2021 Annual Report

PPHC Public Policy Holding Company

Introduction

2021 was a year of crisis, recovery, and renewal in the United States and around the world. Our work with over 700 clients – leading businesses, trade associations, and nonprofit organisations – helped defend our communities against the COVID-19 pandemic and return our economy to growth.

PPHC ("the Group") operates a portfolio of independently branded firms that offer public affairs, crisis management, lobbying and issue advocacy services on behalf of corporate, trade association and non-profit client organisations. Clients hire PPHC firms to enhance and defend their reputations, advance policy goals, manage regulatory risk, or otherwise engage with U.S. federal and state-level policy makers, direct stakeholders, media, and directly to the public-at-large.

Each of our operating firms are bi-partisan, by way of U.S. campaigns and elections, with founders and senior managers operating largely in-and-around Washington, DC with past careers in and close professional ties to the U.S. executive branch, Congress, and/or national and state political parties and regulatory authorities.

About Us

Five premier, independent operating firms specializing in public policy advocacy, communications and related advisory services.

Since our inception in 2014, the Group has acquired and integrated eight businesses, now operating as five separate companies, focused at the federal government level in the U.S. and with expanding reach into key U.S. states and key metropolitan areas.

The five operating entities of the Group for the full-year 2021 and for purposes of this report, our inaugural annual report, are: Crossroads Strategies, Forbes Tate Partners, Seven Letter, O'Neill & Associates and Alpine Group Partners.

There were no acquisitions or significant investments made during the reporting year as deemed appropriate by leadership given economic and political conditions and as we prepared for and successfully completed an Initial Public Offering on the AIM market of the London Stock Exchange on December 16, 2021. Annual results for the period are set out in the Audited Consolidated Financial Statements on page 49.

Group Partners:

FORBES | TATE PARTNERS

CRS CROSSROADS STRATEGIES

SEVEN LETTER

O'NEILL AND ASSOCIATES

ALPINE GROUP

Chairman's Statement

On behalf of the Board of Directors of PPHC, which was established on December 10, 2021, in preparation for the initial public offering on December 16, 2021, I am pleased to introduce this report reflecting a full year of robust revenue growth and strong cost management by Group companies in the face of considerable challenges.

Despite economic interruptions in the US, and around the world, caused by the ongoing COVID-19 pandemic, each of the Group's operating firms remained fully in service to clients, competitive to new client opportunities, and accountable to our broader set of stakeholders.

During the year PPHC delivered revenue of $99.3 million, up more than 28.2% on the previous year and ahead of previous expectations. Normalised EBITDA increased by 48.7% to $32 million with significant growth in normalised adjusted profit before tax. PPHC has a clearly defined growth strategy as set out at the time of IPO, which aims to deliver significant shareholder value through a combination of organic and acquisitive growth activity.

Our successful admission to AIM in December 2021 raised gross $15 million ($13.8 million net of fees and FX), enabling the Group to accelerate its growth strategy to pursue further acquisition targets, expand existing service capabilities, attract and retain senior talent, and broaden its geographic footprint into key U.S. state capitals and metropolitan areas, as well as internationally.

Annual results for the period are set out in the Consolidated Financial Statements on page 49.

A Note on Corporate Governance

As Chairman, I take responsibility for leading the Board and for its effectiveness in all aspects of its role. I will continue to draw upon my experience to help ensure that the Board delivers maximum shareholder value and appropriate consideration of all stakeholders.

PPHC values corporate governance highly and the Board believes that effective corporate governance is integral to the delivery of our corporate strategy, ongoing creation of shareholder value and the safeguarding of our stakeholders' long-term interests. Along with senior management, the Board is responsible for the Group's strategic development, monitoring of its business objectives, oversight of risk and maintaining a system of effective corporate governance.

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Group are included within the report on pages 18 to 25, which also includes details of the mitigating factors employed to minimise the effects to the Group.

Our employees and stakeholders

The strong performance of the Group throughout 2021 reflects the hard work and dedication of our leaders and nearly 200 individual employees. We rely on their experience and steadfast commitments to both clients and colleagues to drive the business forward.

On behalf of the Board, I would like to thank all of our employees, clients, business partners and shareholders for their continued support over the last year and going forward.

Simon Lee.

Simon Lee
Chair of the Board
May 2022

CEO's Review

In the face of a very challenging year, each of our nearly 200 employees proved their unique talents and entrepreneurial spirit in 2021. Our longstanding commitments to our clients, colleagues, and communities were on full display as we emerged together as a market leader in industry.

When Crossroads Strategies and Forbes Tate Partners came together to launch PPHC nearly a decade ago, the convergence of traditional government advocacy ("lobbying") and the growing importance of its impact on corporate reputation ("brand") was just beginning. Rising from the depths of the global economic crisis in 2008-09 and through to present day's COVID pandemic, a global economic recovery, and the unyielding pace of digital disruption on our economy and political systems, our first eight years have coincided with historic levels of government intervention and spending in the economy, thereby making our work more critical than ever.

This era, like none other before, has inextricably linked government and business in historic investments in infrastructure, healthcare, and clean energy, just to name a few – coinciding with a digital dispersion of political, social discourse.

POLITICO

Another record year for K Street

By CAITLIN OPRYSKO | 01/21/2022 04:55 PM EST

OpenSecrets — FOLLOWING THE MONEY IN POLITICS

Top Lobbying Firms

Lobbying Firm	Total Income
Brownstein, Hyatt et al	$55,640,000
Akin, Gump et al	$53,230,000
BGR Group	$35,060,000
Holland & Knight	$34,800,000
Cornerstone Government Affairs	$34,380,000
Invariant LLC	$31,160,000
Forbes Tate Partners	$24,420,000
Squire Patton Boggs	$24,290,000
Mehlman, Castagnetti et al	$22,600,000
Capitol Counsel	$21,860,000
Crossroads Strategies	$21,660,000
K&L Gates	$21,485,000
Cassidy & Assoc	$20,440,000
Tiber Creek Group	$19,500,000
Thorn Run Partners	$18,930,000
Van Scoyoc Assoc	$18,340,000
Subject Matter	$18,120,000
Ballard Partners	$18,030,000
Covington & Burling	$17,333,000
Alpine Group	$14,720,000

The Washington Post

BUSINESS

Lobbying broke all-time mark in 2021 amid flurry of government spending

Industry topped $3.7 billion for first time, as 3,700 new companies and organizations hired lobbyists since start of the pandemic

Roll Call

K Street firms starting to tap private equity, even go public

The New York Times

With Biden's Agenda in the Balance, Lobbying Kicks Into High Gear

Put simply: PPHC is designed for this new era.

In 2022, for our clients:

PPHC firms provided valuable strategies, direct advocacy, and creative communications campaigns for more than 730 individual client accounts.

For our partners and colleagues:

187 employees as of year-end, our firms maintained close knit and healthy workplaces through enhanced training, investments in IT, and Covid-safe practices. We also welcomed over 20 new members to the PPHC team.

For our industry and community at large:

Our firms contributed over $168,000 in cash gifts and provided pro-bono services to over 50 local and national causes and non-profit institutions, ranging from cancer care and prevention, youth homelessness and environmental conservation.

Our IPO was a fitting recognition of our past successes and marked the beginning of becoming the leading public policy advisory firm in the world. We know that with such leadership comes added responsibilities and opportunities to create positive impact in our communities.

Post-IPO and throughout 2022, we are working closely with our operating firms to create and implement a Group-wide Environmental, Social and Governance ("ESG") strategy, building on the impactful work they've done in past years.

Group Highlights

In 2021, the Group's core federal lobbying firms, including Crossroads Strategies, Forbes Tate Partners, and Alpine Group Partners, each saw significant organic revenue growth, expansion of key client relationships, and key new client wins.

Alpine Group Partners

2021 saw continued growth at **Alpine Group Partners** with the addition of several new Fortune 500 clients, including Accenture and Siemens Energy. Growth was especially robust in our expanding federal appropriations practice, which enjoyed several legislative successes in obtaining over $200 million in federal spending for clients and their key projects and programs. Other practice areas, especially in the technology, cyber and energy arenas also experienced growth with new and recurring clients.

Crossroads Strategies

The successful retention of clients has been the unique strength of **Crossroads Strategies** for many years. In 2021, that tradition continued and included average retainer increases, growth in consulting (non-lobbying) services revenue, and tremendously strong client referrals which supported new client wins across many sectors. Key new clients for CRS included Eli Lilly, United States Steel, and World Shipping Council.

