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If you have sold or otherwise transferred all of your Existing Ordinary Shares, please immediately forward this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Existing Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

The Directors (whose names and functions appear on page 4 of this document) accept responsibility, both collectively and individually, for compliance with the AIM Rules and the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Existing Ordinary Shares are admitted to trading on AIM. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The London Stock Exchange has not itself examined or approved the contents of this document. Prospective investors should read this document in its entirety.

This document contains no offer of transferable securities to the public within the meaning of section 102B of the FSMA, the Act or otherwise. Accordingly, this document does not constitute a prospectus within the meaning of section 85 of the FSMA and has not been drawn up in accordance with the Prospectus Rules or approved by the FCA or any other competent authority.

Porta Communications Plc

(Incorporated under the Companies Act 1985 and registered in England and Wales with registered number 05353387)

Proposed £1 million Convertible Loan Agreement with SEC SpA

and

Notice of General Meeting

Your attention is drawn to the letter from the Chairman of the Company which is set out in Part 1 of this document and which contains, amongst other things, the Independent Directors' unanimous recommendation that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting.

Grant Thornton, which, in the United Kingdom, is authorised and regulated by the Financial Conduct Authority, is acting as nominated adviser to the Company in connection with the SEC Convertible Loan and will not be acting for any other person (including a recipient of this document) or otherwise be responsible to any person for providing the protections afforded to clients of Grant Thornton or for advising any other person in respect of the SEC Convertible Loan or any transaction, matter or arrangement referred to in this document. Grant Thornton's responsibilities as the Company's nominated adviser are owed solely to London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document. Grant Thornton does not accept any responsibility whatsoever for the contents of this document, and no representation or warranty, express or implied, is made by Grant Thornton in relation to the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Ordinary Shares or the SEC Convertible Loan and nothing in this document is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or future. Grant Thornton accordingly disclaims all and any responsibility or liability whether arising in tort, contract or otherwise which it may otherwise have in respect of this document or any such statement.

Notice of a General Meeting of Porta Communications Plc, to be held at the offices of Porta Communications Plc at Sky Light City Tower, 50 Basinghall Street, London, EC2V 5DE at 10.00 a.m. on 26 April 2019, is set out at the end of this document. To be valid, the accompanying Form of Proxy for use in connection with the General Meeting should be completed, signed and returned as soon as possible and, in any event, so as to reach the Company's registrars, SLC Registrars Limited, Elder House, St Georges Business Park, 207 Brooklands Road, Weybridge Surrey KT13 0TS, by not later than 10.00 a.m. on 24 April 2019 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting). Completion and return of Forms of Proxy will not preclude Shareholders from attending and voting at the General Meeting should they so wish.

Shareholders who hold their Existing Ordinary Shares in uncertificated form in CREST may alternatively use the CREST Proxy Voting Service in accordance with the procedures set out in the CREST Manual as explained in the notes accompanying the Notice of General Meeting at the end of this document. Proxies submitted via CREST must be received by the issuer's agent (ID 7RA01) by no later than 10.00 a.m. on 24 April 2019 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting). The appointment of a proxy using the CREST Proxy Voting Service will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish.

A copy of this document is available at the Company's website www.portacomms.com

IMPORTANT NOTICE

Cautionary note regarding forward-looking statements

This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Directors' current intentions, beliefs or expectations concerning, among other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies and the Group's markets.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual results and developments could differ materially from those expressed or implied by the forward-looking statements.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document are based on certain factors and assumptions, including the Directors' current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's operations, results of operations, growth strategy and liquidity. Whilst the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Save as required by law or by the AIM Rules, the Company undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors' expectations or to reflect events or circumstances after the date of this document.

Notice to overseas persons

The distribution of this document and/or the Form of Proxy in certain jurisdictions may be restricted by law and therefore persons into whose possession these documents comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Presentation of financial information

Certain data in this document, including financial, statistical and operational information has been rounded. As a result of the rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data. Percentages in tables have been rounded and, accordingly, may not add up to 100 per cent. In this document, references to "pounds sterling", "£", "pence" and "p" are to the lawful currency of the United Kingdom.

Presentation of market, economic and industry data

Where information contained in this document originates from a third party source, it is identified where it appears in this document together with the name of its source. Such third party information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

No incorporation of website information

The contents of the Company's website or any hyperlinks accessible from the Company's website do not form part of this document and Shareholders should not rely on them.

Interpretation

Certain terms used in this document are defined and certain technical and other terms used in this document are explained at the section of this document under the heading "Definitions".

All times referred to in this document and the Form of Proxy are, unless otherwise stated, references to London time.

