

COMPANY PRESENTATION

PORTOBELLO

Vision

We work to strengthen our circular, ethical and innovative business model and to extend our sales network throughout the national territory. We want to ensure the accessibility of quality products to the largest number of customers and enhance the potential of our partners in a framework of sustainable development. Creating growth opportunities is our vision but above all our passion.

Mission

Thanks to a circular and vertically integrated business model, we are able to offer high quality products at affordable prices through assisted sales in our stores. We want to give consumers the pleasure of buying in the physical store: only products of main brands at prices lower than online stores.

Values



Integrity



Passion



Innovation



Opportunity

Business units

Portobello has a business model organized in three strategic units, vertically integrated to achieve maximum efficiency:



Media

The media business unit deals with the selling of owned or third-party advertising spaces, directly or through barter. Portobello offers to its advertisers spaces in high traffic areas, video walls, magazines and much more.



Retail

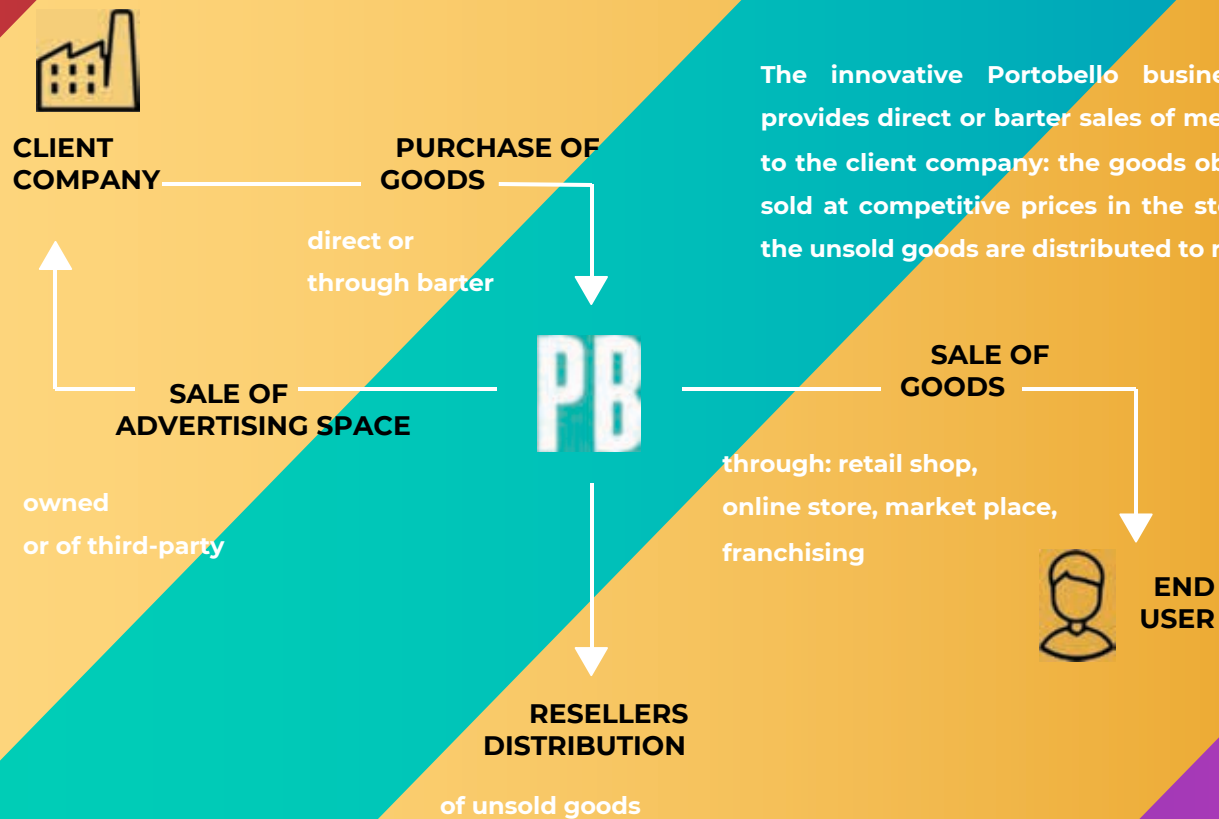
The products obtained thanks to the barter or purchased are sold in the Portobello stores: this allows us to have always different goods on the shelves. Main brands at unbeatable prices, with a complete in-store shopping experience.



