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PRESS RELEASE

PORTOBELLO: consolidated results as at 31/12/2021 approved, with strong growth. Revenues of Euro 88.2 million, EBITDA of about Euro 16.5 million, Net Profit around Euro 8.8 million

After the acquisition of the PB Retail S.r.l. share, for the first year Portobello is obliged to draw up the consolidated financial statements, so this communication highlights the data for comparison of the Group consolidated financial statements as at 31/12/2021 with the Portobello S.p.A. financial statements as at 31/12/2020

- **Value of production +37.8% equal to Euro 88.2 million (Euro 64.0 million as at 31 December 2020)**
- **EBITDA +52% equal to about Euro 16.5 million (Euro 10.9 million as at 31 December 2020)**
- **EBIT +61.9% equal to Euro 13.9 million (Euro 8.6 million as at 31 December 2020)**
- **Net profit +48.1% equal to around Euro 8.8 million (Euro 6.0 million as at 31 December 2020)**
- **Net financial position Euro 17.3 million (Euro 13.9 million as at 31 December 2020), Current NFP Euro 4.1 million**

Rome, March 21, 2022

Portobello S.p.A. ("Portobello" or the "Company"), holding company of the retail chain of the same name, which provides quality products at affordable prices and is active through bartering in the media advertising sector, listed on the Euronext Growth Milan market, announces that today the Board of Directors of the Company has reviewed and approved the consolidated financial statements not to mention Portobello's draft financial statements as at 31 December 2021; the latter, will be submitted to the Shareholders' Meeting on April 29, 2022, and if needed, in a second call on May 2, 2022.

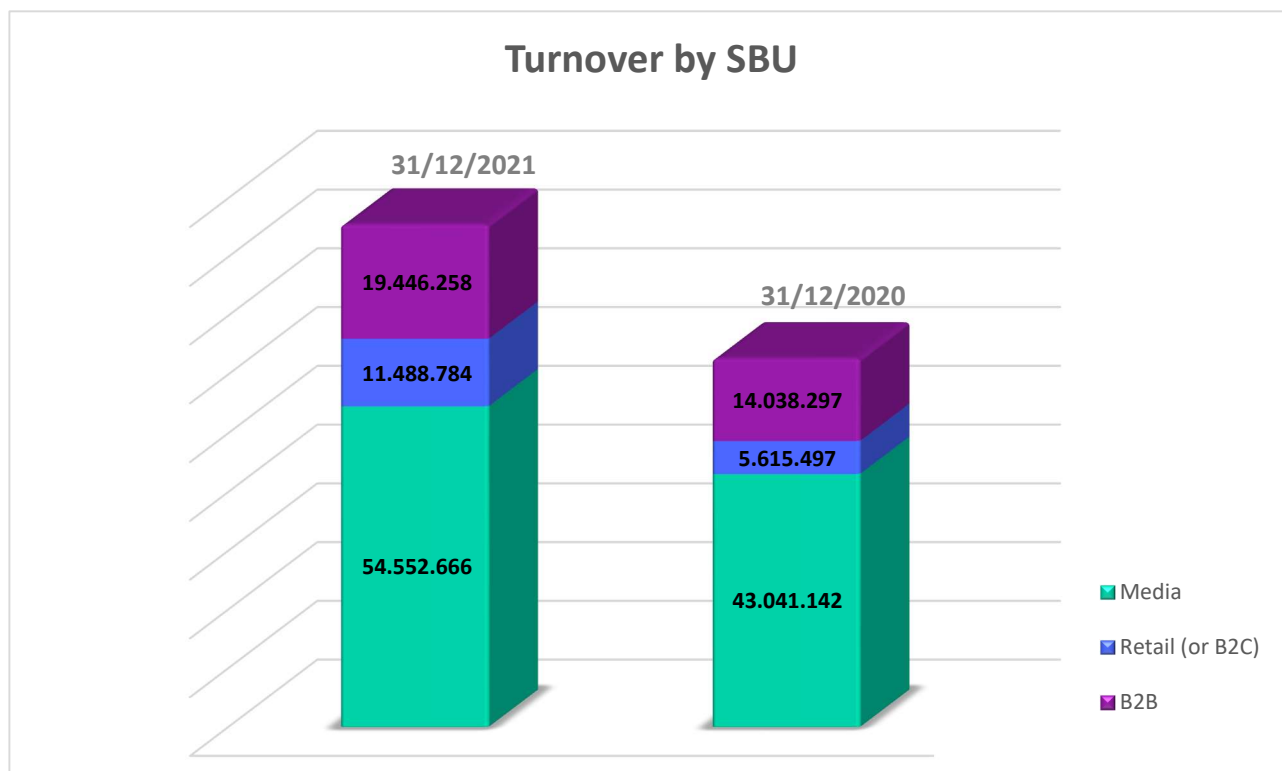
Roberto Panfili, Co-founder and COO of Portobello S.p.A., who said:

"The outstanding economic/financial results reached in 2021, backed by an annual 180% increase in the value of the security, once again affirm a positive growth trend by virtue of the solid business model and the medium to long-term strategies implemented. The retail division grew 105%, thanks to an unbeatable sales offering (both as far as price and as far as the brands offered), further improvement of the store format and an enlargement of the retail area by about 8 thousand sq. m. New openings in different regions of Italy, together with three executive sponsors and a massive media campaign have also upped brand awareness and won over customer loyalty all over the nation. Therefore, despite the immediate hardships brought on by the pandemic and the current Russia-Ukraine war, over the course of 2022 we will be able to forge onward with our far-stretching sales network expansion plan in all Italy, the main objective of our strategic development plan."

Consolidated economic/financial results as at 31 December 2021

Portobello continued its phase of strong growth, recording a value of production of Euro 88.2 million (+37.8% compared to Euro 64.0 million as at 31 December 2020). A breakdown of the 85.5 million euro net turnover as at 2021 by business area is provided below. In 2021 the Media segment saw turnover growth of 26.7%, reaching Euro 54.6 million (Euro 43.0 million as at 31 December 2020), while B2C (Retail) rose by 104.6% to Euro 11.5 million (Euro 5.6 million as at 31 December 2020); the B2B segment also recorded a 38.5% increase to Euro 19.4 million (Euro 14.0 million as at 31 December 2020).

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

- **MEDIA.** The turnover of the Portobello Media channel recorded a 26.7% increase compared to last year. Quite an increase, obtained on all the collection channels. This was made possible thanks to the Company's special, innovative business model that allowed it to strengthen its position on the domestic market, becoming one of the main players in terms of reliability and competitive edge in the advertising sector. Thanks to the uniqueness of the Company's business model, companies can indeed plan their advertising campaigns without the need to draw on financial resources, that is, purchasing advertising services in exchange of goods, therefore achieving a double benefit: the possibility of building promotional campaigns without burdening the company liquidity and reducing inventory *stocks*. Moreover, these companies can take advantage of the tax credit (so-called advertising bonus) up to 50% of the advertising investment made in 2021.
- **RETAIL.** The retail channel recorded a 104.6% increase in turnover in 2021 compared to the same period of 2020. The increase in volumes is mainly related to the new openings and the consolidation of the clientele of the stores opened during 2020, however, like-for-like turnover also recorded major growth rates and an improvement in all the channel's performances. In 2021 the Group opened these 9 stores:
 - Milan - Via Torino, 15
 - Camerano (AN) - C.C. Grotte Center
 - Rome - C.C. Romaest
 - Rome - C.C. la Romanina
 - Catania - C.C. Porte di Catania
 - Olbia - C.C. Olbia Mare
 - Fano (PU) - C.C. Fanocenter
 - Turin - C.C. Porte di Torino - Turin
 - Forlì - C.C. Puntadiferro
- **B2B.** Even B2B sales have recorded outstanding growth - 38.5% more than the same period in 2020 - thanks to the increase in exchange contracts and the Company's ability to seize the opportunities to

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monetise the *stocks* without profit losses. This type of opportunistic activity is useful for monetising those products that are not in line with the Portobello stores, or relating to purchases that have volumes that are too high compared to the stores currently open.

Consolidated EBITDA, equal to Euro 16.5 million as at 31 December 2021, improved by Euro 10.9 million compared to 31 December 2020, equal to a change of 52%. EBITDA as a percentage of value of production amounted to 18.7% (17% as at 31/12/2020), demonstrating how the Company was able to maintain a high profitability index even in a context with markedly complex elements linked to the worldwide Covid-19 global pandemic.