Forbes Tate Partners

Forbes Tate Partners' integrated lobbying and public affairs/campaigning businesses both continued to expand in 2021, with the lobbying business seeing a 28% increase in revenues, supported by deepened client relationships that lead to clients buying added capabilities. Healthcare remains the firm's core area of strength as in years past, but recent growth was strongest in new areas such as fintech. The firm's digital and grassroots campaign capabilities have all been significant drivers behind continued growth and deepening of client retention.

Seven Letter; O'Neill & Associates

Similarly, our public affairs and strategic communications divisions, anchored by **Seven Letter** and **O'Neill & Associates**, included the launch of Seven Letter Insights, a strategic research consultancy, pre-launch of a certified ESG practice (officially launched in April '22), significant expansion of their corporate affairs offering (including financial communications) and significant growth from clients in the technology sector. Additionally, Seven Letter enhanced its in-house creative offering to include website development and video production in addition to existing digital and design capabilities. There is no question that the public policy challenges and opportunities of our clients require an increasingly multi-disciplined, integrated, public policy strategy – including traditional advocacy and policy expertise, deep research and insights, and sophisticated public mobilisation efforts – to succeed. PPHC was conceived and built for this moment, and we're just getting started.

I sincerely thank each one of our colleagues and their families, our clients, partners, advisors and new public market investors. I look forward to discussing our further progress in the near future.

Sincerely,

Stewart Hall
Chief Executive Officer
May, 2022

Strategic Report

Financial Review

Demonstrating the stability of our core business operations, dedication of our teams and the critical importance of their work to our clients, revenues grew 28.2% over previous year to achieve final revenues of $99.3 million.

Financial Highlights

- $32.0 million normalised EBITDA[1] (2020: $21.5 million), an increase of 48.7%
- Normalised EBITDA margin of 32.2% (2020: 27.8%)
- Normalised adjusted profit before tax[2] of $31.8 million (2020: $21.4 million)
- Net cash[3] at year-end of $17.8 million following the gross $15 million ($13.8 million net of fees and FX) equity fundraise at IPO (2020: $5.9 million)
- Dividend of $0.0065 per Common Share (for the period from 16 December 2021, the date of IPO, to 31 December 2021)

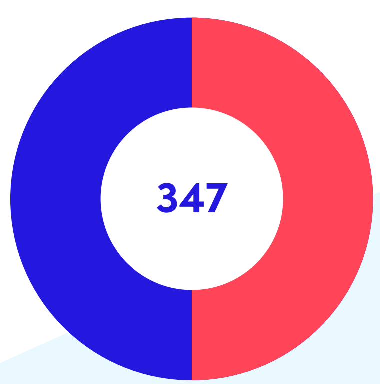
Total Revenue

$99.3 million

+28.2%

($77.5 million in 2020)

Clients ≥$100,000 per Annum



1 Normalised EBITDA is illustrative and calculated on the basis that 25% of pre-bonus EBITDA is paid as bonus, in line with the Group's policy post IPO.

2 Adjusted normalised profit before tax excluded amortisation of customer intangibles and ASC 718-10-S99-2 share-based accounting charge

3 Net cash excludes long term operating lease liability

Basis of preparation

The Company was admitted to trading on the AIM market of the London Stock Exchange on 16 December 2021 (the "IPO") and the Company was incorporated on 4 February 2021. The comparative figures, for the consolidated financial statements, presented in this annual report for the year ended 31 December 2021 are for Public Policy Holding Company, LLC and its subsidiary companies, the businesses of which were contributed to the Company immediately prior to the IPO. For the year ended 31 December 2021, the consolidated figures represent the results of the underlying business for the whole financial period before and after the IPO. The financial statements have been prepared in accordance with US GAAP (Generally Accepted Accounting Principles).

Revenue

The Group's total revenue for 2021 increased by more than 28.2% to $99.3 million (2020: $77.5 million) driven by a growing number of client engagements year-on-year (more than 730 total) and more services being purchased by clients resulting in an increase of 18% in high-value clients, as defined by billings equal or greater than $100,000 per annum.

Each of the Group's five operating units realised growth in net revenues and profits for the year.The Group's growing reputation led to assignments on a number of high-profile cases during the period, including additional Fortune 500 clients, significant federal advocacy work on behalf of new and emerging sectors, and strength in our local and regional engagements (non-federal).

Normalised EBITDA	2021	2020
Reported Profit Before Tax	**(23,761,113)**	**(1,173,782)**
Add:		
Share-based accounting (ASC 718-10-S99-2) charge (non-cash)	27,609,214	-
Amortization expense – customer relationship (non-cash)	1,884,812	1,884,812
Adjusted Profit Before Tax	**5,732,913**	**711,030**
Add:		
Actual bonus distributions	37,518,765	28,333,787
Less:		
Normalised bonus payments	(11,400,644)	(7,664,813)
Normalised Adjusted Profit Before Tax	**31,851,034**	**21,380,004**
Add:		
Interest Expense	51,520	45,072
Depreciation	127,833	109,969
Normalised EBITDA	**32,030,387**	**21,535,045**

Financial Review Continued

Operating Profit

During 2021, all pre-admission employee shareholders entered into executive employee agreements with the Company or its subsidiaries. These employee shareholders sold approximately 14.6% of their shares in conjunction with the admission to AIM and retained the remaining 85.4% of their shares. The retained shares are subject to a vesting schedule under which the shares held by each employee shareholder will vest in equal instalments on the first five anniversaries of the effective date of admission, provided that the shareholder remains continuously employed by the employer. This vesting schedule applies to all employees holding shares at the time of admission. The employment agreements also contain certain provisions which enable cash derived from the sale of shares to be clawed back and forfeited on certain events of termination of employment.

The addition of the vesting provisions to previously issued shares creates a share-based accounting non-cash charge in accordance with accounting guidance under US GAAP (Accounting Standards Codification, 718-10-S99-2, compensation-stock compensation). Based on the value of the Company at the time of admission ($197 million), and taking into account the 14.6% of pre-admission employee shares sold in 2021, this 2021 non-cash charge is $27.6 million. This share-based accounting non-cash charge has no impact on either tax or Company operations. An additional similar non-cash charge recorded relates to the amortization of customer relationship per ASC 805. The Group started the financial year under review with 179 employees operating out of five offices. By end of year, this number had increased to 187 people. The Group's net finance costs for the year were $51K (2020: $45K).

Balance sheet and cash flow

The Group's net cash position as at 31 December 2021 was $17.8 million (2020: $5.9 million).

Following the IPO when the Company raised $15 million gross $15 million($13.8 million net of fees and FX), the net cash raised has been used to strengthen the Group's balance sheet and provide resources for potential strategic acquisitions. The Group had no bank borrowings as of 31 December 2021.

Dividend

Annual results for the period are set out in the Consolidated Financial Statements. Effective on May 12, 2022, the Board of Directors of the Company declared a cash dividend in relation to the period from 16 December 2021, the date of the IPO, to 31 December 2021. The dividend is payable to the holders of record of all of the issued and outstanding shares of the Company's Common Stock as of the close of business on the record date, May 20, 2022. The aggregate amount of the dividend is $705,620, which equates to $0.0065 per share of Common Stock issued and outstanding on the record date. The ex-dividend date is May 19, 2022. The dividend will be paid on June 20, 2022.

As stated in the Company's IPO Admission Document, the Directors anticipate that the Group will adopt a pay out ratio of up to 70 per cent. of the Group's adjusted net profit after tax, payable half yearly. The Directors intend that for the 2022 financial year 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.

Outlook

Following successful admission to trading on AIM in December 2021 and a very strong end to the 2021 financial year, management expects further market share gains and revenue growth into 2022. In addition to its organic growth potential driven by its unique and differentiated model, the Group has identified an attractive pipeline of strategic acquisition opportunities in US federal and state lobbying market, as well as in the adjacent strategic communications and public affairs market(s), in the US and internationally.

The Group has a clearly defined growth strategy and as set out at the time of the IPO, management expects to deliver medium term organic revenue growth of between 5 per cent. and 10 per cent. per annum, excluding the potential positive impact of M&A activity or material hires. The Group continues 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. Following the IPO, the Group has adopted a bonus policy whereby 25% of pre-bonus EBITDA will be paid as a cash bonus across the Group in total.

William Chess
Chief Financial Officer
May, 2022

Principal Risks and Uncertainties

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.

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 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, 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.

Principal Risks and Uncertainties Continued

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:

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.

Principal Risks and Uncertainties Continued

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, jurisdictions may interpret restrictions on competition and other restrictive covenants 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, 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.

Principal Risks and Uncertainties Continued

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 salability 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:

- (A) laws, regulations, and executive orders restricting the disclosure and governing the security of sensitive personal information of our employees;
- (B) 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;
- (C) employment laws and regulations, which may classify personnel as an independent contractor or employee; and
- (D) 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.

