



PRESS RELEASE

**ILBE, FIRST HALF 2022 FINANCIAL STATEMENTS APPROVED:
 REVENUES OF EURO 83.3 MILLION, EBIT MARGIN IN LINE WITH
 FIRST HALF 2021 AT 13.5% OF REVENUE
 NET PROFIT AT EURO 3.4 MILLION
 NFP IMPROVED**

ILBE S.p.A.

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- EBIT at Euro 11.2 million (Euro 15.9 million as of 30 June 2021) and EBIT margin at 13.5% of revenue, in line with H1 2021 (13.9%)
- Adjusted Net Financial Position (debt) at Euro 26.5 million, an improvement from Euro 29.3 million as of 31 December 2021
- Shareholders' equity of Euro 89.4 million (Euro 85,6 million as of 31 December 2021)
- Backlog at Euro 224.9 million, compared to EUR 152.4 million as of 31 December 2021
- 2022 guidance confirmed: revenue growth compared to 2021 and lower margin dynamics

Rome, 30 September 2022 - The Board of Directors of **ILBE (Iervolino and Lady Bacardi Entertainment)** - a company active in the production of film and television content (Euronext Growth Milan - IT0005380602 - IE and Euronext Growth Paris - IT0005380602 - ALIE) - met today and approved the **Consolidated Half-Yearly Financial Report as of 30 June 2022** prepared in accordance with IAS/IFRS.

The Consolidated Half-Year Financial Statements as of 30 June 2022 closed with **Total Revenues of** Euro 83.3 million (Euro 114.2 million as of 30 June 2021) and a **Net Profit of Euro** 3.4 million compared to Euro 12.3 million as at 30 June 2021.

Andrea Iervolino, President and Founder of ILBE, said *'The business consolidation recorded in these six months is a result that confirms the far-sightedness of the Group and will soon be positively influenced also by revenues coming from the most recent projects initiated by ILBE. It worthwhile to remember that our sector is particularly exposed to new challenges and consumer trends, like the digital predominance. Our decision to invest in diversified, quality products, to focus on new digital platforms, anticipating new digital businesses such as NFT and virtual*



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experiences such as the Metaverse, represents the Group's desire to be **a key player in the future of the entertainment and media world**. The Group's solid balance sheet and financial situation,' **Andrea Iervolino** concludes, 'together with extremely interesting margins, particularly for this sector, and an **increasingly rich and innovative library**, are the ingredients that allow us to be optimistic today and contribute with curious imagination to the future of our industry.

EBIT, before certain non-recurring expenses of Euro 1.5 million, amounted to Euro 11.2 million (Euro 15.9 million as of 30 June 2021), or 13.5% of total revenue, remaining almost stable compared to the same period in 2021 (13.9%).

The **Net Debt Financial Position** on 30 June 2022 improved to Euro 26.5 million, as adjusted for Euro 2.1 million in application of IFRS 16 related to the leasing contracts (Euro 29.3 million at 31 December 2021). This trend reflects the positive balance of the period's receipts from customers and from government grants and the outlay for the purchase of 60% of Sobe Sport, a transaction that entailed an outlay of €0.6 million in addition to the assignment to the seller of ILBE ordinary shares for a total value, including share premium, of €600,000.

Net invested capital, consisting mainly of intangible assets (film works, intellectual properties and others) and other fixed assets on 30 June 2022 amounted to Euro 118.0 million. **Net working capital**, which includes government grants from film productions to be monetised from the following financial year, was positive in the amount of Euro 17.3 million.

As of June 30, 2022, **the total contracted production portfolio, backlog, amounted to Euro 224.9 million** (compared to Euro 152.4 million as of December 31, 2021), of which Euro 65.6 million related to activities in the second half of 2022. **Investments related to projects under development** for future production, service (executive production and post-production), licensing, celebrity management and digital ADV activities are estimated at approximately Euro 395.5 million for the three-year period '23-'25.

The postponement of some ILBE Group productions impacted on the results achieved, resulting in a variance in revenues that will be accrued by the end of the year and related to the production of 'Baby Puffin & Bunny' and the thriller 'Muti'.

Business Performance

Productions



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Puffins - During the first half of 2022, 61 episodes of animations were produced and delivered to the customer, leading to the recognition of revenues totalling Euro 20.2 million (including government grants). In addition, the IP Puffins valorisation strategy continued: the DeAgostini Group was identified as the ideal partner for the development of a project aimed at positioning and increasing brand awareness, as well as enhancing the IP.

Baby Puffins & Bunny - In 2022, the Group began production of the new sequel to the animated series Arctic Friends and Puffins, entitled Baby Puffins & Bunny, which will consist of a maximum of 405 episodes of 5 minutes each. During the first half of 2022, 54 episodes in animated version were produced and delivered to the customer, leading to the recognition of revenue totalling Euro 13.7 million (including government grants).

Film works

State of Consciousness - like every film covered by the agreement with Paradox, qualifies as an Italian film and is therefore subject to the "government grant" and European quota rules. For the financial year 2022, revenues related to the delivery of the film were recorded for a total of Euro 4.5 million (including the relevant "government grants").

Muti - For the financial year 2022, revenues related to the delivery of the film totalling Euro 14.4 million were recorded (including accrued 'government grants').