B2B

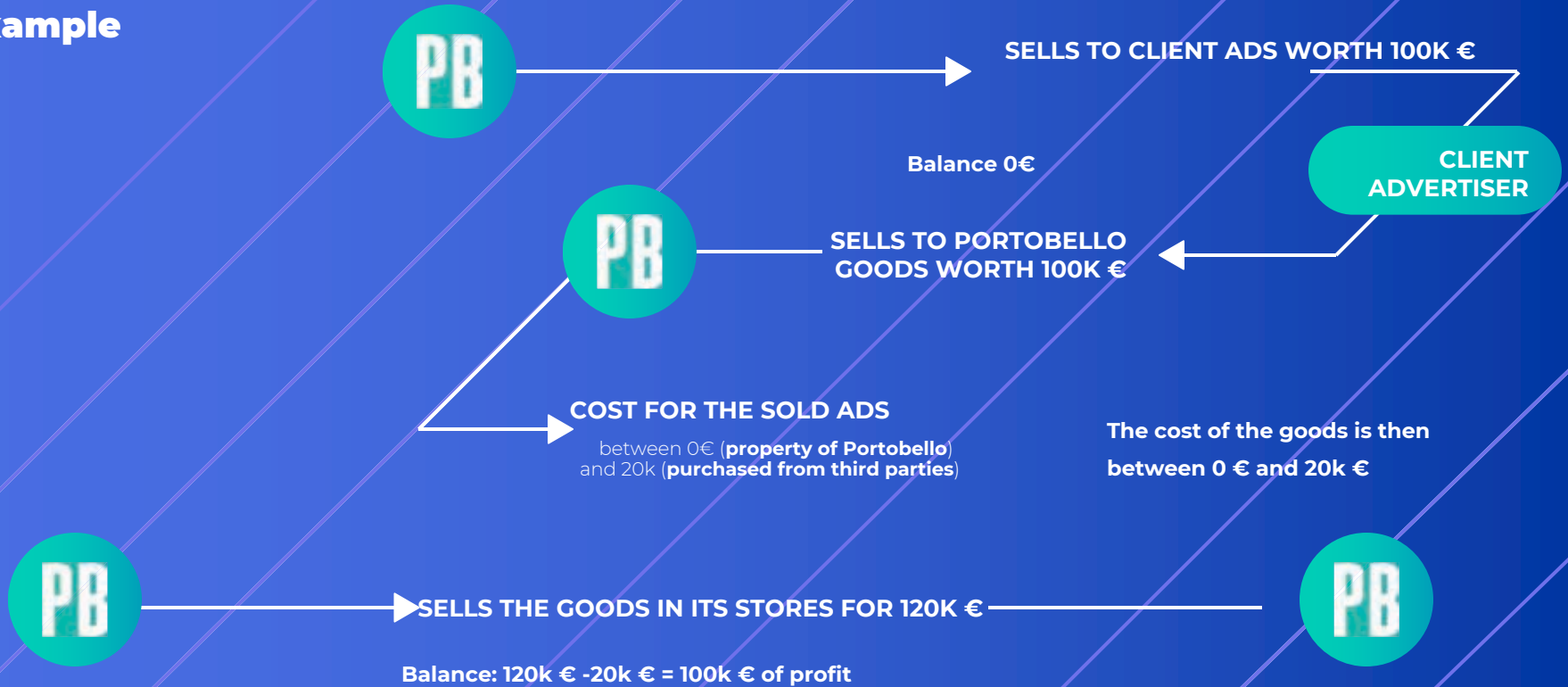
To ensure the best turnover of goods, part of the inventories are sold through B2B channels: this leads on one hand to agreements with international players, on the other to a high rotation of products in the stores.

