PORTOBELLO

PRESS RELEASE

PORTOBELLO: the Board of Directors decided to submit to the Shareholders' Meeting the implementation of a stock-grant plan *for the period 2022-2024;* the authorisation for the purchase and disposal of treasury shares; and the issuance of market cap warrants.

Rome, 4 April 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 decided to submit - in addition to that already announced on 21 March 2022 - the following agenda to the Shareholders' ordinary and extraordinary meeting, in a first call on 29 April 2022, and if needed, in a second call on 2 May 2022, to pass resolution on it:

- Implementation of a stock-grant plan and related free share capital increase;
- Authorisation for the purchase and disposal of treasury shares;
- Issuance of equity warrants and related share capital increase.

Pietro Peligra, Chairman of **Portobello**, said, "*The initiatives approved aim on the one hand to create an incentive plan for the employees, targeted at attracting new managerial figures which will be necessary to fuel growth in the coming years and, on the other hand, to give us the maximum operational flexibility, also by optimising the opportunities arising from the valuation of the security, through buy-back plans for the Company itself. Lastly, the issuance of warrants affirms the direct commitment of significant shareholders on the strategic growth of our Group and on the value of Portobello, through a further tangible demonstration of our significant commitment*."

2022-2024 STOCK-GRANT PLAN

The Stock-Grant plan, called "*2022 – 2024 Stock-Grant Plan*" (the "**Plan**") calls for the free assignment of a maximum total of 90,000 rights to the employees of the Company and/or any future subsidiaries – as identified on each occasion by Portobello's Board of Directors - each of which grants the right to receive a Portobello ordinary share free of charge, for each of the three separate tranches envisaged by the Plan, coming from an ad-hoc free share capital increase as set forth in art. 2349 of the Italian Civil Code, subject to the achievement of preset corporate and/or personal performance objectives, set on each occasion for each beneficiary and for every financial year. The Board of Directors also intends to reserve the right - to facilitate the Plan - to be able to avail of any treasury shares held in the securities portfolio by virtue of the authorisation as set forth in art. 2357 of the Italian Civil Code.

The Plan is structured over a time horizon of three financial years (up until 31 December 2024) and acts as a tool for providing incentives to ensuring the loyalty of and attracting the related beneficiaries, being geared not just towards ensuring the direct involvement of the latter in the Company's value creation process but also towards aligning the relevant interests with those of the shareholders in the medium to long-term, by forecasting specific objectives related to Company and/or personal performance.

In implementing the Plan, the Board of Directors intends to submit a proposal to the Shareholders' meeting called in extraordinary session to pass a resolution on a free share capital increase in divisible form up to a maximum amount of Euro 18,000.00, to be allocated entirely to share capital with the issuance of a maximum of 90,000 new ordinary Company shares and the use of a corresponding part of the reserve for profits. The Portobello ordinary shares assigned according to the Plan shall be subject to a 90-day lock-up from the date of assignment.

Being based on the assignment of ordinary shares coming from a free capital increase, if any treasury shares held in the portfolio were to go unused and if the maximum number of 90,000 shares are issued, the Plan entails dilutive effects of 2.71% on Portobello's share capital on today's date and on its shareholders on the date of the Plan's approval. The Plan does not fall in the range of the "Procedure for Transactions with Related Parties" that the Company adopted - where applicable due to the nature of the beneficiaries - since it falls under an instance of express exclusion.

AUTHORISATION FOR THE PURCHASE AND DISPOSAL OF TREASURY SHARES

The request for authorisation to purchase and dispose of treasury shares is meant to allow the Company to purchase ordinary shares for a period of eighteen months, following current domestic and European regulations and the market practices to: (i) allow servicing of compensation plans based on financial instruments or work-for-equity plans or to fulfil obligations arising from conversion commitments; (ii) build a portfolio of treasury shares to dispose of as payment in the context of any extraordinary, strategic or business transactions; (iii) use its treasury shares with a view to utilising the liquidity; (iv) work to boost the liquidity of the security.

Authorisation shall be required even for ordinary share purchase in several tranches up to a maximum number not exceeding 10% of the Company's share capital. Purchase transactions are not instrumental to the decrease in the share capital by cancellation of the treasury shares purchased.

The Board of Directors resolved to propose to the Shareholders' meeting that the purchase price of each share be set in a range -/+ 15% with respect to the official price on the day before the one in which the purchase transaction is completed, and in any event based on the applicable legal provisions.

