

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this document, or as to the action you should take, you should consult your stockbroker, solicitor, accountant or other independent adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities in the United Kingdom. The whole of the text of this document should be read. You should be aware that an investment in the Company involves a high degree of risk and prospective investors should carefully consider the section entitled “Risk Factors” in Part 2 of this document, which sets out certain risk factors relating to any investment in Common Shares.

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’s Financial Conduct Authority.

Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.

---

## **Public Policy Holding Company, Inc.**

*(Incorporated and registered in the State of Delaware, US under the General Corporation Law of the State of Delaware with registered number 4992651)*

**PLACING OF 8,240,050 NEW COMMON SHARES AND 14,463,713 SALE SHARES  
AT 135 PENCE PER SHARE**

**AND**

**ADMISSION TO TRADING ON AIM**

***Nominated Adviser and Broker:***

**STIFEL**

**STIFEL NICOLAUS EUROPE LIMITED**

---

This document, which comprises an admission document drawn up in accordance with the AIM Rules for Companies, has been issued in connection with the application for Admission. This document does not contain an offer of transferable securities to the public in the United Kingdom within the meaning of section 102B of FSMA and is not required to be issued as a prospectus pursuant to section 85 of FSMA. Accordingly, this document has not been drawn up in accordance with the Prospectus Regulation Rules and has not been nor will it be approved by, or filed with, the Financial Conduct Authority (“FCA”) or any other authority which would be a competent authority for the purposes of the UK Prospectus Regulation.

The Directors whose names, addresses and functions appear on page 6 of this document and the Company accept responsibility, both individually and collectively, for the information contained in this document and for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Directors and the Company, 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.

Application will be made for the Common Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Common Shares will commence at 8.00 a.m. on 16 December 2021. The Common Shares are not traded on any other recognised investment exchange and no other such applications have been made.

All of the Common Shares, including the Placing Shares, will, on Admission, rank equally in all respects, including the right to receive all dividends or other distributions thereafter declared, made or paid.

Stifel has been appointed as nominated adviser and broker to the Company in connection with the Placing and Admission. The responsibilities of Stifel, as nominated adviser under the AIM Rules for Companies, are owed solely to the London Stock Exchange. No representation or warranty, express or implied, is made by Stifel as to any of the contents of this document and Stifel has not authorised the contents of any part of this document and accepts no liability whatsoever for the accuracy of any information or opinions contained in this document or for the omission of any material information from this document.

Stifel is authorised and regulated in the United Kingdom by the Financial Conduct Authority ("**FCA**") whose address is 12 Endeavour Square, London E20 1JN. Stifel is incorporated in England and Wales under company number 03719559 and its registered office is at 4th Floor, 150 Cheapside, London EC2V 6ET. Stifel's FCA Firm Reference Number is 190412. Stifel Europe Bank AG ("**SEBA**") is authorised and regulated in Germany by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, or "BaFin") whose address is Graurheindorfer Str. 108, 53117 Bonn, Germany and Marie-Curie-Straße 24-28, 60439 Frankfurt a.M., Germany. SEBA is incorporated in Frankfurt a.M., Germany, HRB No 53261 and its registered office is at Kennedyallee 76, 60596 Frankfurt a.M./Germany. SEBA's BaFin Firm ID is 118363. Stifel is acting for the Company in connection with the provision of corporate finance business to the Company, within the meaning of the Financial Conduct Authority's conduct of business sourcebook ("**COBS**"), and is not acting for anyone else in connection with Admission and the Placing. Stifel is neither advising nor treating as a client any other person and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Stifel under the COBS nor for providing advice in relation to contents of this document or on any other transaction or arrangement referred to in this document.

This document may not be published, distributed or transmitted by any means or media, directly or indirectly, in whole or in part, in or into the United States except to persons reasonably believed to be (a) qualified institutional buyers as defined in Rule 144A under the US Securities Act that are also a "major US institutional investor" as defined in Rule 15a-6 under the US Exchange Act or (b) accredited investors as defined in Rule 501(a)(1), Rule 501(a)(2), Rule 501(a)(3) or Rule 501(a)(7) of Regulation D under the US Securities Act, pursuant to Section 4(a)(2) of the Securities Act (including in reliance on Rule 506(b) of Regulation D thereof), or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. Securities may not be offered or sold in the United States absent (i) registration under the US Securities Act or (ii) an available exemption from registration under the US Securities Act. The securities mentioned herein have not been, and will not be, registered under the US Securities Act or any applicable state securities laws and will not be offered to the public in the United States.

This document does not constitute an offer of, or the solicitation of an offer to subscribe for or to buy, or to sell or transfer, any Common Share or other securities of the Company to any person in the United States or to persons elsewhere who are "US persons" within the meaning of that term as it is used in Regulation S of the US Securities Act ("**US Persons**") to whom it is unlawful to make such offer or solicitation or which may result in the requirement to register the Common Shares under the US Securities Act or qualify the Common Shares under applicable US state securities laws. The Placing Shares will be sold only to non-US Persons in "offshore transactions" as defined in and pursuant to Regulation S of the US Securities Act or otherwise to persons reasonably believed to be (a) qualified institutional buyers as defined in Rule 144A under the US Securities Act that are also a "major US institutional investor" as defined in Rule 15a-6 under the US Exchange Act or (b) accredited investors as defined in Rule 501(a)(1), Rule 501(a)(2), Rule 501(a)(3) or Rule 501(a)(7) of Regulation D under the US Securities Act, pursuant to Section 4(a)(2) of the Securities Act (including in reliance on Rule 506(b) of Regulation D thereof), or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

The Placing Shares offered by the Company to non-US Persons in the Placing are subject to the conditions listed under Section 903(b)(3), or Category 3, of Regulation S. The Placing Shares are "restricted securities" as defined in Rule 144 promulgated under the US Securities Act. Purchasers of the Placing Shares may not offer, sell, pledge or otherwise transfer Placing Shares, directly or indirectly, in or into the United States or to, or for the account or benefit of, any US Person, except pursuant to a transaction meeting the requirements of Rules 901 to 905 (including the Preliminary Notes) of Regulation S, pursuant to an effective registration statement under the US Securities Act or pursuant to an exemption from the registration requirements of the US Securities Act. All Placing Shares are subject to these restrictions until at least the expiry of one year after the date of Admission.

The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves of and observe such restrictions.

### **Required Waiver Disclosure**

On 6 December 2016, a final judgment (the "**Judgment**") was entered against Stifel, Nicolaus & Company, Incorporated ("**SNCI**") by the United States District Court for the Eastern District of Wisconsin (Civil Action No. 2:11-cv-00755) resolving a civil lawsuit filed by the U.S. Securities & Exchange Commission (the "**SEC**") in 2011 involving violations of several antifraud provisions of the federal securities laws in connection with the sale of synthetic collateralized debt obligations to five Wisconsin school districts in 2006. As a result of the Judgment: (i) SNCI is required to cease and desist from committing or causing any violations and any future violations of Section 17(a)(2) and 17(a)(3) of the Securities Act; and (ii) SNCI and a former employee were jointly liable to pay disgorgement and prejudgment interest of \$2.5 million. SNCI was also required to pay a civil penalty of \$22.0 million, of which disgorgement and civil penalty SNCI was required to pay \$12.5 million to the school districts involved in this matter.

Simultaneously with the entry of the Judgment, the SEC issued an Order granting SNCI a waiver from, among other things, the application of the disqualification provisions of Rule 506(d)(1)(iv) of Regulation D under the US Securities Act.

### **A copy of the Judgment is available on the SEC's website at:**

<https://www.sec.gov/litigation/litreleases/2016/lr23700-final-judgment.pdf>.

## 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 their use of terms and phrases such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “predict”, “project”, “will” or the negative of those variations, or comparable expressions, including references to assumptions. These statements are primarily contained in Part 1 of this document.

The forward-looking statements in this document, including statements concerning projections of the Group’s future results, operations, profits and earnings, are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements.

Certain risks to and uncertainties for the Group are specifically described in Part 2 of this document headed “Risk Factors”. If one or more of these risks or uncertainties materialises, or if underlying assumptions prove incorrect, the Group’s actual results may vary materially from those expected, estimated or projected. Given these risks and uncertainties, potential investors should not place any reliance on 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 on information currently available, they may prove to be incorrect. Prospective investors should, therefore, specifically consider the risk factors contained in Part 2 of this document that could cause actual results to differ before making an investment decision. Save as required by law or by the AIM Rules for Companies, 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.

## PRESENTATION OF FINANCIAL INFORMATION

Unless otherwise indicated, financial information in this document, including the historical financial information on the Group for the years ended 31 December 2018, 31 December 2019, 31 December 2020, and for the six months ended 30 June 2021 have been prepared in accordance with US Generally Accepted Accounting Principles.

Various figures and percentages in tables in this document, including financial information, have been rounded and accordingly may not total. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data.

### Notice to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II, as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; and (c) local implementing measures (including but not limited to the product governance requirements contained within the FCA Handbook) (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”).

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment, the Placing Shares offer no guaranteed income and no capital protection and an investment in the Placing Shares is compatible only with investors

who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Stifel will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to, the Placing Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

## CONTENTS

	<i>Page</i>
DIRECTORS, SECRETARY AND ADVISERS	6
PLACING STATISTICS	8
EXPECTED TIMETABLE OF PRINCIPAL EVENTS	8
DEFINITIONS	9
PART 1 INFORMATION ON THE GROUP	12
PART 2 RISK FACTORS	36
PART 3 FINANCIAL INFORMATION	47
SECTION A: ACCOUNTANT'S REPORT	47
SECTION B: HISTORICAL FINANCIAL INFORMATION	49
SECTION C: ACCOUNTANT'S REPORT ON THE UNAUDITED PRO FORMA STATEMENT OF NET ASSETS	65
SECTION D: UNAUDITED PRO FORMA STATEMENT OF NET ASSETS	67
PART 4 CORPORATE GOVERNANCE	69
PART 5 ADDITIONAL INFORMATION	72
PART 6 U.S. RESTRICTIONS ON THE TRANSFER OF COMMON SHARES	108

## DIRECTORS, SECRETARY AND ADVISERS

<b>Directors</b>	Simon Philip Guy Lee ( <i>Non-Executive Chair</i> ) George Stewart Hall ( <i>Chief Executive Officer</i> ) William (Bill) Robert Chess ( <i>Chief Financial Officer</i> ) Zachary Wayne Williams ( <i>Executive Director</i> ) Benjamin Langer Ginsberg ( <i>Non-Executive Director</i> ) Kimberly Anne White ( <i>Non-Executive Director</i> )  all of the Company's principal place of business
<b>Principal place of business</b>	800 North Capitol St. NW Suite 800 Washington DC 20002 United States
<b>Website</b>	<a href="https://pphcompany.com/">https://pphcompany.com/</a>
<b>Nominated adviser and broker</b>	Stifel Nicolaus Europe Limited 150 Cheapside London EC2V 6ET United Kingdom
<b>English legal advisers to the Company</b>	Fieldfisher LLP Riverbank House 2 Swan Lane London EC4R 3TT United Kingdom
<b>US legal advisers to the Company</b>	Venable LLP 750 E. Pratt Street Suite 900 Baltimore MD 21202 United States
<b>Auditors</b>	MN Blum LLC 1395 Piccard Dr #240 Rockville MD 20850 United States
<b>Reporting accountant</b>	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW United Kingdom
<b>English and US legal advisers to Stifel</b>	K&L Gates LLP One New Change London EC4M 9AF United Kingdom

**Financial PR to the Company**

Instinctif Partners Limited  
65 Gresham Street  
London  
EC2V 7NQ  
United Kingdom

**Depository**

Link Market Services Trustees Limited  
10<sup>th</sup> Floor  
Central Square  
29 Wellington Street  
Leeds  
LS1 4DL  
United Kingdom

**Registrar**

Link Market Services (Guernsey) Limited  
Mont Crevelt House  
Bulwer Avenue  
St Sampson  
Guernsey GY2 4LH

## PLACING STATISTICS

Placing Price (per Common Share)	135 pence
Number of Common Shares in issue at the date of this document	100,000,000
Number of Common Shares in the Placing	22,703,763
– New Common Shares being issued by the Company	8,240,050
– Existing Common Shares being sold by the Selling Shareholders	14,463,713
Number of Common Shares in issue on Admission	108,240,050
Percentage of share capital on Admission represented by the New Common Shares	7.6 per cent.
Number of Common Shares not in public hands on Admission	80,354,500
Percentage of Common Shares not in public hands on Admission	74.2 per cent.
Market capitalisation on Admission at the Placing Price	£146.1 million
Estimated gross proceeds of the Placing receivable by the Company	£11.1 million
Estimated net proceeds of the Placing receivable by the Company	£6.3 million
ISIN	US7444301094
SEDOL	BL578B9
TIDM	PPHC

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Document	13 December 2021
Admission effective and dealings in the Common Shares commence on AIM	8.00 a.m. on 16 December 2021
CREST accounts credited with Depositary Interests (where applicable)	16 December 2021
Despatch of definitive share certificates for certificated Common Shares (where applicable)	by 23 December 2021

*All times are London, UK times. Each of the times and dates in the above timetable is indicative only and is subject to change without further notice.*

## DEFINITIONS

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

“Act”	the Companies Act 2006;
“Admission”	the admission of the Company's share capital to trading on AIM;
“AGP” or “Alpine Group”	Alpine Group Partners LLC, a wholly owned subsidiary of the Company;
“AIM”	the London Stock Exchange's AIM market;
“AIM Rules for Companies”	the AIM Rules for Companies published by the London Stock Exchange;
“Audit Committee”	the audit committee duly authorised by the Board;
“Bylaws”	the current bylaws of the Company;
“CAGR”	compound annual growth rate;
“Certificate of Incorporation”	the Company's certificate of incorporation, as amended and restated from time to time;
“CRS” or “Crossroads Strategies”	Crossroads Strategies LLC, a wholly owned subsidiary of the Company;
“Common Shares”	shares of common stock of the Company with par value of \$0.001 per share;
“Company”	Public Policy Holding Company, Inc., a company incorporated in the state of Delaware, US;
“Compliance Committee”	the compliance committee duly authorised by the Board;
“Contribution Agreement”	the contribution, assignment and assumption agreement between PPHC LLC and the Company pursuant to which PPHC LLC contributed substantially all of its assets to the Company as part of the re-organisation of the Group prior to Admission;
“CREST”	the electronic system for the holding and transferring of shares and other securities in paperless form operated by Euroclear UK & Ireland Limited;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755);
“Depository”	the Company's depository, being Link Market Services Trustees Limited, a company registered in England and Wales with registered number 02729260;
“Depository Interest”	dematerialised depository interests representing underlying Common Shares that can be settled electronically through and held in CREST, as issued by the Depository or its nominees who hold the underlying securities on trust;
“Delaware Corporation Law”	General Corporation Law of the State of Delaware;
“Directors” or “Board”	the directors of the Company, whose names appear on page 6 of this document;

“Distribution Compliance Period”	the period during which the Placing Shares are subject to the conditions listed under Section 903(b)(3) of Regulation S, ending on the first anniversary of Admission, or such longer period as may be required under applicable law or as determined by the Company;
“Enlarged Share Capital”	the entire issued share capital of the Company immediately following Admission comprising the Existing Common Shares and the New Common Shares;
“Existing Common Shares”	the 100,000,000 Common Shares in issue as at the date of this document;
“Executive Employment Agreements”	the executive employment agreements entered into between the Group Executives and the Company and (where applicable) the relevant Group company in connection with Admission;
“FTP” or “Forbes Tate”	Forbes Tate Partners LLC, a wholly owned subsidiary of the Company;
“FCA”	the Financial Conduct Authority;
“FSMA”	the Financial Services and Markets Act 2000;
“Group”	the Company and its subsidiary undertakings as at the date of this document, save for references to “the Group” prior to the Pre-IPO Reorganisation shall be to PPHC LLC and its subsidiary undertakings;
“Group Executives”	certain executives of the Group (as disclosed in this document) who have entered into the Executive Employment Agreements with the Company and (where applicable) the relevant Group company in connection with Admission;
“IR”	investor relations;
“Locked-in Selling Shareholders”	those Selling Shareholders that are subject to lock-in arrangements as detailed in paragraph 22 of Part 5 of this document;
“London Stock Exchange”	London Stock Exchange plc;
“MR”	media relations;
“New Common Shares”	the 8,240,050 new Common Shares to be issued by the Company pursuant to the Placing;
“Omnibus Incentive Plan”	the Company’s 2021 Omnibus Incentive Plan, further details of which are set out in paragraph 12 of Part 5 of this document;
“ONA” or “O’Neill & Associates”	O’Neill & Partners LLC d/b/a O’Neill & Associates LLC, a wholly owned subsidiary of the Company;
“Placing”	the conditional placing of the New Common Shares and the Sale Shares at the Placing Price by Stifel as broker pursuant to the Placing and Selling Shareholders’ Agreement;
“Placing and Selling Shareholders’ Agreement”	the conditional agreement dated 13 December 2021 between Stifel, the Company (for itself and as agent for the Selling Shareholders) and the Directors relating to the Placing of the New Common Shares and the Sale Shares at the Placing Price, details of which are set out in paragraph 21 of Part 5 of this document;
“Placing Price”	135 pence per share;
“Placing Shares”	the New Common Shares and the Sale Shares to be sold at the Placing Price pursuant to the Placing;

“PPHC LLC”	Public Policy Holding Company LLC, the parent company of the Group prior to the Pre-IPO Reorganisation;
“Pre-IPO Reorganisation”	the reorganisation of the Group which came into effect on 10 December 2021, details of which are set out in paragraph 5 of Part 5 of this document;
“PR”	public relations;
“QCA Code”	the Corporate Governance Code for Small and Mid-size Quoted Companies 2018, published in April 2018 by the Quoted Companies Alliance;
“Registrars”	the Company’s registrars, being Link Market Services (Guernsey) Limited;
“Regulation S”	Regulation S, promulgated under the US Securities Act;
“Remuneration Committee”	the remuneration committee duly authorised by the Board;
“Rule 144”	Rule 144, promulgated under the US Securities Act;
“Sale Shares”	the 14,463,713 Existing Common Shares to be sold by Selling Shareholders pursuant to the Selling Shareholder Deed Polls and the Placing and the Selling Shareholders Agreement;
“SEC”	the US Securities and Exchange Commission;
“Selling Shareholder Deed Polls”	the deeds of election and powers of attorney entered into by the Selling Shareholders in connection with the Sale by the Selling Shareholders of the Sale Shares;
“Selling Shareholders”	the Shareholders that propose to sell Sale Shares in the Placing as set out in paragraph 25 of Part 5 of this document;
“SL” or “Seven Letter”	Blue Engine Message & Media LLC d/b/a Seven Letter LLC, a wholly owned subsidiary of the Company;
“Shareholder”	a holder of Common Shares or, as applicable, a holder of Depositary Interests;
“UK Takeover Code”	the UK City Code on Takeovers and Mergers;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“Uncertificated” or “in uncertificated form”	recorded on a register of securities maintained by Euroclear UK & Ireland Limited in accordance with the CREST Regulations as being 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, its territories and possessions, any state of the United States of America and the District of Columbia;
“US Exchange Act”	the United States Securities Exchange Act of 1934, as amended;
“US Person”	has the meaning ascribed to such phrase by Regulation S; and
“US Securities Act”	the US Securities Act of 1933, as amended.

In the document, references to “pounds sterling”, “£”, “pence” and “p” are to the lawful currency of the United Kingdom and references in this document to “US\$”, “\$”, “US Dollar”, “dollars”, “cents” and “c” are to the lawful currency of the United States of America.

All times referred to in this document are, unless otherwise stated, references to London time.

## PART 1

### INFORMATION ON THE GROUP

#### 1. INTRODUCTION

The Group, through its wholly-owned companies, operates a portfolio of independent firms that offer public affairs, crisis management, lobbying and advocacy services on behalf of corporate, trade association and non-profit client organisations. Clients engage the Group to enhance and defend their reputations, advance policy goals, manage regulatory risk, or otherwise engage with U.S. federal and state-level policy makers, stakeholders, media, and directly to the public at large.

Since its inception in 2014, the Group acquired and integrated eight businesses, now operating as five separate, independent companies, focused at the federal government level in the U.S. and with expanding reach into key U.S. states and metropolitan areas. These five operating entities which form the operating subsidiaries of the Group are Crossroads Strategies LLC, Forbes Tate Partners LLC, Seven Letter, O'Neill & Associates and Alpine Group Partners LLC.

Each of the Group's operating subsidiaries are bi-partisan, by way of U.S. politics, with founders and senior managers operating largely in Washington DC and with past careers and close professional ties to the U.S. Executive Branch, Congress and national and state political parties over a period of more than 30 years.

As at the year end 31 December 2020, the Group had over 700 active client relationships, of which 295 contributed in equal to or in excess of \$100,000 per annum in revenue, with no single client representing more than 2.0 per cent. of overall revenues in the year ended 31 December 2020. The Group's client portfolio includes clients in the healthcare and pharmaceuticals, financial services, energy, technology, telecom and transportation sectors.

From 1 January 2018 to 31 December 2020, the Group has achieved revenue growth of 51.4 per cent. CAGR, with organic revenue growth of 25.5 per cent. CAGR over the same period with average normalised EBITDA margins of 26.5 per cent. From 1 January 2015 to 31 December 2020 the Group has achieved a revenue CAGR of 33.6 per cent. and an organic revenue CAGR of 20.9 per cent.

	<i>Year ended Dec 2018 \$'000</i>	<i>Year ended Dec 2019 \$'000</i>	<i>Year ended Dec 2020 \$'000</i>	<i>6 months ended June 2020 \$'000</i>	<i>6 months ended June 2021 \$'000</i>
Revenue	33,792	55,540	77,484	37,552	47,203
Normalised EBITDA <sup>1</sup>	9,253	13,532	21,535	10,443	14,534
Margin	27.4%	24.4%	27.8%	27.8%	30.8%

Since its inception, the Group has provided the companies that it acquired with a scalable platform for growth, providing uniform and efficient financial infrastructure, legal services, human resources, compliance and administration at the holding company level. It also incentivised cross-company selling, talent referrals and effective conflict management remedies across the Group's client portfolio.

Today's corporate leaders face an increasing level of scrutiny and exposure and therefore rely on the services provided by the Group to help navigate a wide range of public policy and regulatory issues.

The Group is seeking a listing on AIM in order to accelerate the Group's growth strategy, which includes the pursuit of further acquisition targets, the expansion of its existing service capabilities and the broadening of its geographic footprint into key U.S. state capitals and metropolitan areas.

Access to equity capital will serve to incentivise, retain and expand the pool of talent across the business and will also differentiate the Group as an employer of choice in a highly competitive talent market with high levels of attrition. In addition the Group's anticipated dividend post IPO, based on its proposed 70 per cent.

<sup>1</sup> Definition of Normalised EBITDA set out in note 2 to the Summary of historical financial information in section 7 of this Part 1

dividend payout policy and 5-year equity vesting schedule, is an integral component of the senior employee retention and incentivisation plan.

PPHC has a strong track record of acquiring companies and integrating them into the Group, underpinned by robust organic growth. Revenues have grown at a total CAGR of 33.6 per cent. from 1 January 2015 to 31 December 2020, of which 20.9 per cent. is organic.

Revenues (\$m)	2015	Growth	2016	Growth	2017	Growth	2018	Growth	2019	Growth	2020
Crossroads Strategies	\$6.6		\$7.5		\$11.0		\$11.5		\$12.9		\$15.9
Forbes Tate	\$10.4		\$10.7		\$12.8		\$18.8		\$27.1		\$31.1
Seven Letter (fka JDA Frontline)	\$1.2		\$2.9		\$2.6		\$3.5		\$8.1		\$9.4
Alpine Group	–		–		–		–		–		\$13.7
O'Neill & Associates	–		–		–		–		\$7.4		\$7.3
Organic		\$1.7		\$2.6		\$6.6		\$11.0		\$5.1	
Acquisition		\$1.2		\$2.7		\$0.7		\$10.7		\$16.9	
<b>Total</b>	<b>\$18.2</b>	<b>\$2.9</b>	<b>\$21.1</b>	<b>\$5.3</b>	<b>\$26.4</b>	<b>\$7.4</b>	<b>\$33.8</b>	<b>\$21.7</b>	<b>\$55.5</b>	<b>\$22.0</b>	<b>\$77.5</b>

## 2. KEY STRENGTHS

The Directors believe that the Group has the following key strengths:

### Comprehensive suite of services across all key sectors

The Group's multidisciplinary services cater to a diverse client base looking to navigate the rapidly evolving political, policy and regulatory dynamics at all levels of the U.S. government. Its integrated solutions, anchored in federal lobbying, expand the opportunities for public affairs advisory, research, and digital campaigns that are particularly attractive to blue-chip brands looking for a more holistic approach to public affairs and stakeholder management.

### Diversified revenue sources from blue-chip client base

The Group has built an active, growing client base of over 700 corporates, trade associations and non-governmental organisations in all major sectors of the U.S. economy, including: healthcare and pharmaceuticals, financial services, energy, technology, telecom and transportation sectors. The majority of client work is retainer-based, with more than 73 per cent. of client roster retainer based. In the year ended 31 December 2020, 295 client relationships generated revenues equal to or in excess of \$100,000.

### Bi-partisanship and strong positioning in a growing and target-rich market

The Group's deep, bi-partisan networks and relationships at the federal and state levels are well positioned to benefit from continued regulatory and technological disruption, which is expected to positively affect the growth and expansion of the strategic communications market. The Group is well positioned for acquisitive growth and capability enhancements with its established process for sourcing, negotiating and integrating quality, founder-led, small and mid-sized firms.

### Proven track record of successful integration

Since inception and as at 30 June 2021, the Group has screened 80 potential acquisition targets, conducted financial due diligence on 45 and ultimately acquired eight businesses. Since 2015, the Group has generated 33.6 per cent. revenue CAGR and an organic revenue CAGR of 20.9 per cent.. Forbes Tate, Alpine Group and Crossroad Strategies have been ranked consistently in the top 20 federal lobbying firms since their inception and maintain a high market share despite a highly fragmented market. The Group intends to continue making strategic acquisitions to enhance its capabilities and to establish new verticals, either within new geographies, new related offerings, or to manage conflicts across the client portfolio.

The Group intends that such acquisition targets satisfy the following criteria: (1) best in class ethical and compliance standards, (2) market share and diversification, (3) attractive financial profile that are accretive,

value additive, whilst maintaining group-wide margins and (4) long-term business benefits and opportunities to capitalise on economies of scale leveraging each operating company's management, clients, brand, and goodwill.

### **Highly experienced, entrepreneurial management team**

The Group's management team brings decades of operational expertise across multiple sectors and with a wide range capabilities, along with significant experience and track records scaling services businesses, including WPP plc. Further information on the backgrounds of the individual Board members and senior management is contained at section 9 of this Part 1.

### **3. HISTORY OF THE GROUP**

Public Policy Holding Company, LLC was founded in 2014 to create a dedicated public policy influence holding company capable of achieving higher revenue and profit margins in a highly fragmented and specialised industry. At the time of formation of Public Policy Holding Company, LLC, its founders – a group of veteran lobbyists and seasoned executives – recognised the continuing increase in both corporate and non-profit spending in U.S. public policy and sought to integrate services and expertise to manage clients' full political risk and policy needs at the U.S. federal, state and metropolitan level.

Drawing on prior experience at WPP plc and other advertising and public relations holding companies, the founders established a series of independently branded and managed vertical operating subsidiaries for better conflict management, whilst achieving financial and operational synergies, savings and scalability within the Group.

In 2021, the Group carried out the Pre-IPO Reorganisation, pursuant to which the Company was formed and Public Policy Holding Company, LLC contributed substantially all of its assets to the Company. Following that contribution, Public Policy Holding Company, LLC was dissolved and liquidated. Further details of the Pre-IPO Reorganisation are set out in paragraph 5 of Part 5 of this document.

The key developments in the Group's history are outlined below:

<i>Service Expansion / Acquisition</i>	<i>Date</i>	<i>Rationale</i>
Founding firms Crossroads Strategies and Forbes Tate Partners combine to create PPHC	July 2014	The combination of the two businesses to create the PPHC Group
Forbes Tate Partners expands into public affairs with senior hires	July 2014	Forbes Tate Partners begins organic buildout of a complementary public affairs component through talent acquisition, initially concentrating on social media conversation management
JDA Frontline	July 2015	JDA Frontline joined PPHC as its first Public Affairs/Strategic Communication business
Capitol Strategies	December 2016	Crossroads Strategies merged with Capitol Strategies to expand bi-partisan advocacy capabilities
Blue Engine Message and Media	November 2018	Blue Engine Message and Media merges with JDA Frontline to later rebrand as Seven Letter, expanding PPHC's Washington based public affairs and media management capabilities
Forbes Tate Partners adds polling and message testing capability with senior hires	February 2019	Forbes Tate Partners continues the expansion of its public affairs component by adding polling and message testing capabilities. Hires included Doug Usher

<i>Service Expansion / Acquisition</i>	<i>Date</i>	<i>Rationale</i>
O'Neill & Associates	February 2019	O'Neill & Associates was acquired by PPHC to expand into state lobbying and public affairs
Formation of Seven Letter Labs	October 2019	Seven Letter expanded its digital media buying capabilities with the formation of Seven Letter
Alpine Group	January 2020	Alpine Group joins PPHC giving it three of the top twenty federal advocacy firms (out of a universe of over 2,000 federally registered lobbying firms)
Former Senate Majority Leader Trent Lott and Senator John Breaux's lobbying practice	June 2020	Former Senate Majority Leader Trent Lott and Senator John Breaux joined their lobbying practice with Crossroads Strategies further developing its credentials
Alpine Advisors is formed with the addition of former U. S. House Commerce Chairman Greg Walden	February 2021	Former Chairman Greg Walden joined the Company to broaden capabilities through strategic advisory and consulting services

#### **4. MARKET OVERVIEW**

##### **Background**

The Group operates in the highly stable U.S. strategic communications market, which represented \$17.6bn opportunity in 2020<sup>2</sup>. The Directors believe that strategic communications are critically important for the firms that use these services, with purchase decisions typically made at the c-suite and board levels.

The strategic communications market includes two key segments oriented toward influencing the legislative agenda, brand positioning and corporate reputation amongst stakeholders: (1) Lobbying and (2) Public Relations (Public Relations itself is then comprised of the sub-segments of Public Affairs, General Public Relations services, Media Relations, and Other Services<sup>3</sup>).

	<i>Market Size (\$bn)</i>
Lobbying	3.5
Media Relations	1.4
Public Affairs	2.3
General PR Services	8.8
Other Services	1.5

The Directors believe that there exists significant demand for senior communications and policy expertise by corporates, including registered federal and state lobbying, media and digital content strategy, research and other data services. As such, corporates frequently encounter a disconnected patchwork of internal communications functions and a disparate range of boutique advisors, independent lobbyists, image makers, media handlers and local campaigners across federal, state and local jurisdictions. The Directors believe that this inefficient solution and highly fragmented market persists, even for some of the largest corporations and coalitions because the major communications agency networks and global management consultancies have, with few exceptions, failed to compete for and retain senior and experienced talent in these disciplines.

Today, the Group is rapidly expanding its services and capabilities through organic growth and acquisitions and is well positioned to benefit from the broadening needs of large, global clients who want and need integrated solutions.

<sup>2</sup> Source: OpenSecrets.org, IBISWorld Public Relations Firms in the U.S. 54182 (October 2020)

<sup>3</sup> Source: IBISWorld Public Relations Firms in the U.S. 54182 (October 2020)

The Directors believe that the Group's corporate structure has been designed to support entrepreneurial, well-connected public policy and communications professionals who can benefit from the financial management and operational stability that scale provides, while maintaining the individual companies' culture, high standards of client service and career mentorship that smaller firms are known for.

The rise and evolution of digital and social media platforms have transformed consumer advertising, public relations and the management of corporate government relations and issues. The Directors believe that corporate clients will continue to demand increased capabilities in the areas of content, media measurement and targeting, reach and data management to guide their advocacy strategies and minimise risks. The Directors believe that the Group is already well positioned in key areas of digital such as content production, influencer targeting and media activation, and will benefit from future acquisitions and Group-wide investments in technology platforms and strategic partnerships in areas such as media buying and advanced data analytics.

### **Lobbying in the United States**

Lobbying services are aimed at influencing or gathering intelligence on actions, policies, or decisions of officials and regulators. Lobbying provides access to government legislators that a single individual or entity may not otherwise achieve. Through grouping individuals' goals together into a unified aim, companies providing lobbying services represent the interests of multiple organisations. In the U.S. the Lobbying Disclosure Act ("LDA") is the primary source of regulation over individuals, corporations, and other entities seeking to influence the direction of policy by the legislative and executive branches. Its aim is to enhance transparency with regards to the provision of lobbying services. State and local lobbying definitions and registration requirements vary from state to state by virtue of state regulations. Further information on the LDA and the regulation of the lobbying industry can be found in paragraph 20 of Part 5 of this document.

Companies, labour unions, trade associations and other influential organisations spend billions of dollars each year to influence government policy and regulatory agencies at the federal, state and local levels<sup>4</sup>. Individual and collective interest groups retain lobbying firms, others have registered lobbyists working in-house, or both.

The U.S. Federal Lobbying market is large and stable, with federal top-line spend, accounting for the majority of overall spend, at \$3.5bn and growing at 4.1 per cent. each year since 1998<sup>5</sup>. The top 20 lobbying firms in the U.S. in 2020 captured 13.1 per cent. of the total Federal Lobbying market<sup>6</sup>. Organisations and corporations increasingly demand integrated, large scale, and sophisticated campaigns. These often require cutting edge data analysis in addition to more traditional influence elements. Ability to capture such large, integrated issue campaigns is directly related to the scope and convenience of services that a firm is able to offer to its clients.

The Directors believe that the value proposition of best-in-class lobbying firms is consistently defined by several core capabilities: access to key lawmakers, industry and issue expertise, responsive client engagement, and proactive policy development.

Total federal lobbying expenditure in the U.S. stands at \$3.5bn and has been growing at 4.1 per cent. CAGR each year.<sup>7</sup> The segment employs more than 12,000 registered lobbyists.<sup>8</sup>

---

4 Source: OpenSecrets.org

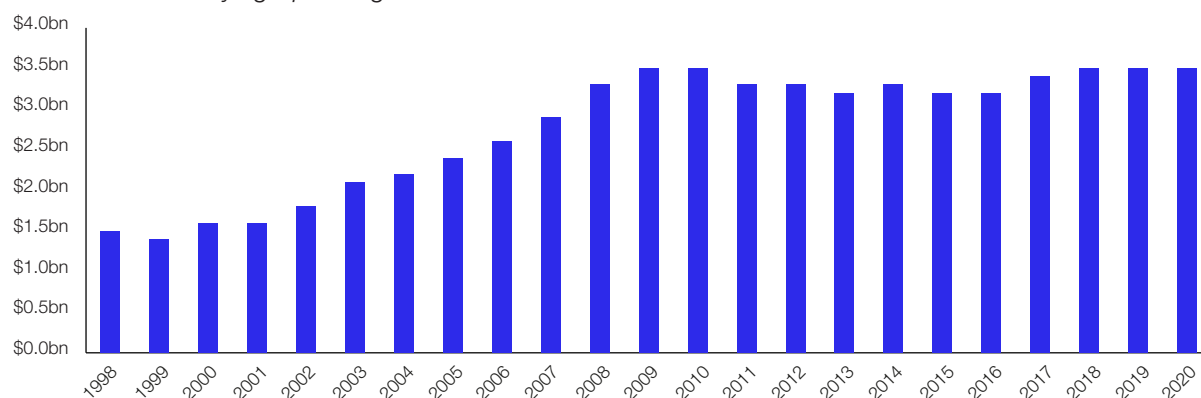
5 Source: OpenSecrets.org, IBISWorld Public Relations Firms in the U.S. 54182 (October 2020)

6 Source: OpenSecrets.org, IBISWorld Public Relations Firms in the U.S. 54182 (October 2020)

7 Source: OpenSecrets.org

8 Source: OpenSecrets.org

### Total Federal Lobbying Spending in the U.S. since 1998



The top 20 federally-registered lobbying firms in the U.S. in 2020 captured less than 15.0 per cent. of the total federal lobbying market.<sup>9</sup> Three of the largest operating companies of the Group together constituted the largest 2020 revenue earners in federal lobbying in the U.S. (\$50.6m), as shown in the table below:

Lobbying Firm	2020 Revenue (in \$m) <sup>(1)</sup>
Akin Gump Strauss Hauer & Feld LLP	49.9
Brownstein Hyatt Farber Schreck LLP	48.4
BGR Government Affairs LLC	31.6
Cornerstone Government Affairs Inc.	28.0
Holland & Knight LLP	28.0
Ballard Partners, Inc.	24.4
Squire Patton Boggs U.S. LLP	24.2
Invariant LLC	21.1
<b>Forbes Tate LLC</b>	<b>19.4</b>
Capitol Counsel LLC	19.1
K&L Gates LLP	18.3
Mehlman Castagnetti Rosen & Thomas Inc.	17.8
Peck Madigan Jones & Stewart Inc.	17.2
Van Scoyoc Associates Inc.	17.1
<b>Crossroads Strategies LLC</b>	<b>16.6</b>
Cassidy & Associates Inc.	16.4
Covington & Burling LLP	16.3
American Continental Group Inc.	15.0
<b>The Alpine Group, Inc.</b>	<b>14.6</b>
Subject Matter	14.6

While there is significant overlap between lobbying and public affairs, Lobbying represents a more specific focus in terms of the target audience and the stakeholders. Lobbying as an industry is predominantly focused on influencing politicians and their staff members in order to help shape legislation<sup>10</sup>.

<sup>9</sup> Source: OpenSecrets.org

<sup>10</sup> Source: C&C Strategy Consultants – Strategic Communications Study - June 2021

## Lobbying in the U.S.

		<div> <div>Few and harder to reach</div> <div>Many and easier to reach</div> </div>			
		Targets in D.C. and Beyond			
		Politicians	Staffers	Political Allies	Journalists
<b>Vote Swaying</b> Swing the vote on a specific bill	<ul style="list-style-type: none"> <li>Campaigns attempt to swing the votes of politicians on specific bills</li> <li>Generally target individual politicians and their teams over a short period of time (weeks or months)</li> </ul>				
<b>Legislation Shaping</b> Shape upcoming legislation	<ul style="list-style-type: none"> <li>Seeking to influence the content of upcoming legislation</li> <li>Staffers are targeted over several months as they are heavily involved in the minute detail of new legislation</li> </ul>				
<b>Long-Term Agenda</b> Generate goodwill to foster a supportive legislative environment	<ul style="list-style-type: none"> <li>Campaigns are generally long running (months or years) and seek to protect against hostile legislative agenda (e.g. broader tech policy, public healthcare)</li> <li>Campaigns target a wider range of influencers and often include efforts to shift public opinion beyond D.C.</li> </ul>				

(The importance of the target group to campaigns is illustrated by the different shades of grey, the darker shades representing more important target groups than the lighter shades).