Management and Governance

The Board

In connection with the Company's reorganization on December 10, 2021, prior to the Company's IPO on December 16, 2021 (i) the size of the Board was increased from one (Stewart Hall) to six, (ii) each of William Chess, Zachary Williams, Simon Lee, Kimberly White and Benjamin Ginsberg was elected to fill the five additional Board positions, and (iii) Mr. Lee was elected as non-executive Chair of the Board. These changes were effective upon the conclusion of the Company's Board meeting on December 10.

Simon Lee

NON-EXECUTIVE CHAIRMAN

Simon is an International Advisor to Fairfax Financial, where he sits on the boards of Brit Syndicates and Fairfax International, Barbados. He is currently Chairman of Osirium Technologies and of Public Policy Holding Company. 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. Simon Lee is chair of the Audit Committee and a member of the Remuneration Committee of PPHC.

Stewart Hall

EXECUTIVE DIRECTOR

Stewart is a co-founder of the Group. He is also founder and chairman of Crossroads Strategies, a bipartisan, 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.

William Chess

EXECUTIVE DIRECTOR

Bill is a co-founder of the Group. Previously, he 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

EXECUTIVE DIRECTOR

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

Kimberly White

NON-EXECUTIVE DIRECTOR

Kimberly was previously senior VP and Chief Communications Officer at CVS Health. She served as global sector chair for Health at Edelman, 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.

Kimberly White is Chair of the Remuneration Committee and a member of the Audit Committee.

Benjamin Ginsberg

NON-EXECUTIVE DIRECTOR

Benjamin 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. He joined Patton Boggs, a full-service global law firm, in 1993 after serving eight years as counsel to the Republican National Committee, the Republican Senatorial Committee and the Republican Congressional Committee. Benjamin is counsel to the Republican Governors Association.

Benjamin Ginsberg is a member of the Audit Committee and the Remuneration Committee.

Principles of Governance

The Directors recognize the importance of sound corporate governance and 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, state of development and level of resources. Further information on the Company's compliance with the QCA Code can be found at **pphcompany.com** on the AIM Rule 26 page.

Directors support high standards of corporate governance and have decided to comply fully with the QCA Code as set out over the next few pages:

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

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.

Principal risks facing the Group are set out on pages 18–25 of this Annual Report and were also set out in the Admission Document. The Board will identify and deploy mitigation steps to manage these risks and confront day-to-day challenges of the business.

2 Principle: Seek to understand and meet the 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

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

3 Principle: 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

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

Principal risks facing the Group and the industry in which it operates are set out on pages 18–25 of this Annual Report, and were also set out in the Admissions 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, COO. 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.

Principles of Governance Continued

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

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. 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 below.

The Board is scheduled to 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.

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

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.

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

The Chair is responsible for ensuring an effective Board. The Company anticipates establishing 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.

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

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 its 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.

9 Principle: 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 the Admissions Document and highlighted on pages 36 of this Annual Report. 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.

10 Principle: 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:

1. The annual report and accounts;
2. The interim and full-year results announcements;
3. Trading updates (where required or appropriate);
4. The annual general meetings; and
5. The Company's investor relations website

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.

Corporate Governance Report

The Board reviews the Company's corporate governance arrangements regularly and expects to evolve these over time, in line with the Company's growth. The Board delegates responsibilities to Committees and individuals as it sees fit.

The Chair's principal responsibilities are to ensure that the Company and its Board are acting in the best interests of shareholders. The Chair's leadership of the Board is undertaken in a manner which ensures that the Board retains integrity and effectiveness, creates the right Board dynamic and ensures that all important matters, particularly strategic decisions, receive adequate time and attention at Board meetings.

The day-to-day management of the Group's key divisions is carried out by the management of each operating company, each of whom reports to the CEO.

Whistle Blowing and Anti-Bribery Policies

The Company's Whistle Blowing Policy is aimed to prevent illegal activity and unethical business conduct by encouraging Directors, officers and employees to report any wrongdoing or suspected violations. The Company also has an Anti-Bribery Policy to ensure the highest standards of personal and professional ethical behaviour.

All Directors participate in the key areas of decision making, including the following:

- Review, formulate and approve the Company's strategy;
- Review, formulate and approve the Company's budgets;
- Review, formulate and approve the Company's corporate actions; and
- Oversee the Company's progress towards its goals.

The Board delegates authority to two Committees (Audit Committee and Remuneration Committee) to assist in meeting its business objectives whilst ensuring a sound system of internal control and risk management. The Committees meet independently of Board meetings.

Audit Committee Report

I am pleased to present the inaugural report of the Audit Committee (the "AC") following the establishment of the AC in connection with the Company's initial public offering and admission to AIM in December, 2021.

AC Terms of Reference

In accordance with the Company's Terms of Reference for the AC (the "AC Terms of Reference"), the AC consists of three members. In addition to serving as Chairman of the Board, I serve as Chair of the AC. The Company's two other non-executive directors, Benjamin Ginsberg and Kimberly White, are also members of the AC. Jill Kendrick, the Company's Chief Operating Officer, serves as Secretary of the Company and as Secretary of the AC.

The AC is expected to meet at least three times each year and otherwise as required. Each of Stewart Hall, Bill Chess, and Ms. Kendrick, as respectively, the Company's Chief Executive Officer, Chief Financial Officer, and Chief Operating Officer, has made themselves available to Mr. Lee and the other AC members for dialogue with the AC since its formation, providing information and insight into the Company's policies, procedures, and operations. The AC has also been authorized to communicate with the Company's external auditors - the public accounting firms of Crowe UK LLP and MN Blum LLC.

The AC's responsibilities are described in the AC Terms of Reference and generally include ensuring that the financial performance of the Company is properly reported on and reviewed. More specifically, the AC's role includes: (i) considering and monitoring the appointment and re-appointment of the Company's external auditors as well as advising on the terms of engagement between the Company and such 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) reporting formally to the Board on proceedings after each AC 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 policies 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 Company's internal audit functions, (x) reviewing and monitoring the extent of the non-audit services undertaken by external auditors, and (xi) ensuring that the Company has in place the procedures, resources and controls to enable compliance with the AIM Rules and the QCA Code. In addition, at least once a year, the AC is required to (i) review its own performance and the AC Terms of Reference to ensure the AC is operating at maximum effectiveness, and (ii) recommend to the Board (for consideration and approval) any changes the AC considers necessary or appropriate.

I look forward to attending the Company's next Annual General Meeting and to responding to shareholders' questions regarding the work of the AC.

Simon Lee

Simon Lee
Audit Committee Chair
May, 2022

Remuneration Committee Report

I am pleased to present the inaugural report of the Remuneration Committee (the "RC") following the establishment of the RC in connection with the Company's initial public offering and admission to AIM in December, 2021.

RC Terms of Reference

In accordance with the Company's Terms of Reference for the RC (the "RC Terms of Reference"), the RC consists of three members. I serve as Chair of the RC. The Company's two other non-executive directors, Simon Lee (who also serves as Chair of the Board) and Benjamin Ginsberg , are also members of the RC. Jill Kendrick, the Company's Chief Operating Officer, serves as Secretary of the Company and as Secretary of the RC. The RC is expected to meet at least two times each year and otherwise as required. Each of Stewart Hall, Bill Chess, and Ms. Kendrick, as respectively, the Company's Chief Executive Officer, Chief Financial Officer, and Chief Operating Officer, has made themselves available to the RC members for dialogue with the RC since its formation, providing information and insight into the Company's policies, procedures and operations.

The RC's responsibilities are described in the RC Terms of Reference and generally include determining the Company's policy on the remuneration packages of the Company's Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, other executive directors, 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 executive directors and other senior executives, and monitoring its implementation; (ii) approving and recommending to the Board and the Company's shareholders, the total individual remuneration package of the executive directors and other senior executives (including bonuses, incentive payments and share incentive awards or other share awards); and (iii) approving the design of, and determine targets for, any performance related pay schemes and share incentive plans operated by the Company. The remuneration of the Company's non-executive directors (including the Chair of the Board) is a matter for the Company's executive directors. No director or member of management may be involved in any discussions as to their own remuneration.

In addition, at least once a year, the RC is required to (i) review its own performance and the RC Terms of Reference to ensure the RC is operating at maximum effectiveness, and (ii) recommend to the Board (for consideration and approval) any changes the RC considers necessary or appropriate.