Business model



The innovative Portobello business model provides direct or barter sales of media spaces to the client company: the goods obtained are sold at competitive prices in the stores, while the unsold goods are distributed to resellers.

Business transaction example



Pricing policy

Thanks to the innovative business model, Portobello provides consumers with products from the best brands at unbeatable prices, even for online giants like Amazon.

Sunglasses

Best price

amazon

€29.90



ITALIA INDEPENDENT

Purchase price Portobello

€1.20^{+VAT}

Final price

PORTOBELLO

€19.90

official retail price
120.00€

Champagne Piper

Best price

amazon

€39.00



CHAMPAGNE
PIPER-HEIDSIECK
Reims France

Purchase price Portobello

€1.45^{+VAT}

Final price

PORTOBELLO

€19.90

official retail price 49.90€

Segway ES1

Best price

amazon

€250.00




Segway-Ninebot

Purchase price Portobello

€20.00^{+VAT}

Final price

PORTOBELLO

€199.00

official retail price 299.00€

Mixer

Best price

amazon

€72.00



 **BOSCH**

Purchase price Portobello

€4.60^{+VAT}

Final price

PORTOBELLO

€39.90

official retail price 79.90€

Barter key elements

Barter transactions may bring several benefits to companies of different sizes, for example:

1\ Financial benefits.

Companies with a slow moving inventory may barter their goods in order to avoid write-off (with financial loss on the income statement and balance sheet) while having a cash saving on marketing expenses.

E.g. product categories with seasonalities (as apparel, accessories, houseware, etc.) become quickly obsolete and may benefit of a barter trade

2\ Fixed Asset optimization.

Companies with high fixed costs and low variable costs may use spare capacity (with lower additional cost) to buy ads and generate visibility and acquire customers

E.g. Hotels, restaurants, gyms, flight carriers, etc. may barter vouchers for ads using spare capacity to save on costs and to acquire new customers

3\ Sales target achievement.

Companies who need to reach sales targets may use barter to increase sales and receive cashback or rebates from brands

E.g. Automotive, consumer electronics, etc.

4\ Adv spending commitment.

Companies who are obliged to invest in adv may use barter to save on adv costs

E.g. Companies working under a franchising contract which force them to make a minimum adv investment

Shops

Portobello stores follow the same fresh and simple outlook of our visual identity, designed to make the shopping experience unique.

Inside, the products range from household essentials, home appliances and gifts, textiles and clothing, home decor and personal care.

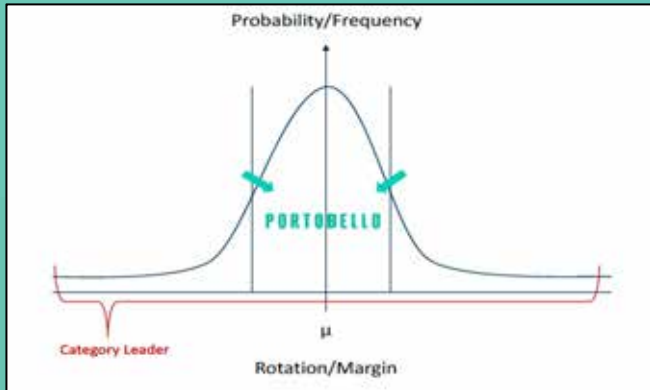
Despite the significant discounts applied to products the purchasing experience is **best in class**, with a sophisticated ambience, soft music, well trained personnel ready to greet and support customers.