Consolidated EBIT recorded a positive change of 61.9%, amounting to Euro 13.9 million compared to Euro 8.6 million as at 31 December 2020, demonstrating the high profitability of the business model. **EBT** also increased by 57.2% compared to the figures as at 31 December 2020, standing at Euro 13.0 million as at 31 December 2021 compared to Euro 8.3 million in the same period of 2020.

The **Consolidated Net profit** as at 31 December 2021 amounted to Euro 8.8 million, also up sharply compared to the same period of 2020, which closed at Euro 6 million, with an increase of 48.1%. As a percentage of value of production, it was 10%, demonstrating how the Company was able to maintain a high profitability index.

Non-current assets increased by Euro 3.3 million, amounting to 65.4%, due to higher gross investments of Euro 5.9 million and amortisation and write-downs of Euro 2.6 million total.

The **inventories of finished products** increased in absolute terms by approximately 27.5 million reaching a total of Euro 45 million (gross of the related bad debt provision).

Group **Shareholders' equity** of Euro 35 million increased thanks to the profit achieved in 2021, not to mention because of the capital increase.

The total **Net Financial Position** is a negative Euro 17.3 million (negative Euro 13.9 million as at 31 December 2020), while the current NFP is a negative Euro 4.1 million. This change is mainly due to the major investments the Company made in new stores, the new logistics facility, acquisitions and the national communication plan.

Portobello S.p.A. main economic/financial results as at 31 December 2021

- Value of production: Euro 87.2 million (Euro 64.0 million as at 31 December 2020)
- EBITDA: Euro 16.6 million (Euro 10.9 million as at 31 December 2020)
- EBIT: Euro 14.1 million (Euro 8.6 million as at 31 December 2020)
- EBT: Euro 13.3 million (Euro 8.3 million as at 31 December 2020)
- Net profit: Euro 9.1 million (Euro 6.0 million as at 31 December 2020)
- Shareholders' equity: Euro 35.2 million (Euro 16.1 million as at 31 December 2020)
- NFP: Euro 17.7 million (Euro 13.9 million as at 31 December 2020)

Proposal for the allocation of profits for the year

The Board of Directors decided to propose that the Shareholders' Meeting allocate Portobello S.p.A.'s profits for the year, equalling Euro 9,076,811, to a Euro 17,160 legal reserve and a Euro 9,059,651 extraordinary reserve.

Foreseeable business evolution

After a first half of the year that was mixed, the European and Italian economies got back on track, thanks to the combined effect of the improved health situation and the gradual abandonment of restrictive measures to contain the pandemic. Thus, although the health crisis in Italy seems to be under control right now, in late February 2022 there was an earthshaking global geopolitical event - the Russian Federation's

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army invaded the Republic of Ukraine, bringing despair upon all the world's chanceries, especially in EU and NATO countries who promptly responded by imposing stiff economic/financial sanctions on the invader. Among the different consequences, the new scenario has caused further increase in the cost of energy all over Europe, especially in countries that depend heavily on Russian energy procurement, which certainly include Italy. Nevertheless, although our country's future economic implications are not entirely foreseeable, Portobello's production - by its very nature not energy-consuming - ought not to be particularly affected by the Russia-Ukraine war's consequences. As proof of this, Portobello continues to develop its chain of stores, which in late 2021 reached a total surface area of approximately 13,000 square metres, to which new openings will be added in 2022, already contracted, that will bring the surface area of the Company to a total of 24,000 square metres (equal to approximately 96 stores equivalent to Portobello's standard 250 square metre size).

Events after December 31, 2021

In late January 2022, the Company signed a loan contract for a total Euro 5 million with Deutsche Bank. The transaction was meant to back the company's multi-year investment plan, the Company having simultaneously entered into binding agreements with primary business partners dealing in the retail industry for the opening of new stores all over Italy, which call for the sales network to increase by about another 5,000 sq. m., comparable in terms of characteristics and profitability to about 20 stores made with Portobello's standard 250 sq. m. concept, in the next 12 months. The stores will be open at high-traffic malls across the nation in order to reach a much greater number of customers.