The transactions for disposing of the treasury shares may be fully or partially carried out at any time, even before having completed the purchases, in the most appropriate ways in the interest of the Company, including fulfilment of obligations or the completion of extraordinary, commercial or business transactions or, in any event, other uses deemed to be of financial/managerial and/or strategic interest to the Company. Treasury shares can be disposed and/or used at the price or, nonetheless, according to the criteria and conditions determined by the Board of Directors, having regard to the implementation methods employed in practice, the trend in the prices of the shares in the period prior to the transaction and the best interest of the Company.

It should be noted that, as of today's date, the Company does not hold any treasury shares in the portfolio.

WARRANTS

The Board of Directors, with the favourable opinion issued by the Related Parties Committee (composed of the Independent Director and the Chair of the Board of Statutory Auditors) also resolved to propose to the Shareholders' Meeting the issuing of up to 200,000 warrants to be allocated on a payment basis - based on prior payment to the Company of an amount of Euro 2.73 each - to the "significant shareholders" Pietro Peligra and Roberto Panfili (equal number each).

The warrants, called "*Market Cap Warrant Portobello*" and valid for exercise for a period of 24 months from their issuing, are subject to the condition which enables the attainment, for at least 5 open stock market sessions in a consecutive period of 30 days of open stock market, of a Portobello share price of at least Euro 80.00.

In said case, the warrants may be exercised within the terms set forth in the regulation at the strike price of Euro 40.00 each and give entitled parties the right to the allocation of one share for each warrant exercised.

It should be noted that the proposed strike price is higher than the weighted average price of the share calculated in the last month, equal to Euro 32.00.

The warrants shall be registered securities, shall not be admitted to trading and cannot be transferred, directly or indirectly, by the relevant beneficiaries by means of a deed between living persons (with the exception of some limited circumstances involving the transfer to companies with which specific control relationships are in place). Vice versa, the warrants shall be freely transferable due to succession on death.

The Board of Directors considered the transaction in question to represent a valid instrument for the additional raising of capital by the Company through the direct investment of the aforementioned shareholders, without this being connected to any repayment obligation on the part of Portobello and, therefore, without any incidence on its indebtedness. In fact, through the aforementioned transaction, the Company would acquire the resources related to the disbursement incurred by the beneficiaries for the issuing of the warrants which would be acquired definitively by the Company with the substantial "loss" of the investment by the aforementioned shareholders in the event in which the exercise conditions were not verified, therefore with the transaction in question representing an investment in risk capital by Pietro Peligra and Roberto Panfili.

The consideration for the allocation of the warrants was determined by the Board of Directors by taking into account, *inter alia*, the report prepared by Leonardo Etro (who holds, among others, the position of "*Associate Professor of Corporate Finance Practice*" at SDA Bocconi School of Management). Said report was prepared on the basis of the criteria normally adopted in market practice for similar transactions and in line with the most commonly recognised valuation methodologies used in national and international professional practice.

At the same time, the Board of Directors proposed to the Shareholders' Meeting the approval of the share capital increase to service the warrants for a maximum nominal amount of Euro 40,000.00, plus premium, through the issuing, also in several tranches of up to 200,000 ordinary shares, with no indication of nominal value and regular dividend entitlement.
It should be noted that the issue represents a transaction of greater importance, pursuant to the "Procedure for Transactions with Related Parties". The information document set forth by the aforementioned procedure will be made available to the public according to the methods and time-scales dictated by the aforementioned procedure and the applicable regulations.

CALLING OF THE SHAREHOLDERS' MEETING

The notice of calling of the Shareholders' Meeting (to be held exclusively via electronic means through the Designated Representative) will be made available to the public at the Company's registered offices, as well as on the company website at the address www.portobellospa.com, where the annual financial report as at 31 December 2021, the consolidated annual report as at 31 December 2021 and the explanatory report of the directors on the proposals concerning items on the agenda will also be made available.

OTHER COMMUNICATIONS

Lastly, the Company announces that, on 5 April 2022, it will take part in the *European SmallCap Event*, organised by CF&B Communication in Paris.

Pietro Peligra, President of Portobello, will outline the consolidated economic-financial results of 2021 and the Group's strategic development.

The institutional presentation will be made available on the website www.portobellospa.com in the section "Investor Relations/Presentazioni e ricerche".

Pursuant to art. 17 of the Euronext Growth Milan Issuers' Regulations, the Company also announces that it has updated the 2022 calendar of corporate events, indicating the date on which the event will be held and is available on the Company's website www.portobellospa.com in the section "Investor Relations/Eventi societari".

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For more information regarding the proposals that will be submitted for review and approval at the next Shareholders' Meeting, ordinary and extraordinary sessions, as described above, please refer to the explanatory report of the directors, which will be published on the Company's website (www.portobellospa.com) at the same time as the publication of the notice of calling of the Shareholders' Meeting.

This press release is available online at www.portobellospa.com in the Investor Relations section and at 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 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.

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