All references to legislation in this document and the Form of proxy are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation or regulation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

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DIRECTORS, SECRETARY AND ADVISERS

Directors	John Foley (<i>Non-Executive Chairman</i>) Fiorenzo Tagliabue (<i>Non-Executive Deputy Chairman</i>) Emma Kane (<i>Joint Chief Executive Officer</i>) Brian Tyson (<i>Joint Chief Executive Officer</i>) Rhydian Bankes (<i>Chief Financial Officer</i>) Gene Golembiewski (<i>Executive Director</i>) All of whose business address is at the Company's registered and head office
Registered and Head Office	Sky Light City Tower 50 Basinghall Street London EC2V 5DE
Company website	www.portacomms.com
Company Secretary	Gene Golembiewski
Nominated Adviser	Grant Thornton UK LLP 30 Finsbury Square London EC2A 1AG
Legal advisers to the Company	Osborne Clarke LLP One London Wall London EC2Y 5EB
Registrars	SLC Registrars Limited Elder House St Georges Business Park 207 Brooklands Road Weybridge Surrey KT13 0TS

SEC CONVERTIBLE LOAN STATISTICS

Number of Existing Ordinary Shares	506,525,115
Principal Amount of the SEC Convertible Loan	£1,000,000
Conversion Price	1.0137 pence
Current maximum number of Ordinary Shares into which the SEC Convertible Loan converts ¹	94,552,550
Current maximum aggregate number of Ordinary Shares held by SEC following conversion of the SEC Convertible Loan ²	180,266,836
Number of Ordinary Shares in issue following conversion of the SEC Convertible Loan ²	601,077,665
Number of Ordinary Shares into which the SEC Convertible Loan converts as a percentage of the Existing Ordinary Shares ²	18.7 per cent.
Number of Ordinary Shares into which the SEC Convertible Loan converts as a percentage of the enlarged share capital ²	15.7 per cent.
Aggregate interest of SEC as a percentage of the enlarged share capital following conversion of the SEC Convertible Loan ¹	29.99 per cent.
Estimated expenses of the SEC Convertible Loan	£0.04 million

1 The number of Ordinary Shares to be issued to SEC is capped pursuant to the terms of the SEC Convertible Loan Agreement such that in no circumstances will the number of Ordinary Shares that SEC is interested in following the Conversion (taken together with Ordinary Shares in which persons acting in concert with SEC, as such term is defined in the Takeover Code, are interested) carry more than 29.99% of the voting rights of the Company. See paragraph 3(c) of the Letter from the Chairman for further details. The number of Conversion Shares referred to in Note 2 below is calculated on the basis that the maximum number of Ordinary Shares will be issued to SEC, subject to this cap, on the basis that as at the date of this document SEC holds 85,714,286 Ordinary Shares representing 16.92 per cent. of the Existing Ordinary Shares. This figure assumes that SEC and persons acting in concert with SEC do not acquire or dispose of any Ordinary Shares and that the Company does not issue further shares between the date of this document and the date of the Conversion. The number of Ordinary Shares to be issued may be greater than the figure referred to in Note 2 below (in the event that SEC or persons acting in concert with it have disposed of Ordinary Shares or the Company has issued additional Ordinary Shares prior to conversion) or less than the figure stated (dependent on the amount of principal and interest which is converted).

2. Assuming that 94,552,550 Ordinary Shares are issued to SEC on the basis described in Note 1 above and that no further Ordinary Shares are issued by the Company prior to the date of conversion of the Convertible Loan Note.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	<i>2019¹</i>
Publication of this document	10 April
Latest time and date for receipt of Forms of Proxy and CREST voting instructions	10.00 a.m. on 24 April
General Meeting	10.00 a.m. on 26 April
Proposed draw down of the SEC Convertible Loan	By 1 May

Notes:

1. *Each of the above times and/or dates is subject to change at the absolute discretion of the Company and Grant Thornton. If any of the above times and/or dates should change, the revised times and/or dates will be announced through a Regulatory Information Service.*
2. *All events listed in the above timetable following the General Meeting are conditional on the passing of the Resolutions at the General Meeting.*