Spending across the lobbying industry has been robust and is led by a number of national interest groups as well as corporations, with total spend in 2020 in the billions of dollars.

Organisation	Total Spend in 2020 (\$m) <sup>11</sup>
National Association of Realtors*	84.1
U.S. Chamber of Commerce*	81.9
Pharmaceutical Research & Manufacturers of America*	25.9
American Hospital Association*	24.4
Blue Cross/Blue Shield	23.6
Facebook, Inc.	19.7
American Medical Association*	19.3
Amazon.com	18.9
Business Roundtable*	17.0
NCTA The Internet & Television Association*	15.5
Comcast Corp.	14.4
American Chemistry Council*	14.0
Lockheed Martin	13.0
Boeing Co.	12.6
Biotechnology Innovation Organization	12.6
CTIA*	12.4
Northrop Grumman	12.1
American Bankers Association*	11.8
Raytheon Technologies	11.6
Unilever	11.5

(\*) These associations will represent a large number of member companies and organisations, with each typically contributing membership fees to the association. Lobbying will be done either through either in-house practices or via external lobbying firms such as the Company.

<sup>11</sup> Source: OpenSecrets.org

## Total US Federal Lobbying Spend by Sector<sup>12</sup>

Industry	Total Spend (\$)	Share (%)
Pharmaceuticals/Health Products	312,122,921	14%
Electronics Mfg & Equip	160,838,769	7%
Insurance	156,384,372	7%
Real Estate	133,806,097	6%
Business Associations	120,289,631	5%
Hospitals/Nursing Homes	113,485,578	5%
Oil & Gas	112,502,376	5%
Electric Utilities	108,583,019	5%
Telecom Services	108,546,877	5%
Other	933,704,646	41%

## Regulation of the Lobbying Industry

As detailed above, the LDA comprises the principal legislation for the federal lobbying industry. Key aspects of the regulation include the requirement for organisations to make a registration within 45 days of the date the lobbyist first makes a lobbying contract on behalf of the organisation based on the criteria set out in the Act<sup>13</sup>.

Every organisation that employs lobbyists must file semi-annual reports which include certain initial details, as well as the issues lobbied on and the organisations total lobbying expenditure.

Congress further strengthened the LDA in 2007 with the Honest Leadership and Open Government Act (HLOGA) which increased the frequency for filing required reports, increased civil and criminal penalties for noncompliance, put in place limitations on gifts Members of Congress and their staff could receive from lobbyists, and mandated that the Government Accountability Office annually audit a sample of registrants to encourage compliance. LDA disclosures are reported to the Clerk of Senate and/or House of Representatives which are then made available through OpenSecrets.org, a non-profit organisation that reports on such disclosures. Further information on the LDA and the regulation of the lobbying industry is further described in paragraph 20 of Part 5 of this document.

## Lobbying in Europe

The development of the industry remains at an early stage in Europe, with regulation of lobbying activities being less sophisticated and less formalised.

The European Parliament, the Council of the European Union and the European Commission have a joint Transparency Register to demonstrate their commitment to being open and transparent. The Transparency Register makes it easier for people to obtain information on interest representation activities taking place in respect of EU institutions, as well as statistical data on all registered parties. However this registration process is voluntary and, as yet, not a binding legal requirement.

Currently, there are almost 13,000 organisations on the EU Transparency Register with a declared annual lobby spend of between €1.6 and €2.4bn<sup>14</sup>. The technology sector is the biggest lobby sector in Europe with €97m in annual spending. Examples of lobbied legislation in the EU include European Privacy laws like GDPR, new competition rules and the Digital Services Act<sup>15</sup>.

The Organisation for Economic Co-operation and Development, with the objective to bolster transparency and integrity, adopted the Principles for Transparency and Integrity in Lobbying in 2010. This is the first international set of guidelines to address transparency and integrity risks related to lobbying practices<sup>16</sup>.

<sup>12</sup> Source: OpenSecrets.org based on the Top 20 sectors only

<sup>13</sup> Source: Lobbying Disclosure Act of 1995: A Summary and Overview for Associations, 1999, George E. ConstantineRobert L. WaldmanCynthia (Cindy) M. LewinJanice M. Ryan Yosef Ziffer, Venable

<sup>14</sup> Source: Lobbying Disclosure Act of 1995: A Summary and Overview for Associations, 1999, George E. ConstantineRobert L. WaldmanCynthia (Cindy) M. LewinJanice M. Ryan Yosef Ziffer, Venable LLP, accessed on Nov. 4, 2021 at <https://www.venable.com/insights/publications/1999/01/lobbying-disclosure-act-of-1995-a-summary-and-over>

<sup>15</sup> Source: Kergueno, R. (2021) "Deep Pockets, Open Doors – Big Tech Lobbying in Brussels" for the Transparency International EU

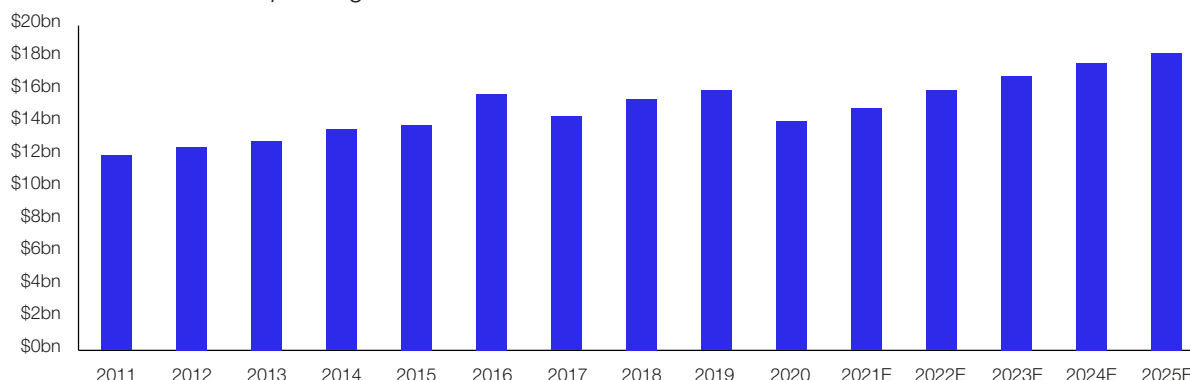
<sup>16</sup> Source: OECD. *Recommendation of the Council on Principle for Transparency and Integrity in Lobbying*. OECD/LEGAL/0379

## Public Relations in the United States

Public Relations (“PR”) services include engaging stakeholders to explain policy, measure and influence perception, or indirectly influence policy. PR includes Public Affairs, General PR Services, Media Relations and Other Services. Public Relations services activities span several key competencies, elements of which are often found in public relations and other strategic communications.

The U.S. public relations market is a growing market, at \$14.1bn which has been growing at 1.8 per cent. CAGR per year since 2011 and expected to grow by 5.4 per cent. CAGR until 2025<sup>17</sup>.

*Total Public Relations Spending in the U.S. since 2011*



## Public Affairs in the United States

Public Affairs services include engaging stakeholders to explain policy, measure and influence perception, or indirectly influence policy. These include intelligence monitoring and gathering, stakeholder engagement, grassroots campaigns and data analytics<sup>18</sup>. Key reasons for customers to outsource public affairs services include a lack of in-house resources, skills or relationships. Increased use of paid media integrated with traditionally “earned” communications strategies has driven more hybrid capabilities and challenged most clients’ traditional structures. Currently, three Group companies (FTP, SL, and ONA) offer comprehensive public affairs capabilities, both as stand-alone capabilities and integrated within their lobbying services.

The value proposition of public affairs services can vary depending on the specialty and expertise of the provider firm:

- traditional public relations firms with public affairs capabilities typically work with companies and organisations on the creation of large scale influence campaigns across multiple media channels, including digital and social media;
- full service law, consulting, or communications firms with specialised advisory and advocacy offerings typically offer clients assessments of and advisory on policy and political risk for specific issues, industries and political jurisdictions; and
- specialised public affairs firms offering services directed at educating, engaging, and mobilizing broader public audiences typically develop and execute grassroots campaigns directed at constituents and public stakeholders for specific issues or industries.

## Adjacent Segments

Approximately two thirds of U.S. Strategic Communications revenue is concentrated in sub-sectors other than Lobbying and Public Affairs, more specifically: General Public Relations Services, Media Relations, and Other Services. Client companies and organisations commonly outsource such services due to lack of internal resources and a desire for an objective, third-party perspective.

<sup>17</sup> Source: OpenSecrets.org, IBISWorld Public Relations Firms in the U.S. 54182 (October 2020)

<sup>18</sup> Source: IBISWorld Public Relations Firms in the U.S. 54182 (October 2020)

The key statistics for this market are:

- the U.S. General Public Relations Services alone represented more than 60 per cent. of all Public Relations Services with \$8.8bn in revenues in 2020<sup>19</sup>;
- Media Relations is a smaller market amassing to approx. \$1.4bn in 2020<sup>20</sup>; and
- Other Services include Event Management or Crisis Management, as well as Business to Business Communication. This segment of the market is difficult to quantify annually due to sporadic nature of incidents and billings. Crisis Management, commonly recognized as a subset of Public Relations, demands specialised skillsets but tends to yield a premium<sup>21</sup>.

## **Key Market Drivers**

### ***Increasing policy, regulatory and political activity***

Key trends in the U.S. lobbying market include: historic levels of stimulus and infrastructure spending from the Federal Government, increased state and city lobbying focus, active legislative agendas, low exposure to partisan controls, and economic downturns.

Despite macroeconomic volatility, the COVID-19 pandemic, like the 2008 financial crisis, has proven to be a growth driver for the lobbying industry, with corporates spending more than \$941m in lobbying in the first quarter of 2020, driven by an all-out lobbying push from every major industry to influence the initial COVID-19 stimulus package.<sup>22</sup> According to OpenSecrets.org, nearly 1,600 clients reported lobbying on the 2020 CARES Act, making it the second most-lobbied bill in history. Only the 2009 stimulus package drew more lobbying clients. In the first quarter of 2020, covering January through March, lobbying spending reached a near-record \$941m.<sup>23</sup>

As the U.S. federal government continues robust levels of economic stimulus to key industrial sectors, the Group's client representation in such targeted industries such as healthcare, financial services, transportation and supply chain, technology and telecommunications well positions the Group for continued growth. The Group's scale and expertise in bi-partisan government and public affairs are also key factors in driving future growth

### ***Non-cyclical business***

Lobbying cyclicity varies by industry; for example, proposed legislative issues may result in increased lobbying expenditures (e.g. beverage industry and proposed soda taxes; healthcare and pharmaceutical industries and healthcare legislation).

Lobbying appears to be less cyclically exposed to recessions, with just a ~2 per cent. decline in active lobbyist positions during the 2008 recession. The Directors believe that while overall spend has increased, corporate allocations to public affairs are more exposed to cyclicity or project-based fees than government affairs. Increased public affairs spending in recent years has been driven by several key trends, including more advanced digital engagement capabilities and channels and heightened consumer and brand activism.

The Directors believe that PPHC's core lobbying relationships provide a strong foothold into client decision makers; the Company has seen less cyclical variability in its related public relations revenues than its competitors that don't offer integrated lobbying offerings.

## **Digital Disruption**

The Directors confirm that, based upon hands-on experience as professional, registered lobbyists, their work has not faced much digital disruption to its core business model or service offering. Firms largely operate in a traditional way based on relationships and, until COVID-19 affected work conditions, via face-to-face interactions.

---

19 Source: IBISWorld Public Relations Firms in the U.S. 54182 (October 2020)

20 Source: IBISWorld Public Relations Firms in the U.S. 54182 (October 2020)

21 Source: IBISWorld Public Relations Firms in the U.S. 54182 (October 2020)

22 Source: OpenSecrets.org

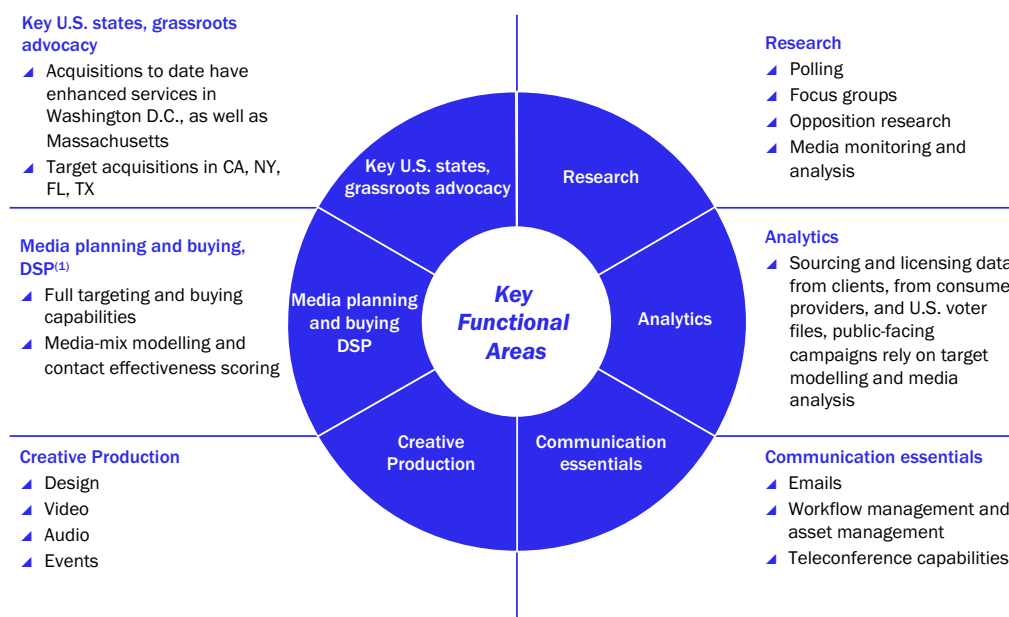
23 Source: OpenSecrets.org

Digital content, communication and channels have, however, been a significant disruptor to the public relations industry and have significantly changed the way that communications and advocacy are delivered. Data analytics knowledge and tools are becoming increasingly valuable and are more often than not a required hiring criteria for all agency partners.

A highly politicised culture, heightened consumer activism, and real-time engagement with stakeholders on social media has required companies in all sectors to invest more substantially in monitoring, researching and responding to PR and crisis communications.

In this regard, the Directors believe that the Group has been distinguishing itself from competitors by providing technology-enabled solutions, thereby capturing a larger share of client wallet while streamlining the supply chain as depicted below.

#### *Providing technology-enabled solutions to clients*



(1) A “DSP” or Demand Side Platform is an automated buying platform, where advertisers and agencies go to purchase digital ad inventory such as banner ads on websites, mobile ads on apps and the mobile web, and in-stream video.

Note: The above graphic is visual representation of what the Directors’ believe to be the Group’s current capabilities

This was built and fortified by the development of a now established model for innovation and integration in a sector not keeping pace with clients’ expectations. This model is based on the below pillars:

*Support Clients’ Digital Transformation: Educate, Integrate New Tools and Tactics into Group Services* – every client organisation is experiencing rapid digital transformation across all aspects of their marketing and communications efforts. Helping lead this change, Group client advisors have deployed a number of digital/social products and custom data services that support effective advocacy and public policy results. Group companies are valued partners with new platforms and data providers helping test their applicability to and effectiveness in public policy. Examples include social media monitoring solutions, media targeting and activation platforms, social advocacy tools, and online research platforms;

*Develop* – wherever client demands or business opportunities allow, develop Group-wide technology priorities and best practices to recognise economies of scale and capacity development;

*Create* – the creation of scalable vendor agreements with best-in-class providers, wherever needed as well as original technology and data IP, when required, in areas such as research sampling and media analytics; and

*Invest and Acquire* – investments and outright acquisition of technology assets, when proven to be effective in public policy campaigning, to hasten growth and Group-wide capacity.

The Group’s use of technology has been illustrated by the launch of the below specific projects since 2019.

<i>Year</i>	<i>Projects</i>
2019	(a) Addition of strategic research and public opinion polling capability within Forbes Tate Partners via the key hire of senior research lead from a competitor firm
2020	(b) Addition of Thomas Gensemer as full-time Chief Strategy Officer to oversee Group-wide initiatives
	(c) Introduction of Seven Letter Labs via an exclusive service agreement with established digital buying platform Tessio Labs. Establishes specific paid digital/social packages to upsell to non-digital clients
2021	(d) Addition of strategic research/polling offering within Seven Letter
	(e) Launch of Alpine Advisors, an advisory practice outside of registered lobbying work, within Alpine Group

### **Market Opportunity**

The Group is well positioned within Lobbying and Public Relations (more particularly within Public Affairs), with further growth opportunities in each of the adjacent segments outlined above.

The core Lobbying market is expected to experience growth, with considerable room for the Company to build market share. The Company's desired path to grow in this segment will require acquisition or enhanced specialties in geography (at state and local level) and in key sectors. Spend within heavily regulated industries, such as healthcare and finance, have historically driven this growth in federal lobbying spend. In addition, highly political issues, such as cannabis legalisation, energy and climate change, technology and privacy, are among the fastest growing segments for federal lobbying in more recent years.

The Group is well positioned to take advantage of opportunities within the adjacent segments of Public Affairs, Crisis Management, Media Relations and Other Services<sup>24</sup>, which are all expected to continue experiencing strong top-line growth going forward. These markets represent attractive entry opportunities given the Group's existing core competencies. Additionally, customers recognise the incremental value from the integrated service offerings across constituent firms of the Group.

## **5. BUSINESS OVERVIEW**

### **The Group**

The Group was formed in 2014 with the contribution to a new holding company of CRS and FTP. Since then, it has added additional firms, both as stand-alone companies and integrations into existing operations. As at 30 June 2021 the Group had 184 employees.

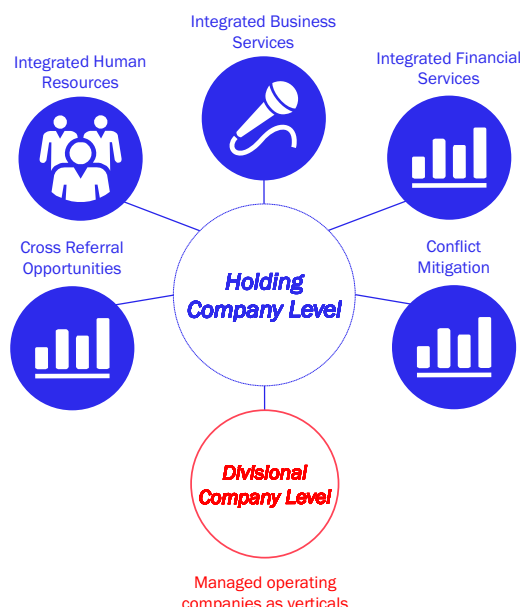
To promote additional strategic communications capabilities into their clients and to effectively manage conflicts within the portfolio, Group companies participate in a referral reward programme equal to 10 per cent. of the revenues paid to the referring company for the duration of the contract.

Group companies currently operate on shared back-office systems for finance and accounting, payroll and benefits, and business insurances. Over time, the Group envisions developing more formal systems and accountabilities for its operating businesses, particularly in areas where operational and financial efficiencies can be created. However, key to the ongoing growth and vitality of all operating companies, the Group intends to grant founder and senior management as much autonomy in day-to-day operations as possible in order to maintain the unique identities, specialties and workplace cultures of its member companies.

The Group will maintain a lean corporate team to oversee all finance and accounting, HR administration, legal, and group-wide strategic planning, including acquisitions, strategic partnerships and technology.

<sup>24</sup> Source: IBISWorld Public Relations Firms in the U.S. 54182 (October 2020)

## Overview: The PPHC platform



### Crossroads Strategies, LLC

Crossroads Strategies, LLC is a bi-partisan, multi-disciplinary federal relations, advocacy and advisory firm based in Washington DC. Founded in 2010 by long time advocacy industry veterans, CRS offers a wide suite of services ranging from congressional affairs to agency and regulatory lobbying. Leveraging the skills and knowledge of 25 practitioners, CRS offers direct advocacy services, strategic intelligence, reputational management and executive positioning to its clients. In 2020, CRS contributed \$15.9m in revenue and had a headcount at 30 June 2021 of 25.

**Key client accounts:** Airlines for America, Alabama Institute for Deaf and Blind, AT&T Services Inc., Booz | Allen | Hamilton, Bristol-Myers Squibb, Dropbox, Inc., Genentech, Inc., Google Inc., Liberty Mutual Insurance, Morgan Stanley, National Association of Mutual Insurance Companies, National Association of Realtors, Nissan, Norfolk Southern Corporation, The Original Oatly!, Pernod Ricard S.A., Salesforce.com, Sanofi U.S. Services Inc., Semptra Energy, U.S. Sugar, Visa, Inc.

	Year ended Dec 2018	Year ended Dec 2019	Year ended Dec 2020	6 months ended June 2020	6 months ended June 2021
Revenue (\$000s)	11,511	12,933	15,884	7,422	10,229
FTEs as at period end	18	19	25	25	25
Average FTEs for the period	17.8	19.2	23.3	20.7	25.5
Average Revenue per FTE (\$000s)*	649	675	683	718	802

\*Half year periods annualised

### Forbes Tate Partners, LLC

Forbes Tate Partners is a full-service government and public affairs advocacy firm that provides integrated bi-partisan government and public affairs services in Washington, D.C. and across all 50 U.S. states. The firm's product and capability offerings include lobbying, communications, media management, grassroots advocacy (federal, state, and local), creative/copy/graphics development, research / polling, and full-scale campaign development, tailoring solutions to fit clients' needs. In 2020, FTP contributed \$31.1m in revenue to the Group and had a headcount at 30 June 2021 of 70.

**Key client accounts:** AMD, Bank of America, Bayer, Deloitte, Entergy, Honda, HQUS, Live Nation, Merck, NCTA, NFLPA, Oracle, PhRMA, SpaceX, T-Mobile, Target, Association of American Railroads, Tyson, UPS, Verizon, Walgreens, Yum!

	<i>Year ended Dec 2018</i>	<i>Year ended Dec 2019</i>	<i>Year ended Dec 2020</i>	<i>6 months ended June 2020</i>	<i>6 months ended June 2021</i>
Revenue (\$000s)	18,778	27,099	31,118	14,829	20,552
FTEs as at period end	54	61	66	65	70
Average FTEs for the period	45.4	61.3	65.0	64.5	70.0
Average Revenue per FTE (\$000s)*	413	442	479	460	587

\*Half year periods annualised

### Seven Letter, LLC

Seven Letter creates, develops and implements strategic communications and digital engagement plans for Fortune 500 companies, coalitions, non-profits and national trade associations. Rebranded as Seven Letter in 2019 following the combination of Blue Engine Message and Media and JDA Frontline a year earlier in 2018, the firm frequently collaborates with corporate communications, marketing and government relations teams to implement priority programs when reputation, brand or market position face a threat or opportunity. In 2020, SL contributed \$9.4m in revenue and had a headcount at 30 June 2021 of 31.

**Key client accounts:** Aramark, Atlas Air, Cigna, Climate Action Campaign, Ford, Innovation Alliance, Major League Baseball, NACHA, National Association of Chemical Distributors, National Multifamily Housing Council, New England Cable and Telecommunications Association, SoftBank Group, United States Conference of Mayors, The Registration Project.

	<i>Year ended Dec 2018</i>	<i>Year ended Dec 2019</i>	<i>Year ended Dec 2020</i>	<i>6 months ended June 2020</i>	<i>6 months ended June 2021</i>
Revenue (\$000s)	3,503	8,111	9,389	4,214	5,674
FTEs as at period end	22	27	26	26	31
Average FTEs for the period	12.4	26.8	26.7	28.2	27.2
Average Revenue per FTE (\$000s)*	282	303	352	299	417

\*Half year periods annualised

### O'Neill & Associates

O'Neill & Associates is a bi-partisan government affairs and public affairs firm based in Boston, MA and focused on clients primarily in New England. On 1 February 2019, Seven Letter and O'Neill & Associates announced the combination of their Strategic Communications Practices. The combined company, which is operating under the Seven Letter brand, unites top practitioners in public affairs, public relations, crisis and corporate communications, digital strategy and advertising. In 2020, ONA contributed \$7.3m in revenue to the Group and had a headcount at 30 June 2021 of 28. The combined entity generated \$5.0m in revenue in 2020.

**Key client accounts:** 3M, Abiomed, Alaska Airlines, Analogic, BJs, Brookfield Renewable Energy Marketing U.S. LLC, Covestro, Ernst & Young LLP, Everytown USA, General Motors, HDR, McKesson, Life Sciences Real Estate, PAX, Pepsi, Pyramid Hotel Group, Silent Falcon, Total Wine & More, Tufts University, ultragenyx.

	<i>Year ended Dec 2018</i>	<i>Year ended Dec 2019</i>	<i>Year ended Dec 2020</i>	<i>6 months ended June 2020</i>	<i>6 months ended June 2021</i>
Revenue (\$000s)	–	7,397	7,345	4,113	3,585
FTEs as at period end	n.a.	39	32	36	28
Average FTEs for the period	n.a.	40.5	34.6	36.5	29.5
Average Revenue per FTE (\$000s)*	n.a.	183	232	225	243

\*Half year periods annualised

## Alpine Group Partners LLC

Alpine Group is a bi-partisan, bicameral government affairs consulting firm, based in Washington, D.C. Its clients include Fortune 100 companies, private equity firms, trade associations, local governments and others. Alpine Group is consistently ranked one of the top lobbying firms in Washington, and its team of 21 professionals are recognized as substantive and political experts. In 2020, AG contributed \$13.8m in revenue to the Group and had a headcount at 30 June 2021 of 21.

**Key client accounts:** American Transmission Coalition, Aptar, ARGO, Bose Corporation, Boston Scientific, Distilled Spirits Council of the United States, Duke Energy, Emergent Biosolutions, Equinor, GSK, LafargeHolcim, National Thoroughbred Racing Association, Natural Gas Supply Association, Nucor, REG, Shell NA LNG LLC, Siemens Corporation, The Blackstone Group, Twilio, U.S. Cellular Corporation, Ventas, Walmart, Inc.

	<i>Year ended Dec 2018</i>	<i>Year ended Dec 2019</i>	<i>Year ended Dec 2020</i>	<i>6 months ended June 2020</i>	<i>6 months ended June 2021</i>
Revenue (\$000s)	–	–	13,748	6,974	7,162
FTEs as at period end	n.a.	n.a.	21	23	21
Average FTEs for the period	n.a.	n.a.	22.2	23.0	21.5
Average Revenue per FTE (\$000s)*	n.a.	n.a.	620	606	666

\*Half year periods annualised

## 6. STRATEGY

The Directors believe that the key to future growth and ongoing success of the Group is through the combination of an organic and acquisitive growth strategy.

The Group's strategy is to continue to selectively acquire companies within and adjacent to the public policy market to complement the services of existing operating companies, both as new operating entities or to integrate new talent and capabilities within existing operations or to maintain them as additional stand-alone practices, and to continue its seven – year track record of organic growth through a mixture of cross-selling, upselling and securing new clients to whom PPHC can provide an increasingly broad offering.

The Group has already established a structured process for identifying, negotiating and integrating operating companies. As at the end of 2020, PPHC had screened 80 potential companies, taken 45 to financial due diligence and ultimately entered into 8 combination agreements. The Group plans to target acquisitions in the following three service areas:

*State-based public policy lobbying and advisory services:* the Group continually evaluates potential acquisition targets in lobbying and additional advisory sectors that are highly ranked within key U.S. state capitals, including Sacramento, CA, Albany, NY, Tallahassee, FL, and Austin, TX. These particular markets have experienced increased state-based public policy activity by corporates due to the rise of state-level regulations and geographic concentration of key industries.

*Digital and data analytics services:* the Group is actively identifying further acquisitions and strategic investments with individual companies and platforms that specialise in digital communications and advanced data analytics & media buying expertise to identify, reach and engage with public policy stakeholders and their targeted constituencies. These commercial specialisations, some of which are already offered within certain Group companies, are rapidly evolving, increasing their effectiveness and raising client's expectations. The Group's ability to lead its clients' innovation in stakeholder communications and direct advocacy is critically important for both clients and the Group's commercial success.

*Strategic research and intelligence:* the Group foresees opportunities to develop new, non-services-based products that would be based on its original intellectual property and ways of working. As technology and media innovation continues to disrupt traditional methods of public policy influence, digital products such as syndicated research reports, risk landscape assessments, subscription-based news & legislative monitoring services, and custom advertising targeting models for influence are all under active consideration.

The Group's selective and targeted acquisitive growth strategy is based on the following principles:

*Ethical and compliance standards:* The Group holds a commitment to the highest ethical and compliance standards, with detailed due diligence on any target to ensure compliance and ethical standards align with the existing operating companies within the Group.

*Market share and diversification growth:* The Directors believe that there are significant opportunities within the adjacent strategic communications segments that the Group is well positioned to take advantage of. To gain an increased share of both customers and the market, the Group plans to target firms across Government Affairs, Public Affairs, Public Relations, Media Relations, Investor Relations and Crisis Management.

*Attractive financial profile:* The Group intends to target acquisitions that are accretive and value-additive to the Group as a whole, in particular aiming to maintain group-wide EBITDA margins.

*Long-term business benefits and opportunities:* The Group's structure and diversified service offering promotes organic growth and client retention and, as such, the Group seeks targets that will benefit from economies of scale, leveraging its operating companies' management, clients, brand and goodwill.

The Group believes that its ownership model has been and will continue to be attractive to targets on account of its:

*Listed status:* Admission will enhance the Group's profile and will be beneficial to new business pursuits and the attraction of talent to the Group. Furthermore, Admission provides a platform for the Group to more efficiently pursue further acquisitions, including through the ability to use the Company's Common Shares as consideration and thereby align the interests of the owners of target businesses with those of the Group.

*Operating model:* the Group's model is to allow companies to continue to operate largely autonomously within the holding company model as described above. This allows the existing founders and managers to continue to run their companies, while receiving the financial and operational infrastructure and support, and clear reporting standards and other professional support.

*Cross selling opportunities and conflict mitigations:* the Group's strategy is to acquire companies within specific geographic areas and with specific capabilities and sector expertise. In doing so, there will be cross-selling opportunities between companies on specific clients and the opportunity to create new lines of service. The Group seeks to acquire complementary companies but recognises that some will offer overlapping or competitive services, either in a geography or capability, or both. Additionally, as many clients and industry sectors have strict contractual terms limiting conflicts within a company's portfolio, the Group's operating model is designed to resolve such terms by offering simple referrals and talent transfers, when necessary.

*Ability to attract and retain high quality staff:* the Group structure is designed to help attract and retain talent at all levels of management. The Directors believe that this model will be differentiated in a tight market for talent as it is designed to allow all employees to benefit from being part of a larger group while still maintaining a significant level of day-to-day autonomy and entrepreneurial control. Admission itself provides the opportunity to incentivise high-quality staff through equity-based incentives as well as greater visibility for the Company. The Company's dividend policy and 5-year equity vesting schedule are integral component of the senior employee retention and incentivisation plan.

## 7. SUMMARY FINANCIAL INFORMATION

The financial information set out in the table below has been extracted from the historical financial information of the Group included in Part 3 of this document. Potential investors should read the full historical financial information in Part 3 of this document and not rely solely on the summary below.

<i>in \$m</i>	<i>Year ended Dec 2018</i>	<i>Year ended Dec 2019</i>	<i>Year ended Dec 2020</i>	<i>6 months ended June 2021</i>
<b>Revenue</b>	<b>33.8</b>	<b>55.5</b>	<b>77.5</b>	<b>47.2</b>
Personnel costs	15.9	27.2	38.3	21.8
Occupancy cost	2.0	3.6	3.7	1.7
General & administrative	3.3	6.4	6.2	4.0
<b>Costs</b>	<b>21.2</b>	<b>37.2</b>	<b>48.3</b>	<b>27.5</b>
<b>EBITDA Pre-Bonus</b>	<b>12.6</b>	<b>18.3</b>	<b>29.2</b>	<b>19.7</b>
– <i>Margin</i>	37.1%	33.0%	37.7%	41.8%
Normalised bonus <sup>(2)</sup>	3.1	4.6	7.3	4.9
Employer tax on bonus <sup>(3)</sup>	0.2	0.2	0.4	0.2
<b>Normalised EBITDA</b>	<b>9.3</b>	<b>13.5</b>	<b>21.5</b>	<b>14.5</b>
– <i>Margin</i>	27.4%	24.4%	27.8%	30.8%

(1) Year ended 31/12/2018 includes the pro-forma sum of JDA Frontline and Blue Engine Message & Media, year ended 31/12/2020 and 6 months ended 30/06/2021 include the revenues generated by the merger of their Strategic Communications Practices of Seven Letter and O'Neill & Associates

(2) Normalised EBITDA is illustrative only and calculated on the basis that 25 per cent. of pre bonus EBITDA is paid as a bonus, in line with the Group's policy post IPO (excluding social security employer taxes)

(3) Approximate 5 per cent. social security employer taxes on bonus payments is calculated for illustrative purposes

## 8. CURRENT TRADING AND OUTLOOK

Since the period ended 30 June 2021 the Group has maintained its momentum with revenues continuing to increase compared to the same period in the prior year. This increase in revenues continues to build on the Group's strong performance in the first six months of the year and as a result the Directors have confidence in the Group's prospects for the current financial year and beyond.

The Group expects revenue growth on an organic basis to be between 15 per cent. and 20 per cent. on an annual basis for the full year ended 31 December 2021 and in the medium term the Group targets between 5 per cent. and 10 per cent. per annum revenue growth, excluding the potential positive impact of M&A activity or material hires. The Group aims to manage the business such that the ratio of personnel costs to revenue remains in the range of 45 per cent. to 55 per cent., excluding bonus payments. Post IPO the Group will adopt a bonus policy whereby 25 per cent. of pre-bonus EBITDA will be paid as a cash bonus across the Group in total.

## 9. REASONS FOR ADMISSION AND USE OF PROCEEDS

The Directors believe that Admission represents an important step in the Group's development. The Directors believe a public listing will assist in the growth of the business and its acquisition strategy in particular through providing access to equity capital. Further, the Directors' believe a public listing will enhance the Group's profile and provide the Group with the ability to incentivise and retain its existing and future employees through equity incentives. The Group's proposed dividend policy combined with the 5-year equity vesting schedule for Group Executives is an integral component of the Group's senior employee retention and incentivisation plan.

The net proceeds of the Placing receivable by the Company will principally be used to fund accelerated growth and talent acquisition and repay the outstanding balance on its revolving line of credit.

## 10. BOARD OF DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

### Board of Directors

#### **Simon Lee** (aged 60), *Non-Executive Chair*

Simon Lee is an International Advisor to Fairfax Financial, where he sits on the boards of Brit Syndicates and Fairfax International, Barbados. He is also currently Chairman of Osirium Technologies and a non-executive director at Atlas Mara Bank. Simon also serves on the global advisory boards of Sherpa Management and Entelechy. Until December 2013, he served as group chief executive of RSA Insurance Group plc, a FTSE 100 insurer. Simon also spent 17 years with NatWest Group where he held a number of senior leadership positions, including CEO of NatWest Offshore, Head of US Retail Banking, CEO NatWest Mortgage Corporation (US) and Director of Global Wholesale Markets.

#### **Stewart Hall** (aged 56), *Chief Executive Officer*

Stewart Hall is a co-founder of the Group. Stewart is also founder and chairman of Crossroads Strategies, a bi-partisan, multi-disciplinary federal relations, advocacy and advisory firm based in Washington DC. Stewart has extensive experience in both the public and private sectors. He co-founded Federalist Group in 1999, which was acquired by Ogilvy Public Relations (WPP) in 2005. Prior to that, he served as Legislative Director to Senator Richard Shelby (R-AL) from 1992-1996, working across defense policy, appropriations and financial services committees.

#### **Bill Chess** (aged 78), *Chief Financial Officer*

Bill Chess is a co-founder of the Group. Previously Bill was COO and CFO of Ogilvy Public Relations Worldwide (WPP), during which time he oversaw acquisition activity across all global regions. Bill began his business career with Unilever, including as Financial VP of Lever's Food Division. He is a veteran of the United States Air Force where he served as an air traffic controller.

#### **Zachary Williams** (aged 43), *Executive Director*

Zachary Williams is a Managing Partner at Forbes Tate Partners, a bi-partisan, full-service government and public affairs advocacy firm that became part of the Group in 2014. Prior to Forbes Tate Partners, Zachary was a founder and managing partner of Cauthen and Associates.

#### **Benjamin Ginsberg** (aged 70), *Non-Executive Director*

Benjamin Ginsberg has most recently been a political law Partner at international law firm, Jones Day, before retiring in August 2020. Prior to that he served as national counsel to the Bush-Cheney presidential campaigns in 2000 and 2004, as well as the Romney for President campaigns of 2008 and 2012. Benjamin also played a central role in the Florida recount of 2000, widely remembered for the "hanging chads" controversy. Benjamin joined Patton Boggs, a full-service global law firm, in 1993 after serving eight years as counsel to the Republican National Committee, the National Republican Senatorial Committee and the National Republican Congressional Committee. Benjamin served as counsel to the Republican Governors Association and has extensive experience of the state legislative level through Republican redistricting efforts.

#### **Kimberly White** (aged 57), *Non-Executive Director*

Kimberly White is currently a senior advisor to Alphabet's Verily, and previously served as Senior Vice President and Chief Communications Officer at CVS Health and Vertex Pharmaceuticals. She was the global sector chair for Health at Edelman for seven years, the world's largest public relations firm. Prior to that, Kimberly spent 16 years with Ogilvy Public Relations, where she held a variety of roles including global health chair and managing director of Ogilvy's New York public relations business.

### Senior Management

#### **Jill Kendrick** (aged 45), *Chief Operating Officer*

Jill was formerly the chief administrative officer for Ogilvy Government Relations and has been a senior member of the management team of the Group since its inception. She previously served as CFO of Crossroads Strategies before it merged into PPHC in 2014. Jill brings strong operational and business development experience to the Group.

**Thomas Gensemer** (aged 44), *Chief Strategy Officer*

Thomas Gensemer was previously chief strategy officer at WPP-owned Burson-Marsteller. With a successful track record as an entrepreneur, Thomas was CEO of Blue State Digital, driving its rapid growth and ultimate acquisition by WPP in 2011. He has led digital advocacy and fundraising campaigns for dozens of U.S. and international political campaigns including Barack Obama's presidential campaign and global NGOs such as the International Rescue Committee, as well as leading brands.

**Paula Thrasher** (aged 47), *Vice President, Financial Operations*

Paula Thrasher oversees the accounting department and is primarily responsible for directing and managing the fiscal and accounting functions of the Group and the various companies within it. Paula has over 25 years' experience in accounting. Prior to joining the Group, she was the director of finance for Forbes Tate Partners and the controller/staff accountant for Diamond Concrete, Dominic's, Alabama Farmers Federation, EFS, Inc., Dialysis Clinic Inc., and Columbia Regional Medical.