Directors' Agreements

Each of the Company's three executive directors – Stewart Hall, William Chess, and Zachary Williams – are parties to an Executive Employment Agreement with the Company, as described in detail in the Company's Admission Document published in connection with the Company's IPO. Each of the Company's three non-executive directors – Simon Lee, Kimberly White and Ben Ginsberg – are parties to a letter of appointment, as described in the Company's Admission Document.

I look forward to attending the Company's next Annual General Meeting and to responding to shareholders' questions regarding the work of the RC.

Kimberly A. White

Kimberly White
Remuneration Committee Chair
May, 2022

Directors' Remuneration

Prior to the Company's pre-IPO reorganization on December 10, 2021, Stewart Hall served as the Company's sole director from the Company's formation on February 4, 2021. On December 10, 2021, the number of directors was increased to six, and each of William Chess, Zachary Williams, Simon Lee, Kimberly White and Benjamin Ginsberg was elected as a director. Mr. Hall also serves as the Company's Chief Executive Officer, Mr. Chess serves as the Company's Chief Financial Officer, and Mr. Williams is also a Managing Partner at Forbes Tate Partners, one of the Company's operating subsidiaries. Mr. Lee serves as non-executive Chair of the Board of the Company and Chair of the Board's Audit Committee. Ms. White serves as a non-executive director of the Company and Chair of the Board's Remuneration Committee. Mr. Ginsberg serves as a non-executive director of the Company.

Pursuant to an agreement with the Company dated August 2, 2021 (effective beginning at the time of the IPO on December 16, 2021), Mr. Hall is employed by the Company as Chief Executive Officer. Prior to December 16, 2021, Mr. Hall was employed by Crossroads Strategies, one of the Company's operating subsidiaries. Mr. Hall's salary is US $800,000 per annum. Mr. Hall is eligible to receive an annual cash bonus in accordance with the terms of the Company's annual bonus program, subject to the attainment of applicable performance targets to be set by the Board of Directors or its delegate. Mr. Hall is also eligible to receive equity-based awards in accordance with the Company's Omnibus Incentive Plan. With respect to the portion of the year ending December 31, 2021, during which Mr. Hall served as a director of the Company, Mr. Hall received from the Company a salary of $44,444. Mr. Hall is also a stockholder of the Company, having received shares in connection with the Company's pre-IPO reorganization on December 10, 2021.

Pursuant to an agreement with the Company dated August 2, 2021 (effective beginning at the time of the IPO on December 16, 2021), Mr. Chess is employed by the Company as Chief Financial Officer. Mr. Chess' salary is US $400,000 per annum. Mr. Chess is eligible to receive an annual cash bonus in accordance with the terms of the Company's annual bonus program, subject to the attainment of applicable performance targets to be set by the Board of Directors or its delegate. Mr. Chess is also eligible to receive equity-based awards in accordance with the Company's Omnibus Incentive Plan. With respect to the portion of the year ending December 31, 2021, during which Mr. Chess served as a director of the Company, Mr. Chess received from the Company a salary of $22,222. Mr. Chess is also a stockholder of the Company, having received shares in connection with the Company's pre-IPO reorganization on December 10, 2021.

Pursuant to an agreement with Forbes Tate Partners dated August 2, 2021 (effective beginning at the time of the IPO on December 16, 2021), Mr. Williams is employed by Forbes Tate Partners as a Managing Partner. Mr. Williams' salary is US $500,000 per annum. Mr. Williams is eligible to receive an annual cash bonus in accordance with the terms of the Company's annual bonus program, subject to the attainment of applicable performance targets to be set by the Board of Directors or its delegate. Mr. Williams is also eligible to receive equity-based awards in accordance with the Company's Omnibus Incentive Plan. With respect to the portion of the year ending December 31, 2021, during which Mr. Williams served as a director of the Company, Mr. Williams received from Forbes Tate Partners a salary of $27,777. Mr. Williams is also a stockholder of the Company, having received shares in connection with the Company's pre-IPO reorganization on December 10, 2021.

Pursuant to a letter of appointment with the Company dated December 13, 2021, Mr. Lee serves as non-executive Chair of the Board and as Chair of the Board's Audit Committee. The annual fee payable by the Company to Mr. Lee is US $120,000.

Pursuant to a letter of appointment with the Company dated December 13, 2021, Ms. White serves as a non-executive director of the Company and Chair of the Board's Remuneration Committee. The annual fee payable by the Company to Ms. White is US $80,000.

Pursuant to a letter of appointment with the Company dated December 13, 2021, Mr. Ginsberg serves as a non-executive director of the Company. The annual fee payable by the Company to Mr. Ginsberg is US $80,000.

Related Party Transactions

In addition to the transactions with directors described on page 42 of this Annual Report (Directors Remuneration), the Company entered into the following agreements with stockholders holding more than 10% of the Company's issued and outstanding Common Stock:

The Alpine Group Inc.

The Company agreed to provide The Alpine Group Inc. with a one-time loan in an amount up to US $750,000 in connection with certain US federal, state and local income taxes incurred in connection with certain shares of Company Common Stock sold by The Alpine Group Inc. in the Company's IPO. The loan accrues interest at a market rate and is repayable on January 16, 2025. The loan is secured by all shares of Company Common Stock owned by The Alpine Group Inc. On April 14, 2022, the Company advanced this loan in the agreed-upon amount of $513,000.

Jeffrey Forbes

Pursuant to an agreement with Forbes Tate Partners dated August 2, 2021 (effective beginning at the time of the IPO on December 16, 2021), Mr. Forbes is employed by Forbes Tate Partners as Founding Partner. Mr. Forbes salary is US $1,000,000 per annum. Mr. Forbes is eligible to receive an annual cash bonus in accordance with the terms of the Company's annual bonus program, subject to the attainment of applicable performance targets to be set by the Board of Directors or its delegate. Mr. Forbes is also eligible to receive equity-based awards in accordance with the Company's Omnibus Incentive Plan.

ESG Report

PPHC does not currently have a formal ESG policy in place. However, its commitment to ESG is something that the Company takes very seriously and its ESG credentials are currently under review. The Board is committed to formalising these in due course and PPHC expects to commence reporting on ESG during the 2022 financial year.

The Company's immediate priority is to develop and implement practical ESG monitoring standards across its operating companies, each of which has worked autonomously on these matters prior to the IPO. The Group has also brought in additional expertise in ESG consulting with the launch of Seven Letter's ESG practice in March 2022 and plans to use this ESG resource internally as well.

The Company also supports high standards of corporate governance and as an AIM-listed company, complies with the QCA Code (see pages 32–35 of this report).

Directors' Report

The Directors present their Annual Report and the audited financial statements for the year ended 31 December 2021.

Substantial Shareholders and Directors' Holdings

Substantial Shareholders (as of December 31)	Number of Common Shares
Jeffrey Forbes	11,515,742
The Alpine Group Inc.	12,491,234

Directors' Holdings (as of December 31)	Number of Common Shares
Stewart Hall	6,037,833
William Chess	2,169,930
Zachary Williams	4,786,037
Benjamin Ginsberg	Nil
Simon Lee	74,074
Kimberly White	Nil

Statement of Directors' Responsibilities

The Board reviews the Company's corporate governance arrangements regularly and expects to evolve these over time, in line with the Company's growth. The Board delegates responsibilities to Committees and individuals as it sees fit.

The Chair's principal responsibilities are to ensure that the Company and its Board are acting in the best interests of shareholders. The Chair's leadership of the Board is undertaken in a manner which ensures that the Board retains integrity and effectiveness, creates the right Board dynamic and ensures that all important matters, particularly strategic decisions, receive adequate time and attention at Board meetings.

The day-to-day management of the Group's key divisions is carried out by the management committee, which reports to the PPHC Board.

Audited Consolidated Financial Statements

To the shareholders of
Public Policy Holding Company, Inc.:

Opinion

We have audited the consolidated financial statements of Public Policy Holding Company, Inc (the "Company") for the year ended 31 December 2021, which comprise:

- The consolidated balance sheet as at 31 December 2021;
- The consolidated statement of operations for the year to 31 December 2021;
- The consolidated statement of cash flows for the year then ended;
- The consolidated statement of stockholders' equity; and
- The notes to the financial statements, including significant accounting policies.
- The financial reporting framework that has been applied in the preparation of the financial statements is US Generally Accepted Accounting Principles ('USGAAP')
- In our opinion, the financial statements:
- Give a true and fair view of the Company's affairs as at 31 December 2021 and of its loss for the year then ended; and
- Have been properly prepared in accordance with USGAAP.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the FRC's Ethical Standard as applied to listed companies, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included obtaining the working capital projections from management, considering the appropriateness of key assumptions in comparison with historic trends and considering the ability of the Company to maintain positive cash balances in a variety of different scenarios.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Company financial statements as a whole to be $1m, based on 0.75% of consolidated revenue and 5% of profit adjusted for share based payments and profit bonuses. We use a different level of materiality of $700k ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration. We agreed with Management to report to it all identified errors in excess of $50k. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

The audit was performed on a consolidated basis with all entities within the scope of audit testing. The underlying audit work was performed by a component auditor under the direction of the group engagement team. There was regular communication with the component audit team throughout the audit process and at the conclusion of the audit. Underlying working papers were obtained and reviewed with elements of testing reperformed and agreed to source documentation by the group engagement team.