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

"Act"	the Companies Act 2006 (as amended)
"AIM Rules"	the AIM Rules for Companies published by the London Stock Exchange from time to time
"AIM"	the AIM Market operated by the London Stock Exchange
"certificated form" or "in certificated form"	an Ordinary Share recorded on a company's share register as being held in certificated form (namely, not in CREST)
"Company" or "Porta"	Porta Communications Plc, a company incorporated and registered in England and Wales under the Companies Act 1985 with registered number 05353387
"Conversion"	the conversion of the SEC Convertible Loan as set out in paragraph 3(c) of this document
"Conversion Price"	1.0137 pence per Ordinary Share
"Conversion Shares"	the new Ordinary Shares to be issued to SEC on the Conversion
"Corporate Transaction"	either: (i) a takeover offer pursuant to Chapter 28 of the Companies Act 2006 made by or on behalf of SEC for the entire issued and to be issued share capital of the Company (not already held by or on behalf of SEC) and, where the context so requires, any revision, extension or variation thereof; or (ii) the acquisition by SEC of the entire issued and to be issued share capital of the Company (not already held by or on behalf of SEC) pursuant to a scheme of arrangement made under Part 26 of the Companies Act 2006 between the Company and its shareholders
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (S.I. 2001 No. 3755)
"CREST"	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in those regulations)
"Dealing Day"	a day on which the London Stock Exchange is open for business in London
"Directors" or "Board"	the directors of the Company whose names are set out on page 4 of this document, or any duly authorised committee thereof
"Euroclear"	Euroclear UK & Ireland Limited, the operator of CREST
"Existing Ordinary Shares"	the 506,525,115 Ordinary Shares in issue at the date of this document, all of which are admitted to trading on AIM
"Existing RGL Loan"	the loan agreement dated 3 August 2017 between the Company and Retro Grand Limited for the principal sum of £5,183,415
"Event of Default"	an event of default in relation to the SEC Convertible Loan as described in the SEC Convertible Loan Agreement
"FCA"	the UK Financial Conduct Authority
"Form of Proxy"	the form of proxy for use in connection with the General Meeting which accompanies this document
"FSMA"	the Financial Services and Markets Act 2000 (as amended)
"General Meeting"	the general meeting of the Company to be held at the offices of Porta Communications Plc at Sky Light City Tower, 50 Basinghall Street, London, EC2V

	5DE at 10.00 a.m. on 26 April 2019, notice of which is set out at the end of this document
"Grant Thornton"	Grant Thornton UK LLP, the Company's nominated adviser
"Group"	the Company, its subsidiaries and its subsidiary undertakings
"Hawk"	Hawk Investment Holdings Limited
"Hawk Loan"	the loan described in paragraph 4 of this document
"Hawk Loan Agreement"	the loan agreement between the Company and Hawk in relation to the Hawk Loan
"Independent Directors"	means the Directors other than Fiorenzo Tagliabue
"London Stock Exchange"	London Stock Exchange Plc
"New RGL Loan"	the loan between the Company and Retro Grand Limited for the principal sum of £5,687,328.16
"New RGL Loan Agreement"	the loan agreement between the Company and RGL in relation to the New RGL Loan
"Notice of General Meeting"	the notice convening the General Meeting which is set out at the end of this document
"Ordinary Shares"	ordinary shares of 1 pence each in the capital of the Company
"Prospectus Rules"	the prospectus rules made by the FCA pursuant to section 73A of the FSMA
"Regulatory Information Service"	a service approved by the FCA for the distribution to the public of regulatory announcements and included within the list maintained on the FCA's website
"Resolutions"	the resolutions set out in the Notice of General Meeting
"RGL"	Retro Grand Limited
"SEC Convertible Loan Agreement"	the convertible loan agreement between the Company and SEC in relation to the SEC Convertible Loan
"SEC Convertible Loan"	the £1 million unsecured convertible loan to be granted by SEC to the Company pursuant to the terms and conditions contained in the SEC Convertible Loan Agreement
"SEC"	SEC SpA, whose registered address is at Via F.Aporti, 8, Milan, 20215, Italy
"Shareholders"	holders of Ordinary Shares
"Takeover Code"	the City Code on Takeovers and Mergers, issued by the Panel from time to time
"Takeover Panel" or "Panel"	the Panel on Takeovers and Mergers
"UK"	the United Kingdom of Great Britain and Northern Ireland
"uncertificated" or "in uncertificated form"	an Ordinary Share recorded on a company's share register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
"US" or "United States"	the United States of America, each State thereof, its territories and possessions (including the District of Columbia) and all other areas subject to its jurisdiction

Porta Communications Plc

(Incorporated under the Companies Act 1985 and registered in England and Wales with registered number 05353387)

Directors:

Registered office:

John Foley *(Non-Executive Chairman)*
Fiorenzo Tagliabue *(Non-Executive Deputy Chairman)*
Emma Kane *(Joint Chief Executive Officer)*
Brian Tyson *(Joint Chief Executive Officer)*
Rhydian Bankes *(Chief Financial Officer)*
Gene Golembiewski *(Executive Director)*

Sky Light City Tower
50 Basinghall Street
London
EC2V 5DE

10 April 2019

To Shareholders

Dear Shareholder,

Proposed £1 million Convertible Loan Agreement with SEC SpA

and

Notice of General Meeting

1. Introduction and summary

Your Board announced today, at the same time as publishing the final results for the year to 31 December 2018, that:

- it has received a preliminary approach from SEC in relation to the potential all share merger of Porta and SEC to be conducted by way of a scheme of arrangement;
- it has entered into the SEC Convertible Loan Agreement for £1 million to meet the working capital requirements of the Company;
- it has entered into the Hawk Loan Agreement; and
- it has refinanced the Existing RGL Loan and has entered into the New RGL Loan Agreement.

