesim.it)

**IR TOP Consulting S.r.l.**  
**Capital Markets & Investor Relations**  
Domenico Gentile  
[d.gentile@irtop.com](mailto:d.gentile@irtop.com)  
Via Bigli, 19 - 20121 Milan  
Tel.: +39 02 4547 3883/4

**Portobello S.p.A.**  
**Investor Relations**  
[investorrelator@portobellogroup.it](mailto:investorrelator@portobellogroup.it)  
Piazzale della Stazione snc - 00071  
Pomezia / Z.I. Santa Palomba (RM)  
Tel.: +39 06 2294725