Key audit matter	How the scope of our audit addressed the key audit matter.
Share based payments We considered the risk that the share-based payment accounting was inappropriate and that the charge had been incorrectly recognised.	We obtained the supporting agreements arising from the company's listing on AIM and grant of shares to employees and considered whether these should be recognised as share based payments given the attached employment conditions. We specifically considered the guidance in ASC 718 in respect of stock that had been sold but was subject to a clawback provision where the charge has been accelerated.
Revenue recognition We considered the risk that revenue was not recognised in accordance with the requirements of ASC 606.	We substantively tested a sample of revenue transactions to supporting contracts, invoices and cash receipts. As part of the review of the contracts we considered whether there was sufficient evidence to demonstrate that each of the five steps for revenue recognition set out in the standard had been met. We specifically considered whether, in respect of some contracts, the Company was acting as agent or principal. We reviewed the Company's accounting paper on this matter against relevant guidance.

Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement on page 47, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Legal invoices were reviewed for evidence of potential breaches of law and regulation;
- Confirmations were obtained from key individuals with responsibility at the Company for detecting irregularity and fraud; and
- To address the risk of management override of controls journal transactions from throughout the period were reviewed and tested.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with our engagement letter dated 10 December 2021. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.k. LLP

Crowe U.K. LLP

Chartered Accountants

London, 11 May 2022

Consolidated Balance Sheets

Balance Sheets	2021	2020
Assets		
Current Assets		
Cash	$ 18,035,641	$ 6,142,919
Accounts receivable, net	8,214,002	6,622,571
Note receivable - related party - short term	263,850	210,038
Prepaid expenses and other current assets	490,712	409,785
Total current assets	**27,004,205**	**13,385,313**
Note receivable - related party - long-term	-	208,250
Property and equipment, net	788,598	879,801
Operating lease right of use asset	15,907,571	15,793,416
Goodwill	44,893,532	44,893,532
Other intangible assets, net	12,877,567	14,762,379
Syndication costs	-	549,024
Other long-term assets	553,957	256,872
Total assets	**$ 102,025,430**	**$ 90,728,587**
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	$ 8,329,355	$ 6,020,435
Income taxes payable	522,500	-
Amounts owed to related parties	6,696,795	4,665,667
Deferred revenue	1,942,536	1,502,176
Operating lease liability due within one year	3,374,724	2,775,557
Notes payable, current portion	20,664	23,083
Total current liabilities	**20,886,574**	**14,986,918**
Line of credit	-	1,361,875
Notes payable, long term	216,048	233,784
Deferred income tax liability	2,914,600	-
Operating lease liability, long term	15,262,878	15,473,276
Total liabilities	**39,280,100**	**32,055,853**
Stockholders' equity		
Common stock, $0.001 par value, 1,000,000,000 shares authorized, 108,240,250 and 0 shares issued and outstanding, respectively	108,240	-
Additional paid-in capital	86,892,903	-
Retained earnings	(24,255,813)	-
Members' equity	-	58,672,734
Total stockholders' equity	**62,745,330**	**58,672,734**
Total liabilities and stockholders' equity	**$ 102,025,430**	**$ 90,728,587**

Consolidated Statements of Operations

Balance Sheets	2021	2020
Revenue		
Expenses:		
Personnel cost	44,070,612	38,341,767
Employee bonuses	17,626,133	12,476,284
General and administrative expenses	8,184,253	6,197,087
Occupancy expense	3,650,562	3,744,874
Depreciation and amortization expense	2,012,645	1,994,782
Profit bonuses	19,892,634	15,857,503
Total expenses before share-based accounting (ASC 718-10-S99-2) charge	95,436,839	78,612,297
Income (loss) from operations before share-based accounting (ASC 718-10-S99-2) charge	3,899,621	(1,128,710)
Share-based accounting (ASC 718-10-S99-2) charge	27,609,214	-
Loss from operations	(23,709,593)	(1,128,710)
Interest expense	51,520	45,072
Net loss before income taxes	(23,761,113)	(1,173,782)
Income tax expense	494,700	-
Net loss	**$ (24,255,813)**	**$ (1,173,782)**
Net loss per share attributable to common stockholders, basic and diluted	**$ (0.24)**	**$ -**
Weighted average common shares outstanding, basic and diluted	**100,338,632**	**-**

Consolidated Statements of Stockholders' Equity

	Common Stock		Additional Paid-In Capital	Members' Equity	Retained Earnings	Total Stockholders' Equity
	Shares	Amount				
Balance as of December 31, 2019	-	$-	$-	$ 27,719,577	$-	$ 27,719,577
Acquisition of Alpine Group Partners, LLC	-	-	-	32,204,304	-	32,204,304
Debt conversion to equity	-	-	-	150,000	-	150,000
Distributions	-	-	-	(227,365)	-	(227,365)
Net loss	**-**	**-**	**-**	**(1,173,782)**	**-**	**(1,173,782)**
Balance as of December 31, 2020	-	-	-	58,672,734	-	58,672,734
Shares issued due to conversion from LLC to C-Corporation	100,000,000	100,000	58,128,499	(58,228,499)	-	(444,235)
Issuance of common shares, net of commissions and fees of $1,634,554	8,240,050	8,240	13,357,206	-	-	13,365,446
Syndication costs	-	-	(4,797,076)	-	-	(4,797,076)
Income tax effect of conversion from LLC to C C-Corporation	-	-	(2,942,400)	-	-	(2,942,400)
Holdings Distribution Discount	-	-	(4,462,540)	-	-	(4,462,540)
Share-based accounting (ASC 718-10-S99-2) charge	-	-	27,609,214	-	-	27,609,214
Net loss	**-**	**-**	**-**	**-**	**(24,255,813)**	**(24,255,813)**
Balance as of December 31, 2021	**108,240,050**	**$ 108,240**	**$ 86,892,903**	**$ -**	**$ (24,255,813)**	**$ 62,745,330**

Consolidated Statements of Cash Flows

	2021	2020
Cash flows from operating activities		
Net loss	**$ (24,255,813)**	**$ (1,173,782)**
Adjustments to reconcile net loss to net cash		
provided by (used in) operating activities:		
Depreciation	127,833	109,967
Amortization expense - customer relationship	1,884,812	1,884,815
Amortization of right of use assets	2,943,400	2,461,534
Provision for deferred income taxes	(27,800)	-
Share-based accounting (ASC 718-10-S99-2) charge	27,609,214	-
(Increase) decrease in		
Accounts receivable, net	(3,267,547)	(595,828)
Other assets	(378,012)	(288,248)
Increase (decrease) in		
Accounts payable and accrued expenses	2,546,171	3,400,282
Income taxes payable	522,500	-
Deferred revenue	1,879,225	849,605
Operating lease liability	(2,668,786)	(2,542,249)
Transactions with members/related parties	(2,276,974)	1,726,663
Net cash provided by operating activities	4,638,223	5,832,759
Cash flows from investing activities		
Purchases of property and equipment	(36,630)	(23,910)
Net cash used in investing activities	(36,630)	(23,910)

	2021	2020
Cash flows from operating activities		
Syndication costs and other stock issuance costs	(4,638,271)	(549,024)
Issuance of common stock	13,755,665	-
Net proceeds (payments) from line of credit and notes payable	(1,382,030)	68,543
Distributions	(444,235)	(227,365)
Net cash provided by financing activities	7,291,129	(707,846)
Net increase in cash and cash equivalents	11,892,722	5,101,003
Cash and cash equivalents as of beginning of year	**6,142,919**	**1,041,916**
Cash and cash equivalents as of end of year	**$ 18,035,641**	**$ 6,142,919**
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 51,520	$ 101,828
Right of use assets obtained with lease liabilities	$ 3,057,555	$ -
Income tax effect of conversion of LLC to C-Corporation	$ 2,942,400	$ -
Holdings Distribution Discount	$ 4,462,540	$ -
Commissions and fees paid through issuance of common stock	$ 1,244,335	$ -

Notes to Consolidated Financial Statements

1 Organization And Significant Accounting Policies

Organization and Basis of Presentation:

Public Policy Holding Company, Inc. ("PPHC-Inc.") was incorporated on February 4, 2021. From PPHC-Inc.'s incorporation until December 10, 2021 (the "Conversion Date"), all of the issued and outstanding shares of stock of PPHC-Inc. were owned by Public Policy Holding Company, LLC ("PPHC-LLC"), which (i) was organized as a Delaware limited liability company on July 1, 2014, and (ii) owned certain wholly-owned operating subsidiaries, all organized as Delaware limited liability companies (the "Subsidiaries," and collectively with PPHC-Inc., the "Company"). On the Conversion Date, PPHC-LLC contributed and assigned substantially all of its assets and liabilities (including all of the Subsidiaries, but excluding certain specified assets and liabilities) to PPHC-Inc. in exchange for the issuance by PPHC-Inc. of 100,000,000 shares (the "Contribution Shares") of Common Stock, par value $0.001 per share ("Common Stock") of PPHC-Inc. Pursuant to a formula approved by the Executive Board and General Board of PPHC-LLC (the "Waterfall"), PPHC LLC then liquidated and distributed the Contribution Shares to each of PPHC-LLC's owners who (other than The Alpine Group, Inc.), in turn, distributed such shares to their respective owners in accordance with the Waterfall (collectively, the "Company Conversion").