In early February, Sae Sardegna S.r.l. - controlled by Sae-Sapere Aude Editori S.p.A. Group (Gruppo Sae), in which Portobello currently holds a share of about 20% of the share capital, – acquired the newspaper, La Nuova Sardegna. The transaction came after Sae Group's December 2020 acquisition of the newspapers Il Tirreno, La Nuova Ferrara, Gazzetta di Modena and Gazzetta di Reggio. Thanks to the acquisition of La Nuova Sardegna, Portobello broadened its local advertising offering, and consequently bolstered SBU Media & Advertising through which to make advertising barter transactions with ad hoc sales agreements.

In the months of February and March, Portobello inaugurated two maxi stores in Emilia Romagna, at the “Centroborgo” and “I Malatesta” malls in Bologna and Rimini respectively. Both malls, as local hubs for shopping and leisure, have large car parks, food courts, a superstore and many other services.

Convocation of the Meeting

The Board of Directors resolved to confer the President with the power to convene the Ordinary and Extraordinary Shareholders' Meeting on April 29, 2022 in a first call, and if needed, on May 2, 2022, in a second call in order to approve Portobello's financial statements and to acknowledge the consolidated financial statements not to mention the necessary resolution to integrate the supervisory body and, for the extraordinary portion, the proposal for amendment of the Articles of Association following the renaming of the multilateral trading system “AIM Italia” to “Euronext Growth Milan” and “Nominated Advisor” to “Euronext Growth Advisor”.

By the deadlines required by current regulations, the notice of calling of the meeting (which shall also state the means of attendance) will be made available to the public at the Company's registered offices, as well as made available on the company website at the URL www.portobellogroup.it, where the annual financial report as at December 31, 2021, consolidated financial report as at 31/12/2021 and the explanatory reports of the directors to the shareholders' meetings - regarding motions concerning items on the agenda - will also be made available.

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Annexes

The following are the main financial statements of Portobello Group for the consolidated results as at December 31, 2021, compared to the corresponding comparative figures (amounts in euro) of Portobello S.p.A. as at 31/12/2020, and specifically:

- Income Statement as at 31/12/2021 (vs. income statement as at 31/12/2020);
- Balance Sheet as at 31/12/2021 (vs. Balance Sheet as at 31/12/2020);
- Portobello S.p.A. Cash Flow Statement as at 31/12/2021 (vs. cash flow statement as at 31/12/2020);

with a reminder that the data provided herein are currently being certified by the Auditing Firm charged with this task.

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CONSOLIDATED INCOME STATEMENT

Income statement (figures in Euro)	31/12/2021	31/12/2020	Absolute Change	Change %
Revenues from sales and services	85,487,707	62,694,936	22,792,771	36.36%
Other revenues and income	2,692,151	1,308,851	1,383,300	105.69%
Value of production	88,179,858	64,003,787	24,176,071	37.77%
raw materials, consumables and goods	83,330,338	51,240,993	32,089,345	62.62%
Change in inventories of raw materials, consumables and goods	(28,060,169)	(7,376,691)	(20,683,478)	280.39%
Cost of sales	55,270,169	43,864,302	11,405,867	26.00%
Gross Margin	32,909,689	20,139,485	12,770,204	63.41%
%	37.32%	31.47%	5.86%	18.61%
Personnel	5,406,702	2,624,428	2,782,274	106.01%
Use of third party assets	3,424,627	1,831,503	1,593,124	86.98%
Services	6,764,358	4,409,893	2,354,465	53.39%
Other operating expenses	798,375	407,048	391,327	96.14%
EBITDA	16,515,627	10,866,613	5,649,014	51.99%
%	18.73%	16.98%	1.75%	10.32%
Amortisation, depreciation, provisions and write-downs	2,629,413	2,288,730	340,683	14.89%
EBIT	13,886,214	8,577,883	5,308,331	61.88%
%	15.75%	13.40%	2.35%	17.50%
Other financial income	45	529	(484)	-91.49%
Interest and other financial charges	(463,518)	(294,218)	(169,300)	57.54%
Value adjustments of financial assets	(400,000)	-	(400,000)	100.00%
Financial management	(863,473)	(293,689)	(569,784)	194.01%
EBT	13,022,741	8,284,194	4,738,547	57.20%
Income taxes for the year, current, deferred and prepaid	4,203,979	2,329,548	1,874,431	80.46%
PROFIT (LOSS) FOR THE PERIOD	8,818,762	5,954,646	2,864,116	48.10%
%	10.00%	9.30%	0.70%	7.49%