**Ron Starzman** (aged 43), *Vice President, Human Resources*

Ron Starzman has over 20 years' experience of developing key workplace improvement initiatives across a wide range of industries. Prior to joining the group, he was university-wide head of employee relations at William & Mary University in Virginia, U.S., overseeing performance and talent management initiatives for over 2,500 staff. Ron was previously at Watershed as a managing consultant from May 2011 where he helped partner companies define and identify top talent. Prior to this, he worked at Revlon. Ron has also served as a consultant at multi-national corporations including Alliance Bernstein, CB Richard Ellis, Credit Suisse, Mercer Delta Consulting, and the Luxottica Group. Ron started his career at Ogilvy Public Relations in 1999.

## **11. CORPORATE GOVERNANCE**

The Directors recognise the importance of sound corporate governance and, following Admission, have taken account of the requirements of the QCA Code to the extent that they consider appropriate having regard to the Company's size, board structure, stage of development and resources.

The Directors note that all AIM companies must provide details on their website of the recognised code that the company has decided to apply, how it complies with that code and where it departs from this, an explanation of the reasons for doing so. On Admission, it is anticipated that the Group will comply with all of the Principles set out in the QCA Code. Further details of the Group's compliance with the QCA Code are set out in Part 4 of this document and, from Admission, details will be available on the Company's website at <https://pphcompany.com/>.

The Company is incorporated in and subject to the laws of the State of Delaware, United States. The Board's operation and its relationship with the Company's shareholders is generally governed by Delaware corporate law and by the Company's Certificate of Incorporation and Bylaws. As such, the Directors are subject to customary fiduciary duties under Delaware law.

Following Admission, it is expected that the Board will hold regular board meetings. The Directors will be responsible for reviewing, developing and approving the Company's strategy, budgets and corporate actions and overseeing the Company's progress towards its goals. The Board has established an Audit Committee and a Remuneration Committee with formally delegated duties and responsibilities and each with written terms of reference. From time to time, separate committees may be set up by the Board to consider specific issues when the need arises.

### **Audit Committee**

On Admission, the Audit Committee members shall be appointed by the Board and will comprise Simon Lee, who will chair it, Benjamin Ginsberg and Kimberly White. There will be not less than three members. The Audit Committee is expected to meet at least three times a year and otherwise as required. At least two members of the Committee shall be independent non-executive directors and at least one member of the Committee shall have recent relevant financial experience. The Directors acknowledge that certain corporate governance guidelines recommend that the chair of the Board should not also be a member of the Audit Committee. However, under the QCA Code there is no such recommendation. In addition, the Directors have considered the membership of the Audit Committee carefully and have concluded

that, due to the current composition of the Board, Simon Lee is the most appropriate choice of chair of the Audit Committee.

The Audit Committee is responsible for ensuring that the financial performance of the Company is properly reported on and reviewed, and its role includes: (i) considering and monitoring the appointment, re-appointment of external auditors as well as advising on the terms of engagement between the Company and the external auditors; (ii) ensuring procedures are in place for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; (iii) report formally to the Board on proceedings after each Audit Committee meeting; (iv) monitoring the integrity of the financial statements of the Company (including annual and interim accounts and results announcements); (v) undertaking narrative reporting and advising the Board on whether the content of the annual report and accounts provides the necessary information for shareholders to assess the Company's performance, business model and strategy; (vi) reviewing internal control and risk management systems; (vii) reviewing the Company's policy for detecting fraud; (viii) reviewing any changes to accounting policies and check the application of these policies on a year-to-year basis; (ix) reviewing the internal audit function and (x) reviewing and monitoring the extent of the non-audit services undertaken by external auditors. The Audit Committee will have unrestricted access to the Company's external auditors.

The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

The Audit Committee also has responsibility for ensuring that the Company has in place the procedures, resources and controls to enable compliance with *inter alia*, the AIM Rules and the QCA Code.

### **Remuneration Committee**

On Admission, the Remuneration Committee will consist of not less than three members and will include Kimberly White, who will chair it, Benjamin Ginsberg and Simon Lee. It is expected to meet not less than twice a year and at such other times as required. All members of the Remuneration Committee shall be non-executive directors. The Chair of the Board may only also serve on the Committee as an additional member if they were considered independent on appointment as Chair of the Board.

The Remuneration Committee has responsibility for determining, within the agreed terms of reference, the Company's policy on the remuneration packages of the Company's Chief Executive Officer, the Chair of the Board, the executive directors including the Chief Financial Officer, the Company secretary and other senior executives as designated by the Board. The Remuneration Committee also has responsibility for: (i) recommending to the Board a remuneration policy for directors and executives and monitoring its implementation; (ii) approving and recommending to the Board and the Company's shareholders, the total individual remuneration package of the Chair of the Board, each executive and the Chief Executive Officer (including bonuses, incentive payments and share incentive awards or other share awards); and (iii) approving and recommending to the Board the total individual remuneration package of the Company secretary and all other senior executives (including bonuses, incentive payments and share incentive awards or other share awards); (iv) approving the design of, and determine targets for, any performance related pay schemes operated by the Company; and (v) reviewing the design of all share incentive plans for approval by the Board and shareholders, in each case within the terms of the Company's remuneration policy and in consultation with the Chair of the Board and/or the Chief Executive Officer. No Director or member of management may be involved in any discussions as to their own remuneration.

The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

### **Share dealing code**

The Company has adopted a share dealing code for directors and employees, which is appropriate for a company whose shares are admitted to trading on AIM (particularly relating to the prohibition of dealing during closed periods) and a company which is incorporated in the US whose shares are held by directors and employees who are US residents.

## 12. DETAILS OF THE PLACING

Stifel has, as agent for the Company pursuant to the Placing and Selling Shareholders' Agreement, conditionally agreed to use its reasonable endeavours to procure placees for the New Common Shares at the Placing Price and purchasers for the Sale Shares at the Placing Price. The Placing Shares will be placed with a limited number of institutional and other qualified investors introduced by Stifel and the Placing will not comprise an offer to the public in the United Kingdom or any other jurisdiction.

The New Common Shares to be issued by the Company pursuant to the Placing, will represent approximately 7.6 per cent. of the share capital on Admission and will raise gross proceeds for the Company of £11.1m (before estimated expenses of £4.8m to the Company). The New Common Shares will on issue rank *pari passu* in all respects with the Existing Common Shares, including the right to receive all dividends and other distributions thereafter declared, made or paid on the share capital. The Company will not receive any of the proceeds from the sale of the Sale Shares.

The Selling Shareholders have, pursuant to the Selling Shareholder Deed Polls, agreed to sell the Sale Shares, raising gross proceeds for the Selling Shareholders of £19.5m. The placing of the Sale Shares is being undertaken to, among other things, provide existing owners with a degree of immediate liquidity in their holdings and assist with post-Admission liquidity in the trading of the Company's share capital.

Application has been made for the Common Shares (including the New Common Shares) to be admitted to trading on AIM. Admission is expected to become effective at 8.00 a.m. on 16 December 2021.

The Placing is conditional, *inter alia*, on:

- (a) the Placing and Selling Shareholders' Agreement becoming unconditional (save for Admission) and not having been terminated in accordance with its terms prior to Admission; and
- (b) Admission taking place on 16 December 2021 or such later date as Stifel and the Company may agree, not being later than 30 December 2021.

The New Common Shares will be issued as fully paid and the Sale Shares are all fully paid. Except as noted in Part 5 of this document, the Common Shares will be freely transferable.

On Admission the Company will have a market capitalisation of approximately £146.1m at the Placing Price. Further details of the Placing and Selling Shareholders' Agreement is set out in paragraph 21 of Part 5 of this document.

## 13. LOCK-IN ARRANGEMENTS, VESTING AND FORFEITURE

### Lock-in Arrangements

Pursuant to the Selling Shareholder Deed Polls, the Locked-in Selling Shareholders have agreed that, subject to certain exceptions, they will not dispose of Common Shares held by them (or enter into a transaction with the same economic effect) during the period from the date of Admission up to and including the date falling twelve months after Admission (the "**Restricted Period**"). In addition, the Locked-in Selling Shareholders have agreed that, subject to certain exceptions, they will only dispose of Common Shares held by them (or enter into a transaction with the same economic effect) during the period of twelve months commencing on the expiry of the Restricted Period through Stifel, or any broker for the time being appointed to act as broker to the Company, in such manner as Stifel or such broker may reasonably require so as to ensure an orderly market in the Common Shares.

### Vesting and Forfeiture

Pursuant to the Executive Employment Agreements, the Group Executives (and The Alpine Group, Inc.) holding Common Shares at the time of Admission that are not sold in connection with the Placing will hold such Common Shares subject to a vesting schedule under which such Common Shares will vest in equal instalments on the first five anniversaries of the effective date of Admission, provided that the Group Executive (and, in the case of The Alpine Group, Inc., each Group Executive employed by Alpine Group) remains continuously employed by the employer; this vesting schedule applies to all PPHC Group employees holding shares in the Company at the time of Admission. In the event that a Group Executive's or employee's

employment terminates (other than on death or “disability”, or by the employer without “cause”, or by the Group Executive for what is deemed to be for a “good reason”) then the unvested proportion of the Common Shares held by that Group Executive (or The Alpine Group, Inc.) will not vest and will be forfeited and clawed back by the Company. Where a Group Executive’s employment terminates on death or “disability”, or by the employer without “cause”, or by the Group Executive for what is deemed to be a “good reason”, any Common Shares which have not vested will vest automatically on the date of such termination. The Executive Employment Agreements also contain certain provisions which enable cash derived from the sale of the Sale Shares and Common Shares that have vested to be clawed back and forfeited on certain events of termination of employment or breaches of certain provisions of the Executive Employment Agreements.<sup>25</sup>

#### **14. DIVIDEND POLICY**

The Company has not declared or paid cash dividends on the Existing Common Shares prior to the date of this document.

The Company intends to adopt a dividend policy which reflects the long-term earnings and cashflow potential of the Group. Additionally, one goal of the Company’s dividend policy is to provide compensation to employed Shareholders, in recognition that their direct compensation has been reduced in anticipation of the Placing and resulting public ownership of the Company.

Following Admission, the Directors anticipate that the Group will initially adopt a payout ratio of up to 70 per cent. of the Group’s adjusted net profit after tax, payable half yearly. The Directors intend that the Group will pay an interim dividend and a final dividend in approximate proportions of one third and two thirds respectively, of the total annual dividend.

It is expected that a dividend will be declared for the year ending 31 December 2021 having regard to the period of time that the Company has been admitted to AIM for that financial year. Any such dividend will be determined by the Board and declared with the Company’s annual results for the financial year.

#### **15. EMPLOYEE INCENTIVE SCHEME**

The Board considers employee share ownership to be an important part of its strategy for employee incentivisation and has an established framework to allow employees to share in the success of the Group by the award of Options.

The Group has adopted the Omnibus Incentive Plan, under which Options, stock appreciation rights, restricted stock units, restricted stock, unrestricted stock, cash-based awards and dividend equivalent rights may be issued. Presently, no awards are outstanding under the Omnibus Incentive Plan. Please refer to paragraph 12 of Part 5 of this document for further information relating to the Omnibus Incentive Plan and the terms of the Options.

#### **16. ADMISSION, SETTLEMENT AND CREST**

##### **Admission and CREST**

Application has been made to the London Stock Exchange for the Common Shares to be admitted to trading on AIM. It is expected that Admission will take place, and that dealings in the Common Shares on AIM will commence at 8.00 a.m. on 16 December 2021.

CREST is a voluntary, paperless settlement procedure enabling securities (including Depositary Interests) to be evidenced otherwise than by a certificate and transferred otherwise than by way of a written instrument in accordance with the CREST Regulations. The system is designed to reduce the costs of settlement and facilitate the processing of settlements and the updating of registers through the introduction of an electronic settlement system. Common Shares may be held in electronic form and evidence of title to Common Shares will be established on an electronic register maintained by a registrar.

---

<sup>25</sup> Pursuant to the Executive Employment Agreements for the Group Executives employed by Alpine Group, a pro rata portion of the Common Shares held by The Alpine Group, Inc. will be subject to vesting, forfeiture and clawback, based on the performance of the relevant Group Executive.

The requirements of the AIM Rules for Companies provide that the Company must, on Admission becoming effective, have a facility for the electronic settlement of the Common Shares. As the Company is incorporated in the United States its Common Shares are not eligible to be held directly through CREST and, accordingly, the Company has established, via the Depositary, a Depositary Interest arrangement. The Depositary Interests representing the Common Shares will be issued to the individual Shareholders' CREST account on a one for one basis and with the Depositary providing the necessary custodial service. It is expected that, where placees have asked to hold their Common Shares in uncertificated form, they will have their CREST accounts credited with Depositary Interests on the day of Admission. For further details of the Depositary Interest arrangement please refer to paragraph 18 of Part 5 of this document.

## **17. EFFECTS OF US DOMICILE**

The Company is a US corporation incorporated under the laws of the State of Delaware, and its principal place of business is in the United States. There are a number of differences between the corporate structure of the Company and that of a public limited company incorporated in the UK. While the Board considers that it is appropriate to retain the majority of the usual features of a US corporation, the Board intends to take certain actions to conform to UK standard practice. Paragraph 19 of Part 5 of this document is a description of the principal differences and, where appropriate, provisions contained in the Company's constitutional documents to incorporate English law principles in relation to pre-emption rights, notifiable interests and takeovers.

## **18. TAXATION**

Information regarding taxation is set out in paragraph 17 of Part 5 of this document. This information is intended only as a general guide to the current tax position in the UK and the US. Any investor who is in any doubt as to his or her tax position, or is subject to tax in a jurisdiction other than the UK or the US, should consult his or her own independent professional adviser without delay.

## **19. UK CITY CODE ON TAKEOVERS AND MERGERS**

The Company is not subject to the UK Takeover Code because its registered office and its place of central management and control are outside the UK, the Channel Islands and the Isle of Man. As a result, certain protections that are afforded to Shareholders under the UK Takeover Code, for example in relation to a takeover of a company or certain stakebuilding activities by Shareholders, do not apply to the Company.

However, the Company has inserted certain provisions into the Certificate of Incorporation which adopt similar procedures to the UK Takeover Code in respect of Rule 9 of the UK Takeover Code but there is no assurance that the courts of the State of Delaware, US, will uphold or allow the enforcement of these provisions.

The Certificate of Incorporation provides that, subject to the Delaware Corporation Law and certain other rules and regulations, if a person (i) acquires shares of capital stock which (taken together with securities held or acquired by persons acting in concert with such person) represent 30 per cent., or more of the voting rights attaching to shares of capital stock, or (ii) (together with persons acting in concert with such person) holds not less than 30 per cent., but not more than 50 per cent., of the voting rights attaching to the shares of capital stock and such person, or any person acting in concert with such person, acquires additional securities, which will increase such person's percentage holding of such voting rights, then any such person (and any persons acting in concert with such person) must make a written cash offer to the holders of all of shares of capital stock to acquire the outstanding shares of capital stock subject to the terms and conditions set forth in the Certificate of Incorporation. These requirements are subject to certain exceptions set forth in the Certificate of Incorporation, including (among others) an affirmative waiver by the Board with regard to any specific Shareholder. These provisions will only apply at such time as the Company has shares of its capital stock listed or admitted to trading on AIM or the London Stock Exchange.

Further details relating to these provisions are set out at paragraphs 10 and 19 of Part 5 of this document.

The Board has concluded that the Selling Shareholders together with the Group Executives employed by Alpine Group are considered by the Company to be acting in concert with each other in relation to the Company for the purposes of the Rule 9 of the UK Takeover Code provisions included in the Certificate of

Incorporation following Admission (the “Concert Party”). Immediately following Admission, members of the Concert Party will hold, in aggregate, 85,536,287 Common Shares, representing approximately 79 per cent. of the Enlarged Share Capital.

As a consequence members of the Concert Party, while its aggregate holding remains in excess of 50 per cent of the enlarged share capital of the Company from time to time, will be permitted to make further purchases of Common Shares without incurring any obligation under the Company’s Certificate of Incorporation to make a mandatory offer as detailed above. There is no assurance that the courts of the State of Delaware, US will uphold or allow the enforcement of these mandatory takeover provisions.

## **20. ADDITIONAL INFORMATION**

Prospective investors should read the whole of this document, which provides additional information on the Company, the Placing and Admission and not rely on summaries or individual parts only. In particular, the attention of prospective investors is drawn to Part 2 of this document which contains a summary of the risk factors relating to an investment in the Company.

## PART 2

### RISK FACTORS

**AN INVESTMENT IN COMMON SHARES IS HIGHLY SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. THE ATTENTION OF PROSPECTIVE INVESTORS IS DRAWN TO THE FACT THAT THE GROUP IS SUBJECT TO A VARIETY OF RISKS WHICH, IF ANY WERE TO OCCUR, COULD HAVE A MATERIALLY ADVERSE EFFECT ON THE GROUP'S BUSINESS AND/OR FINANCIAL CONDITION, RESULTS OR FUTURE OPERATIONS. IN SUCH CASE, THE MARKET PRICE OF THE COMMON SHARES COULD DECLINE AND INVESTORS MIGHT LOSE SOME OR ALL OF THEIR INVESTMENT.**

In addition to the information set out in the rest of this document, the following risk factors in this Part 2 should be considered carefully in evaluating whether to make an investment in the Company. The following factors do not purport to be an exhaustive list or explanation of all the risk factors involved in investing in the Company and they are not set out in any order of priority. Additionally, there may be risks not mentioned in this document of which the Board is not aware or believes to be immaterial but which may, in the future, adversely affect the Group's business and the market price of the Common Shares. In particular, the Group's performance may be affected by changes in the market or economic conditions and by legal, regulatory and tax requirements.

Before making a final investment decision, prospective investors should consider carefully whether an investment in the Company is suitable for them and, if they are in any doubt, should consult with an independent financial adviser authorised under FSMA which specialises in advising on the acquisition of shares and other securities in the UK or another appropriate financial adviser in the jurisdiction in which such investor is located.

#### 1. GENERAL RISKS

An investment in the Company is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss that may result from the investment. A prospective investor should consider with care whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them. The investment opportunity offered in this document may not be suitable for all recipients of this document.

Investment in the Company should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Company's investments will occur or that the commercial and technological objectives of the Company will be achieved. Investors may not get back the full amount initially invested.

The prices of shares and the income derived from them can go down as well as up. Past performance is not necessarily a guide to future trends.

#### 2. RISKS RELATING TO THE GROUP AND THE BUSINESS

##### **Establishing and maintaining client relationships**

The success of the Group's business depends on the ability of the individual Group companies to establish and maintain strong client relationships. If the Group does not establish new or maintain existing client relationships, it could have a material adverse effect on the Group's business, results of operations, financial condition or prospects. Although Group companies have longstanding relationships with many of their clients, these clients usually do not enter into long-term contracts beyond 12 months. If any of the Group's top clients by revenue were to significantly reduce their demand for services, Group revenue could be adversely affected. For the financial year ended 31 December 2020, fees attributed to the Group's top five clients (on a consolidated group basis) amounted to 6.92 per cent. of the Group's revenue. Whilst revenue from the Group's top clients will vary from period to period, the revenue derived from a major client that permanently discontinues or significantly reduces its relationship with the Group could be difficult to replace.

## **The Group's reputation and the threat of litigation**

The Group operates in an industry where integrity, client trust and confidence are paramount and, as a result, maintaining its professional reputation and managing potential conflicts of interest are critical to its business. The Group is exposed to the risk that conflicts of interest, litigation or claims, employee error or misconduct, operational failures, regulatory investigations, press speculation and negative publicity, whether true or not, inadequate or negligent provision of services to clients or disclosure of confidential client information, among others, could impact its brand and reputation. The Group's brand could in the future be adversely affected by the independent actions or negative media attention of its clients. The potential for negative brand and reputational exposure has increased with the global flow of information via the internet and social media through which adverse comments, whether substantiated or not, can reach a wide audience very quickly and without appropriate balance or context.

Due to the broad scope of the Group's operations and its client base, it regularly addresses and has had to turn down certain opportunities due to actual and potential conflicts of interest. The Group faces risks of both (i) client conflicts, which are situations where its services to a particular client conflict, or are perceived to conflict, with the interests of another client, and (ii) own-interest conflicts, which are situations where the Group's duty to act in the best interests of any client in relation to a matter conflicts, or there is a significant risk that it may conflict, with the Group's own interests in relation to that or a related matter. Furthermore, where one or more of the Group's divisions or practices have access to material non-public information that may not be shared with its other divisions or practices, it can also lead to an actual or perceived own-interest conflict. While the Group has extensive procedures and controls that are designed to identify and address conflicts of interest, including those designed to prevent the improper sharing of information among its divisions or practices, appropriately identifying and dealing with conflicts of interest (both client conflicts and own-interest conflicts) is complex and difficult, and the Group's reputation could be damaged and the willingness of clients to enter into engagements with it may be affected if its procedures or controls fail or it otherwise fails, or appears to fail, to identify, disclose and deal appropriately with conflicts of interest. It is also possible that actual, potential or perceived conflicts could give rise to client dissatisfaction, litigation or regulatory enforcement actions, which could lead to significant reputational harm.

Any negative event about the Group or a party affiliated with the Group could damage the Group's reputation, which could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The success of the Group's business depends on its reputation for providing high-quality professional services. If any Group company is involved in litigation or claims relating to its performance in a particular matter, the reputation of that individual company and the entire Group could be damaged. Whilst the corporate "PPHC" name is not widely known, nor recognised in context with the names of individual Group companies, the Group's reputation could be damaged through any Group company's disclosed involvement (as an adviser or as a litigant) in high profile or unpopular or legal proceedings. The Group, on behalf of itself or any of the Group companies, may be required to incur legal expenses in defending itself or the Group companies against any litigation or claims and may also incur significant reputational and financial harm if such litigation or claims are successful or receive negative press coverage.

## **Key personnel and succession planning**

The Group's performance depends, to a significant extent, upon the efforts and abilities of its senior executive officers and consultants. Each of the Group's businesses is, fundamentally, a 'people' business, providing services in respect of which personal relationships are a critical component of successful business development and high client retention rates. The departure of any of executive officers or consultants could have an adverse effect on the Group's business and no assurance can be given that the Group would be able to find qualified replacements for any of those individuals if their services were no longer available for any reason. The success of the Group will also depend upon its ability to recruit and retain qualified personnel to fill other positions. Demand for highly qualified and skilled consultants is still great and, accordingly, no assurance can be given that the Company will be able to hire or retain sufficient qualified personnel to meet the Group's current and future needs. Carefully managed succession planning will also be crucial to ensure the long-term, commercial success of the Group and such succession planning may be difficult or impossible to implement.

### **Future strategic transactions and initiatives**

The Group has a clearly defined strategy at Admission, however, a failure to continuously review and adapt that strategy in light of changes in trading conditions and the markets in which its companies operate could lead to an adverse impact on its revenues, operating costs and competitive advantage. There is a risk that if the Group fails to prepare or allocates insufficient resources to strategic planning, this may lead to the Group being placed at a competitive disadvantage to its competitors.

In addition, the Group may seek to enter into transactions or undertake initiatives in furtherance of its business. There are no guarantees that such transactions will complete and that such initiatives will be successful. The Group's future strategic transactions may pose the following specific risks:

- difficulty identifying suitable candidate businesses or consummating a strategic transaction on terms or in structures that are favourable to the Group;
- difficulty, disruptions or unforeseen expenses when integrating financial, technological and other systems and maintaining proper and effective internal controls;
- compliance with multiple, conflicting and changing governmental laws and regulations, including employment, tax, privacy and data protection laws and regulations and the applicable laws and regulations of the various states in which the Group operates;
- increased compensation for newly hired people;
- difficulty with effectively influencing the operations of an associated firm which could result in damage to the Group's reputation;
- greater difficulty with payment collections and longer payment cycles;
- potential additional costs being incurred in relation to sourcing and integrating strategic transactions;
- diversion of senior management attention from the existing business; and
- difficulty in maintaining client service standards and levels.

The Group may be unable to realise expected strategic benefits, growth, synergies and other financial benefits or efficiency gains from its future strategic transactions in the timeframe it anticipates or at all due to any of the above. The occurrence of any of the foregoing could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

Failure to complete future strategic transactions, or the lack of success of any strategic initiatives, could result in the Group not being able to implement its growth strategies. There is no guarantee that the Group will be successful in any of its growth strategies.

### **Autonomy of Group companies**

The Group's strategy involves allowing the companies within the Group to operate relatively autonomously with limited controls imposed by the Company. The Company will impose limited controls to ensure good governance and behavioural standards but the possibility of one or more companies within the Group operating in a way that damages the reputation of the wider Group cannot be ruled out. The Company's management will monitor each of the companies within the Group but will not do so on a day to day basis which means that issues that could be detrimental to the Group may not be immediately visible to the Directors and the Company's management team. Such issues could therefore escalate before the Company is able to take remedial action and this could have a materially adverse impact on the wider Group.

### **Market competition**

The Group operates in a highly competitive environment and if it is not successful in anticipating and responding to competitive change, client preferences and needs or industry trends in a timely and cost-effective manner, it could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The public policy and advocacy market is highly competitive, fragmented and subject to rapid change due to political uncertainty, technological disruption and regulatory changes. The Group's primary competitors are other managed services firms, as well as in some instances the in-house teams of its clients. Many of

the Group's competitors are small, boutique firms, who may be more able to respond more nimbly to changes in the market, to compete for professionals or offer greater remuneration. In addition to the Group's smaller competitors, a select number of larger firms or agency networks remain active in the public policy market. As these firms seek to gain market share, there could be increased pricing pressure, which could adversely affect the Group's revenue and earnings.

#### **Competition from parties who sell their businesses to the Group and from professionals in such businesses who cease working for the Company**

In connection with acquisitions undertaken by the Group, the Group generally obtains non-solicitation agreements from the professionals hired, as well as non-competition agreements from senior managers and professionals. Such agreements are intended to prohibit such individuals from competing with the Group during the term of their employment and for a fixed period afterwards and from seeking to solicit employees or clients of the Group. In some cases, but not all, the Group may obtain non-competition or non-solicitation agreements from parties who sell their businesses or assets to the Group. The duration of post-employment non-competition and non-solicitation agreements typically range from six to twelve months. Non-competition agreements with the sellers of businesses or assets that are acquired by the Group typically continue longer than twelve months. Certain activities may be carved out of, or otherwise may not be prohibited by, such arrangements. The Group cannot assure that one or more of the parties from whom the Group acquires a business or assets, or who do not join the Group or leaves the Group's employment, will not compete with the Group or solicit employees or clients of the Group in the future.

The law governing non-compete agreements and other forms of restrictive covenants varies from state to state. Some jurisdictions, including Washington, D.C., prohibit or severely restrict the Group from entering into non-compete agreements with its employees or are reluctant to strictly enforce non-compete agreements and restrictive covenants. Additionally, foreign jurisdictions may interpret restrictions on competition narrowly and in favour of employees or sellers. Therefore, certain restrictions on competition or solicitation may be unenforceable. Therefore, there can be no assurance that the Group's non-compete agreements related to employment or otherwise contracted employees and other professionals will be enforceable if challenged in certain states / or foreign jurisdictions. In such event, the Group would be unable to prevent former employees or other professionals from competing with the Group, potentially resulting in the loss of some of the Group's consulting agreements and other business.

In addition, the Group may not pursue legal remedies if determined by the Group that preserving cooperation and a professional relationship with a former employee or his or her clients, or other concerns, outweighs the benefits of any possible legal recourse or the likelihood of success does not justify the costs of pursuing a legal remedy. Such persons, because they have worked for our Group or a business that is acquired by the Group, may be able to compete more effectively with the Group, or be more successful in soliciting employees and clients of the Group, than unaffiliated third parties.

#### **Professionals forming or joining competitors**

The professionals of the Group typically have close relationships with the clients they serve, based on their expertise and bonds of personal trust and confidence. Therefore, the barriers to the professionals of the Group pursuing independent business opportunities or joining competitors of the Group should be considered low. Although the clients of the Group generally contract for services with the Group and not with an individual professional, in the event that a professional leaves, such clients may decide that they prefer to continue working with a specific professional rather than with the Group. Many of the Group's written employment arrangements with its employees include non-competition and non-solicitation covenants. States generally interpret restrictions on competition narrowly and in favour of employees. Therefore, a state may hold certain restrictions on competition to be unenforceable. In the event an employee departs and acts in a way that we believe violates his or her non-competition or non-solicitation agreement, the Group will consider any legal remedies that it may have against such person on a case-by-case basis. The Group may decide that preserving cooperation and a professional relationship with a former employee or client, or other concerns, outweighs the benefits of any possible legal recourse. The Group may also decide that the likelihood of success does not justify the costs of pursuing a legal remedy. Therefore, there may be times when the Group may decide not to pursue legal action, even if it is available to it.

## **Financial targets**

The Group's financial targets are based on estimates and assumptions that are subject to uncertainties and contingencies, and the actual results may be materially lower than the targets.

The Group has various medium-term revenue growth targets across its divisions, in addition to other financial and operational targets. Although the Group evaluated its historical performance and its strategy in setting its targets, no assurance can be given that the Group will achieve its targets. The Group's strategy, evaluation and financial targets are based on estimates and assumptions that may prove to be inaccurate, including, without limitation, revenue generated by existing or new client engagements, appreciation of its share price and further implementation of connected and managed services, which are all subject to significant business, economic, market and operational uncertainties and contingencies, all of which are beyond the Group's control and which may adversely affect the Group's ability to achieve its targets. The Group may not be able to implement its strategy in a manner that generates revenue growth or achieves its other targets. In addition, the Group has also estimated its effective tax rate and any change or incorrect assumption in the tax treatment of the Group's profits may reduce the level of dividends received by Shareholders if any. Accordingly, the actual financial performance achieved by the Group may be materially lower than the targets, or the Group may experience a decline in revenue, which could have a material adverse effect on the Group's profitability and the price of the Common Shares. The Group's medium-term targets should not be taken as an indication or forecast of the Group's expected future performance or results over any period.

## **Adverse economic factors**

As a fully bi-partisan business, the Group has not experienced nor does it expect future risk specific to a change of partisan political control of either the legislative or executive branches of the US government. However, as the Group operates in the business services sector as a whole, the Group is sensitive to adverse economic and market factors. The Group's customers and the markets in which the Group offers its services are directly affected by many national and international factors that are beyond the Group's control. Any one of the following factors, among others, may cause a substantial decline in the markets to which the Group offers its services: economic and political conditions; the level and volatility of interest rates; collapsing of the financial markets; concerns about inflation; changes in investor sentiment and consumer confidence levels; and legislative and regulatory changes. Uncertain economic prospects or a sustained period of financial instability could have a material adverse effect on the Group's business, results of operations, financial condition and growth prospects.

## **Reliance on third parties and technology**

The businesses of the Group are reliant, to an extent, on third parties including telecommunications, internet service providers and cloud infrastructure and such providers maintaining reliable and efficient networks and quality of service. There can be no assurance that these business arrangements will continue to be maintained or that new ones will be successfully formed. In addition, changes to access fees could result in increased costs to the businesses of the Group. A breach or disruption in these arrangements and relationships could be detrimental to the future business, operating results and/or profitability of the Group. In certain circumstances, members of the Group may be liable for the acts or omissions of relevant partners. If a third party pursues claims against a member of the Group as a result of the acts or omissions of such partners, the relevant Group Company's ability to recover from such parties may be limited.

The Group is also dependent on the ability to pick appropriate technology partners to help deliver outcomes and solutions to clients. A failure to maintain relationships with and identify appropriate technology partners could affect both the potential profitability and saleability of the Group's services offering.

## **Security measures and breaches**

The successful operation of the Group's business depends upon maintaining the integrity of its computer, communication and information technology systems. These systems and operations are vulnerable to damage, breakdown or interruption from events which are beyond the Group's control, such as fire, flood and other natural disasters; power loss or telecommunications or data network failures; improper or negligent operation of the Group's system by employees, or unauthorised physical or electronic access; and interruptions to internet system integrity generally as a result of cyber-attacks by computer hackers or viruses or other types of security breaches.

Further, requisite modifications or upgrades to any information technology systems could result in interruption to the Group's business and its ability to trade and service its customers and clients. This could be harmful to the Group's business, financial condition and reputation and could deter current or potential customers from using its services. There can be no guarantee that the Group's security measures in relation to its computer, communication and information systems will protect it from all potential breaches of security and any such breach of security could have an adverse effect on the Group's business, results of operations and/or financial condition.

While the Company strives to comply with all applicable data protection laws and regulations, any failure or perceived failure to comply may result in proceedings or actions against us by government entities or others, or could cause us to lose clients, which could potentially have a material and adverse effect on the Company's business.

### **Compliance with Laws and Regulations**

As a consulting business, the Group must comply with many laws and regulations, which affect how the Group does business with its clients. Such laws and regulations may potentially impose added costs on the business of the Group and any failure to comply with them may lead to civil or criminal penalties or termination of the Company's consulting contracts. Some significant laws and regulations that affect the Company and clients include:

- laws, regulations, and executive orders restricting the disclosure and governing the security of sensitive personal information of our employees;
- laws and regulations concerning taxes, including sales and use taxes, income tax and employment tax, changes to which may materially and adversely affect the results of operations;
- employment laws and regulations, which may classify personnel as an independent contractor or employee; and
- federal, state and local government laws affecting conduct of business.

In addition, the U.S. government and state and local government adopt new laws, rules, and regulations from time to time that could have a material impact on the Group's results of operations. Adverse developments in legal or regulatory proceedings on matters relating to, among other things, contract interpretations and statute of limitations, could also result in materially adverse judgments, settlements, withheld payments, penalties, or other unfavourable outcomes.

### **Change of legislation and taxation**

This Admission Document has been prepared on the basis of current legislation, regulation, rules and practices and the Directors' interpretation thereof. Such interpretation may not be correct and legislation, regulation, rules and practice may change, possibly with retrospective effect. Any change in legislation, regulation, rules or practice, and in particular in the tax status or tax residence of the Group or the Company, may have an adverse effect on the returns available on an investment in the Company.

### **The Company's listing**

The Company will incur additional costs as a newly listed company and its management will be required to devote substantial time to new compliance matters.

As a newly listed public company, the Company will incur significant legal, accounting and other expenses, including those resulting from public company reporting obligations and compliance with corporate governance-related rules, including the admission requirements of the FCA and the London Stock Exchange. There can be no assurance that, under changed ownership, and in an environment where the Group is subject to greater scrutiny and disclosure requirements, it will be able to manage its operations in the same manner as it has done as a business before Admission as a private business under the ownership of the equity partners and not in a public company environment. In particular, the Group will be subject to increased regulatory obligations as a result of being listed, and management, as well as other employees, will need to devote a substantial amount of time to ensure that the Group's business complies with all of these requirements. In addition, the reporting requirements, rules and regulations will increase the Group's legal

and financial compliance costs and make some activities more time-consuming and costly, which may have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

### **3. RISKS RELATING TO THE COMPANY'S SECURITIES**

#### **General**

An investment in Common Shares is only suitable for investors capable of evaluating the risks (including the risk of capital loss) and merits of such investment and who have sufficient resources to sustain a total loss of their investment. An investment in Common Shares should be seen as long-term in nature and complementary to investments in a range of other financial assets as part of a diversified investment portfolio. Accordingly, typical investors in the Company are expected to be institutional investors, private client fund managers and private client brokers, as well as private individuals who have received advice from their professional advisers regarding investment in Common Shares and/or who have sufficient experience to enable them to evaluate the risks and merits of such investment themselves.

#### **Conditionality of the Placing**

The Placing is conditional upon, among other things, the admission to trading on AIM of the Common Shares. In the event that any condition to which Admission is subject is not satisfied or, if capable of waiver, waived, then such Admission will not occur.

#### **No prior market for the Common Shares**

Before Admission, there has been no prior market for the Common Shares. Although application has been made for the Common Shares to be admitted to trading on AIM, an active public market may not develop or be sustained following Admission.

AIM is a market for emerging or smaller growing companies and may not provide the liquidity normally associated with the Official List and other exchanges. The future success of AIM and liquidity in the market for the Common Shares cannot be guaranteed.

#### **Share price volatility and liquidity**

Following Admission, the market price of the Common Shares may be subject to wide fluctuations in response to many factors, including stock market fluctuations and general economic conditions or changes in political sentiment that may substantially affect the market price of the Common Shares irrespective of the Group's actual financial, trading or operational performance. These factors could include the performance of the Group, large purchases or sales of the Common Shares (or the perception that the same may occur), legislative changes and market, economic, political or regulatory conditions.

The share price for publicly traded companies, including those on AIM, can be highly volatile and shareholdings illiquid. Admission to AIM should not be taken as implying that a liquid market for the Common Shares will either develop or be sustained following Admission. Active, liquid trading markets generally result in lower price volatility and more efficient execution of buy and sell orders for investors. The liquidity of a securities market is often a function of the volume of the underlying shares that are publicly held by unrelated parties. If a liquid trading market for the Common Shares does not develop, the price of the Common Share may become more volatile and it may be more difficult to complete a buy or sell order for such Common Shares.

The price at which the Common Shares will be quoted and the price which investors may realise for their shares will be influenced by a large number of factors, which could include, but not limited to, the performance of both the Company's and its competitors' businesses, variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, large purchases or sales of Common Shares, legislative changes and general economic, political and regulatory conditions. Prospective investors should be aware that the value of an investment in the Company may go down as well as up. Investors may therefore realise less than, or lose all of, their investment.

The market price of the Common Shares may not reflect the underlying value of the Company. Potential investors should be aware that the value of shares and the income from them (if any) can go down as well as up and that investment in a share which is traded on AIM might be less realisable and might carry a higher risk than a share quoted on the Official List of the FCA ("**Official List**").

### **Substantial sales of Common Shares**

The Locked-in Selling Shareholders have agreed to certain restrictions on the sale of their shareholdings for certain periods from the date of Admission. There can be no assurance that the Locked-in Selling Shareholders will not elect to sell their Common Shares following the expiration of the restrictions imposed by the Selling Shareholder Deed Polls. In addition, the Company cannot be sure when sales by such holders will occur, how many shares will be sold or the effect that sales may have on the market price of the Common Shares. The market price of Common Shares could decline as a result of any such sales of Common Shares or as a result of the perception that these sales may occur. In addition, if these or any other sales were to occur, the Company may in the future have difficulty in offering Common Shares at a time or at a price it deems appropriate.

### **Investment in AIM traded securities**

The Common Shares will be traded on AIM rather than admitted to the Official List. The AIM market is designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. The rules of AIM are less demanding than those admitted to the Official List and an investment in shares traded on AIM may carry a higher risk than an investment in shares admitted to the Official List. In addition, the market in shares traded on AIM may have limited liquidity, making it more difficult for an investor to realise its investment on AIM than to realise an investment in a company whose shares are admitted to the Official List. Investors should, therefore, be aware that the market price of the Common Shares may be more volatile than that of shares admitted to the Official List and may not reflect the underlying value of the net assets of the Company. Investors may, therefore, not be able to sell at a price which permits them to recover their original investment and could lose their entire investment.