Draw down of the SEC Convertible Loan is conditional upon the passing of Resolutions 1 and 2 at the General Meeting. The proceeds of the SEC Convertible Loan would be used to fund general working capital requirements.

The purpose of this document is, amongst other things, to provide you with information about the background to and the reasons for the SEC Convertible Loan, the Hawk Loan and the New RGL Loan, to explain why the Independent Directors consider the SEC Convertible Loan to be in the best interests of the Company and the Shareholders as a whole, and explain why the Independent Directors unanimously recommend that Shareholders vote in favour of the Resolutions.

The Resolutions will be proposed at the General Meeting, notice of which is set out at the end of this document.

Shareholders should be aware that in the event the Resolutions are not passed, the SEC Convertible Loan Agreement will not become unconditional and will lapse in accordance with its terms. In such circumstances the Company will instead draw down the Hawk Loan, the terms of which the Independent Directors consider to be less commercially favourable than the terms of the SEC Convertible Loan.

2. Background to and reasons for the SEC Convertible Loan

The Group maintained a positive level of adjusted underlying EBITDA in 2018 despite the major restructuring of the UK businesses which was both costly and time consuming. As well as the removal of net annualised costs of £3.6m over the last eighteen months, the restructuring included the successful integration of Redleaf Polhill Limited, ICAS Limited (trading as "Publicasity") and Newgate Communications Limited into a cohesive market facing offering run by a single management structure. This process is now nearing its conclusion and the potential of the UK business and Group can be more clearly seen; it is evidenced by EBITDA achieved by Newgate in the UK during the first two months of 2019, which is significantly ahead of the prior year before the new management and restructuring was fully implemented. That said, given the political climate in the UK there can be no guarantee that this trend will continue.

While the Group is now better positioned from an operational perspective, it needs to repair its balance sheet which was damaged by certain of its businesses in the UK underperforming, and certain acquisitions not being fully integrated and managed, compounded by a reliance on major, one-off projects in the UK to support the existing cost structure at the time.

In addition, as announced today, Porta and SEC have entered into discussions concerning a possible all-share merger of the two companies (the "**Potential Merger**"). The Potential Merger could create a strategic communications company of scale with offices in key markets across the UK, Europe, the Middle East, APAC and South America. The benefits could include:

- Complementary geographic networks with very limited crossover
- The scale and capacity to extend the international network to strategic markets such as the US and additional markets in Asia
- The roll-out of proprietary new market research and communications product offerings across the enlarged group's footprint
- Synergies and reduced head office costs relating to a combined listed entity
- A strengthened balance sheet for the combined business
- An expanded shareholder base

The Group's three major shareholders and existing connected party lenders have offered to provide funding to enable the next stage of Porta's development to be funded appropriately and for the discussions in respect of the potential merger to be held. The SEC Convertible Loan Agreement set out in this Circular should be viewed in the context of the Potential Merger.

3. The SEC Convertible Loan Agreement

As at the date of this document, the Company has entered into the SEC Convertible Loan Agreement, pursuant to which SEC has conditionally agreed to provide the Company with an unsecured £1 million convertible loan. Draw down of the SEC Convertible Loan is conditional on, amongst other things, the passing of the Resolutions. Subject to Shareholder approval being obtained for the Resolutions at the General Meeting, drawdown of the SEC Convertible Loan is expected to occur on or around 1 May 2019.

(a) **Amount**

The SEC Convertible Loan is for a total amount of £1 million.

(b) **Conditions to Draw down**

Draw down under the SEC Convertible Loan is conditional upon, amongst other things, the Resolutions being passed at the General Meeting and there being no Event of Default. In the event that the Resolutions are not passed, or the other conditions are not met, the SEC Convertible Loan Agreement will lapse in accordance with its terms.

(c) **Conversion**

Either the Company or SEC may give notice to convert all (but, save as set out below, not part only) of the SEC Convertible Loan and interest owing at the date of such notice into such number of Ordinary Shares as shall at the Conversion Price have a value equal to the capital plus interest owing to SEC:

- (i) on or at any time during the seven days following the date falling 4 calendar months from the date on which the Resolutions are passed (the "**Effective Date**"), unless a Corporate Transaction is continuing at such time; or
- (ii) on or at any time during the seven days following such earlier date than the date falling 4 calendar months from the Effective Date that a Corporate Transaction completes in accordance with its terms; or
- (iii) in the event that a Corporate Transaction is continuing on the date falling 4 calendar months from the Effective Date, on or at any time during the seven days following such later date than the date falling 4 calendar months from the Effective Date that a Corporate Transaction either completes or lapses in accordance with its terms.