Service activities including licences for the exploitation of Intellectual Properties

These assets totalling Euro 25.3 million, which include the animated series Puffins: Impossible, also include sales of licences for the exploitation of Intellectual Properties relating to the character franchises of the Puffins web series.

Significant events occurring after the end of the period

No significant events occurred after the end of the period

Management Outlook

The Group's activities will focus on the new animated productions in progress (Baby Puffins & Bunny, Mini Puffins Wonder, Swifty and Super Impossible). With regard to new film works, we highlight 'In the fire', starring Amber Heard, Eduardo Noriega, and Lorenzo McGovern Zaini and directed by Conor Allyn, and the new animated films: A Stellar Adventure, In Search of the Arctic Idol, and The Walrus Who Wanted Too Much. With regard to the subsidiaries R.E.D. Carpet, Arte



Video and SoBe Sport, their activities in their respective operating sectors are expected to grow.

In light of the above, a growth in revenues and capitalised works is confirmed for the full year 2022, with a lower margin dynamic than in previous years.

iervolino and Lady Bacardi Entertainment S.p.A. (ILBE) is a global production company founded by Andrea iervolino and active in the production of film and television content including, mainly, films, TV-shows, animated web series.

The company also operates through its subsidiaries Arte Video, and Red Carpet, IES Serbia and Iexchange. The company has been listed on Euronext Growth Milan - IT0005380602 - IE since 2019, and on Euronext Growth Paris - IT0005380602 - ALIE since January 2022. www.ilbegroup.it/com.

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Attached are the reclassified Group profit and loss account and balance sheet, the main indicators of the cash flow statement and details of the Group's NFP.

Reclassified Group Profit and Loss Account:

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Euro thousands	30/06/2022	30/06/2021	Changes	Changes %
Revenues	83,260	114,170	(30,910)	-27%
Operating costs	13,780	4,406	9,374	>100 %
Staff costs	3,435	1,767	1,668	94%
Amortisation, write-downs, and provisions	54,838	92,094	(37,256)	-40%
EBIT	11,207	15,903	(4,696)	-30%
EBIT margin %	13.46%	13.93%	n.a	-0.47%
Non-recurring charges(classified under amortisation and operating costs)	1,511	899	612	68%
EBIT net of non-recurring costs	9,696	15,004	(5,308)	-35%
Net financial charges	3,622	1,905	1,717	90%
Pre-tax result	6,074	13,100	(7,026)	-54%
Taxes	(2,691)	(750)	(1,941)	>100%
Net profit for the period	3,383	12,349	(8,966)	-73%
Group interest	3,342	12,349	(9,007)	-73%
Minority interest	41	-	41	100%

Reclassified Group Balance Sheet:

	Euro thousands	30/06/2022	31/12/2021
Assets			
Non-current assets			
Intangible assets		89,284	99,755
Tangible assets and Rights of use		2,897	505
Deferred tax assets		7,137	8,958
Investments accounted for using the equity method		34	18
Other non-current assets		1,765	1,788
Total non-current assets		101,117	111,024
Current assets			
Trade receivables		52,424	18,759
Tax receivables		944	-
Current financial assets		16,112	12,070
Other current assets		12,899	34,077
Cash and other liquid assets		2,888	3,246
Total current assets		85,267	68,153
Total Assets		186,384	179,177
Shareholders' equity		89,379	85,579
Non-current liabilities			
Employee benefits		330	308
Deferred tax liabilities		106	110
Provisions for liabilities and charges		-	300
Non-current financial liabilities		27,841	32,940
Total non-current liabilities		28,276	33,657
Current liabilities			
Current financial liabilities		19,786	11,665
Trade payables		36,405	22,257
Tax payables		-	1,281
Contractual Liabilities		3,471	16,484
Other current liabilities		9,067	8,254
Total current liabilities		68,729	59,941
Total liabilities		186,384	179,177

Main indicators of the Group's cash flow statement:

Euro thousands	30/06/2022	30/06/2021
A - Net cash flow provided by/(used in) operating activities	26,687	71,740
B - Net cash flow provided by/(used in) investing activities	(27,735)	(73,341)
C - Net cash flow generated/(absorbed) by financing activities	690	435
D - Total cash flow generated/(absorbed) in the period (A+B+C)	(358)	(1,166)
E - Cash and cash equivalents at the beginning of the period	3,246	3,513
F - Cash and cash equivalents at the end of the period (D+E)	2,888	2,347

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Group NFP:

Net financial position - Euro thousands	30/06/2022	31/12/2021
Cash and cash equivalents	(2,888)	(3,246)
Current financial assets	(16,112)	(12,070)
Liquidity	(19,000)	(15,316)
Current portion of non-current financial liabilities	6,392	1,996
Financial liabilities for current leasing	426	-
Other current financial liabilities	12,968	9,669
Current financial debt	19,786	11,665
Net current financial debt	786	(3,651)
Non-current financial liabilities	26,172	32,940
Financial liabilities for non current leasing	1,669	-
Non current Trade Payables	-	-
Non-current financial debt	27,841	32,940
debt NFP	28,627	29,289
<i>of which IFRS 16(leasing)</i>	<i>2,095</i>	<i>-</i>
debt adjusted NFP	26,532	29,289