### **There is no guarantee that the Company will maintain its listing on AIM**

The Company cannot assure investors that the Company will always retain a listing on AIM. If it fails to retain such a listing, certain investors may decide to sell their shares, which could have an adverse impact on the price of the Common Shares. Additionally, if in the future the Company decides to obtain a listing on another exchange in addition to AIM, the level of liquidity of the Common Shares traded on AIM could decline.

### **Dilution of Shareholders' interest as a result of additional equity fundraisings**

It is possible that the Company may decide to issue, pursuant to a public offer or otherwise, additional Common Shares in the future at a price or prices higher or lower than the Placing Price. An additional issue of Common Shares by the Company, or the public perception that an issue may occur, could have an adverse effect on the market price of Common Shares and could dilute the proportionate ownership interest and the proportionate voting interest of Shareholders if, and to the extent that, such an issue of Common Shares is not effected on a pre-emptive basis or Shareholders do not take up their rights to subscribe for further Common Shares under a pre-emptive offer. Shareholders may also experience subsequent dilution and/or such securities may have preferred rights, Options and pre-emption rights senior to the Common Shares.

### **Preferred Shares**

The Company is authorised to issue up to 100,000,000 Preferred Shares. The Preferred Shares may be issued in one or more series, the terms of which may be determined at the time of issuance by the board of directors of the Company without further action by stockholders. The issuance of any Preferred Shares could materially adversely affect the rights of the holders of common stock, and therefore, reduce the value of common stock of the Company. In particular, specific rights granted to future holders of Preferred Shares could be used to restrict the Company's ability to merge with, or sell our assets to, a third party and thereby preserve control by the present management.

Notwithstanding the foregoing, for so long as the Common Shares are admitted to trading on AIM or the London Stock Exchange, the Company may not issue Preferred Shares unless approved in a general meeting by Shareholders (at which a quorum is present) by seventy five percent (75 per cent.) of the votes cast on the matter. This vote requirement will no longer apply at such time as the Company no longer has any shares of its capital stock listed or admitted to trading on AIM or the London Stock Exchange. The Board currently has no intention of establishing any class or series of Preferred Shares, but may in the future depending on financing needs.

## **Dividends**

There can be no assurance as to the level of future dividends (if any) that may be paid by the Company or of the ability to pay dividends. Any determination to pay dividends in the future will be a decision for the Board (and will be subject to applicable laws and generally accepted accounting principles from time to time, and other factors the Board deems relevant).

## **4. RISKS RELATING TO INCORPORATION IN THE STATE OF DELAWARE**

### **Enforcement of judgments**

The Company is incorporated under the laws of the State of Delaware and its assets are primarily located in the US. There is no multilateral convention in force between the United States and any other country or bilateral treaty between the US and the UK requiring the reciprocal recognition and enforcement of foreign court judgments. A foreign court judgment is not executory in the sense that enforcement can occur based on the foreign court judgment itself. A US domestic court judgment cannot be automatically enforced in the UK and a UK domestic court judgment cannot be automatically enforced in the US. The only way to enforce a US domestic court judgment in the UK is to treat the US judgment as a debt and make a claim in court. A UK judgment may be enforced against a US company in the UK, provided the US company has assets in the UK. Notwithstanding the preceding, both the US and the UK are Contracting States to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, and both agree to apply the Convention to arbitral awards made in the territory of the other. Like foreign court judgments, foreign arbitral awards cannot be automatically enforced and are not executory permitting enforcement of the foreign arbitral award itself but are recognised by the domestic courts in the US and the UK as binding and enforced subject to limited exceptions.

### **Restrictions on transfer under the US Securities Act**

The Common Shares have not been, and will not be, registered under the US Securities Act or qualified under applicable US state securities laws. The Placing Shares are being offered only to non-US Persons outside the US in transactions exempt from, or not subject to, the registration requirements of the US Securities Act in reliance on Regulation S and otherwise in transactions that are exempt from the registration requirements set out under the US Securities Act and applicable US state securities laws. Accordingly, the Common Shares are a “restricted security” as defined in Rule 144 under the US Securities Act. The Common Shares may not be offered sold or delivered in the US or to, or for the account or benefit of, any US Person, unless the transfer is registered under the US Securities Act or an exemption from the registration requirements is available, including a transaction specified by Regulation S or Section 4(a)(2) of the Securities Act. Only the Company is entitled to register the Common Shares under the US Securities Act, and the Company has no obligation to do so.

The Company can give no assurances that an exemption from registration or qualification will be available for any resales or transfers of Placing Shares. In addition, the Placing Shares offered to non-US Persons in the Placing is subject to the conditions listed under section 903(b)(3), or Category 3, of Regulation S. Under Category 3, Offering Restrictions (as defined under Regulation S) must be in place in connection with the Placing and additional restrictions are imposed on resales of the Placing Shares. All Placing Shares are subject to these restrictions until at least the expiry the Distribution Compliance Period. These restrictions may remain in place or be reintroduced following the expiry of the Distribution Compliance Period, at the discretion of the Company. The Common Shares will bear a legend describing restrictions on transfer to US Persons and prohibiting hedging transactions in the Common Shares unless in compliance with the US Securities Act. Each subscriber for Common Shares, by subscribing for such Common Shares, agrees to reoffer or resell the Common Shares only pursuant to registration under the US Securities Act and

qualification under applicable US state securities laws or in accordance with the provisions of Regulation S or pursuant to another available exemption from registration, and agrees not to engage in hedging transactions with regard to such securities unless in compliance with the US Securities Act and applicable US state securities laws. Representations, warranties and certifications must be made through the CREST system by those selling or acquiring the Common Shares (represented by the Depositary Interests). If such representations, warranties and certifications cannot be made or are not made, settlement through CREST will be rejected.

### **SEC review of the new Euroclear electronic settlement procedures for securities offered and sold pursuant to Category 3 of Regulation S**

Following Admission, holders of Placing Shares may choose to convert the Common Shares into Depositary Interests for the purpose of secondary trading on the CREST automated book entry system managed and operated by Euroclear UK & Ireland. Because the Company is a US “domestic issuer” under the US Securities Act, the Placing Shares qualify as Category 3 securities under Rule 903 of Regulation S under the US Securities Act. Category 3 securities are subject to strict transfer restrictions (the “**Transfer Restrictions**”) and must bear certain legends so that counterparties in the secondary market for the Placing Shares can determine whether any particular offer and resale complies with the resale safe harbour under Regulation S (see Part 5 of this document). Pursuant to EU regulatory requirements regarding the clearance and settlement of securities traded on regulated markets, Euroclear UK & Ireland has recently established procedures designed to facilitate the trading of dematerialised Category 3 securities in accordance with the Transfer Restrictions applicable to resales of such securities (the “**Procedures**”). To the knowledge of the Directors, the commissioners and staff of the Securities and Exchange Commission (the “**SEC**”) have thus far declined requests to express any view, and have not in fact expressed any view, on the sufficiency of the Procedures for the purpose of complying with the Transfer Restrictions. The SEC may determine the Procedures to be insufficient for the purpose of complying with the Transfer Restrictions. If this were to occur, the SEC could make a determination that the Company did not comply with the requirements of Regulation S. Although the outcome of such a determination is difficult to predict, the secondary market in the Common Shares could be adversely affected. The Company may be required to register the Common Shares with the SEC, which would entail significant expense to the Company and a significant amount of time on behalf of the Directors and senior managers. Furthermore, the Company and the Directors could also be subject to criminal, civil or administrative proceedings.

### **Shareholders outside the United Kingdom may not be able to participate in future equity offerings**

Securities laws of certain jurisdictions, including US federal and state securities laws, may restrict the Company's ability to allow the participation of Shareholders in future offerings. In particular, Shareholders in the US may not be entitled to exercise these rights unless either the rights and Common Shares are registered under the US Securities Act and qualified under applicable US state securities laws, or the rights and Common Shares are offered pursuant to an exemption from, or in transactions not subject to, the registration requirements of the US Securities Act and the qualification requirements of applicable US state securities laws. Any Shareholder who is unable to participate in future equity offerings will suffer dilution.

### **Application of United Kingdom and United States legislation**

The Company is incorporated under the laws of the State of Delaware, US. Accordingly, a significant amount of the legislation in England and Wales regulating the operation of companies does not apply to the Company. In addition, the laws of the State of Delaware will apply in respect to the Company and these laws may provide for mechanisms and procedures that would not otherwise apply to companies incorporated in England and Wales. The rights of the Shareholders are governed by Delaware law and by the Company's Certificate of Incorporation and Bylaws, which may differ from the typical rights of shareholders in the UK and other jurisdictions. For further details, please see paragraph 19 (Effect of US Domicile) of Part 5 of this document.

### **Takeover regulations**

The Company is incorporated in and subject to the laws of the State of Delaware, US. Accordingly, the Company and transactions in its Common Shares are not subject to the provisions of the UK Takeover Code. Certain provisions of the Company's Certificate of Incorporation adopt similar procedures to the UK

Takeover Code in the event of any party (or parties acting in concert) obtaining 30 per cent. or more of the issued Common Shares of the Company, but there is no assurance that the courts of the State of Delaware, US will uphold or allow the enforcement of these provisions. Further details regarding the provisions contained in its Certificate of Incorporation are set out in paragraph 10 of Part 5 of this document.

**It should be noted that the risk factors listed above are not intended to be exhaustive and do not necessarily comprise all of the risks to which the Company is, or may be, exposed to or all those associated with an investment in the Company. There may be additional risks and uncertainties that the Directors do not currently consider to be material or of which they are currently unaware, which may also have an adverse effect upon the Company.**

**PART 3**  
**FINANCIAL INFORMATION**  
**SECTION A: ACCOUNTANT'S REPORT**



**Crowe U.K. LLP**  
Chartered Accountants  
Member of Crowe Global  
55 Ludgate Hill  
London EC4M 7JW, UK  
Tel +44 (0)20 7842 7100  
Fax +44 (0)20 7583 1720  
DX 0014 London Chancery Lane  
[www.crowe.co.uk](http://www.crowe.co.uk)

13 December 2021

The Directors  
Public Policy Holding Company, Inc.  
800 North Capital Street, NW  
Suite 800  
Washington D.C. 20002

The Directors  
Stifel Nicolaus Europe Limited  
150 Cheapside  
London  
EC2V 6ET

### **Introduction**

We report on the audited consolidated historical financial information of Public Policy Holding Company, LLC (the **"Company"**) and its subsidiaries (the **"Group"**) set out in Section B of Part 3 (**"Historical Financial Information of the Group"**) of the admission document dated 13 December 2021 (the **"Document"**) of Public Policy Holding Company, Inc.

### **Opinion on financial information**

In our opinion, the financial information gives, for the purposes of the Document, a true and fair view of the state of affairs of the Group as at the date stated and of the results, financial position, cash flows and changes in equity for the period then ended in accordance with the basis of preparation set out in note 1 to the financial information and US Generally Accepted Accounting Principles (US GAAP).

### **Responsibilities**

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information. It is our responsibility to form an opinion on the financial information and to report our opinion to you.

### **Basis of Preparation**

This historical financial information of the Group has been prepared for inclusion in the Document on the basis of preparation and accounting policies set out in note 2 to the financial information. This report is required by part (a) of Schedule Two to the AIM Rules for Companies (the **"AIM Rules"**) and is given for the purposes of complying with the AIM Rules and for no other purpose.

**Basis of opinion**

We conducted our work in accordance with Standards of Investment Reporting issued by the the Financial Reporting Council in the United Kingdom. We are independent of the Group in accordance with relevant ethical requirements. In the United Kingdom this is the FRC's Ethical Standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

**Declaration**

For the purposes of paragraph (a) of Schedule Two of the AIM Rules for Companies, we are responsible for this report as part of the Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Paragraph (a) of Schedule Two of the AIM Rules.

Yours faithfully

**Crowe U.K. LLP**

*Chartered Accountants*

## SECTION B: HISTORICAL FINANCIAL INFORMATION

### Consolidated Statements of Operations

	<i>Year Ended December 31, 2018</i>	<i>Year Ended December 31, 2019</i>	<i>Year Ended December 31, 2020</i>	<i>(Unaudited) 6 months ended June 30, 2020</i>	<i>6 months ended June 30, 2021</i>
<b>Revenue</b>	<u>\$ 33,792,326</u>	<u>\$ 55,540,473</u>	<u>\$ 77,483,587</u>	<u>\$ 37,551,607</u>	<u>\$ 47,202,560</u>
<b>Expenses</b>					
Personnel Cost	15,911,677	27,238,449	38,341,767	18,498,987	21,813,174
Employee bonuses	4,324,454	5,079,883	12,476,284	5,025,974	7,866,591
Occupancy cost	2,044,958	3,583,136	3,744,874	1,862,009	1,690,496
General & administrative	3,288,687	6,370,661	6,197,087	3,031,233	3,991,686
Depreciation	39,861	104,878	109,967	52,551	70,802
Amortization expense – customer relationship	437,796	583,734	1,884,815	942,407	942,407
Member bonuses	<u>8,519,031</u>	<u>14,054,105</u>	<u>15,857,503</u>	<u>8,635,097</u>	<u>10,920,138</u>
Total expenses	34,566,464	57,014,846	78,612,297	38,048,258	47,295,294
Net loss before interest expense	<u>(774,138)</u>	<u>(1,474,373)</u>	<u>(1,128,710)</u>	<u>(496,651)</u>	<u>(92,734)</u>
Interest expense	<u>35,845</u>	<u>40,454</u>	<u>45,072</u>	<u>21,363</u>	<u>21,773</u>
Net loss	<u><u>\$ (809,983)</u></u>	<u><u>\$ (1,514,827)</u></u>	<u><u>\$ (1,173,782)</u></u>	<u><u>\$ (518,014)</u></u>	<u><u>\$ (114,507)</u></u>

## Consolidated Balance Sheets

### Assets

	December 31, 2018	December 31, 2019	December 31, 2020	(Unaudited) June 30, 2020	June 30, 2021
<b>Current Assets</b>					
Cash	\$ 563,538	\$ 1,041,916	\$ 6,142,919	\$ 7,392,098	\$ 13,418,170
Accounts receivable, net	3,365,587	6,026,743	6,622,571	7,830,204	9,339,995
Due from members & employees	149,392	35,713	—	—	—
Note receivable – members – short-term	203,599	212,740	210,038	314,699	209,569
Other current assets	235,050	265,112	409,785	17,547	331,380
Total current assets	<u>4,517,166</u>	<u>7,582,224</u>	<u>13,385,313</u>	<u>15,554,548</u>	<u>23,299,114</u>
<b>Noncurrent Assets</b>					
Note receivable – members – long-term	629,240	416,500	208,250	208,250	104,125
Right of use asset	17,655,126	15,796,683	15,793,416	17,019,665	17,417,521
Property & equipment	1,028,861	965,858	879,801	937,219	992,852
Goodwill & other intangibles	21,224,926	29,336,422	59,655,911	60,598,319	58,713,505
Syndication costs	—	—	549,024	314,755	2,166,515
Other long-term assets	12,800	113,297	256,872	113,297	249,900
Total other assets	<u>40,550,953</u>	<u>46,628,760</u>	<u>77,343,274</u>	<u>79,191,505</u>	<u>79,644,418</u>
Total assets	<u>\$ 45,068,119</u>	<u>\$ 54,210,984</u>	<u>\$ 90,728,587</u>	<u>\$ 94,746,053</u>	<u>\$ 102,943,532</u>

### Liabilities and Members' Equity

#### Current Liabilities

Accounts payable and accrued expenses	\$ 1,851,369	\$ 2,563,397	\$ 6,020,435	\$ 5,587,533	\$ 11,469,896
Accrued member bonuses	519,823	3,185,669	4,665,667	7,788,358	9,188,653
Deferred revenue	124,729	652,571	1,502,176	976,949	2,481,485
Operating lease liability due within one year	1,509,321	2,000,335	2,775,557	2,674,246	3,178,679
Current portion of notes payable	385,326	253,070	23,083	22,034	31,362
Total current liabilities	<u>4,390,568</u>	<u>8,655,042</u>	<u>14,986,918</u>	<u>17,049,120</u>	<u>26,350,075</u>

#### Noncurrent liabilities

Line of credit & notes payable	1,211,104	1,503,885	1,595,659	1,407,639	1,577,923
Operating lease liability long term	18,257,428	16,332,480	15,473,276	16,849,119	16,846,373
<b>Total long-term liabilities</b>	<u>19,468,532</u>	<u>17,836,365</u>	<u>17,068,935</u>	<u>18,256,758</u>	<u>18,424,296</u>
<b>Total liabilities</b>	<u>23,859,100</u>	<u>26,491,407</u>	<u>32,055,853</u>	<u>35,305,878</u>	<u>44,774,371</u>
<b>Members' equity</b>	<u>21,209,019</u>	<u>27,719,577</u>	<u>58,672,734</u>	<u>59,440,175</u>	<u>58,169,161</u>
<b>Total liabilities &amp; members' equity</b>	<u>\$ 45,068,119</u>	<u>\$ 54,210,984</u>	<u>\$ 90,728,587</u>	<u>\$ 94,746,053</u>	<u>\$ 102,943,532</u>

**Consolidated Statements of Members' Equity**

Balance, January 1, 2018	\$ 15,487,538
Acquisition of acquisition of Blue Engine Message & Media, LLC	6,531,464
Net loss	<u>(809,983)</u>
Balance, December 31, 2018	\$ 21,209,019
Acquisition of O'Neill & Associates, LLC	8,695,230
Distributions	(669,845)
Net loss	<u>(1,514,827)</u>
Balance, December 31, 2019	\$ 27,719,577
Acquisition of Alpine Group Partners, LLC	32,204,304
Debt conversion to equity	150,000
Distributions	(115,692)
Net loss	<u>(518,014)</u>
Balance, June 30, 2020	\$ 59,440,175
Distributions	(111,673)
Net loss	<u>(655,768)</u>
Balance, December 31, 2020	\$ 58,672,734
Distributions	(389,066)
Net loss	<u>(114,507)</u>
Balance, June 30, 2021	<u><u>\$ 58,169,161</u></u>

## Consolidated Statements of Cash Flows

	<i>Year Ended December 31, 2018</i>	<i>Year Ended December 31, 2019</i>	<i>Year Ended December 31, 2020</i>	<i>(Unaudited) 6 months ended June 30, 2020</i>	<i>6 months ended June 30, 2021</i>
<b>Cash flows from operating activities</b>					
Net loss	\$ (809,983)	\$ (1,514,827)	\$ (1,173,782)	\$ (518,014)	\$ (114,507)
<b>Adjustments to reconcile net loss to net cash provided by operating activities</b>					
Depreciation	39,861	104,878	109,967	52,551	70,801
Amortization expense – customer relationship	437,796	583,734	1,884,815	942,407	942,406
Amortization of right of use assets	1,453,545	1,858,443	2,461,534	1,235,285	1,433,450
<b>(Increase) decrease in</b>					
Accounts receivable, net	(584,304)	(2,661,156)	(595,828)	(1,803,461)	(2,434,247)
Other current assets	15,268	(30,062)	(144,673)	247,565	(204,772)
Office lease deposits, net of sublease deposits	14,149	(100,497)	(143,575)	–	6,972
<b>Increase (decrease) in</b>					
Accounts payable and accrued expenses	(47,601)	723,731	3,400,282	2,967,380	5,449,461
Deferred revenue	119,729	527,842	849,605	324,378	979,309
Operating lease liability	(749,918)	(1,433,934)	(2,542,249)	(1,267,717)	(1,281,336)
<b>Transactions with members</b>	<u>(262,408)</u>	<u>2,779,525</u>	<u>1,726,663</u>	<u>4,744,693</u>	<u>4,627,580</u>
<b>Net cash provided by (used in) operating activities</b>	<u>(373,866)</u>	<u>837,677</u>	<u>5,832,759</u>	<u>6,925,067</u>	<u>9,475,117</u>
<b>Cash flows from investing activities</b>					
Proceeds from note receivable	–	203,599	–	–	–
Purchases of property and equipment	<u>(629,101)</u>	<u>(41,875)</u>	<u>(23,910)</u>	<u>(23,912)</u>	<u>(183,852)</u>
<b>Net cash provided by (used in) investing activities</b>	<u>(629,101)</u>	<u>161,724</u>	<u>(23,910)</u>	<u>(23,912)</u>	<u>(183,852)</u>
<b>Cash flows from financing activities</b>					
Syndication costs	–	–	(549,024)	(314,755)	(1,617,491)
Net proceeds from line of credit and notes payable	1,085,255	148,822	68,543	(120,526)	(9,457)
Distribution	<u>–</u>	<u>(669,845)</u>	<u>(227,365)</u>	<u>(115,692)</u>	<u>(389,066)</u>
<b>Net cash provided by (used in) financing activities</b>	<u>1,085,255</u>	<u>(521,023)</u>	<u>(707,846)</u>	<u>(550,973)</u>	<u>(2,016,014)</u>
<b>Net change in cash and cash equivalents</b>	<u>82,288</u>	<u>478,378</u>	<u>5,101,003</u>	<u>6,350,182</u>	<u>7,275,251</u>
Cash and cash equivalents at beginning of period	<u>481,250</u>	<u>563,538</u>	<u>1,041,916</u>	<u>1,041,916</u>	<u>6,142,919</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 563,538</u>	<u>\$ 1,041,916</u>	<u>\$ 6,142,919</u>	<u>\$ 7,392,098</u>	<u>\$ 13,418,170</u>
<b>Supplemental information:</b>					
Interest paid	<u>\$ 12,061</u>	<u>\$ 28,751</u>	<u>\$ 101,828</u>	<u>\$ 21,363</u>	<u>\$ 21,773</u>

## Notes to Consolidated Financial Information

### Note 1 – Organization and significant accounting policies

#### **Organization:**

Public Policy Holding Company, LLC and its subsidiaries (the “Company”) was formed on July 1, 2014 in the state of Delaware to provide governmental affairs consulting services primarily in the District of Columbia. All intercompany transactions have been eliminated. The following are the entities which comprised the Group:

#### **Principles of consolidation:**

The consolidated financial information includes all of the accounts of the following entities:

##### *Parent company:*

- Public Policy Holding Company, LLC

##### *Wholly owned subsidiaries:*

- Crossroads Strategies, LLC
- JDA Frontline Partners, LLC (Acquired by Blue Engine Message & Media, LLC in November 2018)
- Forbes Tate Partners, LLC
- Blue Engine Message & Media, LLC (Acquired on November 1, 2018, doing business as Seven Letter starting on July 2019)
- O’Neill & Partners LLC doing business as O’Neill & Associates (Acquired on February 1, 2019)
- Alpine Group Partners, LLC (Acquired on January 1, 2020)

On January 1, 2017, Capitol Strategies Partners, LLC contributed its assets to the Group for an indirect ownership interest in the Company. No cash was paid in this transaction.

On November 1, 2018, Blue Engine Message & Media LLC contributed its assets to the Group for an ownership interest in the Company, and then immediately assigned that ownership interest to Blue Engine Holdings LLC. In addition, at the same time, Blue Engine Holdings LLC purchased the ownership interest in the Company then owned by JDA Frontline Inc. No cash was paid by the Group in these two transactions other than the Company providing a loan to Blue Engine Holdings LLC to facilitate its purchase of JDA Frontline’s interest.

On February 1, 2019, O’Neill & Associates, LLC contributed its assets to the Group for an ownership interest in the Company. No cash was paid in this transaction.

On January 1, 2020, The Alpine Group, Inc. contributed its assets to the Group for an ownership interest in the Company. No cash was paid in this transaction.

On January 1, 2020, the Group formed Seven Letter ONA LLC in order to conduct business in the State of Massachusetts. Revenue and expenses from Seven Letter ONA LLC will be allocated to Seven Letter and O’Neill & Associates.

#### **Revenue recognition:**

The Group generates the majority of its revenue by providing the following consulting services: 1) Governmental affairs consulting services, 2) Lobbying services, and 3) Public affairs. In determining the method and amount of revenue to recognize, the Group has to make judgements and estimates. Specifically, complex arrangements with nonstandard terms and conditions may require management judgment interpreting the contract to determine the appropriate accounting, including whether the promised services specified in an arrangement are distinct performance obligations and should be accounted for separately. Other judgments include determining whether performance obligations are satisfied over-time or at a point-in-time and the selection of the method to measure progress towards completion.

The Group's general practice is to establish an agreement with a client with a fixed monthly payment at the beginning of each month for the month's service to be performed. Most of the consulting service contracts are based on one of the following types of contract arrangements:

- Fixed-fee arrangements require the client to pay a fixed fee in exchange for a predetermined set of professional services. The Group recognizes revenue at the beginning of the month for that month's services.
- Additional services include items such as 1) advertisement placement and management, 2) video production, and 3) website development, in which the Group may subcontract with third party companies to achieve specific business objectives. These services are either in a separate contract or within the fixed-fee consulting contract, in which the Group usually receives a fixed 15 per cent. markup on the cost incurred by the Group. The Group recognizes revenues earned to date in an amount that is probable or unlikely to reverse and by applying the proportional performance method when the criteria for revenue recognition is met. Any out-of-pocket administrative expenses incurred are billed at cost.

The following table sets forth the revenues by entities:

<i>For the years ended</i>	<i>Crossroads Strategies, LLC</i>	<i>Forbes Tate Partners, LLC</i>	<i>O'Neill &amp; Associates</i>	<i>Seven Letter (previously known as Blue Engine) Message &amp; Media LLC</i>	<i>Alpine Group Partners LLC</i>	<i>Total</i>
2018	\$ 11,511,176	\$ 18,778,433	\$ –	\$ 3,502,717	\$ –	\$ 33,792,326
2019	12,932,969	27,099,275	7,396,748	8,111,481	–	55,540,473
2020	15,883,692	31,117,905	7,344,615	9,389,271	13,748,104	77,483,587

<i>For the six months period</i>	<i>Crossroads Strategies, LLC</i>	<i>Forbes Tate Partners, LLC</i>	<i>O'Neill &amp; Associates</i>	<i>Seven Letter (previously known as Blue Engine) Message &amp; Media LLC</i>	<i>Alpine Group Partners LLC</i>	<i>Total</i>
2020 (Unaudited)	\$ 7,421,749	\$ 14,829,145	\$ 4,113,007	\$ 4,214,034	\$ 6,973,672	\$ 37,551,607
2021	10,229,064	20,551,990	3,585,135	5,673,969	7,162,402	47,202,560

### **Cash and cash equivalents:**

The Group considers all cash investments with original maturities of three months or less to be cash equivalents. At times, the Group maintains cash accounts which exceed federally insured limits, but management does not believe that this results in any significant credit risk.

### **Accounts receivable:**

The Group provides for an allowance for doubtful accounts based on management's best estimate of possible losses determined principally on the basis of historical experience and specific allowances for known troubled accounts, if needed. All accounts or portions thereof that are deemed to be uncollectible or that require an excessive collection cost are written off to the allowance for doubtful accounts. The balance of allowance for doubtful account were as follows:

	<i>December 31, 2018</i>	<i>December 31, 2019</i>	<i>(Unaudited) June 30, 2020</i>	<i>December 31, 2020</i>	<i>June 30, 2021</i>
Allowance for doubtful accounts	\$ 0	\$ 274,529	\$ 95,415	\$ 49,713	\$ 61,816

### **Leases**

A lease is defined as a contract that conveys the right to control the use of identified property, plant or equipment for a period of time in exchange for consideration. The Group adopted ASU No. 2016-2 "Leases" (Topic 842) and all subsequent ASUs that modified ASC 842 on January 1, 2018. This ASU increases the transparency and comparability of organizations by requiring the capitalization of substantially all leases on

the balance sheet and disclosures of key information about leasing arrangements. For the Group, ASC 842 primarily affected the accounting treatment for operating lease agreements in which the Group is the lessee.

Substantially all of the leases in which the Group is the lessee are comprised of real estate property for corporate office space, and remote office spaces. Substantially all of the leases are classified as operating leases, and as such, were previously not recognized on the Group's Consolidated Balance Sheets. With the adoption of ASC 842, operating lease agreements were required to be recognized on the Consolidated Balance sheets as a right-of-use ("ROU") asset and a corresponding lease liability.

The Group has elected not to recognize ROU assets and lease liabilities arising from short-term leases, leases with initial terms of twelve months or less, or equipment leases (deemed immaterial) on the Consolidated Balance Sheets.

The operating lease ROU asset and operating lease liability on the Group's Consolidated Balance Sheets are as follows:

	<i>(Unaudited)</i>				
	<i>December 31, 2018</i>	<i>December 31, 2019</i>	<i>June 30, 2020</i>	<i>December 31, 2020</i>	<i>June 30, 2021</i>
ROU asset	\$ 17,655,126	\$ 15,796,683	\$ 17,019,665	\$ 15,793,416	\$ 17,417,521
Lease liability	\$ 19,766,749	\$ 18,332,815	\$ 19,523,365	\$ 18,248,833	\$ 20,025,052

These leases may contain terms and conditions of options to extend or terminate the lease which are recognized as part of the ROU assets and lease liabilities when an economic benefit to exercise the option exists and there is a 90 per cent. probability that the Group will exercise the option. If these criteria are not met, the options are not included in our ROU assets and lease liabilities.

As of June 30, 2021, these leases do not contain material residual value guarantees, or impose restrictions or covenants related to dividends or the Group's ability to incur additional financial obligations.

The following table presents lease costs, future minimum lease payments and other lease information as of June 30, 2021:

	<i>Period Ending June 30</i>
2022	\$ 3,961,805
2023	4,136,376
2024	3,289,345
2025	3,012,228
2026	3,085,076
Thereafter	5,689,192
Total future minimum lease payments	23,174,022
Amount representing interest	(3,148,970)
Present value of net future minimum lease payments	<u>\$ 20,025,052</u>

#### *Lease cost*

	<i>2018</i>	<i>December 31 2019</i>	<i>2020</i>
Operating lease cost (cost resulting from lease payments)	\$ 22,526,647	\$ 22,380,431	\$ 22,474,928
Variable lease cost (cost excluded from lease payments)	1,440	48,279	169,877
Sublease income	(276,127)	(291,821)	(422,568)
<b>Net lease cost</b>	<u>\$ 22,251,960</u>	<u>\$ 22,136,889</u>	<u>\$ 22,222,237</u>
Operating lease – operating cash flows (fixed payments)	\$ 24,638,270	\$ 24,916,563	\$ 24,930,346
Weighted average lease term – operating leases	8.77 years	7.92 years	6.58 years
Weighted average discount rate – operating leases	4.96%	4.97%	4.90%

	<i>(Unaudited)</i>	
	<i>June 30</i>	<i>June 30</i>
	<i>2020</i>	<i>2021</i>
Operating lease cost (cost resulting from lease payments)	\$ 24,157,632	\$ 20,566,490
Variable lease cost (cost excluded from lease payments)	59,626	41,581
Sublease income	—	(396,929)
<b>Net lease cost</b>	<b>\$ 24,217,258</b>	<b>\$ 20,211,142</b>
Operating lease – operating cash flows (fixed payments)	\$ 26,661,332	\$ 23,174,023
Weighted average lease term – operating leases	7 years	6.34 years
Weighted average discount rate – operating leases	4.90%	4.66%

The Group subleases office space to several third parties under separate sublease agreements. Below is the schedule of sublease income from their five subtenants as of June 30, 2021:

	<i>Period Ending June 30</i>
2022	\$ (266,996)
2023	(118,635)
Total future minimum sublease payments received	<u>\$ (385,631)</u>

#### **Unbilled revenue:**

Unbilled revenue represents earned revenue and reimbursable costs that are billed to the customers in the subsequent month.

#### **Furniture and equipment and leasehold improvements:**

Furniture and equipment and leasehold improvements are carried at cost less accumulated depreciation. Depreciation is provided generally on a straight-line method over the estimated useful lives of the related assets ranging from 5 to 15 years.

#### *Goodwill and indefinite-lived intangible assets*

Goodwill represents the excess of the purchase price over the fair value of assets acquired and liabilities assumed in business combinations. Acquired intangible assets are recorded at fair value.

Goodwill and indefinite-lived intangible assets are evaluated for impairment annually during the fourth quarter, or more frequently if an event occurs or circumstances change that could more likely than not reduce the fair value of a reporting unit or intangible assets below its carrying value. As part of the Group's impairment analysis, fair value of a reporting unit is determined using the income approaches, which requires management to estimate a number of factors for each reporting units, including projected future operating results, anticipating future cash flows and discount rates.

Indefinite-lived intangible assets are tested for impairment by comparing the estimated fair value of the asset to its carrying value. If the carrying value of the asset exceeds its estimated fair value, an impairment loss is recognized and the asset is written down to its estimated fair value.

#### **Syndication costs:**

Deferred offering costs consist primarily of consulting fees related to the initial public offering (IPO). Prior to the IPO, all deferred offering costs were capitalized and included in other assets in the consolidated balance sheets. Upon issuance, these costs will be recorded against equity.

	<i>(Unaudited)</i>				
	<i>December 31,</i>	<i>December 31,</i>	<i>June 30,</i>	<i>December 31,</i>	<i>June 30,</i>
	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2020</i>	<i>2021</i>
Syndication costs	\$ 0	\$ 0	\$ 314,755	\$ 549,024	\$ 2,166,515

**Marketing costs:**

The Group expenses marketing costs as incurred. Marketing expense are as follows:

	<i>For the year ended December 31, 2018</i>	<i>For the year ended December 31, 2019</i>	<i>(Unaudited) January 1, 2020 through June 30, 2020</i>	<i>For the year ended December 31, 2020</i>	<i>January 1, 2021 through June 30, 2021</i>
Marketing	\$ 153,712	\$ 234,713	\$ 44,240	\$ 52,368	\$ 93,753

**Income taxes:**

The Company is a limited liability company whereby the tax attributes are passed through to and reported on the members' tax returns. Accordingly, there is no provision for federal or state income taxes included in the accompanying consolidated financial information. If applicable, the Group records interest and penalties as a component of income tax expense. Returns filed for tax periods ending after December 31, 2017 are open to examination and any changes proposed by the taxing authorities may affect the members' income tax liability.

**Professional fees:**

Professional fees were related to a market study to explore the size of the market in which the Group competes, the expected short term and long term growth of that sector and the competitors operating therein. The professional fee expense incurred in 2019 was \$460,000.

**Profit bonuses:**

Annual bonus payments are paid as compensation for services to senior executives and employees based on their profit.

**Estimates:**

The preparation of consolidated financial information in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial information and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Reclassification:**

Certain account balances have been reclassified to conform to the June 2021 presentation.

**New accounting pronouncements:****(A) Revenue recognition**

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09 (as amended by ASU 2015-14), Revenue from Contracts with Customers, Accounting Standards Codification (ASC 606), which provides a single comprehensive accounting standard for revenue recognition for contracts with customers and supersedes current industry-specific guidance.

ASU 2014-09 is effective for annual reporting periods beginning after December 15, 2020. The Group early adopted the new standard effective January 1, 2018, the first day of the Group's fiscal year using the modified retrospective approach. The Group recognizes revenue upon the transfer of promised goods to the customers in an amount that reflects the consideration to which it expects to be entitled by applying the following five-step process specified in ASC 606.

- Identify the contract(s) with a customer
- Identify the performance obligations
- Determine the transaction price

- Allocate the transaction price
- Recognize revenue when the performance obligations are met

The adoption resulted in no adjustment to the beginning members' equity as of January 1, 2018.

(B) *Leases*

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02 – Leases (ASC 842), which required recognition on the balance sheet for the rights and obligations created by leases with terms greater than 12 months. The Group adopted ASC 842, using the modified retrospective transition method and used January 1, 2018, as the date of initial application. Consequently, the comparative periods presented continue to be in accordance with ASC 840, Leases, previously in effect.

The Group elected the package of practical expedients permitted under the transition guidance, allowing the Group to carry forward conclusions related to: (a) whether expired or existing contracts contain leases; (b) lease classification; and (c) initial direct costs for existing leases. The Group has elected not to record operating lease right-of-use assets or lease liabilities associated with leases with remaining durations of 12 months or less. The Group elected the practical expedient allowing aggregation of non-lease components with related lease components when evaluating the accounting treatment for all classes of underlying assets.

Adoption of the new standard resulted in an initial increase to assets of \$16,936,477 and liabilities of \$17,802,439, related to recognition of operating lease right-of-use assets and operating lease obligations, respectively as of January 1, 2018. Other impacts in the Group's consolidated balance sheet were not material. The standard did not materially impact the consolidated statements of income and cash flows.

**Coronavirus-19:**

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the United States. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the United States have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been no immediate impact to the Group's operations. Future potential impacts may include disruptions or restrictions on the employees' ability to work or reduced customers demand for the Group's services. Changes to the operating environment may increase operating costs. The future effects of these issues are unknown.

**Subsequent events:**

Management has evaluated the subsequent events for disclosure in this consolidated financial information.

**Note 2 – Acquisitions**

The Group seeks to acquire additional businesses along with their customers and key employees and different services offers to provide for the long term growth and profitability of the Group. The acquiree net assets are recorded as a capital contribution into the members' equity.

(A) ***Forbes Tate Partners, LLC and JDA Frontline Partners, LLC***

Prior to January 1, 2018, Forbes Tate, LLC and JDA Frontline Inc. contributed their assets to the Group (to be held, respectively, by Forbes Tate Partners LLC and JDA Frontline Partners LLC, wholly-owned subsidiaries of the Company) for an ownership interest in the Company. No cash was paid in these transactions. The Group finalized its allocation of the purchase price for Forbes Tate Partners, LLC and JDA Frontline Partners, LLC. The following table summarizes the consideration paid and the amounts of identified assets acquired and liabilities assumed:

<i>Identified assets acquired and liabilities assumed</i>	<i>Forbes Tate Partners, LLC</i>	<i>JDA Frontline Partners, LLC</i>
Goodwill	\$ 9,925,102	\$ 1,783,232
Customer relationship	3,691,000	95,000
Tradename	895,000	207,000
Total identifiable net assets	<u>\$ 14,511,102</u>	<u>\$ 2,085,232</u>

The identified definite-lived intangible assets were as follows:

<i>Definite-lived intangible assets</i>	<i>Weighted-average useful life (in years)</i>	<i>Amount</i>
Forbes Tate Partners, LLC – customer relationship	9	\$ 3,691,000
JDA Frontline Partners, LLC – customer relationship	8	95,000
Total		<u>\$ 3,786,000</u>

(B) **Blue Engine Message & Media, LLC**

On November 1, 2018, Blue Engine Message & Media, LLC contributed its assets to the Group for an ownership interest in the Company, and immediately assigned such interest to Blue Engine Holdings LLC. No cash was paid in this transaction. On January 1, 2019, Blue Engine Message & Media, LLC started doing business as Seven Letter LLC. The Group finalized its allocation of the purchase price for Blue Engine Message & Media, LLC. The following table summarizes the consideration paid and the amounts of identified assets acquired and liabilities assumed:

<i>Identified assets acquired and liabilities assumed</i>	
Goodwill	\$ 5,297,464
Tradename	570,000
Customer relationship	664,000
Right of use assets	2,172,232
Lease liability	<u>(2,172,232)</u>
Total identifiable net assets	<u>\$ 6,531,464</u>

The identified definite-lived intangible assets were as follows:

<i>Definite-lived intangible assets</i>	<i>Weighted-average useful life (in years)</i>	<i>Amount</i>
Customer relationship	7	\$ 664,000

As part of the business combination, the Group assumed the existing office lease of Blue Engine Message & Media, LLC. The right-of-use assets and liability represent the Group's right to use the underlying asset under the lease term and lease liabilities represent the Group's obligation to make lease payments arising from the lease in the remaining lease term.