SEC may on or at any time following the occurrence of an Event of Default, require the Conversion.

The number of Conversion Shares to be issued is capped such that SEC does not become interested in more than 29.99 per cent. of the voting rights of the Company, with any excess Conversion Shares not being converted and remaining as an outstanding, unsecured obligation of the Company on the terms of the SEC Convertible Loan Agreement. The conversion of the SEC Convertible Loan would currently result in the issue of a maximum of 94,552,550 new Ordinary Shares ("**Conversion Shares**") and a resultant maximum interest in the Company assuming no other Ordinary Shares are issued of 180,266,836 Ordinary Shares representing 29.99 per cent. of the enlarged issued share capital of the Company, and a remaining £41,500 of principal under the SEC Convertible Loan (plus interest) (the "**Outstanding Debt**").

The Conversion Price is equal to the 6 month volume weighted average price for Ordinary Shares for the period ending 5 April 2019. The Independent Directors consider this to be a fair and reasonable basis of calculation.

(d) **Repayment**

Following a Conversion, the Company shall repay the Outstanding Debt with all interest, together with any other amounts payable pursuant to the SEC Convertible Loan Agreement to SEC by no later than 31 December 2019.

If there has been no Conversion, the Company shall on 30 June 2020 pay to SEC any debt outstanding under the SEC Convertible Loan with all interest, together with any other amounts payable pursuant to the SEC Convertible Loan Agreement.

At the sole discretion of SEC, SEC may demand that the SEC Convertible Loan together with all interest and other amounts payable under the SEC Convertible Loan Agreement is repaid to SEC upon the occurrence of an Event of Default.

(e) **Events of Default**

The SEC Convertible Loan Agreement contains certain Events of Default, including but not limited to the occurrence of any of the following events:

- (i) any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - (A) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company, other than any winding-up petition which is frivolous or vexatious and is discharged, stayed, or dismissed within 30 days of commencement;

- (B) a composition, compromise, assignment or arrangement with any creditor of the Company;
 - (C) the appointment of a liquidator (other than in respect of a solvent liquidation), receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Company or any of its assets;
 - (D) enforcement of any security over any assets of the Company;
 - (E) the removal of the listing of the Ordinary Shares from the AIM Appendix of the Official List maintained by the Financial Conduct Authority (other than in connection with a Corporate Transaction);
 - (F) the cancellation of trading of the Ordinary Shares on AIM (other than in connection with a Corporate Transaction); or
 - (G) the re-registration of the Company as a private company limited by shares (other than in connection with a Corporate Transaction);
- (ii) any financial indebtedness of the Company is not paid when due nor within any originally applicable grace period;
 - (iii) any financial indebtedness of the Company is declared or otherwise becomes due and payable prior to its specified maturity as a result of any event of default (however described);
 - (iv) any commitment for any financial indebtedness of the Company is cancelled or suspended by a creditor of the Company as a result of acceleration following an event of default (however described);
 - (v) the Company is unable to pay its debts as they fall due by reason of actual or anticipated financial difficulties; or
 - (vi) the Company makes or proposes to make an arrangement or composition with its creditors generally.

No Event of Default will occur pursuant to sub-paragraphs (ii) to (iv) (inclusive) if the financial indebtedness is less than £50,000 in aggregate (or its equivalent in other currencies).

Upon the occurrence of an Event of Default the SEC Convertible Loan shall become immediately due and repayable. Following the occurrence of an Event of Default, SEC may:

- (i) exercise its right to demand that the Loan and any interest accrued be repaid in whole or part immediately; and/or
- (ii) exercise its right of Conversion.

(f) **Security**

The SEC Convertible Loan will be unsecured.

(g) **Interest**

The SEC Convertible Loan accrues interest from (and including) the date on which the SEC Convertible Loan is drawn down to (and including) the date of actual repayment of the SEC Convertible Loan in full or until the Conversion at the rate of 5 per cent. (five per cent) per annum.