The premium look and feel coupled with an incredible value for money offer of recognized brands make the shopping experience unique and of great impact for consumers



Retail competitive advantages

Portobello, unlike the category leaders, only sells a few brands for each product category (houseware, consumer electronics, cleaning products, apparel & accessories). **This specific strategic choice allows it to always choose high margin, high rotation products.** Category leaders (e.g. Acqua & Sapone, Euronics), which are specialised in a unique product category, are obliged to have in their portfolio the full range of products, in order to strengthen their positioning in the market (i.e. both high margin/ high rotation products and low margin/low rotation products). Portobello can instead be very flexible and select only products with high performing ratios since **its strategy is not to be a category leader but to be the price leader**



This strategy (price leader instead of category leader) allows Portobello to achieve 3 competitive advantages

1\ Higher Margins

Portobello in each category is free to select the products with higher margins as long as it has the lowest price. Cutting the long tail, in fact, means to avoid low rotation/low margin products

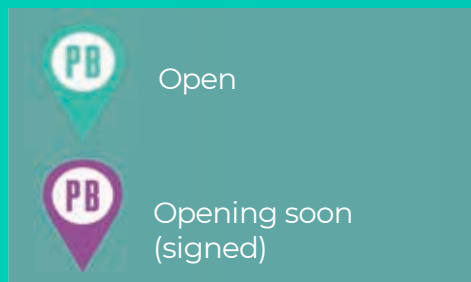
2\ Lower Prices

Portobello procures nearly half of the products sold in stores through barter, thus it's able to offer lower prices to customers while maintaining higher margins

3\ Better Cash conversion

For products sourced in barter there has been no cash out, for products procured with cash payments Portobello may select supplier which offer the best payment conditions, thus having a better cash conversion cycle than competitors

Portobello Stores



Total PoS

Snapshot of entire PoS network at the fourth quarter of 2023 (PoS already opened or signed)

OPENING	POS	CITY	GLA
08/12/2016	Capena	Roma	910
08/12/2016	Via Cassia	Viterbo	227
20/04/2017	Tiburtina	Roma	250
01/10/2018	Viale Europa	Frosinone	355
12/11/2018	S.M. Maggiore	Roma	320
23/04/2019	Grimaldi	Roma	286
18/06/2019	Ostia	Roma	320
25/09/2019	Libia	Roma	300
30/10/2019	Castani	Roma	585
21/11/2019	Tuscolana	Roma	280
18/05/2020	Colli Portuensi	Roma	180
02/12/2020	Corso Genova	Milano	661
12/12/2020	Corso Buenos Aires	Milano	522
01/07/2021	Via Torino	Milano	774
29/07/2021	Grotte Center	Ancona	583
23/09/2021	Romaest	Roma	500
04/11/2021	La Romanina	Roma	1350
06/11/2021	Porte di Catania	Catania	840
06/11/2021	Olbia Mare	Olbia (SS)	2248
18/11/2021	Fano Center	Fano (PU)	615

OPENING	POS	CITY	GLA
25/11/2021	Puntadiferro	Forlì (FC)	396
26/11/2021	Porte di Torino	Torino	713
05/02/2022	CentroBorgo	Bologna	780
05/03/2022	I Malatesta	Rimini	1430
09/04/2022	Adriatico2	Portogruaro	1476
14/04/2022	Borgogioioso	Carpi (MO)	1596
28/05/2022	Città Fiera	Martignacco (UD)	920
09/06/2022	Porto Grande	San Benedetto del Tronto (AP)	1272
04/08/2022	Etnapolis	Belpasso (CT)	888
06/08/2022	ESP	Ravenna	684
17/11/2022	Mongolfiera Japigia	Bari	2000
25/11/2022	Centro Luna	Sarzana (SP)	494
16/02/2023	Curno	Curno (BG)	550
13/04/2023	ToDream	Torino	1000
2023	Katanè	Gravina di Catania (CT)	1206
2023	Il Castello	Ferrara	750
2023	Le Corti Venete	S. Martino Buon Albergo (VR)	1000
2023	Porta a Mare	Livorno	705
2023	Merlata Bloom	Milano	791

The total GLA at H1 2021 was approximately 5k sqm, while at fourth quarter of 2023 it will be more than 30k sqm

Sustainability: Forever CO2 Project

Portobello has joined the **Forever Zero CO2** environmental sustainability project, the carbon offset program of **Forever Bambù**.