(*) EBITDA indicates the result before financial and extraordinary management, taxes, amortisation and depreciation of fixed assets, provisions and write-down of receivables. The EBITDA thus defined represents the indicator used by the Directors of Portobello S.p.A. to monitor and assess the operating performance of the company. Since EBITDA is not identified as an accounting measure within the scope of accounting standards, it should not be considered an alternative measure for the assessment of the performance of the operating results of Portobello S.p.A. Since the composition of the EBITDA is not regulated by the reference accounting standards, the calculation criterion applied by Portobello S.p.A. may not be the same as that adopted by other entities and/or groups and therefore not comparable.

(**) EBIT indicates the result before financial charges and taxes for the year. EBIT therefore represents the result of operations before return on both third-party and own capital. The EBIT thus defined represents the indicator used by the Company's directors to monitor and assess the operating performance of the company. 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 criterion applied by the Company may not be the same as that adopted by other entities and therefore not be comparable with them.

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

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CONSOLIDATED BALANCE SHEET

Balance Sheet (figures in Euro)	31/12/2021	31/12/2020	Absolute Change	Change %
Intangible fixed assets	5,346,804	2,921,276	2,425,528	83.03%
Tangible fixed assets	1,995,790	747,154	1,248,636	167.12%
Financial fixed assets	1,065,870	1,415,056	(349,186)	-24.68%
NET FIXED ASSETS	8,408,464	5,083,486	3,324,978	65.41%
Inventories from direct purchases	14,358,167	2,480,072	11,878,095	478.94%
Inventories from barter purchases	30,661,405	14,479,331	16,182,074	111.76%
Write-down provision	(1,100,000)	(550,000)	(550,000)	100.00%
Inventories	43,919,572	16,409,403	27,510,169	167.65%
Customers	4,309,756	2,634,326	1,675,430	63.60%
Suppliers	(11,887,771)	(3,494,928)	(8,392,843)	240.14%
Trade receivables and payables	(7,578,015)	(860,602)	(6,717,413)	780.55%
Tax receivables and payables	(4,420,652)	(2,242,979)	(2,177,673)	97.09%
Other receivables	1,364,102	1,337,155	26,947	2.02%
Other payables	(2,153,519)	(470,668)	(1,682,851)	357.55%
Accrued income and prepaid expenses	2,536,955	853,430	1,683,525	197.27%
Accrued expenses and prepaid income	(256,035)	(27,084)	(228,951)	845.34%
Other current assets	(2,929,149)	(550,146)	(2,379,003)	432.43%
Advertising to be consumed	20,953,272	21,910,704	(957,432)	-4.37%
Advertising to be provided	(10,013,118)	(11,738,502)	1,725,384	-14.70%
Advertising	10,940,154	10,172,202	767,952	7.55%
NET WORKING CAPITAL	44,352,562	25,170,857	20,513,884	81.50%
Employee severance indemnity	(389,210)	(197,362)	(191,848)	97.21%
Other provisions	(32,637)	(69,556)	36,919	-53.08%
CONSOLIDATED LIABILITIES	(421,847)	(266,918)	(154,929)	58.04%
NET INVESTED CAPITAL	52,339,179	29,987,426	22,351,753	74.54%
Share capital	(619,490)	(533,690)	(85,800)	16.08%
Reserves	(25,548,707)	(9,642,959)	(15,905,748)	164.95%
(Profit) loss for the period	(8,854,332)	(5,954,646)	(2,899,686)	48.70%
Minority Shareholders' interests	(13,430)	-	(13,430)	100.00%
SHAREHOLDERS' EQUITY	(35,035,959)	(16,131,295)	(18,904,664)	118.50%
(Financial payables)	(1,234,117)	(1,680,967)	446,850	(-26.6%)
(Bank payables)	(18,540,278)	(14,812,755)	(3,727,523)	25.20%
Cash and cash equivalents	2,471,175	2,637,591	(527,565)	(-20.0%)
NFP	(17,303,220)	(13,856,131)	(3,447,089)	24.88%
TOTAL SOURCES	(52,339,179)	(29,987,426)	(22,351,753)	74.54%

(*) It should be noted that when preparing the reclassified Balance Sheet, for the purposes of clearer reading and comparability with the financial statements, it was deemed appropriate to allocate the amount of receivables from BEXB totalling Euro 24,144 (499,803 as at 31/12/2020), which were reclassified as cash and cash equivalents in the year ended 31/12/2020, to "Other receivables".