(C) **O'Neill & Associates, LLC**

On February 1, 2019, O'Neill & Associates, LLC contributed its assets to the Group for an ownership interest in the Company. No cash was paid in this transaction. The Group finalized its allocation of the purchase price for O'Neill & Associates, LLC. The following table summarizes the consideration paid and the amounts of identified assets acquired and liabilities assumed:

<i>Identified assets acquired and liabilities assumed</i>	
Goodwill	\$ 7,426,430
Tradename	758,000
Customer relationship	510,800
Total identifiable net assets	<u>\$ 8,695,230</u>

The identified definite-live intangible assets were as follows:

<i>Definite-lived intangible assets</i>	<i>Weighted-average useful life (in years)</i>	<i>Amount</i>
Customer relationship	7	\$ 510,800

As part of the business combination, the Group assumed the existing office lease of O'Neill & Associates, LLC. The remaining lease was less than 12 months, therefore, no right-of-use assets and lease liability was recorded at the time of acquisition.

(D) **The Alpine Group, Inc.**

On January 1, 2020, The Alpine Group, Inc. contributed its assets to the Group for an ownership interest in the Company. No cash was paid in this transaction. The Group finalized its allocation of the purchase price for The Alpine Group, Inc. The following table summarizes the consideration paid and the amounts of identified assets acquired and liabilities assumed:

*Identified assets acquired and liabilities assumed*

Goodwill	\$ 20,461,304
Tradename	1,383,000
Customer relationship	10,360,000
Right of use assets	2,458,267
Lease liability	(2,458,267)
Total identifiable net assets	<u><u>\$ 32,204,304</u></u>

The identified definite-live intangible assets were as follows:

<i>Definite-lived intangible assets</i>	<i>Weighted-average useful life (in years)</i>	<i>Amount</i>
Customer relationship	8	\$ 10,360,000

The fair value of customer relationships and its useful life was determined using the income approaches, which requires management to estimate a number of factors for each reporting unit, including projected future operating results, anticipating future cash flows and discount rates.

Upon the sale or other transaction that results in a change of control of the Company, the owners of the contributing entities below would be entitled to a base amount of the net transaction proceeds:

<i>Entities</i>	<i>Capital account balance</i>	<i>% of total</i>
The Alpine Group, Inc.	14,200,000	26.4%
Crossroads Strategies, LLC	18,128,200	33.8%
Forbes Tate Partners, LLC	10,556,500	19.7%
Blue Engine Holdings LLC	5,486,200	10.2%
O'Neill & Associates, LLC	5,187,000	9.7%
PPHC PDP, LLC	150,000	0.3%
Total	<u><u>\$ 53,707,900</u></u>	<u><u>100.0%</u></u>

As part of a business combination, the Group acquired another entity with an existing lease. Based on ASC 842, the acquired lease was treated as a new lease effective January 1, 2020 with the beginning operating lease ROU assets and operating lease liabilities equalling \$2,458,267.

Amortization expense on customer relationship are as follows:

	<i>For the year ended December 31, 2018</i>	<i>For the year ended December 31, 2019</i>	<i>(Unaudited) January 1, 2020 through June 30, 2020</i>	<i>For the year ended December 31, 2020</i>	<i>January 1, 2021 through June 30, 2021</i>
Amortization expense	\$ 437,796	\$ 583,734	\$ 942,407	\$ 1,884,815	\$ 942,407

The amortization expense for the next 5 years is summarized as follows:

<i>Period Ending June 30,</i>	<i>Amortization Expense</i>
2022	\$ 1,884,815
2023	1,884,815
2024	1,462,829
2025	1,462,829
2026	1,369,186

### Note 3 – Employee loans

The Group advanced funds to key employees with no specific repayment terms. Interest on the loans is LIBOR daily floating rate plus 2.5 per cent. and funded by a bank loan (note 4). The outstanding balance on the employee loans are as follows:

	<i>December 31, 2018</i>	<i>December 31, 2019</i>	<i>(Unaudited) June 30, 2020</i>	<i>December 31, 2020</i>	<i>June 30, 2021</i>
Employee loans	\$ 185,335	\$ 29,804	\$ 0	\$ 0	\$ 0

The note was received in full in 2020.

### Note 4 – Note receivable

On November 1, 2018, the Company advanced \$833,000 (memorialized in a promissory note) to Blue Engine Holdings LLC for the purchase of the ownership interest in the Company then held by JDA Frontline Inc. The note matures on October 31, 2022 and requires the borrowers to make quarterly instalment payments of \$52,063 commencing on February 15, 2019. Interest on the note is LIBOR daily floating rate plus 2.4 per cent.. The note receivable and interest income are as follows:

	<i>As of and for the year ended December 31, 2018</i>	<i>As of and for the year ended December 31, 2019</i>	<i>(Unaudited) As of and for the the period January 1, 2020 through June 30, 2020</i>	<i>As of and for the year ended December 31, 2020</i>	<i>As of and for the the period January 1, 2021 through June 30, 2021</i>
Note receivable	\$ 832,839	\$ 629,240	\$ 522,949	\$ 418,288	\$ 313,694
Interest income	6,839	35,050	9,608	15,746	4,428

In addition, the Group makes advances or received funds from the owners of contributing subsidiaries. The advances made or received from the owners of contributing subsidiaries are as follows:

	<i>December 31, 2018</i>	<i>December 31, 2019</i>	<i>(Unaudited) June 30, 2020</i>	<i>December 31, 2020</i>	<i>June 30, 2021</i>
Advances from/(due)	\$ 149,392	\$ 5,909	\$ (713,601)	\$ (108,766)	\$ (87,217)

## Note 5 – Line of credit and notes payable

### (A) **Line of credit**

The Group has a \$2,000,000 revolving line of credit, secured by all business assets, of which the fixed term expired on 31 July 2021. As a sub-facility under the line, standby letters of credit may be issued up to \$750,000 to secure office leases, of which \$635,018 has been issued. Interest on the line of credit is LIBOR daily floating rate plus 2.5 per cent.. The outstanding balance on the line of credit and interest expense are as follows:

			(Unaudited) As of and for the the period January 1, 2020 through June 30, 2020	As of and for the year ended December 31, 2020	As of and for the the period January 1, 2021 through June 30, 2021
	As of and for the year ended December 31, 2018	As of and for the year ended December 31, 2019			
Line of credit	\$ 861,000	\$ 1,246,875	\$ 1,161,875	\$ 1,361,875	\$ 1,361,875
Interest expense	23,795	22,042	10,334	23,580	11,611

### (B) **Note payable – bank**

In January 2018, the Group obtained a \$300,000 loan from a national bank. The loan calls for equal monthly principal payments of \$12,500 plus interest on the unpaid balance. The loan was personally guaranteed by two executives of the Group. Interest is LIBOR daily floating rate plus 2.5%. and was due on January 12, 2020. The interest expense was paid by a key employee (see Note 3) and was offset against the interest income on the accompanying consolidated financial information. The outstanding balances on the loan are as follows:

	December 31, 2018	December 31, 2019	(Unaudited) June 30, 2020	December 31, 2020	June 30, 2021
Note payable – bank	\$ 175,000	\$ 25,000	\$ 0	\$ 0	\$ 0

The loan was paid in full in 2020.

### (C) **Notes payable – members**

When PPHC PDP LLC ("Pool") was formed, the owners of PPHC Equity Partners LLC ("EH") caused EH to become a member of Pool and contribute \$150,000 to Pool in exchange for a Preferred Pool Interest. Pool then took this amount and contributed it to PPHC LLC in exchange for a Preferred Interest in PPHC LLC. EH's Preferred Pool Interest entitled it to a 6 per cent. Preferred Return and included a right to convert the Preferred Pool Interest into an additional Percentage ownership interest in Pool. Pool's Preferred Interest in PPHC LLC, in turn, entitles Pool to an 8 per cent. Preferred Return, but there is no conversion feature.

Effective as of 1 January 2020, EH converted the Preferred Pool Interest into an additional interest in Pool consisting of a Percentage interest of 7 per cent.. At that time, Pool distributed to EH the amount of \$56,755 as full payment of the 6 per cent. Preferred Return. In addition, at the time of conversion EH and the other three original members of Pool distributed all of their ownership interests in Pool to their respective individual owners.

Pool still owns its Preferred Interest in PPHC LLC under the current PPHC LLC Agreement. Pool has a right to require PPHC LLC to purchase that interest at any time after 7/1/19 for an amount equal to the \$150,000 plus any unpaid Preferred Return. The Exhibit to PPHC LLC's LLC Agreement says that this amount is to be paid by PPHC LLC before the IPO. On 19 November 2021, Pool waived the \$150,000 (and the 8 per cent. Preferred Return).

	<i>For the year ended December 31, 2018</i>	<i>For the year ended December 31, 2019</i>
Note payable – members	\$ 150,000	\$ 150,000
Accrued interest	45,053	56,756
Interest expense	11,041	11,703

(D) **Note payable – landlord**

As part of an office space lease agreement entered into during 2017, the Group had an option to borrow up to \$328,725 from the landlord (\$25 per rentable foot), of which \$316,122 was borrowed and used to fund tenant improvements. The note has an interest rate of 8 per cent. and will be repaid in 12 monthly principal and interest instalments of \$27,499, commencing on April 1, 2018. This loan was paid in full in 2019.

The Group expanded the existing office space in 2018 by executing an amendment to the lease on March 23, 2018 and received an additional loan of \$315,625 from the landlord to fund tenant improvements. The Group shall repay the loan in equal monthly principal and interest instalments over the lease term at an interest rate of 8 per cent.. Notwithstanding the foregoing, the Group may submit a notice to the landlord to prepay the outstanding balance upon terms to be agreed upon by the landlord and the Group. The outstanding balance on the loan is as follows:

	<i>As of and for the year ended December 31, 2018</i>	<i>As of and for the year ended December 31, 2019</i>	<i>(Unaudited) As of and for the the period January 1, 2020 through June 30, 2020</i>	<i>As of and for the year ended December 31, 2020</i>	<i>As of and for the the period January 1, 2021 through June 30, 2021</i>
Note payable – landlord	\$ 365,377	\$ 278,324	\$ 267,798	\$ 256,867	\$ 247,410
Interest expense	1,009	6,709	11,029	21,492	10,162

The future maturities of the line of credit and all notes payable at June 30, 2021 are as follows:

<i>Period Ending June 30,</i>	<i>Line of credit</i>	<i>Note payable – landlord</i>	<i>Total</i>
2022	\$ 1,361,875	\$ 24,022	\$ 1,385,897
2023	–	26,016	26,016
2024	–	28,175	28,175
2025	–	30,514	30,514
2026	–	33,046	33,046
Thereafter	–	105,637	105,637
<b>Total</b>	<b>\$ 1,361,875</b>	<b>\$ 247,410</b>	<b>\$ 1,609,285</b>

**Note 6 – Retirement plan**

Certain operating units of the Group maintain 401(k) plans that cover employees that reach certain age and length of service requirements. Eligible employees can contribute into the plan through salary deferral. The plan is a safe harbor plan, whereby the Group can elect to satisfy the safe harbor rules by contributing to the plan. The Group safe harbor contribution which is included in payroll and health insurance on the accompanying Consolidated Statements of Operations. The safe harbor contributions made by the Group are as follows:

	<i>For the year ended December 31, 2018</i>	<i>For the year ended December 31, 2019</i>	<i>(Unaudited) January 1, 2020 through June 30, 2020</i>	<i>For the year ended December 31, 2020</i>	<i>January 1, 2021 through June 30, 2021</i>
Safe harbor contribution	\$ 306,019	\$ 75,440	\$ 0	\$ 0	\$ 0

Effective January 1, 2020, all remaining 401(k) plans were merged into the Public Policy Holding Company, LLC 401(k) Plan ("PPHC Plan"), which removed the safe harbor provision and length of service eligibility requirement, whereby the Group will no longer make a safe harbor contribution. The PPHC Plan allows for employee and rollover contributions and there is no employer contribution.

## **Note 7 – Concentration of credit risk**

### **Geographic location**

Most of the Group's assets are located in the Washington D.C. metropolitan area. Therefore, the Group is subject to certain economic risks resulting from the majority of its revenue being derived from one geographic location.

## **Note 8 – Events after the reporting date**

As part of the Pre-IPO Reorganisation, detailed in paragraph 5.1 of Part 5 of this Document, PPHC LLC contributed assets and liabilities (including all of its ownership interests in its wholly owned subsidiaries) to the Company with the exception of the following assets and liabilities as at 30 September 2021; cash of \$2,668,889, customer receivables of \$16,542,378, accounts payable of \$11,090,692 and accrued member bonuses of \$8,120,574. The net asset impact of the excluded assets as at 30 September 2021 was nil.

As set out in paragraph 5.2 of Part 5 of this Document, the current Limited Liability Company Agreement of PPHC LLC provides for the payment of a "Holdings Distribution Discount" in connection with a sale or IPO, amounting to \$4,462,540 (excluding an interest accrual which is being waived). The Holdings Distribution Discount represents the difference between an operating subsidiary paying 3 per cent. of its revenues annually to PPHC LLC (which has historically been paid by all operating subsidiaries other than Crossroads Strategies, LLC and Forbes Tate, LLC), and each of Crossroads Strategies, LLC and Forbes Tate, LLC), which, as the founding businesses acquired by PPHC LLC, have paid approximately 5 per cent. of their respective revenues annually to PPHC LLC. Historically, PPHC LLC and its members viewed this obligation of PPHC LLC (triggered on a sale or IPO) as an obligation to refund to Crossroads Strategies, LLC and Forbes Tate, LLC, their relative overpayments (compared to the other operating subsidiaries) because had those overpayments not been made to PPHC LLC, those amounts could have been paid as additional bonuses or distributions to the owners of Crossroads Strategies, LLC and Forbes Tate, LLC. This obligation of PPHC LLC has been contributed and assigned to, and assumed by the Company as part of the Contribution Agreement. Upon the Company's payment of the Holdings Distribution Discount to Crossroads Strategies, LLC and Forbes Tate, LLC, it is anticipated that Crossroads Strategies, LLC and Forbes Tate, LLC, will, in turn, distribute such amounts to their respective owners including but not limited to Stewart Hall and Zachary Williams.

## **Note 9 – Nature of financial information**

The financial information on the Group presented above does not constitute statutory financial statements for any of the periods ended 31 December 2018, 31 December 2019, 31 December 2020 or 30 June 2021.

## SECTION C: ACCOUNTANT'S REPORT ON THE UNAUDITED PRO FORMA STATEMENT OF NET ASSETS



### **Crowe U.K. LLP**

Chartered Accountants  
Member of Crowe Global  
55 Ludgate Hill  
London EC4M 7JW, UK  
Tel +44 (0)20 7842 7100  
Fax +44 (0)20 7583 1720  
DX 0014 London Chancery Lane  
[www.crowe.co.uk](http://www.crowe.co.uk)

13 December 2021

The Directors  
Public Policy Holding Company, Inc.  
800 North Capital Street, NW  
Suite 800  
Washington D.C. 20002

The Directors  
Stifel Nicolaus Europe Limited  
150 Cheapside  
London  
EC2V 6ET

Dear Directors

We report on the unaudited pro forma statement of net assets of Public Policy Holding Company Inc. (the **"Company"**) and its subsidiaries (together, the **"Group"**) (the **"Pro Forma Financial Information"**) set out in section D of Part 3 of the Company's AIM admission document dated 13 December 2021 (the **"Document"**).

### **Opinion**

In our opinion:

- the Pro Forma Financial Information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of the Company.

### **Responsibilities**

It is the responsibility of the directors of the Company to prepare the Pro Forma Financial Information in accordance with Sections 1 & 2 of Annex 20 of the UK version of Regulation number 2019/980 of the European Commission, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (together, the **"Prospectus Regulation"**).

It is our responsibility to form an opinion, as required by Section 3 of Annex 20 of the Prospectus Regulation as applied by Schedule Two of the AIM Rules, as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

**Basis of preparation**

The Pro Forma Financial Information has been prepared on the basis described, for illustrative purposes only, to provide information about how the transaction might have affected the financial information presented on the basis of the accounting policies adopted by the Group in preparing the audited interim financial information for the six-month period ended 30 June 2021. This report is required by Section 3 of Annex 20 of the Prospectus Regulation, as applied by Schedule Two of the AIM Rules and is given for the purpose of complying with that schedule and for no other purpose.

**Basis of Opinion**

We conducted our work in accordance with Standards of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. We are independent of the Group and Insight in accordance with relevant ethical requirements. In the United Kingdom this is the FRC's Ethical Standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

**Declaration**

For the purposes of Section 3 of Annex 20 of the Prospectus Regulation, as applied by Schedule Two of the AIM Rules, we are responsible for this report as part of the Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Section 3 of Annex 20 of the Prospectus Regulation, as applied by Schedule Two of the AIM Rules.

Yours faithfully,

**Crowe U.K. LLP**

Chartered Accountants

## SECTION D: UNAUDITED PRO FORMA STATEMENT OF NET ASSETS

Set out below is the Pro Forma Financial Information, which has been prepared on the basis of the interim financial information of the Group as at 30 June 2021, as adjusted for:

- excluded assets and liabilities from the Pre-IPO Reorganisation;
- repayment of the line of credit facility with the Bank of America;
- the net proceeds from the Placing; and
- the Holdings Distribution Discount

as set out in the notes below. The Pro Forma Financial Information has been prepared for illustrative purposes only and because of its nature will not represent the actual financial position of the Group as at the date of Admission.

### Unaudited pro forma statement of net assets

USD \$	(Audited) The Group (Note 1)	Pre-IPO Reorganisation (Note 2)	Repayment of line of credit (Note 3)	Net proceeds from the Placing (Note 4)	Holdings Distribution Discount (Note 5)	(Unaudited) Pro forma net assets of the Group
<b>Non-current assets</b>						
Note receivable – members – long term	104,125	–	–	–	–	104,125
Right of use asset	17,417,521	–	–	–	–	17,417,521
Property and equipment	992,852	–	–	–	–	992,852
Goodwill and other intangibles	58,713,505	–	–	–	–	58,713,505
Syndication costs	2,166,515	–	–	(2,166,515)	–	–
Other long-term assets	249,900	–	–	–	–	249,900
<b>Total non-current assets</b>	79,644,418	–	–	(2,166,515)	–	77,477,903
<b>Current assets</b>						
Cash	13,418,170	(9,924,650)	(1,361,875)	9,348,981	(4,462,540)	7,018,086
Accounts receivable, net	9,339,995	(9,339,995)	–	–	–	–
Note receivables – members – short term	209,569	–	–	–	–	209,569
Other current assets	331,380	–	–	–	–	331,380
<b>Total current assets</b>	23,299,114	(19,264,645)	(1,361,875)	9,348,981	(4,462,540)	7,599,035
<b>Total assets</b>	102,943,532	(19,264,645)	(1,361,875)	7,182,466	(4,462,540)	85,036,938
<b>Non-current liabilities</b>						
Line of credit and notes payable	1,577,923	–	(1,361,875)	–	–	216,048
Operating lease liability long term	16,846,373	–	–	–	–	16,846,373
<b>Total non-current liabilities</b>	18,424,296	–	(1,361,875)	–	–	17,062,421
<b>Current liabilities</b>						
Accounts payable and accrued expenses	11,469,896	(10,075,992)	–	(1,313,203)	–	80,701
Accrued member bonuses	9,188,653	(9,188,653)	–	–	–	–
Deferred revenue	2,481,485	–	–	–	–	2,481,485
Operating lease liability due within one year	3,178,679	–	–	–	–	3,178,679
Current portion of notes payable	31,362	–	–	–	–	31,362
<b>Total current liabilities</b>	26,350,075	(19,264,645)	–	(1,313,203)	–	5,772,227
<b>Total liabilities</b>	44,774,371	(19,264,645)	(1,361,875)	(1,313,203)	–	22,834,648
<b>Net assets</b>	58,169,161	–	–	8,495,669	(4,462,540)	62,202,290

*Notes:*

1. The audited interim financial information of the Group as at 30 June 2021 has been extracted without further adjustment, from Part 3, section B of this Document “Historical financial information of the Group”. No account has been taken of the activities of the Group subsequent to 30 June 2021, except for those set out in the notes below.
2. As part of the Pre-IPO Reorganisation, detailed in paragraph 5.1 of Part 5 of the Document, PPHC LLC contributed assets and liabilities (including all of its ownership interests in its wholly owned subsidiaries) to the Company with the exception of the following assets and liabilities, illustrated as at 30 June 2021; cash of \$9,924,650, customer receivables of \$9,339,995, accounts payable of \$10,075,992 and accrued member bonuses of \$9,188,653. The net impact on the pro forma net assets of the Group as at 30 June 2021 was nil.
3. PPHC LLC and several of its subsidiary undertakings entered into a Loan Agreement on 24 January 2018 with Bank of America, N.A. (the “Bank”) for a \$2m revolving line of credit, which includes a subfacility of \$750,000 used to support two letters of credit relating to two leases of the Group. The interest rate is equal to the LIBOR Daily Floating Rate plus 2.5 percentage points. The loan may be prepaid in full or in part at any time. The prepayment is applied to the most remote payment of principal due under the loan agreement. The collateral for the loan is the equipment and fixtures, inventory, receivables and certain other assets owned by the borrowers and the Company, including the proceeds of the Pre-IPO Reorganisation. The Company will use a portion of the Placing proceeds to repay in full the outstanding balance of the loan facility at the closing of the Placing.
4. The gross proceeds of the Placing were approximately \$15,000,000 and associated costs of the Placing and Admission were approximately \$6,504,331 (excluding taxes), of which \$853,312 had been paid prior to 30 June 2021. The net cash proceeds from the Placing received by the Company were approximately \$9,348,981. As at 30 June 2021, the Group had deferred offering costs consisting primarily of consulting fees related to the IPO. Prior to the IPO, all deferred offering costs were capitalised and included in other assets in the consolidated balance sheet amounting to \$2,166,515 as at 30 June 2021, of which \$853,312 had been paid prior to 30 June 2021 and \$1,313,203 was included within accounts payable and accrued expenses. Upon issuance, syndication costs will be recorded against equity.
5. As set out in paragraph 5.2 of Part 5 of the Document, the current Limited Liability Company Agreement of PPHC LLC provides for the payment of a “Holdings Distribution Discount” in connection with a sale or IPO, amounting to \$4,462,540 (excluding an interest accrual which is being waived). The Holdings Distribution Discount represents the difference between an operating subsidiary paying 3 per cent. of its revenues annually to PPHC LLC (which has historically been paid by all operating subsidiaries other than Crossroads Strategies, LLC and Forbes Tate, LLC), and each of Crossroads Strategies, LLC and Forbes Tate, LLC), which, as the founding businesses acquired by PPHC LLC, have paid approximately 5 per cent. of their respective revenues annually to PPHC LLC. Historically, PPHC LLC and its members viewed this obligation of PPHC LLC (triggered on a sale or IPO) as an obligation to refund to Crossroads Strategies, LLC and Forbes Tate, LLC, their relative overpayments (compared to the other operating subsidiaries) because had those overpayments not been made to PPHC LLC, those amounts could have been paid as additional bonuses or distributions to the owners of Crossroads Strategies, LLC and Forbes Tate, LLC. This obligation of PPHC LLC has been contributed and assigned to, and assumed by the Company as part of the Contribution Agreement. Upon the Company’s payment of the Holdings Distribution Discount to Crossroads Strategies, LLC and Forbes Tate, LLC, it is anticipated that Crossroads Strategies, LLC and Forbes Tate, LLC, will, in turn, distribute such amounts to their respective owners including but not limited to Stewart Hall and Zachary Williams.
6. No account has been taken of any movement in the net assets of the Group since 30 June 2021, nor of any other event save as disclosed above.

## **PART 4**

### **CORPORATE GOVERNANCE**

As a company which will be admitted to trading to AIM, the Company is not required to comply with a particular corporate governance code. However, it is required to provide details of the corporate governance code it has decided to apply and state how it will comply with that code.

The Directors support high standards of corporate governance and have decided to comply with the QCA Code. Set out below are details of how the Company will comply with the QCA Code with effect from Admission.

#### **Principle 1: Establish a strategy and business model which promote long-term value for shareholders**

The Group's business model and strategy is set out in Part I of this document. The Board will hold at least one session each year dedicated to strategy, which will include input from senior members of the management team and any necessary external advisers. A strategic report reflecting the outcome of such sessions will be included in the Company's annual report and accounts.

The principal risks facing the Group are set out in Part II of this document. The Board will identify and deploy mitigation steps to manage these risks and confront day-to-day challenges of the business post- Admission. See in addition, Principle 4 below.

#### **Principle 2: Seek to understand and meet shareholder needs and expectations**

The Board is committed to open and ongoing engagement with the Company's Shareholders. The Board will communicate with Shareholders through:

- the annual report and accounts;
- the interim and full-year results announcements;
- trading updates (where required or appropriate);
- the annual general meetings; and
- the Company's investor relations website (in particular, the "RNS News" and "AIM Rule 26" pages).

From Admission, the Company's retained financial PR agency will be the primary contact for Shareholders and there will be a dedicated e-mail address for shareholder questions and comments.

Regular meetings will be held between the Chief Executive Officer, Chief Financial Officer and institutional investors and analysts to ensure that the Company's strategy, financials and business developments are communicated effectively.

The Board intends to engage with Shareholders who do not vote in favour of resolutions at annual general meetings to understand their motivation.

#### **Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success**

The Group takes its corporate social responsibilities very seriously and is focused on maintaining effective working relationships across a wide range of stakeholders including employees, existing and new customers, academics and its advisory group that it collaborates with as part of its business strategy, in order to achieve long-term success.

The Directors will maintain an ongoing dialogue with stakeholders to inform strategy and the day-to-day running of the business.

**Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation**

The principal risks facing the Group and the industry in which it operates are set out in Part II of this document. These risks will be reviewed at least once a year and included in the annual report and accounts.

The Company currently operates a risk framework including a risk register that is managed by Jill Kendrick. The risk register is intended to be signed off annually by the Board and included in the annual report and accounts. The Chief Executive Officer and Audit Committee intend to review the risk register regularly throughout the year.

**Principle 5: Maintain the board as a well-functioning, balanced team led by the chair**

On Admission, the Board will comprise six directors:

- Simon Lee, Benjamin Ginsberg and Kimberly White as Non-Executive Directors; and
- Stewart Hall, Bill Chess and Zachary Williams as Executive Directors.

The biographies of the Directors are provided in Part I of this document.

Benjamin Ginsberg and Kimberly White are considered by the Board to be independent Non-Executive Directors and were selected with the objective of bringing experience and independent judgement to the Board. Simon Lee is considered to be independent by the Board and will therefore be independent at the time of his appointment as the chair of the Board.

The Board has been constructed to ensure that it has the right balance of skills, experience, independence and knowledge of the business.

The Board is also supported by the Audit Committee and the Remuneration Committee. Details of these committees are set out in Part I of this document.

The Board will meet regularly and at least four times a year. Processes are in place to ensure that each member of the Board is, at all times, provided with such information as is necessary for him/her to discharge his/her duties.

The Group is satisfied that the current Board is sufficiently resourced to discharge its governance obligations on behalf of all stakeholders.

**Principle 6: Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities**

The skills and experience of the Directors are summarised in their biographies set out in Part I of this document.

The Directors believe that the Board has the appropriate balance of diverse skills and experience in order to deliver on its core objectives. The Board is not dominated by one individual and all Directors have the ability to challenge proposals put forward to the meeting, democratically. The Directors have also received a briefing from the Company's Nominated Adviser in respect of continued compliance with, *inter alia*, the AIM Rules and the Company's Solicitors in respect of continued compliance with, *inter alia*, UK MAR.

**Principle 7: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement**

The Chair is responsible for ensuring an effective Board. Post-Admission, the Company intends to establish a formal process for evaluating the performance of the Board, the committees, and the individual Directors against its objectives to ensure that members of the Board provide relevant and effective contribution.

**Principle 8: Promote a corporate culture that is based on ethical values and behaviours**

The Group promotes a culture of integrity, honesty, trust and respect and all employees of the Group are expected to operate in an ethical manner in all of their internal and external dealings. The staff handbook and policies promote this culture and include such matters as anti-bribery and corruption, communication and general conduct of employees.

The Board takes responsibility for the promotion of ethical values and behaviours throughout the Group, and for ensuring that such values and behaviours guide the objectives and strategy of the Company.

**Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the board**

The Non-Executive Chair leads the Board and is responsible for its governance structures, performance and effectiveness. The Non-Executive Directors are responsible for bringing independent and objective judgement to Board decisions. The Chief Executive Officer is the primary contact for the Company's Shareholders and is responsible for ensuring that the link between the Board and the shareholders is strong and efficient. The Executive Directors are responsible for the operation of the business and delivering the strategic goals agreed by the Board.

The Board is supported by the Audit Committee and Remuneration Committee. Details of these committees and their responsibilities are set out in Part I of this document. From time to time, separate committees may be set up by the Board in order to consider and address specific issues, as and when they arise.

The Board intends to review the governance framework on an annual basis to ensure it remains effective and appropriate for the business going forward.

**Principle 10: Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders**

The Company intends to use the following principal methods of communication with its Shareholders:

- the annual report and accounts;
- the interim and full-year results announcements;
- trading updates (where required or appropriate)
- the annual general meetings; and
- the Company's investor relations website (in particular, the "RNS News" and "AIM Rule 26" pages which will go live on Admission).

The Company's website is updated on a regular basis with information regarding the Group's activities and performance. The Company's reports, presentations, notices of annual general meetings, and results of voting at shareholder meetings will also be made available on the website.

## PART 5

### ADDITIONAL INFORMATION

#### 1. RESPONSIBILITY

- 1.1 The Company and the Directors, whose names and functions appear in paragraph 10 of Part 1 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors (who have taken reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information.

#### 2. THE COMPANY

- 2.1 The Company was incorporated and registered under the laws of the State of Delaware on 4 February 2021 as a Delaware corporation with the name Public Policy Holding Company, Inc. with registered number 4992651.
- 2.2 The principal legislation under which the Company operates is the General Corporation Law of the State of Delaware.
- 2.3 The liability of the Company's shareholders is limited.
- 2.4 The Company's registered office is located at 251 Little Falls Drive, City of Wilmington, Country of New Caste, Delaware 19808, United States. The Company's principal place of business is located at 800 North Capitol St. NW, Suite 800 Washington, DC 20002, United States. The telephone number at the Company's principal place of business is +1 202-688-0020.
- 2.5 The principal activity of the Company is that of a holding company.
- 2.6 The Company's web address at which information required by Rule 26 of the AIM Rules for Companies can be found is <https://pphcompany.com/>.

#### 3. ORGANISATIONAL STRUCTURE

The Company, which is the ultimate holding company of the Group, has the following subsidiaries:

<i>Name</i>	<i>Country of incorporation</i>	<i>Proportion of ownership interests (%)</i>
Crossroads Strategies, LLC	Delaware, United States of America	100%
Forbes Tate Partners LLC	Delaware, United States of America	100%
Blue Engine Message & Media, LLC d/b/a Seven Letter	Delaware, United States of America	100%
O'Neill & Partners LLC d/b/a O'Neill & Associates	Delaware, United States of America	100%
Alpine Group Partners LLC	Delaware, United States of America	100%
Seven Letter ONA LLC	Delaware, United States of America	100%*
Columbia Campaign Group LLC	Delaware, United States of America	100%
Bay Strategies LLC	Delaware, United States of America	100%
CFW Group LLC	Delaware, United States of America	100%
JDA Frontline Partners, LLC	Delaware, United States of America	100%
Signalytic, LLC	Delaware, United States of America	100%
Alpine Advisors, LLC	Delaware, United States of America	100%

- \* This is an indirect holding. Seven Letter ONA LLC is held 50 per cent. by Blue Engine Message & Media LLC and 50 per cent. by O'Neill & Partners LLC, which are 100 per cent. direct subsidiaries of the Company.

#### 4. SHARE CAPITAL OF THE COMPANY

- 4.1 As at the date of this document the Company is authorised to issue up to 1,100,000,000 shares of capital stock, 1,000,000,000 of which are designated as Common Shares and 100,000,000 of which are designated as shares of preferred stock.
- 4.2 The changes in the amount of the issued share capital of the Company which have occurred since the Company's incorporation are as follows:
- (a) On 4 February, 2021, the Company issued 1,000 Common Shares to PPHC LLC, as the Company's initial shareholder. These shares will be redeemed by the Company in connection with the Contribution and will be retired by the Board in connection therewith.
  - (b) On 10 December 2021, the Company issued a further 100,000,000 Common Shares to PPHC LLC (being the Contribution Shares (as defined in paragraph 5 of Part 5 of this document)).
- 4.3 As at the date of this document and as at Admission, the issued and fully paid up share capital of the Company will be as follows:
- | <i>Date</i>           | <i>Number of Common Shares<br/>issued and credited and fully paid</i> |
|-----------------------|---|
| Date of this document | 100,000,000   |
| Date of Admission     | 108,240,050   |
- 4.4 Save as set out in this Part 5:
- (a) no share or loan capital of the Company has been issued or is proposed to be issued;
  - (b) there are no Common Shares in the Company not representing capital;
  - (c) there are no Common Shares in the Company held by or on behalf of the Company itself;
  - (d) there are no outstanding convertible securities, exchangeable securities or securities with warrants issued by the Company;
  - (e) there are no acquisition rights and/or obligations over authorised but unissued shares of the Company and the Company has made no undertaking to increase its outstanding shares; and
  - (f) no shares or loan capital of the Company are under option and the Company has not agreed conditionally or unconditionally to put any shares or loan capital of the Company under option.
- 4.5 The Placing will result in the issue of 8,240,050 New Common Shares on Admission diluting holders of Existing Common Shares immediately prior to Admission by 8.2 per cent. In addition, the Selling Shareholders are selling the Sale Shares as part of the Placing.
- 4.6 None of the Common Shares have been sold or made available to the public in conjunction with the application for Admission.

#### 5. Pre-IPO Reorganisation

- 5.1 On February 4, 2021, PPHC LLC formed the Company, the sole initial stockholder of which was PPHC LLC. Pursuant to the Contribution Agreement, PPHC LLC contributed and assigned substantially all of its assets and liabilities to the Company (other than certain accounts payable and accounts receivable, which were assigned to specific members of PPHC LLC including certain of the executive Directors) pursuant to the terms of the Contribution Agreement. As consideration for the contribution of assets and liabilities contemplated by the Contribution Agreement, the Company issued 100,000,000 Common Shares (the **"Contribution Shares"**) to PPHC LLC. Pursuant to a formula approved by the Executive Board and General Board of PPHC LLC as part of an amendment to PPHC LLC's operating agreement (the **"Waterfall"**), PPHC LLC then distributed the Contribution Shares to each of PPHC LLC's members who in turn (save for The Alpine Group, Inc.) distributed such shares to their respective owners in accordance with the Waterfall.

## 5.2 **LLC Agreement for PPHC – Holdings Distribution Discount**

The current Limited Liability Company Agreement of PPHC LLC provides for the payment of a “Holdings Distribution Discount” in connection with a sale or IPO – this amount currently (without an interest accrual which is being waived) is US \$4,462,540.03. The Holdings Distribution Discount represents the difference between an operating subsidiary paying 3 per cent. of its revenues annually to PPHC LLC (which has historically been paid by all operating subsidiaries other than Crossroads Strategies, LLC and Forbes Tate, LLC), and each of CRS and FT which, as the founding businesses acquired by PPHC LLC, have paid approximately 5 per cent. of their respective revenues annually to PPHC LLC. Historically, PPHC LLC and its members viewed this obligation of PPHC LLC (triggered on a sale or IPO) as an obligation to refund to Crossroads Strategies, LLC and Forbes Tate, LLC their relative overpayments (compared to the other operating subsidiaries) because had those overpayments not been made to PPHC LLC, those amounts could have been paid as additional bonuses or distributions to the owners of Crossroads Strategies, LLC and Forbes Tate, LLC. This obligation of PPHC LLC has been contributed and assigned to, and assumed by, the Company as part of the Contribution Agreement. Upon the Company's payment of the Holdings Distribution Discount to Crossroads Strategies, LLC and Forbes Tate, LLC, it is anticipated that Crossroads Strategies, LLC and Forbes Tate, LLC will, in turn, distribute such amounts to their respective owners including but not limited to Stewart Hall and Zachary Williams.

## 6. **CREST**

- 6.1 CREST is a paperless settlement system enabling title to securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument, in accordance with the CREST Regulations. However, as set out in paragraph 16 of Part 1, in the case of placees who have asked to hold their Common Shares in uncertificated form, they will have their CREST accounts credited with Depositary Interests on the day of Admission. Note, however, that the Common Shares offered to non-US Persons in the Placing are subject to the conditions listed under section 903(b)(3), or Category 3, of Regulation S. Under Category 3, Offering Restrictions (as defined under Regulation S) must be in place in connection with the Placing and additional restrictions are imposed on resales of the Common Shares. Accordingly, representations, warranties and certifications must be made through the CREST system by those selling or acquiring the Common Shares. If such representations, warranties and certifications cannot be made or are not made, settlement through CREST will be rejected. Furthermore, Common Shares held by “Affiliates” (as defined in Rule 403 of the US Securities Act) of the Company and accordingly settlement shall not be permitted via CREST until such time as the relevant restrictions are no longer applicable.
- 6.2 The holders of the Common Shares will participate on a *pari passu* basis and proportionately to their shareholdings in all distributions of capital or income by the Company or any surplus arising on liquidation of the Company. There are no fixed dates for dividend payments on the Common Shares. Each Common Share affords the holder of such share the right to one vote.
- 6.3 The New Common Shares will be issued on Admission, which is expected to occur on 16 December 2021. The ISIN of the Common Shares is US7444301094 .