As mentioned above, the number of Ordinary Shares to be issued to SEC is capped pursuant to the terms of the SEC Convertible Loan Agreement such that in no circumstances will the number of Conversion Shares that SEC is interested in (taken together with Ordinary Shares in which SEC and persons acting in concert with SEC, as such term is defined in the Takeover Code, are interested) carry more than 29.99 per cent. of the voting rights of the Company. As at the date of this document, SEC holds 85,714,286 Ordinary Shares representing 16.92 per cent. of the Existing Ordinary Shares. Therefore assuming that SEC and persons acting in concert with SEC do not acquire or dispose of any Ordinary Shares between that date of this document and the date of Conversion the maximum

number of Ordinary Shares that could be issued to SEC pursuant to conversion of the SEC Convertible Loan is 94,552,550 Ordinary Shares representing approximately 15.7 per cent. enlarged share capital of the Company, giving a maximum aggregate shareholding of 29.99 per cent. of the enlarged issued share capital. The number of Ordinary Shares to be issued may be greater than the figure referred to above (in the event that SEC or persons acting in concert with it have disposed of Ordinary Shares or the Company has issued additional Ordinary Shares prior to Conversion) or less than the figure stated (dependent on the amount of principal and interest which is converted).

4. **Hawk Investment Holdings Limited**

In the event that the Resolutions are not passed and/or other conditions to which the availability of the SEC Convertible Loan is subject are not satisfied, the Company would be unable to draw down on the SEC Convertible Loan and the SEC Convertible Loan Agreement will lapse in accordance with its terms. In such circumstances Hawk Investment Holdings Limited ("**Hawk**") has agreed to provide the Company with a loan of £1 million (the "**Hawk Loan**") pursuant to the Hawk Loan Agreement. The Hawk Loan is for a term of 364 days from the date of the Hawk Loan Agreement (the "**Repayment Date**") at an annual interest rate of 5 per cent. per annum ("**Standard Interest**"). If there is capital or interest outstanding under the Hawk Loan at the Repayment Date then additional interest will accrue at a rate of 12 per cent. per annum in addition to the Standard Interest to the date of repayment.

The Hawk Loan Agreement provides that the Company shall pay Hawk an arrangement fee of £5,000 and a utilisation fee of £15,000. The utilisation fee is only payable if the Company draws down the Hawk Loan.

The Directors consider the terms of the Hawk Loan to be considerably less commercially advantageous than the SEC Convertible Loan for the following reasons;

- (a) the default interest rate under the Hawk Loan on overdue principal and interest is 12 per cent. above the Standard Interest rate of 5 per cent., whereas the default interest rate under the SEC Convertible Loan is 5 per cent.; and
- (b) the Hawk Loan is repayable in cash only. The SEC Convertible Loan is convertible into Ordinary Shares in the circumstances described in paragraph 3(c) above.

For the above reasons, the Independent Directors believe that the Hawk Loan would add to the already large debt burden borne by the Company when compared with the SEC Convertible Loan which it is expected will convert into Ordinary Shares. Accordingly the Independent Directors unanimously recommend that you vote in favour of the Resolutions at the General Meeting and thereby authorise the Company to draw down on the SEC Convertible Loan. If the Resolutions are passed, the Hawk Loan Agreement will lapse in accordance with its terms and the Company, subject to the conditions attaching to the SEC Convertible Loan being satisfied, expects to draw down on the SEC Convertible Loan.

5. **Retro Grand Limited**

The Company is in default of the Existing RGL Loan, which is dated 3 August 2017, as it was not repaid on or before 29 June 2018 in accordance with its terms. The Company has accordingly entered into the New RGL Loan to refinance the Existing RGL Loan. The New RGL Loan is for a sum of £5,687,328.16 which consists of the principal sum of £5,183,415 under the Existing RGL Loan and accrued standard and additional interest thereon, and previously incurred arrangement fees in relation to the Existing RGL Loan. No new money will be advanced to the Company under the New RGL Loan. The New RGL Loan is for a term of 364 days at an annual interest rate of 8 per cent., to be compounded quarterly in arrears.

Under the New RGL Loan, in common with the Existing RGL Loan, RGL has the option of converting the loan into Ordinary Shares with the conversion price calculated on the basis of the average closing price of Ordinary Shares for the five business days immediately prior to a notice of conversion being issued. Such conversion is conditional on the Company securing the requisite Shareholder authority to allot the relevant number of conversion shares.

RGL has agreed to write off £485,678.85 of default interest which had accrued under the Existing RGL Loan.

6. **Current trading and prospects**

The restructured UK business has performed in line with the Board's expectations in the first two months of 2019 and the Group's performance was ahead of the equivalent period in 2018. However, there can be no certainty that this trend will continue as our major markets of the UK and Australia both face some immediate political uncertainty which could affect demand for our services during 2019. It is the Board's belief that we now have a business which is better able to operationally withstand such external pressures.

7. Use of proceeds

The Directors intend that the net proceeds of the SEC Convertible Loan of £1 million will be used to fund general working capital requirements of the Company and its subsidiaries.