Thanks to this ambitious project, **Portobello** has offset the polluting emissions produced by all the stores opened by **December 2022**, through the absorption of approximately 1200 tons of CO2 per year, to a total of 24,000 tons by 2043, by planting a bamboo forest of 46,700 sqm in Civitella Paganico in **Tuscany**. The program was born from the desire to implement the company's carbon offset parallel to the increase in number of the stores on the national territory foreseen by the Industrial Plan.



ePrice

In July 2022, Portobello finalized the acquisition of 50% of the shares of the **ePrice** marketplace. Founded in Milan in 2000, ePrice is **one of Italy's leading online shops**, specializing in the sale of high-tech products (electronics) and a leader in the large household appliances segment.

Through this strategic acquisition **Portobello Group** is preparing to:

- **Become an omnichannel operator**, creating solid synergies between online (e-commerce) and offline (retail chain).
- **Expand the product range on the ePrice 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.



The ranking of the best e-commerce for the Electronics Market

	Azienda	Settore	Rilevanza +	Visitatori unici	Tempo medio	Frequenza di rimbalzo
➡	1 Samsung	Elettronica	1.000	5.887.866	08:32	82,0%
➡	2 UniEuro	Elettronica	936	5.444.123	10:03	56,0%
➡	3 Mediamarket	Elettronica	811	4.631.375	09:19	66,0%
➡	4 ePrice	Elettronica	482	2.537.360	05:40	58,0%
➡	5 Euronics	Elettronica	460	2.385.642	09:08	49,0%
➡	6 Xiaomi	Elettronica	430	2.258.991	04:56	62,0%
➡	7 Apple Store	Elettronica	314	1.461.352	04:04	55,0%
➡	8 HP	Elettronica	308	1.402.028	08:50	66,0%
➡	9 Nintendo	Elettronica	259	1.115.419	07:57	60,0%
➡	10 Huawei	Elettronica	256	1.100.222	09:42	62,0%

Source: Casaleggio & Associati - September 2022

ePrice – integration path

JULY 2022

- The marketplace had 43 employees and was on a «chapter 11» procedure
- No direct (first party) sales, no investments in adv, declining traffic to the portal
- Declining number of sellers and declining fees from third party sales
- Strong brand awareness and good, yet tarnished, customer perception
- Portobello acquired 50% of the marketplace with 25 employees and no liabilities. The remaining 50% was acquired by Riba Mundo, a leading european company in electronic devices B2B trading

FY 2022

- Portobello and Riba Mundo co-managed the company since July with tangible results right from the onset
- Monthly burn rate reduced by 70%
- Complete restructuring of operations and suppliers management procedures
- New investments in adv and subscription to price comparison portals
- Traffic increase and improvement of customer satisfaction
- Increase in the GMV and restart of first party sale (from December 22)

FY 2023

- Omnichannel integration with Portobello supply chain (pick&pay, loyalty program, customer database, etc.)
- Positive Ebitda margin expected by the end of 2023
- Onboarding of new sellers and improvement of the portal KPI
- Launch of media and infotainment sections
- Structured agreements with international brands
- Launch and increase of direct (first party) sales
- Launch of B2B marketplace open to corporate vendors

Financials

	2017	2018	2019	2020	2021	2022
REVENUE	10.00	22.00	45.34	64.00	88.20	130.48
EBITDA	0.54	3.39	8.24	10.87	16.51	24.56*
NET PROFIT	0.34	1.80	4.75	5.95	8.82	14.06*

value in M€

*Adjusted values are obtained by neutralising an extraordinary cost component of approximately EUR 6.4 million, which is not repeatable, and the related tax impact.

THANK YOU