



Investor Questions and Answers: August 23, 2022

Presented below are responses to various questions regarding Portillo's "synthetic secondary" offering.

What is a "synthetic secondary" offering?

In connection with Portillo's initial public offering ("IPO"), Berkshire Partners has the right to require Portillo's to engage in "synthetic secondary" offerings from time to time. In this type of post-IPO transaction, Portillo's issues and sells new shares of Class A common stock to the public and uses the proceeds from that sale to repurchase shares of Class A common stock and Class B common stock (and associated LLC units) from existing shareholders. Such transactions give certain pre-IPO equity holders the ability to monetize their investment in Portillo's over time.

Is a synthetic secondary transaction dilutive to Portillo's stockholders?

No. As a result of the "synthetic secondary" transaction, on a net basis, the number of shares of Class A common stock that are freely tradeable on the Nasdaq increased and the number of shares of Class A common stock and Class B common stock (and associated LLC units) held by the selling stockholders decreased by an equal amount. As such, the total number of shares of Class A common stock and Class B common stock remained the same. Due to the decrease in the number of LLC units held by the selling stockholders and the corresponding increase in the number of LLC units held by Portillo's, the amount of net income attributable to the shares of Class A common stock also increased.

How does PHD Group Holdings LLC fit into Portillo's corporate structure?

Our pre-IPO equity holders primarily held their ownership interests in Portillo's business through the form of limited liability company interests, or LLC units, in a holding company called PHD Group Holdings LLC. In connection with our IPO, PHD Group Holdings LLC became a subsidiary of Portillo's Inc. In the IPO, Portillo's Inc. issued and listed shares of its Class A common stock on the Nasdaq public exchange and also issued shares of its Class B common stock to the pre-IPO equity holders that held LLC units.

Please see "Item 1A. Risk Factors" as well as our consolidated audited financial statements in our Annual Report on Form 10-K for the year ended December 26, 2021 filed with the Securities and Exchange Commission for more information on our business, our corporate structure and the risks related to ownership of our Class A common stock.

This Investor Questions and Answers form does not constitute an offer to sell or the solicitation of an offer to buy shares of Class A common stock, nor shall there be any sale of shares of Class A common stock in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.