The Company provides governmental and public affairs consulting services exclusively in the United States of America ("U.S.").

The Company has prepared the accompanying consolidated financial statements in conformity with generally accepted accounting principles in the United States of America ("GAAP"). Such consolidated financial statements reflect all adjustments that are, in management's opinion, necessary to present fairly, in all material respects, the Company's financial position, results of operations and cash flows, and are presented in U.S. Dollars. All material intercompany transactions and balances have been eliminated in consolidation.

Principles of Consolidation:

The consolidated financial statements include all of the accounts of the entities listed below:

Parent company:
Public Policy Holding Company, Inc.

Wholly owned operating subsidiaries:
Crossroads Strategies, LLC
Forbes Tate Partners, LLC
Blue Engine Message & Media, LLC, doing business as Seven Letter
O'Neill & Partners LLC, doing business as O'Neill & Associates
Alpine Group Partners, LLC

On January 1, 2020, the Company formed Seven Letter ONA to do business in the State of Massachusetts. Revenue and expense from Seven Letter ONA will be allocated to Seven Letter and O'Neill & Associates.

Initial Public Offering:

On December 16, 2021, PPHC-Inc. completed an initial public offering and placement ("IPO") of its shares of Common Stock, and the admission of Common Stock to trading on the AIM market of the London Stock Exchange. The PPHC-LLC Limited Liability Company Agreement ("LLC Agreement") provided for the payment of a "Holdings Distribution Discount" in connection with a sale or IPO of the Company, 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 three percent of its revenues annually to PPHC-LLC (which has historically been paid by all operating subsidiaries other than Crossroads Strategies, LLC and Forbes Tate Partners, LLC), and each of Crossroads Strategies, LLC and Forbes Tate, LLC, which, as the founding businesses acquired by PPHC-LLC, have paid approximately five percent of their respective revenues annually to PPHC-LLC. Historically, PPHC-LLC and its members viewed this obligation of PPHC-LLC (triggered by the IPO) as an obligation to refund 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 entered into in connection with the Company Conversion. 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. As of December 31, 2021, the Holdings Distribution Discount of $4,462,540 is included in the amounts owed to related parties in the Company's Consolidated Balance Sheets.

In addition, certain assets and liabilities were not contributed by PPHC-LLC to the Company as part of the Company Conversion. As of December 31, 2021, the net amount owed to the PPHC-LLC members approximates $2,234,000 and is included in amounts owed to related parties in the Company's Consolidated Balance Sheets.

Notes to Consolidated Financial Statements

1 Organization And Significant Accounting Policies, Continued

During 2021, all the ultimate owners of PPHC-LLC ("Group Executives") entered into Executive Employment Agreements. The Group Executives sold some of their Common Stock in conjunction with the IPO ("Liquidated Pre-IPO Shares") but retained the majority of their shares ("Retained Pre-IPO Shares"). The Retained Pre-IPO Shares are subject to a vesting schedule under which the Common Stock held by each Group Executive will vest in equal installments on the first five anniversaries of the effective date of the IPO, provided that the Group Executive remains continuously employed by the employer; this vesting schedule applies to all the Company's employees holding Common Stock at the time of the IPO. 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 Retained Pre-IPO Shares which have not vested, will not vest and will be automatically forfeited and clawed back as of the date of such termination. In the event 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 "good reason," then all unvested shares will vest automatically as of the date of such termination. The Executive Employment Agreements also contain certain provisions which enable cash derived from the sale of Liquidated Pre-IPO Shares and Retained Pre-IPO 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. Pursuant to the Executive Employment Agreements for Group Executives employed by Alpine Group Partners, a pro-rata portion of the Retained Pre-IPO Shares held by (and the Liquidated Pre-IPO Shares sold by) The Alpine Group Inc. are subject to vesting, forfeiture and claw back based on the employment of certain of those Group Executives.

The addition of the vesting provisions to previously issued shares creates a share-based accounting charge in accordance with the accounting guidance in Accounting Standards Codification ("ASC") 718-10-S99-2, Compensation-Stock Compensation. See Note 7.

Revenue Recognition:

The Company generates the majority of its revenue by providing consulting services related to lobbying and public affairs. In determining the method and amount of revenue to recognize, the Company has to make judgments and estimates. Specifically, complex arrangements with nonstandard terms and conditions may require management's judgment in 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, and how to allocate the transaction price, including any variable consideration, to the separate performance obligations. When a contract contains multiple performance obligations, the Company allocates the transaction price to each performance obligation based on its estimate of the stand-alone selling price. 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 Company'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 Company 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 third-party companies may be engaged to achieve specific business objectives. These services are either in a separate contract or within the fixed-fee consulting contract, in which the Company usually receives a fixed 15% markup on the cost incurred by the Company. The Company 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.

Certain services provided by the Company include the utilization of a third-party in the delivery of those services. These services are primarily related to the production of an advertising campaign or media buying services. The Company has determined that it acts as an agent and is solely arranging for the third-parties to provide services to the customer. Specifically, the Company does not control the specified services before transferring those services to the customer, and is not primarily responsible for the performance of the third-party services, nor can the Company redirect those services to fulfill any other contracts. The Company does not have discretion in establishing the third-party pricing in its contracts with customers. For these performance obligations for which the Company acts as an agent, the Company records revenue as the net amount of the gross billings less amounts remitted to the third-party.

The following table provides disaggregated revenue by revenue type for the periods ended December 31:

	2021	2020
Lobbying revenue	$ 64,039,856	$ 51,428,529
Public affairs revenue	35,296,604	26,055,058
Total revenue	**$ 99,336,460**	**$ 77,483,587**

Notes to Consolidated Financial Statements

1 Organization And Significant Accounting Policies, Continued

See the Segment Reporting Note 10 for a description of the principal activities, by reportable segment, from which the Company generates revenue.

As of January 1, 2020, the accounts receivable, net and deferred revenue was $6,026,743 and $652,571, respectively. The following table provides information about receivables, contract assets and contract liabilities from contracts with customers as of December 31:

	2021	2020
Accounts receivable, net	$ 8,109,353	$ 6,534,464
Other receivables	104,649	88,107
Contract liabilities (deferred revenue)	**1,942,536**	**1,502,176**

Contract liabilities relate to advance consideration received from customers under the terms of the Company's contracts primarily related to retainer fees and reimbursements of third-party expenses, both of which are generally recognized shortly after billing. The deferred revenue of $1,502,176 and $652,571 from December 31, 2020 and 2019 was recognized as revenue in 2021 and 2020, respectively.

Cash and Cash Equivalents:

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

Accounts Receivable:

The Company 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. Accounts are generally considered past due after the contracted payment terms, which are generally net 30 day terms. 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 Company determined that no allowance for doubtful accounts was necessary as of December 31, 2021. On December 31, 2020, the balance of allowance for doubtful accounts was approximately $50,000.

Unbilled revenue:

Unbilled revenue represents earned revenue and reimbursable costs that are billed to the customers in the subsequent month. Unbilled revenue was deminimis for the years ended December 31, 2021 and 2020.

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 Company accounts for its leases in accordance with the guidance in Accounting Standards Codification ("ASC") 842 ("ASC 842"). Substantially all of the leases in which the Company is the lessee are comprised of real estate property for remote office spaces and corporate office space. Substantially all of the leases are classified as operating leases. As of December 31, 2021 and 2020, the Company had approximately $15,908,000 and $15,793,000, respectively, of operating lease ROU assets and $18,638,000 and $18,249,000, respectively of operating lease liabilities on the Company's Consolidated Balance Sheets. The Company has elected not to recognize right-of-use ("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.