## 7. DIRECTORS' INTERESTS

- 7.1 The interests of the Directors and, so far as is known to them (having made appropriate enquiries), persons connected with them, which expression shall be construed in accordance with the AIM Rules (all of which are beneficial except as shown), in the Common Shares as at the date of this Document and as expected to be immediately following Admission, are as follows:

<i>Name</i>	<i>As at the date of this document</i>		<i>Immediately following Admission</i>	
	<i>Number of Common Shares</i>	<i>Percentage of Existing Common Shares</i>	<i>Number of Common Shares</i>	<i>Percentage of Enlarged Share Capital</i>
Stewart Hall	7,058,797	7.1%	6,037,833	5.2%
Bill Chess	2,536,852	2.5%	2,169,930	2.0%
Zachary Williams	5,595,329	5.6%	4,786,037	4.4%
Benjamin Ginsberg	Nil	Nil	Nil	Nil
Simon Lee	Nil	Nil	74,074	0.1%
Kimberly White	Nil	Nil	Nil	Nil

- 7.2 There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors or the Company.
- 7.3 Save as otherwise disclosed in this Document, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company during the current or immediately preceding financial year, or during any earlier financial year and which remains in any respect outstanding or unperformed.
- 7.4 Save as otherwise disclosed in this Document, none of the Directors nor any member of their respective families nor any person connected with the Directors (within the meaning of section 252 of the Companies Act) has any holding, whether beneficial or otherwise, in the share capital of the Company.
- 7.5 None of the Directors nor any member of their respective families is dealing in any related financial product (as defined in the AIM Rules) whose value in whole or in part is determined directly or indirectly by reference to the price of the Shares, including a contract for differences or a fixed odds bet.
- 7.6 The Directors currently hold (in addition to their directorships of the Company) and have during the five years prior to the publication of this document held, the following directorships or partnerships:

<i>Name</i>	<i>Current directorships/ partnerships (other than the Company)</i>	<i>Previous directorships/ partnerships</i>
Stewart Hall	Nel XIV LLC Madison Run Holdings LLC NV Frederick, LLC MJH LLC BC Land Company LLC	Madison Run Resources NV Emblem LLC NV Commercial LLC
Bill Chess	None	None
Zachary Williams	WTF Investments LLC	Moonrise Properties LLC
Benjamin Ginsberg	None	Jones Day LLP

<i>Name</i>	<i>Current directorships/ partnerships (other than the Company)</i>	<i>Previous directorships/ partnerships</i>
Simon Lee	Brit Syndicates Ltd Osirium Technologies PLC Fairfax (Barbados) International Corp TTW Holdings Ltd Trust Investments Ltd Atlas Mara Ltd	Idefigo Ltd DGS Ltd Polskie Towarzystwo Reasekuracji S.A. Advent Capital Ltd Hospice in the Weald (Trading) Ltd Thor Denmark Holdings ApS Tia Technology A/S TIG Insurance (Barbados) Ltd
Kimberly White	None	None

7.7 None of the Directors has:

- (a) any unspent convictions relating to indictable offences;
- (b) had a bankruptcy order made against him or entered into any individual voluntary arrangements with his creditors;
- (c) been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation or administration or entered into a company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company at the time of, or within the 12 months preceding, such events;
- (d) been a partner of a firm which has been placed in compulsory liquidation or administration or which has entered into a partnership voluntary arrangement whilst he was a partner of that firm at the time of, or within 12 months preceding, such events;
- (e) had any asset belonging to him made the subject of a receivership or been a partner of a partnership whose assets have been placed in receivership whilst he was a partner at the time of, or within 12 months preceding, such receivership; or
- (f) been publicly criticised by any statutory or regulatory authorities (including any recognised professional body) or ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

## 8. MAJOR INTERESTS

- 8.1 In addition to the interests of the Directors disclosed in paragraph 7 above, insofar as is known to the Company and the Directors, the following persons as at the date of this document and immediately following the Placing and Admission are and will be interested in 3 per cent. or more of the issued share capital of the Company:

Name	As at the date of this document		Immediately following Admission	
	Number of Common Shares	Percentage of Existing Common Shares	Number of Common Shares	Percentage of Enlarged Share Capital
Jeffrey Forbes	13,462,432	13.5	11,515,742	10.6
Daniel Tate	9,226,557	9.2	7,892,055	7.3
Johnson Green	6,436,550	6.4	5,505,586	5.1
Rhoderick M. Shaw*	6,742,639	6.7	5,767,404	5.3
James G. Means*	6,742,639	6.7	5,767,404	5.3
The Alpine Group, Inc.**	14,603,432	14.6	12,491,234	11.5
Erik Smith	4,362,123	4.4	3,731,199	3.4
Thomas O'Neill	4,409,831	4.4	3,772,006	3.5
Chelverton Asset Management Ltd	Nil	Nil	4,500,000	4.2
Miller Value Partners, LLC	Nil	Nil	4,120,025	3.8

\*The holdings of Rhoderick M. Shaw and James G. Means include Common Shares which are held by The Alpine Group, Inc. for their benefit.

\*\*All of the Common Shares held by The Alpine Group, Inc. are held by The Alpine Group, Inc. for the benefit of certain Group Executives.

- 8.2 The shares held by the Shareholders set out at paragraph 8.1 above rank *pari passu* with the Existing Common Shares and, in particular, have no different voting rights than other existing Shareholders.
- 8.3 The Directors are not aware of any persons who, directly or indirectly, jointly or severally, exercise or could exercise, control over the Company. In addition, as far as the Company is aware, there are no arrangements in place, the operation of which may at a subsequent date result in a change of control of the Company.

## 9. DIRECTORS' TERMS OF APPOINTMENT

- 9.1 Summary details of the service agreements and letters of appointment entered into between the Company and the Directors are set out below:
- (a) Pursuant to an agreement with the Company dated 2 August 2021, Stewart Hall is employed by the Company as Chief Executive Officer. Stewart Hall's salary is US\$800,000 per annum. Stewart Hall shall be eligible to receive an annual cash bonus in accordance with the terms of the Company's annual bonus program, as such program may be amended, suspended or terminated from time to time, subject to and based on the attainment by Stewart Hall and/or the Company of applicable performance targets to be set by the Board or its delegate. Stewart Hall shall be eligible for an annual target bonus opportunity to be determined by the Board or its delegate. Stewart Hall shall be eligible to receive equity-based awards from time to time in accordance with the terms of the Omnibus Incentive Plan, as amended, suspended, terminated, or superseded by a successor plan from time to time. As is customary in US service agreements, the agreement may be terminated by either party without notice. The agreement does not include a new non-compete provision (because Stewart Hall's primary employment location is in Washington, DC, which severely restricts such provisions), but instead, provides that Stewart Hall's obligations under his pre-existing non-compete agreement continue. These obligations include a restriction on conducting (in the United States) any business substantially similar to the Group's business during employment and for two years after termination. In addition, Stewart Hall is subject to restrictions on soliciting Group clients and Group employees during employment and during that same two year post termination period. The service agreement contains vesting and forfeiture provisions in respect of Common Shares held by Stewart Hall, as further described in paragraph 22 of Part 5 of this document.

- (b) Pursuant to an agreement with the Company dated 2 August 2021, Bill Chess is employed by the Company as Chief Financial Officer. Bill Chess' salary is \$400,000 per annum. Bill Chess shall be eligible to receive an annual cash bonus in accordance with the terms of the Company's annual bonus program, as such program may be amended, suspended or terminated from time to time, subject to and based on the attainment by Bill Chess and/or the Company of applicable performance targets to be set by the Board or its delegate. Bill Chess shall be eligible for an annual target bonus opportunity to be determined by the Board or its delegate. Bill Chess shall be eligible to receive equity-based awards from time to time in accordance with the terms of the Omnibus Incentive Plan, as amended, suspended, terminated, or superseded by a successor plan from time to time. If Mr. Chess terminates his employment without "good reason," there is no specified period of time between Mr. Chess providing notice of termination and the effective date of such termination. As is customary in US service agreements, the agreement may be terminated by either party without notice. The employment agreement does not include a non-compete provision (because Mr. Chess' primary employment location is in Washington, DC, which severely restricts such provisions). Mr. Chess is subject to restrictions on soliciting Group clients and Group employees during employment and for two years after termination. The service agreement contains vesting and forfeiture provisions in respect of Common Shares held by Bill Chess, as further described in paragraph 22 of Part 5 of this document.
- (c) Pursuant to an agreement with the Company dated 2 August 2021, Zachary Williams is employed by the Company as Executive Director. Zachary Williams' salary is \$500,000 per annum. Zachary Williams shall be eligible to receive an annual cash bonus in accordance with the terms of the Company's annual bonus program, as such program may be amended, suspended or terminated from time to time, subject to and based on the attainment by Zachary Williams and/or the Company of applicable performance targets to be set by the Board or its delegate. Zachary Williams shall be eligible for an annual target bonus opportunity to be determined by the Board or its delegate. Zachary Williams shall be eligible to receive equity-based awards from time to time in accordance with the terms of the Omnibus Incentive Plan, as amended, suspended, terminated, or superseded by a successor plan from time to time. If Mr. Williams terminates his employment without "good reason," there is no specified period of time between Mr. Williams providing notice of termination and the effective date of such termination. As is customary in US service agreements, the agreement may be terminated by either party without notice. The employment agreement includes a non-compete provision, including a restriction on conducting (in the United States) any business substantially similar to Forbes Tate Partners' business, in a similar capacity as Mr. Williams serves Forbes Tate Partners, during employment and for two years after termination. In addition, Mr. Williams is subject to restrictions on soliciting Group clients and Forbes Tate Partners employees during employment and during that same two year post termination period. The service agreement contains vesting and forfeiture provisions in respect of Common Shares held by Zachary Williams, as further described in paragraph 22 of Part 5 of this document.
- (d) Pursuant to a letter of appointment with the Company dated 13 December 2021, Simon Lee has been appointed as a non-executive chair of the Company. The appointment will continue until the Company's next annual meeting of Shareholders ("**AGM**"), removal by the Shareholders or pursuant to resignation by Simon Lee, provided on three months' prior written notice. The Company may terminate its obligations under the letter on three months' prior written notice. The fee payable to Simon Lee will be \$120,000 per annum with an anticipated time commitment of two days per month.
- (e) Pursuant to a letter of appointment with the Company dated 13 December 2021, Benjamin Ginsberg has been appointed as a non-executive director of the Company. The appointment will continue until the Company's next AGM, removal by the Shareholders or pursuant to resignation by Benjamin Ginsberg, provided on three months' prior written notice. The Company may terminate its obligations under the letter on three months' prior written notice. The fee payable to Benjamin Ginsberg will be \$80,000 per annum with an anticipated time commitment of two days per month.
- (f) Pursuant to a letter of appointment with the Company dated 13 December 2021, Kimberly White has been appointed as a non-executive director of the Company. The appointment will continue until the Company's next AGM, removal by the Shareholders or pursuant to resignation by Kimberly White, provided on three months' prior written notice. The Company may terminate

its obligations under the letter on three months' prior written notice. The fee payable to Kimberly White will be \$80,000 per annum with an anticipated time commitment of two days per month.

- 9.2 Save as set out in this paragraph 9, there are no service agreements in existence between any of the Directors and the Company or any Company in the Group.
- 9.3 Save as disclosed in this paragraph 9, there are no service contracts in existence between any of the Directors and the Company or any Company in the Group that provide for benefits upon termination of employment

## **10. CERTIFICATE OF INCORPORATION AND BYLAWS**

The following is a summary of certain provisions of the Company's Certificate of Incorporation, Bylaws and provisions of the Delaware Corporation Law that apply to the Company as in effect from Admission. Certain provisions have been incorporated into the Certificate of Incorporation and Bylaws to enshrine rights that are not conferred by the provisions of Delaware Corporation Law, but which the Company believes Shareholders would expect to see in a company whose shares are admitted to trading on AIM. Reference is made to the actual Certificate of Incorporation.

### **10.1 *Objects***

The Company may, and is authorised by its Certificate of Incorporation to, engage in any lawful act or activity for which corporations may be organized under the Delaware Corporation Law.

### **10.2 *Authorised Shares***

The Certificate of Incorporation authorises the Company to issue 1,100,000,000 shares of capital stock, 1,000,000,000 of which are designated Common Shares, and 100,000,000 of which are designated as shares of preferred stock, par value \$0.001 per share (the "Preferred Shares").

### **10.3 *Common Shares***

#### **(a) *Voting Rights***

Each holder of Common Shares is entitled to one vote for each share of Common Shares held by such holder. The Bylaws provide that the holders of at least one-third of the voting power of the shares of stock of the Company entitled to vote at the meeting, represented in person or by proxy, shall constitute a quorum for the transaction of business, unless otherwise required by law. Unless otherwise required by law or the Certificate of Incorporation, the Bylaws provide that the election of directors shall be decided by a plurality of the votes cast by Shareholders present in person or represented by proxy at the meeting entitled to vote in the election. Unless otherwise provided by applicable law, the Certificate of Incorporation or the Bylaws, every matter other than the election of directors shall be decided by the affirmative vote of the holders of a majority of the voting power of the shares entitled to vote on such matter that are present in person or represented by proxy at the meeting and are voted for or against the matter.

#### **(b) *Issue of Common Shares***

The Company may issue Common Shares from time to time for such consideration as may be fixed by the Board in accordance with the Certificate of Incorporation and the Delaware Corporation Law, subject to Shareholder Pre-Emptive Rights (which are further detailed at paragraph 10.7 below).

### **10.4 *Preferred Shares***

Preferred Shares may be issued in one or more series from time to time, with each such series to consist of such number of Preferred Shares and to have such voting powers, full or limited, or no voting powers, and such designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, as shall be stated in the resolution or resolutions providing for the issuance of such series adopted by the Board and included in a certificate of designation, filed pursuant to the Delaware Corporation Law. The Board is expressly vested with the authority, to the fullest provided under the Delaware Corporation Law, to adopt any resolutions

relating to Preferred Shares. Notwithstanding the foregoing, for so long as the Common Shares are listed on AIM or the London Stock Exchange, the Company may not issue Preferred Shares unless approved in a general meeting by Shareholders at which a quorum is present by seventy five percent (75 per cent.) of the votes cast on the matter. This vote requirement will no longer apply at such time as the Company no longer has any shares of its capital stock listed or admitted to trading on AIM or the London Stock Exchange. The Board currently has no intention of establishing any class or series of Preferred Shares, but may in the future depending on financing needs.

#### 10.5 **Dividends**

Holders of Common Shares are entitled to receive dividends, when, as and if authorized and declared by the Board out of funds legally available for such purposes. Dividends may be paid in cash, in property or in Common Shares or Preferred Shares, unless otherwise provided by applicable law or the Certificate of Incorporation.

#### 10.6 **Rights upon liquidation, dissolution or winding-up**

In the event of any voluntary or involuntary liquidation, dissolution or winding-up of the Company, the holders of Common Shares shall be entitled to receive all the assets of the Company available for distribution to its Shareholders, ratably in proportion to the number of Common Shares held by them, subject to the preferential rights of any Preferred Shares then outstanding.

#### 10.7 **Pre-emption rights**

The Certificate of Incorporation provides that, subject to the Delaware Corporation Law and so long as the Common Shares are listed on AIM or the London Stock Exchange and unless otherwise determined in a general meeting by Shareholders at which a quorum is present by seventy five percent (75%) of the votes cast on the matter, then the Company shall not issue any new Company securities (the “**New Securities**”) unless it has first made an offer to each Shareholder (unless waived by such Shareholder) to sell to the Shareholders a *pro rata* share of such New Securities on substantially the same or more favourable terms (the “**Pre-emptive Rights**”). The Pre-emptive Rights are subject to such exclusions or other arrangements as the Board may deem necessary or expedient to deal with fractional share entitlements, rounding of shares or other legal restrictions under the laws of, or the requirements of any regulatory authority or stock exchange or otherwise in any jurisdiction. The Pre-emptive Rights shall not apply to certain issuances of New Securities set forth in the Certificate of Incorporation, including (among others) the authorisation and/or issuance for cash of New Securities provided that the nominal amount of such shares or the shares into which such New Securities may be converted, during any 12 month period, does not exceed, in aggregate, one-third of the outstanding Common Shares as of the first day of such 12 month period and the allotment of shares in connection with the purchase or acquisition of the stock or assets of another person, or in connection with the merger or consolidation of the Company with another person. These provisions of the Certificate of Incorporation will no longer apply at such time as the Company no longer has any shares of its capital stock listed or admitted to trading on the AIM or the London Stock Exchange.

#### 10.8 **Meetings of Shareholders**

The Bylaws provide for an annual or special meeting of Shareholders called in accordance with the Bylaws.

The Bylaws provide that an annual meeting of the Shareholders shall be called for the election of directors and for the transaction of such other business as may properly come before the meeting. The Certificate of Incorporation provides that a special meeting of the Shareholders for any purpose or purposes may be called at any time by the Board acting pursuant to a resolution adopted by the Board. The Certificate of Incorporation provides that Shareholders may not act by consent without a meeting.

#### 10.9 **Notices of Shareholder Meetings**

The Bylaws provide for notice to Shareholders to be in writing (mailed to the Shareholders or delivered personally) or by electronic transmission in accordance with applicable law and the Bylaws. Unless otherwise required by applicable law or the Certificate of Incorporation, notice of meetings of Shareholders shall be given not less than fourteen, nor more than 60, days before the date of the

meeting to each Shareholder entitled to vote at such meeting. Notice of any meeting need not be given to any Shareholders who shall, either before or after the meeting, submit a waiver of notice or who shall attend such meeting, except when the Shareholders attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Any Shareholders so waiving notice of the meeting shall be bound by the proceedings of the meeting in all respects as if due notice had been given.

#### 10.10 **Method of appointing proxy**

Shareholders of record may vote at any meeting by appointing a proxy in accordance with applicable laws and the Bylaws.

#### 10.11 **Directors**

##### (a) *Powers of Directors*

Subject to the provisions of the Certificate of Incorporation, the Bylaws and applicable law, the business and property of the Company shall be managed by the Board.

##### (b) *Number of Directors*

The Certificate of Incorporation provides that the number of directors constituting the Board will be the then-authorized number of directors fixed from time to time by a resolution adopted by the Board. Pursuant to the Bylaws, the number of authorized directors on the Board shall initially consist of one director.

##### (c) *Classified Board*

Pursuant to the Certificate of Incorporation, the Board is divided into three classes, as nearly equal in number as possible, designated: Class I, Class II and Class III (the "Classified Board"). Each class shall consist, as nearly as may be possible, of one-third of the total number of directors. The Board may assign members of the Board already in office to the Classified Board, which assignments shall become effective at the same time the Classified Board becomes effective. Directors shall be assigned to each class in accordance with a resolution or resolutions adopted by the Board, with the number of directors in each class to be divided as nearly equal as reasonably possible. The initial term of office of the Class I directors shall expire at the Company's first annual meeting of Shareholders following Admission, the initial term of office of the Class II directors shall expire at the Corporation's second annual meeting of Shareholders following Admission and the initial term of office of the Class III directors shall expire at the Corporation's third annual meeting of Shareholders following Admission. At each annual meeting of Shareholders following Admission, directors elected to succeed those directors of the class whose terms then expire shall be elected for a term of office to expire at the third succeeding annual meeting of Shareholders after their election.

##### (d) *Director terms and removal*

Each director shall hold office until such director's successor is duly elected and qualified, or, if earlier, such director's death, resignation or removal. Any director may resign at any time upon written notice to the Company or by any electronic transmission permitted in the Bylaws. No director may be removed except for cause and only by the affirmative vote of the holders of a majority of the voting power of the then-outstanding capital stock then entitled to vote at an election of directors voting together as a single class. To the fullest extent permitted by law, at least twenty eight (28) days prior to any meeting of Shareholders at which any director be removed from office with cause, written notice of such proposed removal and the alleged grounds thereof shall be sent to the director whose removal will be considered at the meeting. No decrease in the authorized number of directors constituting the Board shall shorten the term of any incumbent director.

##### (e) *Vacancies*

Any vacancy occurring in the Board for any cause, and any newly created directorship resulting from any increase in the authorized number of directors, shall be filled only by the affirmative vote of a majority of the directors then in office, although less than a quorum, or by a sole

remaining director, and not by the Shareholders. Any director so elected shall hold office for a term expiring at the annual meeting of Shareholders at which the term of office of the class to which the director has been assigned expires and until such director's successor is elected and qualified, or, if earlier, such director's death, resignation or removal.

(f) *Board Action without a Meeting*

The Bylaws provide that, any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting by the consent in writing or by electronic transmission of all the directors or members of the committee as the case may be (such unanimous consents to be filed with the minutes of proceedings of the Board).

(g) *Meetings of Directors*

The Bylaws provide that regular meetings of the Board may be held at any place or time that the Board determines. Special meetings of the Board may be called by the chairperson of the Board, the president, or a majority of the directors then in office with at least 24 hours' notice to each director or if the motion is sent by mail, it must be deposited in the mail at least four days before the time of the holding of the meeting. A majority of the Board shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors at a meeting of the Board where a quorum is present is regarded as an act of the Board except as otherwise required by the Bylaws, applicable law or the Certificate of Incorporation.

(h) *Board Committees*

Pursuant to the Bylaws and the Delaware Corporation Law, the Board may designate one or more committees, each committee to consist of one or more of the directors of the Company

#### 10.12 **Officers**

The officers of the Company consist of a Chief Executive Officer (who may also be the chairperson of the Board or the president), a secretary, and a treasurer, and may also consist of such other officers, including a Chief Financial Officer and one or more vice presidents as may from time to time be appointed by the Board. All officers of the Company are appointed by the Board, provided that the Board may empower the Chief Executive Officer to appoint any officer with the exception of the Chairperson, the Chief Executive Officer, the president, the Chief Financial Officer or the treasurer. Any number of offices may be held by the same person.

#### 10.13 **Exculpation and Indemnification of officers, directors, employees and other agents**

The Certificate of Incorporation provides that a Director (to the fullest extent permitted by law) will not be personally liable to the Company or its Shareholders for monetary damages for breach of fiduciary duty as a director.

The Certificate of Incorporation also provides that, to the fullest extent permitted by Delaware Corporation Law and other applicable law, the Company is authorised to provide indemnification of (and advancement of expenses to) directors, officers and agents of the Company in excess of the indemnification and advancement otherwise permitted by Section 145 of the Delaware Corporation Law.

The Bylaws further provide that each person who was or is made a party to, or is threatened to be made a party to, or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "**Proceeding**"), by reason of the fact that he or she is or was a director or officer of the Company or was serving as a director, officer or trustee of another entity at the Company's request shall be indemnified and held harmless by the Company to the fullest extent permitted by the Delaware Corporation Law against all expenses, liability and loss reasonably incurred or suffered by such indemnitee. Notwithstanding the foregoing, the Company will indemnify any such indemnified person seeking indemnity in connection with a Proceeding (or part thereof) initiated by such indemnified person only if the Proceeding was authorised by the Board. The Bylaws also require the Company to pay all expenses (including attorneys' fees) incurred by an indemnified person in

defending any such Proceeding as they are incurred in advance of its final disposition, subject to limitations and repayment as provided in the Bylaws.

#### **10.14 *Disclosure of significant shareholdings***

The Certificate of Incorporation provides that a person must notify the Company when the person acquires an aggregate nominal value of the Company's securities which carry voting rights in which such person's interest is equal to or more than 3 per cent., of such securities and of any subsequent relevant change to their holdings (being a 1 per cent. incremental increase or decrease while their holdings are above the 3 per cent. threshold) so that these disclosures can be properly notified to AIM by the Company. These provisions of the Certificate of Incorporation will no longer apply at such time as the Company no longer has any shares of its capital stock listed or admitted to trading on the AIM or the London Stock Exchange.

#### **10.15 *Amendments to Certificate of Incorporation and Bylaws***

The Certificate of Incorporation may be amended in the manner prescribed by the Delaware Corporation Law provided that other than certain ministerial amendments to the Certificate of Incorporation that shall not require a vote of Shareholders, the affirmative vote of the Shareholders of a majority of the voting power of all of the then-outstanding shares of capital stock of the Company entitled to vote generally in the election of directors, voting together as a single class, shall be required.

The Certificate of Incorporation provides that the Board shall have the power to adopt, amend or repeal the Bylaws. Any adoption, amendment or repeal of the Bylaws by the Board shall require the approval of a majority of the Board. The Shareholders shall also have power to adopt, amend or repeal the Bylaws provided that in addition to any vote of the Shareholders of the Company required by law or by the Certificate of Incorporation, the affirmative vote of the Shareholders of a majority of the voting power of all of the then-outstanding shares of capital stock of the Company entitled to vote generally in the election of directors, voting together as a single class, shall be required to adopt, amend or repeal any provision of the Bylaws.

#### **10.16 *Takeovers***

The Certificate of Incorporation provides that, subject to the Delaware Corporation Law, the terms of any Certificate of Designation relating to Preferred Shares, the US Securities Act, the Exchange Act (if the Company has a class of equity securities registers under the Exchange Act) and any applicable SEC rules and regulations, if a person (i) acquires shares of capital stock which (taken together with securities held or acquired by persons acting in concert with such person) represent 30 per cent., or more of the voting rights attaching to shares of capital stock, or (ii) (together with persons acting in concert with such person) holds not less than 30 per cent., but not more than 50 per cent., of the voting rights attaching to the shares of capital stock and such person, or any person acting in concert with such person, acquires additional securities, which will increase such person's percentage holding of such voting rights, then any such person (and any persons acting in concert with such person) must make a written cash offer to the holders of all of shares of capital stock to acquire the outstanding shares of capital stock subject to the terms and conditions set forth in the Certificate of Incorporation. These requirements are subject to certain exceptions set forth in the Certificate of Incorporation, including (among others) an affirmative waiver by the Board with regard to any specific Shareholder. These provisions of the Certificate of Incorporation will no longer apply at such time as the Company no longer has any shares of its capital stock listed or admitted to trading on the AIM or the London Stock Exchange.

#### **10.17 *Section 203 Waiver***

The Company has elected not to be governed by Section 203 of the Delaware Corporation Law.

#### **10.18 *Choice of Forum***

The Certificate of Incorporation provides that, unless otherwise consented to by the Company, the Court of Chancery of the State of Delaware, United States of America, shall be the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the Company; (b) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the

Company to the Company or the Shareholders; (c) any action asserting a claim against the Company arising pursuant to any provision of the Delaware Corporation Law, the Certificate of Incorporation or the Bylaws; (d) any action to interpret, apply, enforce or determine the validity of the Certificate of Incorporation or the Bylaws; or (e) any action asserting a claim against the Company governed by the internal affairs doctrine. Unless the Company consents in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the US Securities Act, or under the AIM Rules.

## **11. SQUEEZE-OUT RULES RELEVANT TO THE HOLDERS OF COMMON SHARES AS SET OUT IN THE DELAWARE CORPORATION LAW**

- 11.1 Sections 253 and 267 of the Delaware Corporation Law outline the procedures by which the holder of at least 90 per cent. of the outstanding shares of each class of the stock of the corporation of which there are outstanding shares that, absent Section 253 or 267 of the Delaware Corporation Law, would be entitled to vote on such merger, may consummate a short-form merger to squeeze out the remaining Shareholders without a vote of such Shareholders. Generally, sections 253 and 267 allow the parent entity to merge the subsidiary corporation into itself, to merge itself into the subsidiary corporation, or to merge both itself and the subsidiary corporation into a third corporation or other entity that is also a subsidiary of the parent. If the surviving corporation in the merger is the parent corporation, a short-form merger effected pursuant to section 253 is generally effected unilaterally by the adoption of a resolution by the board of directors of the parent company and the filing of a certificate of ownership and merger with the Secretary of State of the State of Delaware. A short-form merger effected pursuant to Section 267 is generally effected unilaterally by the parent entity in accordance with its governing documents and the laws of the jurisdiction under which such entity was formed and the filing of a certificate of ownership and merger with the Secretary of State of the State of Delaware. A Shareholder who is squeezed-out pursuant to a merger under Section 253 or 267 would be entitled to appraisal rights under Section 262 of the Delaware Corporation Law (as discussed below) in connection with the squeeze-out merger. However, no resolution of the Board or the Shareholders would be required to effect the squeeze-out merger.
- 11.2 Appraisal rights under Section 262 of the Delaware Corporation Law are a statutory remedy intended to provide Shareholders who dissent from a merger with an independent judicial determination of the fair value of their shares. Except for certain circumstances in which appraisal rights are not available, appraisal rights are generally available for the shares of any class or series of stock of a constituent corporation in a merger or consolidation. A Shareholder who does not wish to accept the consideration being offered in the merger or consolidation may exercise their appraisal rights by not voting in favour of the merger or consolidation nor consenting thereto in writing and complying in all respects with Section 262. A Shareholder who properly exercises and does not waive, fail to perfect or otherwise lose such appraisal rights, will be entitled to have their shares appraised by the Delaware Court of Chancery and to receive payment in cash of an amount equal to the “fair value” of such shares as determined by such court, exclusive of any element of value arising from the accomplishment or expectation of the merger or consolidation, together with interest, if any, as determined by such court. The “fair value” as determined by the Delaware Court of Chancery could be greater than, less than or the same as the consideration payable in the merger or consolidation.

## **12. EMPLOYEE OMNIBUS INCENTIVE PLAN**

- 12.1 The Group has adopted the Omnibus Incentive Plan, under which Options (both nonqualified options, and incentive stock options subject to favourable US treatment), stock appreciation rights, restricted stock units, restricted stock, unrestricted stock, cash-based awards and dividend equivalent rights may be issued. Presently, no awards are outstanding under the Omnibus Incentive Plan.
- 12.2 A summary of the material provisions of the Omnibus Incentive Plan (as supplemented by the template form of nonqualified stock option grant agreement intended to be used for certain Option grants) is set out below. This is a description of significant rights and does not purport to be complete or exhaustive.

- (a) **Eligibility**  
Employees, non-employee Directors and consultants of the Company and its affiliates as selected by the Remuneration Committee or its delegates are eligible for grants under the Omnibus Incentive Plan.
- (b) **Grants**  
The Remuneration Committee or its delegates will determine the timing, amount and recipients of grants under the Plan.
- (c) **Exercise/Purchase price**  
Options will be granted with an exercise price that is not less than fair market value of the underlying Common Shares as of the grant date.
- (d) **Restrictions on restricted stock units**  
Restricted stock units shall be subject to forfeiture conditions based on continuation of the service relationship and/or achievement of pre-established performance goals and objectives, as determined by the Remuneration Committee.
- (e) **Limitations on exercise of Options**  
With respect to nonqualified Options, the minimum number of Common Shares with respect to which an Option may be exercised at any one time is 1,000 Common Shares, or if less, the total number of Common Shares subject to exercise at such time.
- (f) **Limitations on incentive stock options**  
The aggregate fair market value of the Common Shares with respect to which incentive stock options are exercisable by a grantee during any calendar year will not exceed \$100,000.
- (g) **Total number of Common Shares available**  
An award may not be granted if the number of Common Shares committed to be issued under that award exceeds 10 per cent. of the ordinary share capital of the Company in issue immediately before that day, when added to the number of Common Shares which have been issued, or committed to be issued, to satisfy awards under the Plan, or options or awards under any other employee share plan operated by the Company, granted in the previous five years.
- (h) **Exercise of Options**  
With respect to nonqualified Options, Options generally will become 100 per cent. vested and exercisable on the third anniversary of the grant date. Options may be exercisable within the times or upon the events determined by the Remuneration Committee as set forth in the relevant grant agreement, provided that no Option will be exercisable after the expiration of ten years following the date of grant.
- (i) **Employees leaving the Company**  
With respect to nonqualified Options, if a grantee ceases to provide services to the Company, the unvested portion of the Option shall expire. With respect to the vested portion of the Option, the Option shall expire (i) immediately upon grantee's involuntary termination for cause, (ii) 30 days following grantee's voluntary termination of the service relationship (other than for good reason within 12 months following a change in control, in which case the Option shall expire 90 days following grantee's termination), (iii) 90 days following grantee's involuntary termination of the service relationship without cause, (iv) 12 months following termination of the service relationship due to grantee's death or disability, or (v) the day before the 10th anniversary of the grant date.

(j) **Transferability**

Awards may not be sold, assigned, transferred or otherwise encumbered or disposed of by a grantee other than by will or the laws of descent and distribution; provided, that the Remuneration Committee in its discretion, may permit transfers of nonqualified Options to specified family members or related parties.

(k) **Corporate transactions and Admission**

Upon a change in control, the successor entity may continue or assume outstanding awards, or substitute outstanding awards with appropriate adjustments to award terms to reflect the new underlying equity. If a continuation, assumption or substitution of outstanding awards does not occur, the awards shall terminate upon change in control, in which case the awards shall be settled or disposed of in accordance with the award agreements, or as the Company may otherwise determine in accordance with the Omnibus Plan.

(l) **Amendment**

The Omnibus Incentive Plan may be amended by the Company at any time, with Shareholder approval to the extent required by applicable law or Exchange rule. Outstanding grants may be amended by the Company at any time, except that no amendment may materially adversely affect an outstanding grant without the grantee's consent.

(m) **Termination**

The Omnibus Incentive Plan may be terminated by the Company at any time, subject to Section 409A of the U.S. Internal Revenue Code. Outstanding grants shall not be materially adversely affected by a termination of the Omnibus Incentive Plan without the grantee's consent.

12.3 As at the date of this document, there are no Common Shares under option or subject to restricted stock units or restricted share awards pursuant to the Omnibus Incentive Plan.

### **13. LITIGATION**

No member of the Group is or has been involved in any governmental, legal or arbitration proceedings during the previous 12 months and, so far as the Directors are aware, no such proceedings are pending or threatened against any member of the Group which may have, or have had, a significant effect on the Group's financial position or profitability.

### **14. EMPLOYEES**

The Group employed 99 people as at 31 December 2018, 154 people as at 31 December 2019 and 179 people as at 31 December 2020. As at 30 June 2021, the Group had 184 employees.

### **15. WORKING CAPITAL**

The Directors, having made due and careful enquiry, are of the opinion that, taking into account the net proceeds of the Placing receivable by the Company, the working capital available to the Group will be sufficient for its present requirements, that is for at least 12 months from Admission.

### **16. SIGNIFICANT CHANGE IN FINANCIAL OR TRADING POSITION**

Save as disclosed in this document, there has been no significant change in the financial or trading position of the Group since 30 June 2021, the date to which the audited historical financial information on the Group set out in Part 3 of this document was prepared.

### **17. TAXATION**

The information set out below describes the principal UK and US tax consequences of the acquisition, holding and disposal of Common Shares and is included for general information only. It is not intended to be, nor should it be construed to be, legal or tax advice to any prospective investors. This section does not

take into account the individual circumstances of any prospective investors and should not be relied upon by any prospective investor or any other person. Each prospective investor should obtain, and only rely upon, their own professional tax advice regarding the tax consequences of acquiring, holding and disposing of the Common Shares under the laws of their country and/or state of citizenship, domicile or residence. This summary is based on tax legislation in force as at the time of this document, without prejudice to any amendments introduced at a later date and implemented with retroactive effect.

#### 17.1 **Taxation in the United Kingdom**

The following information is based on UK tax law and HM Revenue and Customs (“**HMRC**”) practice currently in force in the UK. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. The information that follows is for guidance purposes only. Any person who is in any doubt about his or her position should contact their professional advisor immediately.

##### (a) ***Tax treatment of the Company***

The following information is based on the law and practice currently in force in the UK.

Provided that the Company is not resident in the UK for taxation purposes and does not carry out any trade in the UK (whether or not through a permanent establishment situated there), the Company should not be liable for UK taxation on its income and gains, other than in respect of interest and other income received by the Company from a UK source (to the extent that it is subject to the withholding of basic rate income tax in the UK).

It is the intention of the Directors to conduct the affairs of the Company so that the central management and control of the Company is not exercised in the UK in order that the Company does not become resident in the UK for taxation purposes. The Directors intend, insofar as this is within their control, that the affairs of the Company are conducted so the Company is not treated as carrying on a trade in the UK through a permanent establishment.

##### (b) ***Tax treatment of UK investors***

The following information, which relates only to UK taxation, is applicable to persons who are resident in the UK and who beneficially own Common Shares as investments and not as securities to be realised in the course of a trade. It is based on the law and practice currently in force in the UK. The information is not exhaustive and does not apply to potential investors:

- (i) who intend to acquire, or may acquire (either on their own or together with persons with whom they are connected or associated for tax purposes), more than 10 per cent., of any of the classes of shares in the Company; or
- (ii) who intend to acquire Common Shares as part of tax avoidance arrangements; or
- (iii) who are in any doubt as to their taxation position.

Such Shareholders should consult their professional advisers without delay. Shareholders should note that tax law and interpretation can change and that, in particular, the levels, basis of and reliefs from taxation may change. Such changes may alter the benefits of investment in the Company.

Shareholders who are neither resident nor temporarily non-resident in the UK and who do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the UK with which the Common Shares are connected will not normally be liable to UK taxation on dividends paid by the Company or on capital gains arising on the sale or other disposal of Common Shares. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

(c) **Dividends**

Where the Company pays dividends no UK withholding taxes are deducted at source, Shareholders who are resident in the UK for tax purposes will, depending on their circumstances, be liable to UK income tax or corporation tax on those dividends.

UK resident individual Shareholders who are domiciled in the UK, and who hold their Common Shares as investments, will be subject to UK income tax on the amount of dividends received from the Company.

Dividend income received by UK tax resident individuals will have a £2,000 annum dividend tax allowance. A Dividend receipts in excess of £2,000 will be taxed at 7.5 per cent. for basic rate taxpayers, 32.5 per cent for higher rate taxpayers , and 38.1 per cent. for additional rate taxpayers. An additional Health & Social Levy of 1.25 per cent. has also been announced that will apply on dividend payments from April 2022.

Shareholders who are subject to UK corporation tax should generally, and subject to certain anti-avoidance provisions, be able to claim exemption from UK corporation tax in respect of any dividend received but will not be entitled to claim relief in respect of any underlying tax.

(d) **Disposals of Common Shares**

Any gain arising on the sale, redemption or other disposal of Common Shares will be taxed at the time of such sale, redemption or disposal as a capital gain.

The rate of capital gains tax on disposal of Common Shares by basic rate taxpayers is 10 per cent., and for upper rate and additional is 20 per cent.

For Shareholders within the charge to UK corporation tax, indexation allowance up until 1 January 2018 may reduce any chargeable gain arising on disposal of Common Shares but will not create or increase an allowable loss.

Subject to certain exemptions, the corporation tax rate applicable to its taxable profits is currently 19 per cent. In the Budget on 3 March 2021, it was announced that the rate would increase to 25 per cent, after 1 April 2023.

(e) **Further information for Shareholders subject to UK income tax and capital gains tax**

(i) *“Transactions in securities”*

The attention of Shareholders (whether corporates or individuals) within the scope of UK taxation is drawn to the provisions set out in, respectively, Part 15 of the Corporation Tax Act 2010 and Chapter 1 of Part 13 of the Income Tax Act 2007, which (in each case) give powers to HM Revenue and Customs to raise tax assessments so as to cancel “tax advantages” derived from certain prescribed “transactions in securities”.