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CASH FLOW STATEMENT*

	31/12/2021	31/12/2020
A) Cash flows from operating activities (indirect method)		
Profit (loss) for the year	9,076,811	5,954,646
Income taxes	4,175,078	2,329,548
Interest expense/(income)	463,473	293,689
<i>1) Profit (loss) for the year before income taxes, interest, dividends and capital gains/losses on disposal</i>	<i>13,715,362</i>	<i>8,577,883</i>
Adjustments for non-monetary items that did not have a counterparty in net working capital		
Allocations to provisions	207,510	126,071
Depreciation/amortisation of fixed assets	1,886,601	1,938,730
Value adjustments to financial assets and liabilities of derivative assets that do not entail monetary movements	400,000	-
<i>Total adjustments for non-monetary items not offset in net working capital</i>	<i>2,494,111</i>	<i>2,064,801</i>
<i>2) Cash flow before changes in net working capital</i>	<i>16,209,473</i>	<i>10,642,684</i>
Changes in net working capital		
Decrease/(Increase) in inventories	(27,456,589)	(7,076,691)
Decrease/(Increase) in trade receivables	(1,793,442)	4,029,681
Increase/(decrease) in trade payables	7,358,174	(7,645,794)
Decrease/(Increase) in accrued income and prepaid expenses	(654,260)	(16,448,590)
Increase/(decrease) in accrued expenses and deferred income	(1,587,516)	2,529,686
Other decreases/(Other increases) in net working capital	298,536	9,810,962
Total changes in net working capital	(23,835,097)	(14,800,746)
<i>3) Cash flow after changes in net working capital</i>	<i>(7,625,624)</i>	<i>(4,158,062)</i>
Other adjustments		
Interest collected/(paid)	(463,473)	(293,689)
(Income taxes paid)	(939,464)	(805,706)
(Use of provisions)	(41,459)	(14,086)
Other collections/(payments)	85,600	(31,672)
<i>Total other adjustments</i>	<i>(1,358,796)</i>	<i>(1,145,153)</i>
Cash flow from operating activities (A)	(8,984,420)	(5,303,215)
B) Cash flows from investment activities		
Tangible fixed assets		
(Investments)	(456,716)	(406,696)
Intangible fixed assets		
(Investments)	(2,265,270)	(2,391,420)
Financial fixed assets		
(Investments)	(2,101,814)	(649,995)
Cash flow from investing activities (B)	(4,823,800)	(3,448,111)
C) Cash flows from financing activities		
Third party means		
Increase/(decrease) in short-term payables to banks	467,181	960,587
Opening of loans	6,000,000	10,255,000
(Repayment of loans)	(3,186,508)	(1,004,974)
Shareholders' Equity		
Share capital increase against payment	9,999,982	144,000
Cash flow from financing activities (C)	13,280,655	10,354,613

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Increase (decrease) in cash and cash equivalents (A ± B ± C)	(527,565)	1,603,287
Cash and cash equivalents at the beginning of the year		
Bank and postal deposits	2,604,369	953,676
Cash and cash equivalents	33,222	80,628
Total cash and cash equivalents at the beginning of the year	2,637,591	1,034,304
Cash and cash equivalents at the end of the year		
Bank and postal deposits	2,070,275	2,604,369
Cash and cash equivalents	39,751	33,222
Total cash and cash equivalents at the end of the year	2,110,026	2,637,591

(*) The Cash Flow Statement is for Portobello S.p.A. and therefore is not consolidated

This press release is available online at www.portobellospa.com in the Investor Relations section and 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 in the resale of advertising space, either proprietary or purchased from third parties, for a monetary consideration or alternatively through the barter system. The Company also manages a chain of Portobello brand stores. In 2021, it achieved Revenues of Euro 88.2 million with an EBITDA of Euro 16.5 million and Net profit of Euro 8.8 million.

Contacts

INTEGRAE SIM
Euronext Growth Advisor
Via Meravigli 13 – 20123 Milan
T +39 02 02 39 44 83 86
info@integraesim.it

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

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