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 significant probability that the Company will exercise the option. If these criteria are not met, the options are not included in the Company's ROU assets and lease liabilities. As of December 31, 2021, these leases do not contain material residual value guarantees or impose restrictions or covenants related to dividends or the Company's ability to incur additional financial obligations. The discount rate for operating leases was based on market rates from a bank for obligations with comparable terms effective at the lease inception date. The following table presents lease costs, future minimum lease payments and other lease information as of December 31:

2022	**$ 4,332,308**
2023	3,908,822
2024	2,975,577
2025	3,047,668
2026	3,026,199
Thereafter	4,417,191
Total future minimum lease payments	21,707,765
Amount representing interest	(3,070,163)
Present value of net future minimum lease payments	$ 18,637,602

Notes to Consolidated Financial Statements

1 Organization And Significant Accounting Policies, Continued

Lease Cost	Year ending December 31: 2021	2020
Operating lease cost (cost resulting from lease payments)	$ 3,829,749	$ 3,415,763
Variable lease cost (cost excluded from lease payments)	171,958	169,877
Sublease income	(400,890)	(422,568)
Net lease cost	$ 3,600,817	$ 3,163,072
Operating lease - operating cash flows (fixed payments)	$ 3,938,149	$ 3,679,277
Weighted average lease term - operating leases	5.1 years	6.6 years
Weighted average discount rate - operating leases	3.98%	4.90%

The Company subleases office space to several third parties under separate sublease agreements. Below is the future schedule of sublease income from subtenants as of December 31, 2021:

2022	**$ 264,862**
2023	30,081
Total	$ 294,943

Property and equipment:

Property and equipment consists of furniture, equipment and leasehold improvements and is 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.

Business Combination:

In a business combination, the acquisition method of accounting requires that the assets acquired and liabilities assumed be recorded as of the date of the acquisition at their respective fair values with limited exceptions. Assets acquired and liabilities assumed in a business combination that arise from contingencies are generally recognized at fair value. If fair value cannot be determined, the asset or liability is recognized if probable and reasonably estimable; if these criteria are not met, no asset or liability is recognized. Transaction costs are expensed as incurred. The operating results of the acquired business are reflected in the Company's consolidated financial statements after the date of acquisition.

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 and is allocated to the appropriate reporting unit when acquired. Acquired intangible assets are recorded at fair value.

Goodwill is 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 below its carrying value. Goodwill is typically assigned to the reporting unit, which consolidates the acquisition. Components within the same reportable segment are aggregated and deemed a single reporting unit if the components have similar economic characteristics. As of December 31, 2021, the Company's reporting units consisted of Lobbying Consulting and Public Affairs Consulting. Goodwill is evaluated for impairment using either a qualitative or quantitative approach for each of the Company's reporting units. Generally, a qualitative approach is first performed to determine whether a quantitative goodwill impairment test is necessary. If management determines, after performing an assessment based on qualitative factors, that the fair value of the reporting unit is more likely than not less than the carrying amount or that a fair value of the reporting unit substantially in excess of the carrying amount cannot be assured, then a quantitative goodwill impairment test would be required. The quantitative test for goodwill impairment is performed by determining the fair value of the related reporting units. Fair value is measured based on the discounted cash flow method, which requires management to estimate a number of factors for each reporting unit, including projected future operating results, anticipated future cash flows and discount rates. Management has performed its evaluation and determined the fair value of each reporting unit is greater than the carrying amount and, accordingly, the Company has not recorded any impairment charges related to goodwill for the years ended December 31, 2021 and 2020.

Indefinite-lived intangible assets are tested 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 below its carrying value. The Company's indefinite-lived intangible assets consist of trademarks acquired through various business acquisitions. The Company has the option to first assess qualitative factors to determine whether events or circumstances indicate it is more likely than not that the fair value of the trademarks is greater than the carrying amount, in which case a quantitative impairment test is not required. Management has performed its evaluation and determined that the trademarks are not impaired for the years ended December 31, 2021 and 2020

Notes to Consolidated Financial Statements

1 Organization And Significant Accounting Policies, Continued

Customer relationship asset:

The Company's definite-lived intangible asset consists of customer relationships that have been acquired through various acquisitions. The Company amortized these assets over their estimated useful lives.

Impairment of long-lived assets:

Long-lived assets subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for an amount by which the carrying amount of the asset exceeds the fair value of the asset. The Company has not recorded any impairment charges related to long-lived assets for the years ended December 31, 2021 and 2020.

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 the consolidated balance sheets. During December 2021, these costs totaling approximately $4,797,000 were recorded as a reduction to stockholders' equity. The syndication costs included in the consolidated balance sheets as of December 31, 2020, were approximately $549,000.

Deferred revenue:

Deferred revenue represents prepayment by the customers for services that have yet to be performed. As of December 31, 2021 and 2020, deferred revenue was approximately $1,943,000 and $1,502,000, respectively. Deferred revenue is expected to be recognized as revenue within a year.

Marketing costs:

The Company expenses marketing costs as incurred. Marketing expense for the years ended December 31, 2021 and 2020 was approximately $102,000 and $52,000, respectively.

Income taxes:

Prior to the Conversion Date, PPHC-LLC was a limited liability company whereby the tax attributes were passed through to and reported on the members of PPHC-LLC's tax returns.

After the Conversion Date, the Company utilizes the asset and liability method in the Company's accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse. The Company records a valuation allowance against deferred tax assets when realization of the tax benefit is uncertain. A valuation allowance is recorded, if necessary, to reduce net deferred taxes to their realizable values if management believes it is more likely than not that the net deferred tax assets will not be realized. The Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement.

Annual bonus payments are paid as compensation for services to senior executives and employees based on the profits of the Company.

Estimates:

The preparation of consolidated financial statements in conformity with 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 statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Share-based accounting charge:

The Company accounts for its share-based accounting (ASC 718-10-S99-2) charge using the fair value method. The fair value method requires the Company to estimate the grant-date fair value of its share-based awards and amortize this fair value to expense over the requisite service period or vesting term. For restricted and nonvested stock awards, the grant-date fair value is based upon the market price of the Company's common stock on the date of the grant. The Company records forfeitures as they occur.

Segment information:

GAAP requires segmentation based on an entity's internal organization and reporting of revenue and operating income based upon internal accounting methods commonly referred to as the "management approach." Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker ("CODM"), or decision making group, in deciding how to allocate resources and in assessing performance.

Notes to Consolidated Financial Statements

1 Organization And Significant Accounting Policies, Continued

The Company's CODM is its Chief Executive Officer. The Company's operations are conducted in two reportable segments. These segments consist of Lobbying Consulting and Public Affairs Consulting.

Basic and diluted earnings (loss) per share:

The Company computes earnings (loss) per share in accordance with ASC 260, Earnings per Share, which requires presentation of both basic and diluted earnings per share on the face of the consolidated statements of operations. Basic earnings (loss) per share is computed by dividing net income (loss) available to common shareholders by the weighted average number of outstanding shares during the period. Diluted earnings (loss) per share gives effect to all dilutive potential common shares outstanding during the period. The Company has no potential dilutive instruments and accordingly, basic and dilutive earnings (loss) per share are equal.

Fair value of financial instruments:
The carrying values of cash, accounts receivable, and accounts payable and accrued expenses at December 31, 2021 and 2020 approximated their fair value due to the short maturity of these instruments.

Reclassification:

Certain 2020 balances have been reclassified to conform to the 2021 presentation. These reclassifications had no impact on the total net assets of the Company.

Subsequent events:

Management has evaluated the subsequent events for disclosure in these consolidated financial statements.

2 Acquisition Of The Alpine Group, Inc.

On January 1, 2020, The Alpine Group, Inc. ("Alpine") contributed its assets to the Company for an ownership interest in the Company. No cash was paid in this transaction. The Company acquired Alpine primarily for their customer relationships and key employees to continue to expand the services provided by the Company and contributions to the Company's long term growth and profitability. 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	$ 32,204,304

The identified definite-lived intangible assets were as follows:

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

he fair value of customer relationships was determined using the income approach, 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. The primary factors that contributed to the goodwill recognized from the Alpine acquisition include the key employees of Alpine combined with additional synergies expected from increasing the Company's service capabilities. None of the goodwill acquired in the Alpine acquisition is deductible for income tax purposes.