(f) **Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)**

The statements below are intended as a general guide to the current position. They do not apply to certain intermediaries who are not liable to stamp duty or SDRT or (except where stated otherwise) to persons connected with depositary arrangements or clearance services who may be liable at a higher rate.

No stamp duty or SDRT will generally be payable on the issue of Common Shares.

Neither UK stamp duty nor SDRT should arise on transfers of Common Shares on AIM (including instruments transferring Common Shares and agreements to transfer Common Shares) based on the following assumptions:

- (A) the Common Shares are admitted to trading on AIM, but are not listed on any market (with the term “listed” being construed in accordance with section 99A of the Finance Act 1986), and this has been certified to Euroclear; and

- (B) AIM continues to be accepted as a “recognised growth market” as construed in accordance with section 99A of the Finance Act 1986).

In the event that either of the above assumptions does not apply, stamp duty or SDRT may apply to transfers of Common Shares in certain circumstances.

The above comments are intended as a guide to the general stamp duty and SDRT position and may not relate to persons such as charities, market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

**THIS SUMMARY OF UK TAXATION ISSUES CAN ONLY PROVIDE A GENERAL OVERVIEW OF THESE AREAS AND IT IS NOT A DESCRIPTION OF ALL THE TAX CONSIDERATIONS THAT MAY BE RELEVANT TO A DECISION TO INVEST IN THE COMPANY. THE SUMMARY OF CERTAIN UK TAX ISSUES IS BASED ON THE LAWS AND REGULATIONS IN FORCE AS OF THE DATE OF THIS DOCUMENT AND MAY BE SUBJECT TO ANY CHANGES IN UK LAWS OCCURRING AFTER SUCH DATE. LEGAL ADVICE SHOULD BE TAKEN WITH REGARD TO INDIVIDUAL CIRCUMSTANCES. ANY PERSON WHO IS IN ANY DOUBT AS TO HIS TAX POSITION OR WHERE HE IS RESIDENT, OR OTHERWISE SUBJECT TO TAXATION, IN A JURISDICTION OTHER THAN THE UK, SHOULD CONSULT HIS PROFESSIONAL ADVISER.**

## 17.2 US Taxation

INVESTORS SHOULD CONSULT THEIR TAX ADVISERS TO DETERMINE THE TAX CONSEQUENCES TO THEM OF OWNING AND DISPOSING OF SHARES, INCLUDING THE APPLICATION TO THEIR PARTICULAR SITUATION OF ALL APPLICABLE UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS DISCUSSED BELOW, AS WELL AS THE APPLICATION OF ESTATE TAX, THE MEDICARE CONTRIBUTION TAX, THE ALTERNATIVE MINIMUM TAX AND STATE, LOCAL, NON-UNITED STATES OR OTHER TAX LAWS.

The following is a summary of certain material United States federal income tax consequences of the ownership and disposition of shares of a C corporation by a Non-US Holder. A Shareholder is a Non-US Holder if, for United States federal income tax purposes, the Shareholder is the beneficial owner of the company's shares and:

- (i) an individual who is not a United States citizen or United States resident alien;
- (ii) a corporation other than a corporation created or organized under the laws of the United States, any state thereof, or the District of Columbia;
- (iii) an estate other than an estate whose income is subject to United States federal income tax regardless of its source; or
- (iv) a trust other than a trust that either is subject to the supervision of a court within the United States and has one or more United States persons with authority to control all of its substantial decisions or has a valid election in effect to be treated as a United States person.

This discussion does not address all of the tax considerations that may be relevant to non-US Holders in light of their particular circumstances, nor does it discuss special tax provisions, which may apply to holders subject to special treatment under United States federal income tax laws, such as certain financial institutions or financial services entities, insurance companies, tax-exempt entities, dealers in securities, partnerships or other entities or arrangements that are treated as partnerships for United States federal income tax purposes, “controlled foreign corporations”, “passive foreign investment companies”, former United States citizens or long-term residents, persons owning, directly, indirectly or constructively, 5 percent of the company's equity by vote or value, and persons that hold the shares as part of a straddle, conversion transaction, or other integrated investment. Furthermore, this discussion does not address any United States tax considerations arising under estate taxes, the Medicare contribution tax, or the alternative minimum tax, nor does it address any tax considerations arising under the laws of any state, local or foreign jurisdiction, or under any United States federal laws other than those pertaining to income taxes.

If a partnership (or any other entity or arrangement treated as a partnership for United States federal income tax purposes) holds Shares, the tax treatment of a partner in such partnership generally will depend upon the status of the partner and the activities of the partnership. Any such partner or partnership should consult their tax advisers as to the United States federal income tax consequences to them of the ownership and disposition of the Company's Shares.

This summary is based on the tax laws of the United States including the Internal Revenue Code of 1986 (the "**Code**"), its legislative history, existing and proposed regulations promulgated thereunder, published rulings and court decisions, all as currently in effect and all of which are subject to change at any time, possibly with retroactive effect.

(a) **Dividends**

Distributions will constitute dividends for United States federal income tax purposes to the extent of the Company's current or accumulated earnings and profits, as determined under United States federal income tax principles. To the extent those distributions exceed the Company's current and accumulated earnings and profits, the excess may constitute a return of capital and correspondingly, may reduce the holder's U.S tax basis in the Shares, but not below zero. Distributions in excess of dividends and return of capital will be treated as a gain on the disposition of Common Shares as described below.

Except as described below, any dividend paid to a non-US Holder with respect to the Common Shares will be subject to United States federal withholding tax at a rate of 30 percent of the gross amount of the dividend or at a lower rate if the Non-US Holder is eligible for the benefits of an income tax treaty that provides for a lower rate. Even if a Non-US Holder is eligible for a lower treaty rate, the Company and other payors generally will be required to withhold tax at a 30 percent rate (rather than the lower treaty rate) on dividend payments to such Non-US Holder, unless the Non-US Holder has furnished to the Company or another payor:

- (i) a valid Internal Revenue Service ("**IRS**") Form W-8BEN or IRS Form W-8BEN-E or an acceptable substitute form upon which the Non-US Holder certifies, under penalties of perjury, their status as a Non-US person (as defined by the Code) and their entitlement to the lower treaty rate with respect to such payments; or
- (ii) other documentary evidence establishing the entitlement to the lower treaty rate in accordance with United States Treasury regulations in the case of payments made outside the United States to an offshore account (generally, an account maintained by the Non-US Holder at an office or branch of a bank or other financial institution at any location outside the United States).

A Non-US Holder eligible for a reduced rate of United States federal withholding tax pursuant to an income tax treaty upon which such Non-US Holder relies upon may obtain a refund of any excess amounts withheld by filing an appropriate claim for refund with the United States IRS.

If dividends paid to a Non-US Holder are "effectively connected" with such Non-US Holder's conduct of a trade or business within the United States, and, if required by a tax treaty, the dividends are attributable to a permanent establishment that such Non-US Holder maintains in the United States, the Company and other payors generally are not required to withhold tax from the dividends, provided that the Non-US Holder has furnished to the Company or another payor a valid IRS Form W-8ECI or an acceptable substitute form upon which such Non-US Holder represents, under penalties of perjury, that they are a Non-US person and the dividends are effectively connected with the conduct of a trade or business within the United States and are includible in the Non-US Holder's reportable United States gross income.

Subject to select deductions or exclusions, "Effectively connected" dividends are taxed at progressive rates applicable to United States citizens, resident aliens and domestic United States corporations as the case may be. In the case of a corporate Non-US Holder, "effectively connected" dividends that such Non-US Holder receives may, under certain circumstances, be subject to an additional "branch profits tax" at a 30 percent rate or at a lower rate if the Non-US Holder is eligible for the benefits of an income tax treaty that provides for a lower rate.

(b) ***Gain on Disposition of Shares***

A Non-US Holder generally will not be subject to United States federal income tax on gain that such Non-US Holder recognizes on a disposition of Common Shares unless:

- (i) the gain is “effectively connected” with the conduct of a trade or business in the United States, and the gain is attributable to a permanent establishment that the Non-US Holder maintains in the United States, if that is required by an applicable income tax treaty as a condition for subjecting the Non-US Holder to United States taxation on a net income basis;
- (ii) the Non-US Holder is a non-resident alien individual, holds Common Shares as a capital asset, is present in the United States for 183 or more days in the calendar year of the sale, and certain other conditions are met; or
- (iii) the Company has been a United States real property holding corporation for United States federal income tax purposes and certain exemptions are inapplicable.

“Effectively connected” gains are taxed at progressive rates applicable to United States citizens, resident aliens and domestic United States corporations as the case may be. In the case of a corporate Non-US Holder, “effectively connected” gains that such Non-US Holder recognizes may also, under certain circumstances, be subject to an additional “branch profits tax” at a 30 per cent. rate or at a lower rate if such Non-US Holder is eligible for the benefits of an income tax treaty that provides for a lower rate.

A United States real property holding company is defined, in general, as a United States corporation whose US real property interests comprise more than 50 per cent. of the value of its operating assets. The Company does not believe that it has been or is a United States real property holding corporation for United States federal income tax purposes. The Company does not anticipate becoming a United States real property holding corporation for United States federal income tax purposes.

(c) ***Foreign Account Tax Compliance Act***

The Foreign Account Tax Compliance Act (“FATCA”) imposes a 30 percent withholding tax on certain types of payments to non-United States financial institutions (an “FFI”) that fail to comply with information reporting requirements or certification requirements in respect of their direct and indirect United States shareholders and/or United States accountholders. If such failure occurs, withholding may apply with respect to Company dividends payable to a Non-US Holder to the extent such payments are directed to an account with an FFI. Proposed United States Treasury regulations would eliminate FATCA withholding on payments of proceeds on a disposition of Shares. Applicable withholding agents generally may rely on these proposed United States Treasury regulations until final United States Treasury regulations are issued, but such United States Treasury regulations are subject to change.

Many governments have entered into intergovernmental agreements with the United States that implement FATCA. Under this approach, a FFI that satisfies the conditions imposed under a bilateral agreement between the United States and such other country implementing a bilateral agreement generally will report FATCA information to its local governmental authorities rather than the IRS and in turn, will be treated as FATCA compliant. The local governmental authorities will then report such information to the IRS in compliance with the bilateral agreement. Additional information and/or certifications may be requested by a FFI as a result of FATCA or the applicable bilateral agreement. Non-US Holders should consult their tax adviser on how these rules may apply to owning or disposing of Shares.

(d) ***Information Reporting and Backup Withholding***

Non-US Holders generally will be required to comply with certain certification requirements to establish that they are not a United States person in order to avoid United States backup withholding rules with respect to dividends or the receipt of proceeds of a disposition of Shares. In addition, the Company may be required to annually report to each Non-US Holder and to the IRS the amount of any distributions paid to the Non-US Holder, regardless of whether the Company actually withheld any tax.

Copies of the information returns reporting such distributions and the amount withheld, if any, may also be made available to the tax authorities in the country in which the Non-US Holder resides under the provisions of an applicable income tax treaty.

The United States backup withholding rules do not constitute an additional tax. The amount of any backup withholding from a payment to a Non-US Holder may entitle the Non-US Holder to a refund, provided that the required information is timely furnished to the IRS in the manner required.

## **18. DEPOSITARY INTEREST ARRANGEMENT**

The requirements of the AIM Rules for Companies provide that the Company must, upon Admission becoming effective, have a facility for the electronic settlement of the Common Shares. The shares of companies incorporated in England (and the shares of companies incorporated in certain other jurisdictions) which are traded on AIM are settled through CREST. However, with limited exceptions, only shares and other securities which are constituted under English law can be settled through the CREST system, regardless of the fact that they may be admitted to trading on AIM. As the Company is incorporated in the United States its Common Shares are not eligible to be held directly through CREST and, accordingly, the Company has established, via the Depositary, a Depositary Interest arrangement.

The Depositary Interests representing the Common Shares will be issued to the individual Shareholders' CREST account on a one for one basis and with the Depositary providing the necessary custodial service. It is expected that, where placees have asked to hold their Common Shares in uncertificated form, they will have their CREST accounts credited with Depositary Interests on the day of Admission. Investors who are able to and elect to hold their Common Shares as Depositary Interests will be bound by a Deed Poll, executed by the Depositary in favour of the investors from time to time, the terms of which are summarised below. The rights and obligations pertaining to the Depositary Interests will be governed by English law. Holders of Depositary Interests will have no rights in respect of the underlying Common Shares or the Depositary Interests against CREST, the operating company of the CREST system, or its subsidiaries. The Depositary Interests are themselves independent securities constituted under English law and can be traded and settled within the CREST system in the same way as any other CREST security. The Shareholders that are non-US Persons have the choice of whether to hold their Common Shares in certificated form or in uncertificated form in the form of Depositary Interests. Shareholders who are able to and elect to hold their Common Shares in uncertificated form through the Depositary Interest facility will be bound by a deed of trust.

The Company's share register, which will be kept by the Registrar in Guernsey, will show the Depositary or its nominated custodian as the holder of the Common Shares represented by Depositary Interests but the beneficial interest will remain with the Shareholders who will continue to receive all the rights attaching to the Common Shares as they would have if they had themselves been entered on the Company's share register. Shareholders can withdraw their Common Shares back into certificated form at any time using standard CREST messages.

Where placees have requested to receive their Common Shares in certificated form, share certificates will be despatched by first-class post within ten Business Days of the date of Admission. No temporary documents of title will be issued. Pending the receipt of definitive share certificates in respect of the Common Shares (other than in respect of those Common Shares settled via Depositary Interests through CREST), transfers will be certified against the Company's share register.

The Common Shares have not been, and will not be, registered under the US Securities Act or qualified under any securities laws of any US state or other jurisdiction of the United States. The Placing Shares are being offered only to non-US Persons in "offshore transactions" as defined in and pursuant to Regulation S of the US Securities Act or otherwise to persons reasonably believed to be (a) qualified institutional buyers as defined in Rule 144A under the US Securities Act or (b) accredited investors as defined in Rule 501(a)(1), Rule 501(a)(2), Rule 501(a)(3) or Rule 501(a)(7) of Regulation D under the US Securities Act, pursuant to Section 4(a)(2) of the Securities Act (including in reliance on Rule 506(b) of Regulation D thereof), or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. The Placing Shares offered to non-US Persons in the Placing are subject to the conditions listed under section 903(b)(3), or Category 3, of Regulation S.

Under Category 3, Offering Restrictions (as defined under Regulation S) must be in place in connection with the Placing and additional restrictions are imposed on resales of the Common Shares. The Common Shares are “restricted securities” as defined in Rule 144 under the Securities Act.

Each subscriber for Placing Shares, by subscribing for such Placing Shares, agrees to reoffer or resell the Placing Shares only pursuant to registration under the US Securities Act in compliance with Section 4(a)(2) of the US Securities Act or in accordance with the provisions of Regulation S or pursuant to another available exemption from registration and qualification under applicable state securities laws, and agrees not to engage in hedging transactions with regard to such securities unless in compliance with the US Securities Act. The above restrictions severely restrict purchasers of Placing Shares from reselling the Common Shares in the US or to a US Person. These restrictions may remain in place or be reintroduced following the expiry of the Distribution Compliance Period in relation to the Common Shares, at the discretion of the Company for example in the event the Company issues additional Common Shares under the same ISIN as the Placing Shares.

Once the Common Shares are admitted to trading on AIM, Common Shares (represented by the Depositary Interests) held in the CREST system will be identified with the marker “S144”. The “S144” marker also indicates that the Common Shares held in the CREST system will also bear a legend setting out certain transfer restrictions and other information, including that: (i) transfers of the Common Shares are prohibited except in accordance with the provisions of Regulation S, pursuant to registration under the US Securities Act or in a transaction exempt from, or not subject to the registration requirements of the US Securities Act and applicable state securities law; and (ii) hedging transactions involving the Common Shares may not be conducted unless in compliance with the US Securities Act and applicable state securities law. Accordingly, resale of the Placing Shares following the Placing will be subject to restrictions under US federal and state securities laws, including the US Securities Act.

Representations, warranties and certifications must be made through the CREST system by those selling or acquiring the Common Shares. If such representations, warranties and certifications cannot be made or are not made, settlement through CREST will be rejected.

These restrictions, representations and warranties, as well as the legend that will be affixed to certificates for the Common Shares, are set out more fully in Part 6 of this document.

## **19. EFFECTS OF US DOMICILE**

The Company is a US corporation incorporated under the laws of the State of Delaware. There are a number of differences between the corporate structure of the Company and that of a public limited company incorporated in England under the Act. While the Directors consider that it is appropriate to retain the majority of the usual features of a US corporation, the Directors intend to take certain actions to conform to UK standard practice adopted by companies under English law and admitted to AIM. Set out below is a description of the principal differences and, where appropriate, the actions the Board intends to take.

### **(a) Share Allotment; Limitations on Borrowing**

Companies incorporated under the Act must explicitly authorise directors to allot shares under Sections 550 or 551 of the Act. It is usual for UK companies to place restrictions on the authority of directors to allot shares. In particular, it is a requirement under Section 551 of the Act that such authority be limited to expire after a specified time period of no longer than five years, with shareholder approval required for renewal. An issue of shares and other equity securities of a company incorporated in Delaware requires prior approval by the board of directors. However, the authority of the Board to issue equity securities is not unconditional; it is limited by the number of shares authorised for issue in the Company’s Certificate of Incorporation, which has authorised a total of 1,100,000,000 shares, 1,000,000,000 of which are Common Shares, and 100,000,000 of which are shares of Preferred Stock (the “Preferred Shares”). The Board has the authority, under the terms of the Company’s Certificate of Incorporation, to classify and designate Preferred Shares with such designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereof as may be determined by the Board and set forth in a Certificate of Designation filed with the State of Delaware. Notwithstanding the foregoing, for so long as the Common Shares are listed on AIM or the London Stock Exchange, the Company may not issue Preferred Shares unless approved in a general meeting by Shareholders at which a quorum is present by seventy five percent (75 per

cent.) of the votes cast on the matter. This vote requirement will no longer apply at such time as the Company no longer has any shares of its capital stock listed or admitted to trading on the AIM or the London Stock Exchange. The Board currently has no intention of establishing any class or series of Preferred Shares, but may in the future depending on financing needs.

UK companies may impose limits on their borrowing powers by, for example, specifying that borrowed amounts may not exceed a multiple of the company's capital and reserves. The Company does not have limitations on its ability to borrow funds, as this type of limitation is extremely rare for US companies.

(b) **Pre-emptive rights**

Companies incorporated under the Act are subject to pre-emption rights on new shares issued by the company pursuant to Section 561 of the Act. These rights provide for existing Shareholders to have a right of pre-emption on the issue of new shares for cash.

The Delaware General Corporation Law does not automatically provide for pre-emptive rights and the Company shall have no obligation to provide any pre-emptive rights to its Shareholders. However, the Certificate of Incorporation provides that unless otherwise determined in a general meeting by Shareholders at which a quorum is present by seventy-five percent (75 per cent.) of the votes cast affirmatively or negatively on the matter, each Shareholder shall have a pre-emption right to subscribe for its *pro rata* share of Common Shares (with certain exceptions) that the Company may, from time to time, propose to allot and issue wholly for cash, but subject to such exclusions or other arrangements as the Board may deem necessary, appropriate or expedient in their exclusive discretion to deal with fractional entitlements or legal or practical problems under the laws of any country, territory or political subdivision thereof, or the requirements of any regulatory authority or stock exchange in any jurisdiction. These pre-emptive rights will not apply in connection with certain situations, including, but not limited to, (i) the allotment for cash of Common Shares where the nominal amount of such Common Shares during any 12 month period does not exceed, in aggregate, one-third of the Common Shares in issue on the first day of such 12 month period; or (ii) the grant of options or other rights to subscribe for Common Shares (and the subsequent issue of Common Shares upon the exercise or vesting of such options or rights) pursuant to a plan adopted by the Company for the incentivisation of employees and consultants of the Company; or (iii) the allotment of shares in connection with the purchase or acquisition of the stock or assets of another person, or in connection with the merger or consolidation of the Company with another person or (iv) Common Shares issued in connection with any business transaction (including Common Shares issued to lessors, financial institutions, landlords or other strategic partners). These pre-emption rights will immediately cease to apply at such time as the Company no longer has any shares listed or admitted to trading on the AIM or the London Stock Exchange.

(c) **Takeovers**

Except to the extent voluntarily incorporated by the Company to be administered by the Board, the Company will not be subject to the UK Takeover Code and certain provisions contained in the Company's Certificate of Incorporation and Bylaws make a hostile takeover of the Company more difficult to achieve. These provisions are set out below.

The Company has included a provision in its Certificate of Incorporation requiring Shareholders who acquire certain percentages of shares of the Company to offer to purchase all of the outstanding share capital of the Company at a value not less than the highest price paid by such Shareholder for shares of that class during the previous 12 months. This requirement is subject to (i) the Delaware Corporation Law, any Certificate of Designation filed with regard to Preferred Shares, the Securities Act, the Exchange Act and any applicable rules and regulations of the SEC, and (ii) certain exceptions, and may be waived with regard to any specific Shareholder by the board of directors. The provision is intended to give the Company and its Shareholders protections similar to those available under Rule 9 of the UK Takeover Code as if it applied to the Company, and is described in paragraph 10 of this Part 5. These offer rights and obligations will immediately cease to apply at such time as the Company no longer has any shares listed or admitted to trading on the Main Market of the London Stock Exchange or the AIM.

Under Delaware law, the Board is charged with the management of the business and affairs of the Company. In managing the business and affairs of the Company, the Board is required to chart a course for the Company that is in the best interests of the Company and the Shareholders. To the extent the Board determines in accordance with each director's fiduciary duties, that a proposed merger transaction is undesirable, the Board may reject any offer or determine not to commence negotiations in respect of such proposed merger transaction. In addition, the Board may, consistent with its fiduciary duties, adopt and maintain defensive measures to protect against unsolicited takeover bids that the Board determines are not in the best interests of the Company and the Shareholders. The US federal securities laws and applicable state securities laws can also regulate certain types of takeover activity. In particular, the Williams Act (which is part of the US Exchange Act) regulates tender offers and requires public disclosure, by means of a filing with the SEC, of acquisitions of a substantial block of equity securities in a publicly traded company. Many of the provisions of the Williams Act will not apply to the Company unless and until it has a class of shares registered under the US Exchange Act.

(d) **Limitation of Director liability**

While both the Act and the Delaware Corporation Law allow for indemnification of directors, the scope of indemnification allowed under Delaware law is broader. Section 232 of the Act generally prohibits UK companies from exempting directors from, or indemnifying them against, liabilities in instances where the directors are found to be negligent, in default, or in breach of duty or trust (subject to certain statutory relaxations, whereby directors may (if a company so chooses) be indemnified against third party proceedings and the costs of defending actions brought against them by the company).

By comparison, the Company's Certificate of Incorporation eliminates any monetary liability of directors to the Company or its Shareholders for breaches of fiduciary duty as a Director, except: (i) for any breach of the Director's duty of loyalty to the Company or its Shareholders; (ii) for acts or omissions not in good faith or which involved intentional misconduct or a knowing violation of the law; (iii) under Section 174 of the Delaware Corporation Law (which deals with unlawful payments of dividends and unlawful share purchases or redemptions); or (iv) for any transaction from which the Director derived an improper personal benefit.

The Certificate of Incorporation also provides that, to the fullest extent permitted by Delaware Corporation Law and other applicable law, the Company is authorised to provide indemnification of (and advancement of expenses to) directors, officers and agents of the Company in excess of the indemnification and advancement otherwise permitted by Section 145 of the Delaware Corporation Law.

The Bylaws provide that each person who was or is made a party to, or is threatened to be made a party to, or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of the fact that he or she is or was a director or officer of the company or was serving as a director, officer or trustee of another entity shall be indemnified and held harmless by the Company to the fullest extent permitted by the Delaware Corporation Law against all expenses, liability and loss reasonably incurred or suffered by such indemnitee. Notwithstanding the foregoing, the Company shall indemnify any such indemnified person seeking indemnity in connection with a Proceeding (or part thereof) initiated by such indemnified person only if the Proceeding was authorised by the Board or an agreement approved by the Board.

The Bylaws also provide that the Company will reimburse or advance defence expenses to a Director or officer in connection with any such proceeding for which indemnification is allowed, subject, if required by the Delaware Corporation Law, to the receipt of an undertaking by or on behalf of such Director or officer to repay such expenses in limited circumstances where indemnification is not granted. The Company is not required to advance any expenses to a person against whom the Company directly brings a claim alleging that he or she has breached his or her duty of loyalty, committed an act or omission not in good faith or that involves intentional misconduct or a knowing violation of law, or derived an improper personal benefit from a transaction. Section 145 of the Delaware Corporation Law permits a corporation to: (i) reimburse present or former directors or officers for actually and reasonably incurred defence expenses to the extent they are successful on the merits or otherwise; and (ii) advance defence expenses upon receipt of an undertaking by or on

behalf of such individual to repay the corporation if it is determined that payment of such expenses is unwarranted.

### **Shareholder notifications of interests**

As a company incorporated under the laws of the State of Delaware, the Company is not subject to the provisions of the Disclosure and Transparency Rules and, consequently, Shareholders would not ordinarily be subject to any requirement to disclose to the Company the level of their interests in Common Shares or any changes thereto in accordance with Rule 17 of the AIM Rules for Companies. However, the Company has elected to incorporate certain provisions of the Disclosure and Transparency Rules and the Act into its Certificate of Incorporation, further details of which are set out in paragraph 10 of this Part 5.

#### **(e) Additional corporate matters**

In addition, the following provisions of Delaware law applicable to the Company, and the following provisions in the Company's Certificate of Incorporation and Bylaws, are commonplace for US corporations but may not be typical for UK companies:

- (i) the holders of at least one-third of the voting power of the shares of stock entitled to vote at a meeting, present in person or represented by proxy, shall constitute a quorum for action at all meetings of the Shareholders; and
- (ii) the quorum required for action at a meeting of the Board is a majority of the total number of directors then serving on the Board. A summary of the terms of the Company's Certificate of Incorporation and Bylaws and certain other provisions of the Delaware Corporation Law are set forth in paragraphs 10 and 11 of this Part 5.

#### **19.2 Squeeze-out rules relevant to the holders of Common Shares as set out in the Delaware Corporation Law**

Sections 253 and 267 of the Delaware Corporation Law outlines the procedures by which the holder of at least 90 per cent. of the outstanding shares of each class of the stock of the corporation of which there are outstanding shares that, absent Section 253 or 267 of the Delaware Corporation Law, would be entitled to vote on such merger, may consummate a short-form merger to squeeze out the remaining Shareholders without a vote of such Shareholders. Generally, Sections 253 and 267 allow the parent entity to merge the subsidiary corporation into itself, to merge itself into the subsidiary corporation, or to merge both itself and the subsidiary corporation into a third corporation or other entity. If the surviving corporation in the merger is the parent corporation, a short-form merger effected pursuant to section 253 is generally effected unilaterally by the adoption of a resolution by the board of directors of the parent company and the filing of a certificate of ownership and merger with the Secretary of State of the State of Delaware. A short-form merger effected pursuant to Section 267 is generally effected unilaterally by the parent entity in accordance with its governing documents and the laws of the jurisdiction under which such entity was formed and the filing of a certificate of ownership and merger with the Secretary of State of the State of Delaware. A Shareholder who is squeezed-out pursuant to a merger under Section 253 or 267 would be entitled to appraisal rights under Section 262 of the Delaware Corporation Law (as discussed below) in connection with the squeeze-out merger. However, no resolution of the Shareholders would be required to effect the squeeze-out merger.

Appraisal rights under Section 262 of the Delaware Corporation Law are a statutory remedy intended to provide Shareholders who dissent from a merger with an independent judicial determination of the fair value of their shares. Except for certain circumstances in which appraisal rights are not available, appraisal rights are generally available for the shares of any class or series of stock of a constituent corporation in a merger or consolidation. A Shareholder who does not wish to accept the consideration being offered in the merger or consolidation may exercise their appraisal rights by not voting in favor of the merger or consolidation nor consenting thereto in writing and complying in all respects with Section 262. A Shareholder who properly exercises and does not waive, fail to perfect or otherwise lose such appraisal rights, will be entitled to have their shares appraised by the Delaware Court of Chancery and to receive payment in cash of an amount equal to the "fair value" of such shares as determined by such court, exclusive of any element of value arising from the

accomplishment or expectation of the merger or consolidation, together with interest, if any, as determined by such court. The “fair value” as determined by the Delaware Court of Chancery could be greater than, less than or the same as the consideration payable in the merger or consolidation.

## **20. US FEDERAL AND STATE LOBBYING REGULATIONS**

The following is a summary of lobbying registration and reporting obligations that may be applicable to one or more members of the Group.

### **20.1 US Federal Lobbying**

The Lobbying Disclosure Act (the “LDA”) imposes disclosure requirements on lobbying activities at the federal level through a registration and reporting regime. A lobbying firm (i.e., an entity that employs one or more “lobbyist” who lobbies for clients other than the firm) is required to register under the LDA if one or more of its employees, in a calendar quarter, (1) makes at least two “lobbying contacts” with covered federal legislative or executive branch officials, and (2) spends more than 20 per cent. of his or her time on “lobbying activities,” which includes lobbying contacts and preparation and research in support of a lobbying contact, for a particular client.

Lobbying firms must register separately for each client and must do so within 45 days after the earlier of (1) the date they are retained to make more than one lobbying contact on behalf of the client (subject to meeting the 20 per cent. of time threshold) or (2) the date a lobbyist in fact makes a second lobbying contact. A lobbying firm is not required to register, however, if its total income for matters relating to lobbying activities on behalf of a particular client does not, and is not expected to, exceed \$3,000 in a quarter. In addition to the initial registration, quarterly activity reports must be filed by each lobbying firm and semi-annual contribution reports must be filed by both the lobbying firm and each individual lobbyist.

Each of the members of the Group has a process to ensure compliance with the LDA. Alpine Group Partners and O’Neill & Associates rely on in-house personnel for LDA compliance, while Crossroads Strategies has engaged Franklin Compliance and Forbes Tate Partners has engaged Akin Gump. Blue Engine is not lobbying and thus does not need any registration.

The Company has compliance procedures in place for filing lobbying disclosure reports in line with industry practices that are intended to result in the Company filing accurate and timely disclosures.

### **20.2 State Lobbying**

While the LDA regulates lobbying of covered federal officials, each state (and some municipalities) has its own lobbying laws that govern lobbying at the state and local level. In general, states require registration and reporting with respect to lobbying of non-federal officials in the state. The nuances of such rules, however, can vary significantly from state to state, including with respect to what constitutes lobbying, which officials are covered, whether registration is required prior to lobbying or once a particular threshold is reached, how frequently reporting is due, and what information must be reported.

Both Alpine Group Partners and Crossroads Strategies reported no state lobbying registrations are required at this time. Forbes Tate Partners is currently registered in multiples states, including Colorado, Connecticut, Florida, Georgia, New Jersey, Kentucky, and New Mexico, and engages the law firm of Sandler Reiff Lamb Rosenstein & Birkenstock, P.C. to assist with state lobbying registrations, reports, and terminations. O’Neill & Associates is registered in Massachusetts and Connecticut and relies on in-house expertise to comply with the applicable registration and reporting requirements.

### **20.3 Foreign Agents Registration Act (FARA)**

FARA is a U.S. federal law that requires any “agent of a foreign principal” to register and file certain reports and disclosures with the Attorney General of the United States when they engage in certain political or quasi-political activities for or in the interest of “foreign principals.” Registration must occur

prior to acting as an agent of a foreign principal and within 10 days of having agreed to do so, and supplemental statements must be filed at six-month intervals following initial registration. All relevant books and records must be retained and made available for inspection by the Department of Justice.

A “foreign principal” is any foreign government, political entity, non-U.S. citizen located outside of the U.S., or any entity organized under the laws of or having its principal place of business in a foreign country. An “agent of a foreign principal” is limited to individuals and entities that: (1) act “at the order, request, or under the direction or control, of a foreign principal or of a person any of whose activities are directly or indirectly supervised, directed, controlled, financed, or subsidized in whole or in major part by a foreign principal,” and (2) engage in certain covered political, media, or information activities “within the United States” that are “for or in the interests of” a foreign principal. Among the covered activities is political activity (or lobbying) intended to influence any agency or official of the U.S. government or any section of the public within the U.S. with respect to U.S. domestic or foreign policy or the political or public interests, policies, or relations of a government of a foreign country or a foreign political party. Registration under FARA is not required for someone who is registered under the LDA for engaging in lobbying activities if that person does not act on behalf of a foreign government or political party (e.g., if the foreign principal is a business or individual, then the person may register under the LDA and not the more onerous FARA).

The Group has adopted an Anti-Bribery and Anti-Corruption Compliance Policy to, among other things, identify and monitor the Group’s business dealings with foreign policy officials or foreign agents. Currently, all members of the Group communicate with PPHC LLC about business dealings and utilize the same outside counsel for filing FARA reports. The Group uses outside legal counsel train employee as necessary as detailed in the employee manual of the Group.

## **21. MATERIAL CONTRACTS**

### **21.1 General**

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or its subsidiaries within two years immediately preceding the date of this document and are, or may be, material in the context of the Group.

### **21.2 Placing and Selling Shareholders’ Agreement**

Under the Placing and Selling Shareholders’ Agreement dated 13 December 2021 between the Company (for itself and as agent for the Selling Shareholders), each Director and Stifel:

- (a) Stifel has agreed to use its reasonable endeavours to procure subscribers for the New Common Shares and the Sale Shares at the Placing Price;
- (b) the Company has agreed to pay the costs relating to Admission and the Placing (the “**AIM Flotation**”) and a fee to Stifel, given certain warranties to Stifel as to accuracy of the information in this document and certain other matters concerning the Company and the Group and given an indemnity to Stifel and its affiliates in respect of certain liabilities and claims that may arise or be made against them in connection with the Admission and Placing;
- (c) the Company has agreed, subject to Stifel’s obligations under the Placing and Selling Shareholders’ Agreement becoming unconditional, to allot and issue the New Common Shares to or at the direction of the persons procured by Stifel to subscribe them under the Placing and to pay Stifel a placing commission;
- (d) the Selling Shareholders have also agreed to pay Stifel a placing commission in respect of the Sale Shares sold under the Placing;
- (e) Stifel’s obligations are conditional on (i) Admission occurring by 8.00 a.m. on 16 December 2021 or by such later date no later than 30 December 2021 as may be agreed between Stifel and the Company and (ii) the fulfilment, or waiver by Stifel, of certain procedural and other customary conditions; and
- (f) Stifel has the right to terminate its obligations under the Placing and Selling Shareholders’ Agreement prior to Admission in the event of any breach by the Company or any Director of

any of their respective obligations or warranties which Stifel considers to be material and in the event of certain force majeure circumstances. If Stifel's obligations under the Placing and Selling Shareholders' Agreement are terminated, the Placing will not proceed and no shares will be issued or sold under the Placing.

### 21.3 **The Alpine Group, Inc. Term Note**

Pursuant to the term note dated 13 December 2021, the Company has agreed to provide The Alpine Group, Inc. with a loan in an amount not to exceed \$750,000 in connection with certain United States federal, state and local income taxes incurred in connection with certain Sale Shares sold by The Alpine Group, Inc. as part of the Placing. The loan, once drawn down, will accrue interest at a market rate. The loan is repayable on 16 January 2025 and is secured by all Common Shares owned by The Alpine Group Inc. following Admission.

### 21.4 **Agreement with Stifel to act as nominated adviser and broker on an ongoing basis**

Pursuant to a nominated adviser and broker agreement dated 13 December 2021 between Stifel and the Company, Stifel has agreed to act as the Company's nominated adviser and broker from Admission for the purpose of the AIM Rules for Companies. The agreement provides that Stifel shall be paid an annual retainer fee for the provision of nominated adviser and broker services.

The appointment of Stifel as nominated adviser and broker under the nominated adviser and broker agreement shall (subject to certain early termination provisions in the agreement) continue thereafter unless and until terminated by either the Company or Stifel giving to the other not less than one month's notice.

The nominated adviser and broker agreement also contains indemnities and undertakings given by the Company.

### 21.5 **Selling Shareholder Deed Polls**

The Selling Shareholder Deed Polls, constituted by the Selling Shareholders, contain, among other things, provisions to the following effect which are binding on each Selling Shareholder:

- (a) The Selling Shareholder is the legal owner of Common Shares in the Company. The Selling Shareholder agrees: (i) that some of those Common Shares are sold pursuant to the Placing on the Selling Shareholder's behalf; and (ii) to appoint the Company as his or her agent and attorney to do all such acts and deeds and take all such steps as are necessary for the Sale Shares to be sold pursuant to the Placing on the Selling Shareholder's behalf, including entering into the Placing and Selling Shareholders Agreement which will contain certain warranties and undertakings in favour of Stifel.
- (b) The price at which the Sale Shares will be sold pursuant to the Placing (being the Placing Price) will be determined by the Company taking into account, amongst other factors, the prevailing market conditions, the level and nature of demand for the Sale Shares from institutional investors, and the objective of encouraging the development of an orderly after-market in the Common Shares.
- (c) The percentage of Sale Shares to be sold on the Selling Shareholder's behalf pursuant to the Placing is subject to scaleback (including to zero) and/or rounding (should such percentage result in a fraction of a share otherwise arising) by the Company in its absolute discretion.
- (d) The Selling Shareholders have agreed to pay Stifel a placing commission in respect of the Sale Shares sold under the Placing.
- (e) The Selling Shareholder shall give certain representations, warranties and undertakings to each of the Company, the Directors and Stifel. Such representations, warranties and undertakings shall be given as at the date of the Selling Shareholder Deed Poll and shall be deemed to have been repeated at various other times. Including on the publication of the Admission Document. The Selling Shareholder shall also give an indemnity in favour of Stifel, the Company and their connected persons against all or any claims and all losses which arise, directly or indirectly, out of or are attributable to or are in connection with (i) the neglect or default of the Selling

Shareholder in relation to the Sale Shares to be sold by him or her under the Placing and Selling Shareholders Agreement; or (ii) a breach by the Selling Shareholder of any of his or her obligations, representations or undertakings under the Selling Shareholder Deed Poll or a breach by the Selling Shareholder of the warranties provided thereunder.

- (f) The Locked-in Selling Shareholder shall agree to lock-in arrangements, as set out in paragraph 22 of Part 5 of this document.
- (g) The authority provided to the Company pursuant to the Selling Shareholder Deed Polls shall be irrevocable, save that a Selling Shareholder who has completed and returned a Selling Shareholder Deed Poll may notify the Company prior to 31 October 2021 in the event that the Selling Shareholder does not wish to sell some or all such Sale Shares pursuant to the Placing.
- (h) The Selling Shareholder Deed Polls will terminate and cease to have any effect if, among other things: (i) the Placing and Selling Shareholders Agreement either: (i) is not entered into; (ii) does not become unconditional; or (iii) is terminated in accordance with its terms prior to Admission; or (ii) Admission does not otherwise occur on or prior to 31 December 2021.