8. Related Party Transactions

The SEC Convertible Loan constitutes a related party transaction pursuant to Rule 13 of the AIM Rules for Companies as a result of Fiorenzo Tagliabue's shareholding in and directorship of SEC. The Independent Directors consider, having consulted with the Nominated Adviser, that the terms of the SEC Convertible Loan are fair and reasonable insofar as the Company's Shareholders are concerned. The New RGL Loan and the Hawk Loan constitute related party transactions pursuant to Rule 13 of the AIM Rules for Companies as Morton PTC Limited, as the trustee of the Morton Family Trust, is the legal owner of Hawk (a substantial shareholder of the Company) and as the trustee of the Edward Trust, is the legal owner of RGL. The Directors consider, having consulted with the Nominated Adviser, that the terms of the New RGL Loan and the Hawk Loan are fair and reasonable insofar as the Company's Shareholders are concerned.

9. The General Meeting

Set out at the end of this document is a notice convening the General Meeting to be held on 26 April 2019 at the offices of Porta Communications Plc at Sky Light City Tower, 50 Basinghall Street, London, EC2V 5DE at 10.00 a.m., at which the Resolutions will be proposed for the purposes of approving the allotment and issue of Conversion Shares on conversion of the SEC Convertible Loan.

Resolution 1, which will be proposed as an ordinary resolution, is to authorise the Directors to allot Ordinary Shares or to grant rights to subscribe for or convert any security into Ordinary Shares up to an aggregate nominal amount of £1,114,355.25 (being 111,435,525 Ordinary Shares) in connection with the SEC Convertible Loan and the allotment of any Conversion Shares to be issued on the conversion of the SEC Convertible Loan. As set out in paragraph 3(c) of this document is not possible at this stage to definitively calculate the number of Ordinary Shares that may be issued upon the conversion of the SEC Convertible Loan. Accordingly the above-mentioned aggregate nominal amount includes additional headroom to ensure that the Company has sufficient allotment authority available to cover both the principal amount of and the interest accruing on the SEC Convertible Loan.

Resolution 2, which will be proposed as a special resolution and which is conditional upon the passing of Resolution 1, disapplies Shareholders' statutory pre-emption rights in relation to the SEC Convertible Loan and the allotment of any Conversion Shares to be issued on the conversion of the SEC Convertible Loan.

The authority and disapplication referred to in Resolution 1 and 2 above will be in addition to any existing authority and disapplication granted to the Directors and will expire on 26 April 2020 (save that the Company may at any time before such expiry make an offer or agreement which would or might require such shares or rights to be allotted or granted after such expiry and the Directors may allot such shares or grant such rights in pursuance of such offer or agreement notwithstanding the authority hereby conferred has expired).

Action to be taken

A Form of Proxy for use at the General Meeting accompanies this document. The Form of Proxy should be completed and signed in accordance with the instructions thereon and returned to the Company's registrars, SLC Registrars Limited, Elder House, St Georges Business Park, 207 Brooklands Road, Weybridge Surrey KT13 0TS, as soon as possible, but in any event so as to be received by no later than 10.00 a.m. on 24 April 2019 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting).

If you hold your Existing Ordinary Shares in uncertificated form in CREST, you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual. Further details are also set out in the notes accompanying the Notice of General Meeting at the end of this document. Proxies submitted via CREST must be received by the issuer's agent (ID 7RA01) by no later than 10.00 a.m. on 24 April 2019 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting).

The completion and return of a Form of Proxy or the use of the CREST Proxy Voting Service will not preclude Shareholders from attending the General Meeting and voting in person should they so wish.

10. **Importance of the Resolutions**

Shareholders should be aware that in the event the Resolutions are not passed, the SEC Convertible Loan Agreement will not become unconditional and will lapse in accordance with its terms. In such circumstances the Company expects to instead draw down the Hawk Loan, the terms of which the Independent Directors consider to be less favourable than the terms of the SEC Convertible Loan.

11. **Recommendation**

The Independent Directors consider the SEC Convertible Loan to be in the best interests of the Company and its Shareholders as a whole and accordingly unanimously recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting as they have irrevocably undertaken to do so in respect of their beneficial holdings amounting, in aggregate, to 34,433,427 Existing Ordinary Shares, representing approximately 6.8 per cent. of the existing issued ordinary share capital of the Company. Fiorenzo Tagliabue has not participated in the recommendation of the SEC Convertible Loan as he is not considered to be independent for the purposes of such recommendation as a result of his shareholding in and directorship of SEC.

Irrevocable undertakings to vote in favour of the Resolutions have been received from (i) SEC in respect of 85,714,286 Ordinary Shares, (ii) from Hawk and RGL in respect of 105,192,008 Ordinary Shares and (iii) from the Independent Directors in respect of 34,433,427 Ordinary Shares which in aggregate represent approximately 44.5 per cent. of the existing issued ordinary share capital of the Company.

Yours faithfully

John Foley
Chairman

NOTICE OF GENERAL MEETING

Porta Communications Plc

(Incorporated under the Companies Act 1985 and registered in England and Wales with registered number 05353387)

NOTICE IS HEREBY GIVEN THAT a general meeting of Porta Communications Plc (the "**Company**") will be held at the offices of Porta Communications Plc at Sky Light City Tower, 50 Basinghall Street, London, EC2V 5DE, at 10.00 a.m. on 26 April 2019 to consider and, if thought fit, to pass the following resolutions of which resolution 1 will be proposed as an ordinary resolution of the Company and resolution 2 will be proposed as a special resolution of the Company:

ORDINARY RESOLUTION

1. THAT, in addition to the existing authorities granted to the Directors, the Directors be and they are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the "**Act**") to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares of the Company up to an aggregate nominal amount of £1,114,355.25 pursuant to the conversion of the SEC Convertible Loan (as such term is defined in the circular to shareholders of the Company dated 10 April 2019) provided that this authority shall expire on 26 April 2020 (except that the Company may at any time before such expiry make an offer or agreement which would or might require such shares or rights to be allotted or granted after such expiry and the Directors may allot such shares or grant such rights in pursuance of such offer or agreement notwithstanding the authority hereby conferred has expired).

SPECIAL RESOLUTION

2. THAT, in addition to the existing authorities granted to the Directors and conditional upon the passing of resolution 1, the Directors be and they are empowered pursuant to section 570(1) and 571(1) of the Act, as applicable, to allot equity securities (as defined in section 560 of the Act) of the Company for cash pursuant to the authority of the Directors under section 551 of the Act conferred by resolution 1 as if section 561(1) of the Act did not apply to such allotment provided that the power conferred by this resolution shall be limited to the allotment of shares in the Company in connection with the conversion of the SEC Convertible Loan (as such term is defined in the circular to Shareholders of the Company dated 10 April 2019) and this authority shall expire on 26 April 2020 (except that the Company may at any time before such expiry make an offer or agreement which would or might require such shares or rights to be allotted or granted after such expiry and the Directors may allot such shares or grant such rights in pursuance of such offer or agreement notwithstanding the authority hereby conferred has expired).

Dated: 10 April 2019

Registered Office:

Sky Light City Tower
50 Basinghall Street
London
EC2V 5DE

By order of the Board:

Gene Golembiewski
Company Secretary

Notes:

1. A member who is entitled to attend, speak and vote at the meeting may appoint a proxy to attend, speak and vote instead of him. A proxy need not be a member of the Company but must attend the meeting in order to represent you. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares (so a member must have more than one share to be able to appoint more than one proxy). A Form of Proxy accompanies this document. The notes to the Form of Proxy include instructions on how to appoint the chairman of the meeting or another person as a proxy and how to appoint a proxy by using the CREST proxy appointment service. To be valid the Form of Proxy must reach the Company's registrar, SLC Registrars Limited, Elder House, St Georges Business Park, 207 Brooklands Road, Weybridge Surrey KT13 0TS by 10.00 a.m. on 24 April 2019 (or, if the meeting is adjourned, 48 hours before the time fixed for the adjourned meeting).
2. The SEC Convertible Loan Agreement is available for inspection at the registered office of the Company during usual business hours on any weekday (Saturday, Sunday and public holidays excluded) from the date of this notice until the meeting and will be available for inspection at the place of the meeting for at least 15 minutes prior to and during the meeting.
3. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders registered in the register of members of the Company at 6.30 p.m. on 24 April 2019 (or, if the meeting is adjourned, 48 hours before the time fixed for the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. In each case, changes to the register of members after such time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
4. Please note that communications regarding the matters set out in this Notice of General Meeting will not be accepted in electronic form.
5. In the case of joint holders of shares, the vote of the first named in the register of members who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders.
6. A member that is a company or other organisation not having a physical presence cannot attend in person but can appoint someone to represent it. This can be done in one of two ways: either by the appointment of a proxy (described in note 1 above) or of a corporate representative. Members considering the appointment of a corporate representative should check their own legal position, the Company's articles of association and the relevant provision of the Companies Act 2006.

If a member has exercised the right, pursuant to the Company's articles of association and section 145 of the Companies Act 2006, to nominate another person to exercise the right to attend, speak or vote at the meeting or appoint a proxy for the meeting, then that nominee shall have those rights to the exclusion of the member.