## 21.6 **Executive Employment Agreements**

In connection with Admission, each Group company and/or the Company has entered into new employment agreements with each of the Group Executives. Such agreements set out the terms governing the Group Executives employment by the relevant Group company. Alongside terms customary of an employment agreement, the Executive Employment Agreements contain terms related to vesting and forfeiture in respect of Common Shares held by the Group Executive (where applicable). Details of the vesting and forfeiture provisions are set out in paragraph 22 of Part 5 of this document.

## 21.7 **Depository Agreement**

On 6 December 2021, the Company and the Depository entered into an agreement for the provision of Depository services and custody services (the “**Depository Agreement**”), pursuant to which the Company appointed the Depository to act as the depository and custodian in respect of the Depository Interests and to provide the services set out in the Depository Agreement. Pursuant to the Depository Agreement, the Company has agreed to pay the Depository a one-off set-up fee plus legal expenses and an annual fee and to reimburse the Depository for all reasonable out-of-pocket expenses. The Depository’s maximum liability under the Depository Agreement is capped at an amount equal to the lesser of (i) £500,000; and (ii) five times the annual fee payable to the Depository under the Depository Agreement. The parties are required under the Depository Agreement to indemnify each other in certain circumstances. Neither party is liable to indemnify the other in respect of any loss arising from the fraud, negligence or wilful default of the other party or as a result of a breach by the other party of the Depository Agreement. Upon completion of the initial period of 3 years, the appointment of the Depository shall continue in force for successive periods of 12 months, unless or until terminated by either party in accordance with the terms of the Depository Agreement.

## 21.8 **Deed Poll**

On 6 December 2021, the Depository constituted a deed poll (the “**Deed Poll**”) which contains, among other things, provisions to the following effect which are binding on holders of Depository Interests:

- (a) The Depository will hold (itself or through the custodian), as bare trustee, the underlying securities issued by the Company and all and any rights and other securities, property and cash attributable to the underlying securities for the time being held by the Depository or the custodian pertaining to the Depository Interests for the benefit of the holders of the Depository Interests. The Depository will re-allocate securities or distributions allocated to the custodian *pro rata* to the Common Shares held for the respective accounts of the holders of Depository Interests but will not be required to account for fractional entitlements arising from such re-allocation which fractional entitlements shall be aggregated and given to charity.
- (b) Holders of Depository Interests warrant, *inter alia*, that the securities in the Company transferred or issued to the custodian on behalf of the Depository for the account of the Depository Interests

holder are free and clear of all liens, charges, encumbrances or third party interests and that such transfers or issues of securities to the custodian are not in contravention of the Certificate of Incorporation, any contractual obligation or applicable law or regulation binding or affecting such holder.

- (c) The Depositary and the custodian must pass on to holders of Depositary Interests, or exercise on their behalf, all rights and entitlements received by the Depositary or the custodian in respect of the underlying securities. Rights and entitlements to cash distributions, to information, to make choices and elections and to call for, attend and vote at general meetings and class meetings shall, subject to the Deed Poll, be passed on in the form which they are received and within three working days, together with amendments and additional documentation necessary to effect such passing-on, or exercised in accordance with the Deed Poll. If arrangements are made which allow a holder to take up rights in the Company's securities requiring further payment, the holder must pay the Depositary in cleared funds before the relevant payment date or other date notified by the Depositary if it wishes the Depositary to exercise such rights.
- (d) The Depositary will be entitled to cancel Depositary Interests and treat the holder as having requested a withdrawal of the underlying securities in certain circumstances including where a holder of Depositary Interests fails to furnish to the Depositary such certificates or representation or warranties as to material matters of fact, including the holder's identity, as the Depositary deems necessary or appropriate.
- (e) The Deed Poll contains provisions excluding and limiting the Depositary's liability. For example, the Depositary shall not be liable to any Depositary Interests holder or any other person for liabilities incurred in connection with the performance or non-performance of its obligations or duties under the Deed Poll or otherwise except as may result from their negligence or wilful default or fraud or that of any person for whom they are vicariously liable, provided that the Depositary shall not be liable for the negligence, wilful default or fraud of any custodian or agent which is not a member of its group unless it has failed to exercise reasonable care in the appointment and continued use and supervision of the custodian or agent. Furthermore, the Depositary's liability to a holder of Depositary Interests will be limited to the lesser of:
  - (i) the value of the shares and other deposited property properly attributable to the Depositary Interests to which the liability relates; and
  - (ii) that proportion of £10m which corresponds to the proportion which the amount the Depositary would otherwise be liable to pay to the holder of the Depositary Interests bears to the aggregate of the amounts that the Depositary would otherwise be liable to pay to all such holders in respect of the same act, omission, or event which gave rise to such liability or, if there are no such other amounts, £10m.
- (f) The Depositary is entitled to charge Depositary Interest holders fees and expenses for the provision of their services under the Deed Poll.
- (g) The holders of Depositary Interests are required to agree and acknowledge with the Depositary that it is their responsibility to ensure that any transfer of Depositary Interests by them which is identified by the CREST system as exempt from stamp duty reserve tax is so exempt, and to notify the Depositary if this is not the case, and to pay to Euroclear UK & Ireland Limited any interest, charges or penalties arising from late or non- payment of stamp duty reserve tax in respect of such transaction.
- (h) Each holder of Depositary Interests is liable to indemnify the Depositary and the custodian (and their respective agents, officers and employees) against all liabilities arising from or incurred in connection with or arising from any act related to, the Deed Poll insofar as they relate to the Depositary Interests (and any property or rights held by the Depositary or custodian in connection with the Depositary Interests) held by that holder other than those resulting from the wilful default, negligence or fraud of the Depositary, or the custodian or any agent if the custodian or agent is a member of the Depositary's group or if, not being a member of the same group, the Depositary shall have failed to exercise reasonable care in the appointment and continued use of the custodian or agent.
- (i) The Depositary is entitled to make deductions from any income or capital arising from the underlying securities, or to sell such underlying securities and make deductions from the sale

proceeds therefrom, in order to discharge the indemnification obligations of Depositary Interest holders.

- (j) The Depositary may terminate the Deed Poll by giving 30 days' notice. During such notice period holders shall be obliged to cancel their Depositary Interests and withdraw their deposited property and, if any Depositary Interests remain outstanding after termination the Depositary shall, among other things, deliver the deposited property in respect of the Depositary Interests to the relevant Depositary Interest holders or, at its discretion substitute CREST depository interests for the Depositary Interests or sell all or part of such deposited property. The Depositary shall, as soon as reasonably practicable, deliver the net proceeds of any such sale (or if applicable any CREST depository interests substituted for the Depositary Interests), after deducting any monies due to it, together with any other cash held by it under the Deed Poll *pro rata* to holders of Depositary Interests in respect of their Depositary Interests.
- (k) The Depositary or the custodian may require from any holder information as to the capacity in which Depositary Interests are or were owned and the identity of any other person with or previously having any interest in such Depositary Interests and the nature of such interest and evidence or declarations of nationality or residence of the legal or beneficial owners of Depositary Interests and such information as is required for the transfer of the relevant Company security to the holders. Holders agree to provide such information requested and consent to the disclosure of such information by the Depositary or the custodian to the extent necessary or desirable to comply with their legal or regulatory obligations. Furthermore, to the extent that the Bylaws or the Certificate of Incorporation require disclosure to the Company of, or limitations in relation to, beneficial or other ownership of the Company's securities, the holders of Depositary Interests are to comply with the Company's instructions with respect thereto.

#### 21.9 Registrar Agreement

On 6 December 2021, the Company entered into a registrar agreement under which the Registrar will provide services connected with the maintenance of the Company's register. The initial term of the registrar agreement shall be for 3 years from the commencement date after which period the registrar agreement shall automatically renew for successive periods of 12 months, unless or until terminated by either party in accordance with the terms of the registrar agreement. The registrar agreement contains certain indemnities given by the Company to the Registrar which are customary for an agreement of this nature.

#### 21.10 Contribution Agreement

On 10 December 2021, the Company and PPHC LLC entered into the Contribution, Assignment and Assumption Agreement (the "**Contribution Agreement**"). Pursuant to the Contribution Agreement, PPHC LLC contributed and assigned substantially all of its assets and liabilities to the Company (other than certain accounts payable and accounts receivable, which were assigned to specific members of PPHC LLC) pursuant to the terms the Contribution Agreement. As consideration for the contribution of assets and liabilities contemplated by the Contribution Agreement, the Company issued 100,000,000 Common Shares (the "**Contribution Shares**") to PPHC LLC. Pursuant to a formula approved by the Executive Board and General Board of PPHC LLC as part of an amendment to PPHC LLC's operating agreement (the "**Waterfall**"), PPHC LLC then distributed the Contribution Shares to each of PPHC LLC's members who in turn (save for The Alpine Group, Inc., which owns membership interest in PPHC LLC) distributed such shares to their respective owners in accordance with the Waterfall.

#### **Other Material Contracts**

#### 21.11 Professional Services Agreements

- (a) On October 1, 2019, Seven Letter entered into a Professional Services Agreement with Tessio Labs, LLC ("**Tessio**"), John Corrigan and Michael Treon to retain Tessio to provide digital marketing expertise, strategy, planning, advice and guidance in connection with Seven Letter's clients under a new division to be known as "Seven Letter Labs." During the term of the agreement, Tessio will provide the digital marketing services to Seven Letter on an exclusive

basis and will not provide such services to a third party engaged in a business similar to Blue Engine unless it receives consent from Seven Letter. Additionally, during the ten-year term of the agreement and for one year after its termination, Tessio agrees not to solicit Seven Letter's employees or clients without the consent of Seven Letter. The agreement contains confidentiality and mutual indemnification provisions, and is governed by the laws of Delaware.

- (b) On January 1, 2021, Seven Letter entered into a Professional Services Agreement with Matt George Associates ("**MGA**") and Matt George to provide research expertise, strategy, planning, advice and guidance in connection with Seven Letter clients and certain legacy clients of MGA through a new business division to be known as "Seven Letter Insight." Until the agreement is terminated, MGA will provide the research services to Seven Letter on an exclusive basis and will not provide such services to a third party engaged in a business similar to Seven Letter unless it receives consent from Seven Letter. Additionally, during the term of the agreement and for one year after its termination, Seven Letter and MGA mutually agree not to solicit the other party's employees or clients without the consent of the other party. The agreement contains confidentiality and mutual indemnification provisions, and is governed by the laws of Delaware.

## **21.12 Banking and Financing Documents**

PPHC LLC and several of its subsidiary undertakings entered into a Loan Agreement on January 24, 2018 with Bank of America, N.A. (the "Bank") for a \$2m revolving line of credit, which includes a sub-facility of \$750,000 used to support two letters of credit relating to two leases of the Group. The interest rate is equal to the LIBOR Daily Floating Rate plus 2.5 percentage points. The loan may be prepaid in full or in part at any time. The prepayment is applied to the most remote payment of principal due under the loan agreement. The collateral for the loan is the equipment and fixtures, inventory, receivables and certain other assets owned by the borrowers and the Company, including the proceeds of the Pre-IPO Reorganisation. The Company will use a portion of the Placing proceeds to repay in full the outstanding balance of the loan facility at the closing of the Placing.

## **21.13 Alpine Contribution Agreement**

On January 1, 2020, The Alpine Group, Inc., Alpine Group and PPHC LLC entered into a contribution agreement, pursuant to which The Alpine Group, Inc. contributed all of its assets to Alpine Group except for the assets noted therein and assigned certain of its liabilities to Alpine Group. Pursuant to the terms of the agreement, the Alpine Group joined the Group.

Pursuant to this agreement, (i) the owners of The Alpine Group, Inc. (and The Alpine Group, Inc.) agreed to indemnify PPHC LLC (and Alpine Group) with respect to breaches (by the indemnifying parties) of the agreement itself as well as pre-closing liabilities, and (ii) PPHC LLC and Alpine Group agreed to indemnify the owners of The Alpine Group, Inc. (and The Alpine Group, Inc.) with respect to breaches (by the indemnifying parties) of the agreement itself as well as post-closing liabilities relating to contracts assigned to Alpine Group in the contribution.

## **22. LOCK-IN ARRANGEMENTS, VESTING AND FORFEITURE**

### **Lock-in Arrangements**

Pursuant to the Selling Shareholder Deed Polls, the Locked-in Selling Shareholders have agreed that, subject to certain exceptions, they will not dispose of Common Shares held by them (or enter into a transaction with the same economic effect) during the period from the date of Admission up to and including the date falling twelve months after Admission. In addition, the Locked-in Selling Shareholders have agreed that, subject to certain exceptions, they will only dispose of Common Shares held by them (or enter into a transaction with the same economic effect) during the period of twelve months commencing on the expiry of the Restricted Period through Stifel, or any broker for the time being appointed to act as broker to the Company, in such manner as Stifel or such broker may reasonably require so as to ensure an orderly market in the Common Shares.

An aggregate of 80,354,500 Common Shares are subject to the lock-in arrangements pursuant to the Selling Shareholder Deed Polls. The names of the Locked-in Selling Shareholders whose Common Shares are subject to these lock-in arrangements are set out below:

*Name*

Erik J. Smith  
Todd Weiss  
Mathew Lapinski  
Hunter Moorhead  
Johnson Green  
Jerry J. Driscoll  
Rachel D. Miller  
Jeffrey A. Strunk  
Jeffrey Forbes  
Daniel Tate  
Zachary W. Williams  
Thomas O'Neill  
Bill Chess  
Jill A. Kendrick  
G. Stewart Hall  
Rhoderick M. Shaw  
James G. Means  
The Alpine Group, Inc.  
John B Breaux  
Chester Trent Lott  
Wallace D. Burnett  
Shay M. Hancock

### **Vesting and Forfeiture**

Pursuant to the Executive Employment Agreements, the Group Executives (and The Alpine Group, Inc.) holding Common Shares at the time of Admission that are not sold in connection with the Placing will hold such Common Shares subject to a vesting schedule under which such Common Shares will vest in equal instalments on the first five anniversaries of the effective date of Admission, provided that the Group Executive (and, in the case of The Alpine Group, Inc., each Group Executive employed by Alpine Group) remains continuously employed by the employer; this vesting schedule applies to all Group employees holding shares in the Company at the time of Admission. In the event that a Group Executive's employment terminates (other than on death or "disability", or by the employer without "cause", or by the Group Executive for what is deemed to be for a "good reason") then the unvested proportion of the Common Shares held by that Group Executive (or The Alpine Group, Inc.) will not vest and will be forfeited and clawed back by the Company. Where a Group Executive's employment terminates on death or "disability", or by the employer without "cause", or by the Group Executive for what is deemed to be a "good reason" any Common Shares which have not vested will vest automatically on the date of such termination. The Executive Employment Agreements also contain certain provisions which enable cash derived from the sale of the Sale Shares and Common Shares that have vested to be clawed back and forfeited on certain events of termination of employment or breaches of certain provisions of the Executive Employment Agreements.<sup>26</sup>

### **23. RELATED PARTY TRANSACTIONS**

Save as disclosed in this document, during the period of two years immediately preceding the date of this document, there have not been any related party transactions.

---

<sup>26</sup> Pursuant to the Executive Employment Agreements for the Group Executives employed by Alpine Group, a pro rata portion of the Common Shares held by Alpine Group will be subject to vesting, forfeiture and clawback, based on the performance of the relevant Group Executive.

## **24. OTHER INFORMATION**

- 24.1 The Company's accounting reference date is 31 December.
- 24.2 Save in connection with the application for Admission, none of the Common Shares have been admitted to dealings on any recognised exchange and no application for such admission has been made and it is not intended to make any other arrangements for dealings in the Common Shares on any such exchange.
- 24.3 Save as disclosed in this document, there are no investments in progress and there are no future investments on which the Directors have already made firm commitments which are significant to the Company.
- 24.4 Save as disclosed in this document, the Directors are unaware of any environmental issues that may affect the Company's utilisation of its fixed tangible assets.
- 24.5 Save as disclosed in this document, so far as the Directors are aware, there have not, in relation to the Company, been any significant recent trends in production, sales, inventory, costs and selling prices between the end of the last financial year of the Company and the date of this document.
- 24.6 Save as disclosed in this document, so far as the Directors are aware, there have not, in relation to the Company, been any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects between the end of the last financial year of the Company and the date of this document.
- 24.7 Save as set out in this Part 5, there are no provisions in the Company's Certificate of Incorporation or Bylaws which would have the effect of delaying, deferring or preventing a change of control of the Company.
- 24.8 Stifel has given and not withdrawn its written consent to the issue of this document with the inclusion in it of references to its name in the form and context in which they appear.
- 24.9 Crowe U.K. LLP has given and not withdrawn its written consent to the inclusion in this document of its reports in Sections A and C of Part 3 in the form and context in which they are included. Crowe U.K. LLP is a member firm of chartered accountants regulated by the Institute of Chartered Accountants in England and Wales.
- 24.10 MN Blum LLC have audited the accounts for the Group for each of the financial years ended 31 December 2018, 31 December 2019 and 31 December 2020. MN Blum LLC is registered with the State of Maryland, Department of Labor, the Public Company Accounting Oversight Board in the United States of America, Board of Public Accountancy (Registration #40580).
- 24.11 The following persons have received fees totalling £10,000 or more from the Company within the 12 months immediately preceding the date of this document, or have entered into a contract to receive £10,000 or more from the Company on or after Admission:
- (a) One Advisory Limited
  - (b) Compensation Advisory Partners, LLC
  - (c) Mercer Capital Management, Inc.
  - (d) Morris, Nichols, Arsht & Tunnell LLP
  - (e) BDO LLP
  - (f) Bushwick Digital, LLC
- 24.12 Except as set out in sub-paragraph 24.11 above no persons (excluding professional advisers otherwise disclosed in this document and trade suppliers) have received, directly or indirectly, from the Company within the 12 months preceding the date of this document, and no persons have entered into contractual arrangements to receive, directly or indirectly, from the Company on or after Admission:
- (a) fees, totalling £10,000 or more;

- (b) securities in the Company with a value of £10,000 or more calculated by reference to the Placing Price; or
- (c) any other benefit with a value of £10,000 or more at the date of Admission.

24.13 The costs and expenses of, and incidental to, the Placing and Admission that are payable by the Company are estimated to amount to £4.8m (excluding Value Added Tax). The net proceeds of the Placing receivable by the Company are estimated at approximately £6.3m.

24.14 The information in this document that has been sourced from a third party has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by that third party, no material facts have been omitted which would render the reproduced information inaccurate or misleading.

## 25. Selling Shareholders

The names of each of the Selling Shareholders (all of whose business address is at the Company's principal place of business, and all of whom are employees within the business, save for The Alpine Group, Inc. which is owned by certain employees of the business) and the number of Sale Shares being sold by each Selling Shareholder are set out below:

<i>Name</i>	<i>Number of Sale Shares</i>
Erik J. Smith	630,924
David Di Martino	27,794
Trevor J. Francis	55,126
Allison Fastow	27,794
Ralph Posner	5,558
Steven C. Posner	5,558
Brendan Buck	5,558
Adam W. Abrams	5,558
Amberly A. McDowell	5,558
Laurie A. Rossbach	5,558
Catherine M. Adamchak	5,558
John B. Breaux	178,176
Chester Trent Lott	182,745
Todd Weiss	501,733
Wallace D. Burnett	262,876
Shay M. Hancock	262,876
Mathew Lapinski	303,946
Hunter Moorhead	361,836
Johnson Green	930,964
John B. Breaux Jr.	95,941
Chester Trent Lott Jr.	91,372
Jerry J. Driscoll	437,675
Rachel D. Miller	437,675
Jeffrey A. Strunk	437,675
Jeffrey Forbes	1,947,248
Daniel Tate	1,334,502
Barrett P. Thornhill	119,181
Steven D. Palmer	119,181
Zachary W. Williams	809,292
Elizabeth L. Gonzalez	8,403
Emily J. Schell	4,201

<i>Name</i>	<i>Number of Sale Shares</i>
Richard Murphy III	4,201
Cynthia S. Brown	14,705
John G. Buscher	21,008
Elizabeth L. Greer	33,613
Lauren Crawford	16,806
George Cooper	16,806
Edward Reno	16,806
Adrienne N. Schweer	14,705
Jeffrey C. Sadosky	4,639
Franklyn E. Steinberg	14,705
Douglas L. Usher	2,100
Wesley R. Welch	21,008
Stephanie B. Genco	2,100
Ryan R. McConaghy	4,201
Derrick M. White	8,403
Meghan K. DiMuzio	1,006
Hannah H. Ricketts	1,006
Thomas O'Neill	637,825
Matthew C. Irish	28,795
John D. Cahill	28,795
Benjamin S. Josephson	12,238
Andrew Paven	12,238
Bill Chess	366,922
Jill A. Kendrick	346,187
Paula Thrasher	8,403
G. Stewart Hall	1,020,964
Rhoderick M. Shaw	41,644
James G. Means	41,644
The Alpine Group, Inc.	2,112,198

## **26. AVAILABILITY OF THIS DOCUMENT**

Copies of this document are available free of charge to the public during normal business hours on any week day (excluding Saturdays, Sundays and public holidays) at Company's principal place of business and shall remain available for at least one month after Admission. Copies of this document will also be available for download at the Company's website at <https://pphcompany.com/>.

Dated: 13 December 2021

## **PART 6**

### **U.S. RESTRICTIONS ON THE TRANSFER OF COMMON SHARES**

Terms used in the following description that are defined in Regulation S of the U.S. federal Securities Act of 1933, as amended (the “US Securities Act”), are used as defined therein.

The Common Shares have not been, and will not be, registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the US and are “restricted securities” as defined in Rule 144 under the US Securities Act. As a result, Common Shares may not be offered, sold, pledged or otherwise transferred except (1) pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act or (2) in an “Offshore Transaction” as defined in, and in accordance with, Rule 903 or Rule 904 of Regulation S, in each case, in accordance with any applicable securities laws of any state of the United States.

As more fully explained in this Part 6, the Common Shares offered by the Company and its officers, directors and other affiliates to non-US Persons in the Placing are subject to the conditions of Regulation S and, in particular, those conditions listed under Rule 903(b)(3), or Category 3, of Regulation S. Under Category 3, Offering Restrictions (as defined under Regulation S) must be in place in connection with the Placing and additional restrictions are imposed on resales of the Common Shares. A purchaser of Common Shares may not offer, sell, pledge or otherwise transfer Common Shares, directly or indirectly, in or into the United States or to, or for the account or benefit of, any US Person, except pursuant to a transaction meeting the requirements of Rules 901 through 905 (including the Preliminary Notes) of Regulation S, pursuant to an effective registration statement under the US Securities Act or pursuant to an exemption from the registration requirements of the US Securities Act. Hedging transactions in the Common Shares may not be conducted, directly or indirectly, unless in compliance with the US Securities Act and applicable US state securities laws.

Once the Common Shares sold in transactions pursuant to Regulation S or sold in reliance on Section 4(a)(2) under the Securities Act are admitted to trading on AIM, Common Shares (as represented by the Depositary Interests) held in the CREST system will be identified with the marker “Regulation S Category 3/Rule 144A security” and will be segregated into a separate trading system within CREST. The Common Shares held in the CREST will also bear a legend to the following effect, unless the Company determines otherwise in compliance with applicable law:

“THE SHARES REPRESENTED HEREBY HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE “US SECURITIES ACT”) OR UNDER ANY STATE SECURITIES LAWS, AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (AS DEFINED IN REGULATION S PROMULGATED UNDER THE US SECURITIES ACT (“REGULATION S”)) EXCEPT TO “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN, AND IN RELIANCE ON, RULE 144A UNDER THE SECURITIES ACT (“RULE 144A”) OR IN TRANSACTIONS EXEMPT FROM, OR OTHERWISE NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT. THE SHARES ARE “RESTRICTED SECURITIES” AS DEFINED UNDER RULE 144(A)(3) PROMULGATED UNDER THE SECURITIES ACT. THE SHARES MAY NOT BE TAKEN UP, OFFERED, SOLD, RESOLD, DELIVERED OR DISTRIBUTED, DIRECTLY OR INDIRECTLY WITHIN, INTO OR FROM THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (AS DEFINED IN REGULATION S) EXCEPT: (A)(I) IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF REGULATION S, (II) PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT, OR (III) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE US SECURITIES ACT; AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE UNITED STATES. RESALES OR REOFFERS OF SHARES MADE OFFSHORE IN RELIANCE ON REGULATION S MAY NOT BE SOLD TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY US PERSON (AS DEFINED IN REGULATION S) DURING THE ONE YEAR DISTRIBUTION COMPLIANCE PERIOD UNDER REGULATION S. HEDGING TRANSACTIONS INVOLVING THESE SHARES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE US SECURITIES ACT.

BY ACCEPTING THESE SHARES, THE HOLDER REPRESENTS AND WARRANTS THAT IT (A) IS NOT A US PERSON (AS DEFINED IN REGULATION S) AND (B) IS NOT HOLDING THE SHARES FOR THE ACCOUNT OR BENEFIT OF ANY US PERSON.”

Please note that the capitalized terms used below have the meanings as set forth in Rule 902 of the U. Securities Act. The following restrictions shall govern the transfer of Common Shares sold pursuant to Section 4(a)(2) of the Securities Act by holders of Common Shares pursuant to Rule 144A under the US Securities Act ("Rule 144A"):

- The securities may be offered or sold only to a qualified institutional buyer (as that term is defined in Rule 144A, a "QIB") or to an offeree or purchaser that the seller and any person acting on behalf of the seller reasonably believe is a QIB.
- The seller and any person acting on its behalf must take reasonable steps to ensure that the purchaser is aware that the seller may rely on the exemption from the provisions of Section 5 of the US Securities Act provided by Rule 144A.
- The purchaser must understand that the Common Shares have not been and will not be registered under the US Securities Act and may not be offered, resold, pledged or otherwise transferred, except:
  - to a person who the purchaser and any person acting on its behalf reasonably believes is a QIB within the meaning of Rule 144A under the US Securities Act purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A,
  - in an offshore transaction complying with Regulation S, or
  - pursuant to an exemption from registration under the US Securities Act provided by Rule 144 (if available) under the US Securities Act, in each case, in accordance with applicable securities laws of the United States.
- The purchaser may not deposit or cause to be deposited Common Shares into any unrestricted depositary receipt facility established or maintained by a depositary bank relating to the Common Shares, unless or until the Common Shares are no longer deemed restricted securities within the meaning of Rule 144(a)(3) under the US Securities Act.
- No representation can be made as to the availability of the exemption provided by Rule 144 for resales of the Common Shares.

Certificated Common Shares will bear a legend to the following effect, unless the Company determines otherwise in compliance with applicable law:

"THE SHARES OF COMMON STOCK REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "US SECURITIES ACT") OR ANY SECURITIES ACTS OF ANY STATE OF THE UNITED STATES (THE "STATE ACTS"). THE SHARES ARE "RESTRICTED SECURITIES" AS DEFINED UNDER RULE 144(A)(3) UNDER THE US SECURITIES ACT AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, WITHIN, INTO OR FROM THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (AS DEFINED IN REGULATION S UNDER THE US SECURITIES ACT ("REGULATION S")) EXCEPT IF SUCH TRANSFER IS EFFECTED (1) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULES 901 THROUGH 905 (INCLUDING THE PRELIMINARY NOTES) OF REGULATION S UNDER THE US SECURITIES ACT, (2) PURSUANT TO AN EFFECTIVE REGISTRATION UNDER THE US SECURITIES ACT AND ANY APPLICABLE STATE ACTS, OR (3) PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT (WHICH THE COMPANY IS UNDER NO OBLIGATION TO DO), IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE US FEDERAL AND STATE SECURITIES LAWS AND IN THE CASE OF (2) AN OPINION OF COUNSEL SHALL BE DELIVERED TO THE COMPANY (AND UPON WHICH THE COMPANY MAY RELY) REGARDING THE AVAILABILITY OF SUCH EXEMPTION. HEDGING TRANSACTIONS INVOLVING THE COMMON STOCK OF THE COMPANY MAY NOT BE CONDUCTED, DIRECTLY OR INDIRECTLY, UNLESS IN COMPLIANCE WITH THE US SECURITIES ACT. AS PROVIDED IN THE BYLAWS OF THE COMPANY, THE COMPANY IS REQUIRED BY UNITED STATES SECURITIES LAWS TO REFUSE TO REGISTER ANY TRANSFER OF SHARES NOT MADE IN ACCORDANCE WITH THE ABOVE RESTRICTIONS."

Prior to the end of the Distribution Compliance Period, the following restrictions shall govern the transfer of Common Shares by holders of Common Shares pursuant to Regulation S:

- (a) Any offer or sale of the Common Shares held through CREST must be made to non-US Persons in "offshore transactions" as defined in and pursuant to Regulation S;

- (b) No “Directed Selling Efforts” (as defined in Regulation S) may be made in the United States or to US Persons by, for purposes of Rule 903 of Regulation S, the Company, a Distributor (as defined in Regulation S), any of their respective Affiliates, or any person acting on behalf of any of the foregoing, or, for the purposes of Rule 904 of Regulation S, the seller, an Affiliate, or any person acting on their behalf;
- (c) Offering restrictions (as set out under section 903(b)(3)) must be implemented;
- (d) Any offer or sale of certificated Common Shares must be made to non-US Persons in “offshore transactions” as defined in and pursuant to Regulation S, pursuant to an effective registration statement under the US Securities Act or otherwise in transactions exempt from registration under the US Securities Act;
- (e) The Company must refuse to register any transfer of the Common Shares not made in accordance with the provisions of Regulation S, pursuant to registration under the US Securities Act, or pursuant to an available exemption from registration;
- (f) Any offer or sale, if made prior to the expiration of a one-year Distribution Compliance Period, must be made pursuant to the following conditions:
  - (i) The purchaser of the Common Shares (other than a Distributor) must certify that it is not a US Person and is not acquiring the Common Shares for the account or benefit of any US Person or is a US Person who purchased Common Shares in a transaction that did not require registration under the US Securities Act;
  - (ii) The purchaser of the Common Shares must agree to resell such Common Shares only in accordance with the provisions of Regulation S, pursuant to registration under the US Securities Act, or pursuant to an available exemption from registration; and must agree not to engage in hedging transactions with regard to such Common Shares unless in compliance with the US Securities Act;
  - (iii) The Common Shares and any offering document must contain the appropriate legend in the form set out above;
  - (iv) The Company is required to refuse to register any transfer of the Common Shares not made in accordance with the provisions of Regulation S, pursuant to registration under the US Securities Act, or pursuant to an available exemption from registration; and
  - (v) Each Distributor selling Common Shares to a Distributor, a dealer (as defined in Section 2(a)(12) of the US Securities Act), or a person receiving a selling concession, fee or other remuneration, prior to the expiration of the one-year Distribution Compliance Period, must send a confirmation or other notice to the purchaser stating that the purchaser is subject to the same restrictions on offers and sales that apply to a Distributor;
- (g) In the case of an offer or sale of Common Shares prior to the expiration of the Distribution Compliance Period by a dealer (as defined in Section 2(a)(12) of the US Securities Act), or a person receiving a selling concession, fee or other remuneration in respect of the Common Shares offered or sold:
  - (vi) Neither the seller nor any person acting on its behalf may know that the offeree or buyer of the Common Shares is a US Person; and
  - (vii) If the seller or any person acting on the seller’s behalf knows that the purchaser is a dealer (as defined in Section 2(a)(12) of the US Securities Act) or is a person receiving a selling concession, fee or other remuneration in respect of the Common Shares sold, the seller or a person acting on the seller’s behalf must send to the purchaser a confirmation or other notice stating that the Common Shares may be offered and sold during the one-year Distribution Compliance Period only in accordance with the provisions of Regulation S; pursuant to registration of the securities under the US Securities Act; or pursuant to an available exemption from the registration requirements of the US Securities Act; and
- (h) In the case of an offer or sale of Common Shares by an officer or director of the issuer or a Distributor, who is an affiliate of the issuer or Distributor solely by virtue of holding such position, no selling concession, fee or other remuneration may be paid in connection with such offer or sale other than the usual and customary broker’s commission that would be received by a person executing such transaction as agent.

Common Shares acquired from the Company, a Distributor, or any of their respective affiliates in a transaction subject to the conditions of Rule 901 or Rule 903 are deemed to be “restricted securities” as defined in Rule 144 under the US Securities Act with respect to any resales of Common Shares within the United States or to, or for the account or benefit of, US Persons on the market or otherwise until the later of (i) the first anniversary of the initial purchase of such Common Shares or (ii) the expiration of the Distribution Compliance Period. Resales of any of such restricted securities by the offshore purchaser must be made in accordance with Regulation S, the registration requirements of the US Securities Act or an exemption therefrom. Any “restricted securities”, as defined in Rule 144, will continue to be deemed to be restricted securities, notwithstanding that they were acquired in a resale transaction made pursuant to Rule 901 or 904. Prior to the end of the Distribution Compliance Period and prior to any transfer of such Common Shares, each purchaser of Common Shares acquired through CREST and in reliance on Regulation S will be required, to represent and agree as follows, that:

- (i) the purchaser is neither the Company nor an affiliate of the Company;
- (j) the purchaser is not a US Person and is not acting for the account or benefit of a US Person and is not located in the United States at the time the investment decision is made with respect to the Common Shares;
- (k) the purchaser understands that the Common Shares have not been, and will not be, registered under the US Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, US Persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act;
- (l) the purchaser understands and agrees that, if it offers, resells, pledges or otherwise transfer the Common Shares, such Common Shares will be offered, resold, pledged or otherwise transferred only: (i) to the Company, (ii) to a transferee that agrees to also comply with the restrictions set forth in the certification (either in electronic form or in a form otherwise acceptable to the Company) and who is also a non-US Person (and is not acquiring the Common Shares for the account or benefit of any US Person) in an offshore transaction in accordance with Regulation S of the US Securities Act, or (iii) pursuant to registration, or an available exemption from registration, under the US Securities Act;
- (m) the Company will not be required to accept for registration any transfer of the Common Shares not made in accordance with the provisions of Regulation S, pursuant to registration under the US Securities Act, or pursuant to an available exemption from registration, and the Company may require any person who is required to be a non-US Person, but is not, to transfer the Common Shares immediately in a manner consistent with the transfer restrictions;
- (n) hedging transactions involving the Common Shares may not be conducted, directly or indirectly, unless in compliance with the US Securities Act;
- (o) by completing the purchase, the purchaser’s certifications and agreements contained herein may be relied on by the Company or any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby;
- (p) if the purchaser is a broker dealer, its customer has been advised of and understands the contents of this certification and has authorized the purchaser to make the acknowledgements, representations, warranties and covenants contained herein on its behalf;
- (q) the purchaser agrees to, and each subsequent holder is required to, notify any purchaser of the Common Shares from it of the resale restrictions referred to above, if then applicable;
- (r) the purchaser acknowledges that, prior to any proposed transfer of Common Shares other than pursuant to an effective registration statement, the transferee of Common Shares will be required to provide certifications and other documentation relating to the non-US Person status of such transferee and that such transferee was not located in the United States at the time the investment decision was made with respect to the Common Shares;
- (s) the purchaser acknowledges that the bylaws and articles may contain additional provisions that further limit its, or any such person’s rights, relating to the Common Shares;
- (t) the purchaser acknowledges that the Company, Stifel and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and warranties and agrees that if any such acknowledgement, representation or warranty deemed to have been made by virtue of its purchase of Common Shares is no longer accurate, it shall promptly notify the Company and Stifel; and

- (u) the purchaser acknowledges that, unless the Company determines otherwise in compliance with applicable law, the Common Shares will bear a restrictive legend (in substantially the form set forth above), and the purchaser has reviewed such restrictive legend, including the restrictions set forth in the text of the legend, and agrees to those restrictions.

Rule 144 may be available for resales of Common Shares on the market or otherwise after the first anniversary of the purchase of Common Shares.

PRIOR TO PURCHASING ANY COMMON SHARES OR CONDUCTING ANY TRANSACTIONS IN ANY COMMON SHARES, INVESTORS ARE ADVISED TO CONSULT PROFESSIONAL ADVISERS REGARDING THE ABOVE RESTRICTIONS ON TRANSFER AND OTHER RESTRICTIONS REFERRED TO IN THIS DOCUMENT.

In this document, a “US Person” has the meaning set forth in Regulation S and includes:

- (i) any natural person resident in the United States;
- (ii) any partnership or corporation organised or incorporated under the laws of the United States;
- (iii) any estate of which any executor or administrator is a US Person;
- (iv) any trust of which any trustee is a US Person;
- (v) any agency or branch of a foreign entity located in the United States;
- (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S Person;
- (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the United States; and
- (viii) any partnership or corporation if it is organised or incorporated under the laws of any foreign jurisdiction and formed by a US Person principally for the purpose of investing in securities not registered under the US Securities Act, unless it is organised or incorporated and owned, by accredited investors (as defined in Rule 501(a) under the US Securities Act) who are not natural persons, estates or trusts.

The following are not “US Persons”:

- (i) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States;
- (ii) any estate of which any professional fiduciary acting as executor or administrator is a US Person if an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with respect to the assets of the estate; and the estate is governed by foreign law;
- (iii) any trust of which any professional fiduciary acting as trustee is a US Person, if a trustee who is not a US Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person;
- (iv) an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country;
- (v) any agency or branch of a US Person located outside the United States if the agency or branch operates for valid business reasons; and the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and
- (vi) the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organisations, their agencies, affiliates and pension plans.

In this document, “Directed Selling Efforts” has the meaning set forth in Regulation S and includes:

- (i) advertisements, articles, notices in any U.S. newspaper, magazine or similar platform;
- (ii) any publication with a general circulation in the U.S. (which means a publication primarily aimed at the U.S. or that has an average yearly U.S. circulation of at least 15,000 copies);
- (iii) broadcasts over U.S. television, radio (including the internet);
- (iv) any seminar or meeting in the U.S. (unless limited to “qualified institutional buyers” as defined in Rule 501 of the US Securities Act in connection with a concurrent U.S. private placement); and
- (v) mailing offering materials to U.S. investors.

The following does not constitute “Directed Selling Efforts”:

- (i) legal notices or advertisements that must be published under applicable law if they (x) contain no more information than legally required; and (y) include a restricted legend to the effect that the securities have not been registered under the US Securities Act and may not be offered or sold in the United States;
- (ii) tombstone advertisements and other press releases announcing offshore offerings as long as (a) the publication has less than 20 per cent. of its circulation in the United States and (b) is otherwise made in compliance with Rule 135; and
- (iii) posting information, including offering documents and other marketing materials, on the internet regarding a proposed Regulation S offering or hosting web-based road shows if adequate steps are taken to prevent US Persons from participating.