Notes to Consolidated Financial Statements

3 Related Party Transactions

On November 1, 2018, PPHC-LLC advanced $833,000 to the original members of Blue Engine Message & Media, LLC for the purchase of the ownership interest of JDA Frontline Partners, LLC in the form of a promissory note. The note matures on October 31, 2022, and requires the borrowers to make 16 quarterly installment payments of $52,063 commencing on February 15, 2019. Interest on the note is the London Interbank Offered Rate ("LIBOR") daily floating rate plus 2.4% (2.5% as of December 31, 2021). The note receivable balance as of December 31, 2021 and 2020, was approximately $260,000 and $416,000, and interest receivable of approximately $4,000 and $2,000, respectively, which are recorded in note receivable - related party. Total interest income from these notes receivable approximated $9,000 and $16,000 for the years ended December 31, 2021 and 2020, respectively. As of December 31, 2021, the amounts owed to related parties include the Holding Distribution Discount of approximately $4,463,000 and the amount owed to PPHC-LLC members as part of the Company Conversion of approximately $2,234,000. See Note 1.

As of December 31, 2020, the amounts owed to related parties includes accrued bonuses owed to operating subsidiary members of approximately $4,557,000 as well as funds advanced from the owners of contributing subsidiaries of approximately $109,000. These amounts were paid in 2021.

4 Goodwill And Intangible Assets

Goodwill and Tradenames

The Company's indefinite-lived assets consist of goodwill and tradenames as of December 31.

	2021	2020
Goodwill	$ 44,893,532	$ 44,893,532
Tradenames	3,813,000	3,813,000
Total	**$ 48,706,532**	**$ 48,706,532**

As of December, 31, 2021 and 2020, there have been no impairments to goodwill or tradenames. During 2020, goodwill increased by $20,461,304 as a result of the acquisition of Alpine. See Note 2.

Goodwill is allocated to each segment as follows, as of December 31:

	2021	2020
Goodwill		
Lobbying consulting	$ 26,859,782	$ 26,859,782
Public affairs consulting	18,033,750	18,033,750
Total	**$ 44,893,532**	**$ 44,893,532**

The Company's definite lived intangible assets consist of customer relationship assets acquired through various acquisitions. The estimated useful lives for these assets range from 7 to 9 years. The cost and accumulated amortization of the Company's customer relationships is as follows as of December 31:

	2021	2020
Cost	$ 15,320,800	$ 15,320,800
Accumulated Amortization	(6,256,233)	(4,371,421)
Total, net	**$ 9,064,567**	**$ 10,949,379**

Amortization expense for customer relationship assets approximated $1,885,000 for 2021 and 2020. The approximate estimated future amortization expense for the next five years is as follows:

	Amortization
2022	**$ 1,885,000**
2023	1,674,000
2024	1,463,000
2025	1,447,000
2026	1,301,000

Notes to Consolidated Financial Statements

5 Line Of Credit And Notes Payable

A. Line of credit

The Company had a $2,000,000 revolving line of credit, which was secured by all business assets. As a sub-facility under the line, standby letters of credit could be issued up to $750,000 to secure office leases. During 2021, the Company repaid the outstanding balance on the line of credit and closed the line of credit. As of December 31, 2020, the outstanding balance on the line of credit was approximately $1,362,000. Interest on the line of credit was at LIBOR's daily floating rate plus 2.5%. Interest expense on the line of credit for the years ended December 31, 2021 and 2020 was approximately $41,000 and $24,000, respectively.

B. Note payable - bank

In January 2018, the Company obtained a $300,000 loan from a national bank. The loan required equal monthly principal payments of $12,500 plus interest on the unpaid balance. The loan was paid in full in 2020.

C. Note payable - landlord

The Company executed a lease amendment on March 23, 2018, and received a loan of approximately $316,000 to fund certain tenant improvements. The Company shall repay the loan in equal monthly principal and interest installments over the lease term at an interest rate of 8%, with the final payment due on March 1, 2029.

Notwithstanding the foregoing, the Company may submit a notice to the landlord to prepay the outstanding balance upon terms to be agreed upon by the landlord and the Company. The balance on the loan as of December 31, 2021 and 2020, was approximately $237,000 and $257,000, respectively. Interest expense on the note payable - landlord for the years ended December 31, 2021 and 2020 was approximately $19,000 and $21,000, respectively.

As of December 31, 2021, the only outstanding long-term debt is the note payable - landlord and the future maturities of this note payable at December 31 is as follows:

2022	**$ 20,664**
2023	27,074
2024	29,321
2025	31,755
2026	34,390
Thereafter	93,508
Total	**$ 236,712**

Notes to Consolidated Financial Statements

6 Income Taxes

Prior to December 10, 2021, the net income (loss) related to the Company's operations were reported as part of a partnership income tax return for federal and state income tax purposes. Because the partnership entity was not subject to income tax at the Company level, no provision for income taxes was required for periods prior to December 10, 2021.

Due to the Company Conversion that occurred on December 10, 2021, an initial net deferred tax liability was recorded in conjunction with the Company's operations that would be taxable at the corporate entity level.An initial deferred tax liability in the amount of $2,942,400 was recorded, with a corresponding adjustment to stockholders' equity.

The Company recorded the following income tax expense (benefit) for the period December 10, 2021 through December 31, 2021.

Current tax expense:	
Federal	$ 375,100
State	147,400
Deferred tax expense (benefit):	
Federal	$ (21,600)
State	(6,200)
	(27,800)
Total Provision for Income Taxes:	$ 494,700

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. None of the goodwill that is reported on the Consolidated Balance Sheets as of December 31, 2021 and 2020, is deductible for income tax purposes. Significant components of the Company's deferred tax assets and liabilities are as follows as of December 31, 2021:

Deferred income tax assets:	
Other assets	$ 40,600
ASC 842 Lease liability	5,036,200
Total deferred income tax assets	5,076,800
Deferred income tax liabilities:	
Property and equipment	(213,100)
Intangible assets	(3,479,800)
Right of use asset	(4,298,500)
Total deferred income tax liabilities	(7,991,400)
Total Net Deferred Tax Liability:	**$ (2,914,600**

A reconciliation for the difference between actual income tax expense (benefit) compared to the amount computed by applying the statutory federal income tax rate to net loss before income tax of ($25,778,400) for the period between December 10, 2021 and December 31, 2021, is as follows:

	December 10, 2021 – December 31, 2021	
	Amount	**% of Pretax Earnings**
Federal income tax benefit at statutory rate	$ (5,413,500)	21.0
State income taxes, net of federal income tax benefit	(1,552,300)	6.0
Nondeductible share-based accounting charge	7,460,500	(28.9)
Total Provision for Income Taxes	$ 494,700	(1.9)

As of December 31, 2021, there are no known items that would result in a material liability related to uncertain tax positions, as such, there are no unrecognized tax benefits. The Company's policy is to recognize interest and penalties related to uncertain tax positions in the provision for income taxes. As of December 31, 2021, the Company had no accrued interest or penalties related to uncertain tax positions. The Company's 2021 tax year is open under the statute of limitations for examination by the taxing authorities.

Notes to Consolidated Financial Statements

7 Stockholders' Equity and Share-Based Accounting Charge

As of December 31, 2021, the authorized capital of the Company consists of 1,100,000,000 shares of capital stock, $0.001 par value per share, of which 1,000,000,000 shares are designated as common stock and 100,000,000 shares are designated as preferred stock. There are no shares of preferred stock outstanding. As discussed in Note 1, during 2021 the Company entered into Executive Employment Agreements with Group Executives. As a result, the addition of the vesting provisions to previously issued shares created a share-based accounting charge in accordance with the accounting guidance in ASC 718-10-S99-2, Compensation-Stock Compensation. As a result, the Company recorded a share-based accounting (ASC 718-10-S99-2) charge of $27,609,214 in 2021.

As of December 31, 2021, the total number of Liquidated Pre-IPO Shares subject to the clawback provisions totaled 14,463,713. As of December 31, 2021, there were 85,536,287 Retained Pre-IPO Shares subject to vesting requirements and none of these shares were fully vested. The weighted-average grant date fair value of these shares was $1.82 as of December 31, 2021. As of December 31, 2021, the unrecognized compensation cost from these restricted shares was approximately $154,429,000, which is expected to be recognized over a weighted-average period of 5 years. During 2021, the Company adopted the Omnibus Incentive Plan, under which Options (both nonqualified options, and incentive stock options subject to favorable U.S. income tax treatment), stock appreciation rights, restricted stock units, restricted stock, unrestricted stock, cash-based awards and dividend equivalent rights may be issued. As of December 31, 2021, no awards were outstanding under the Omnibus Incentive Plan.

8 Retirement Plan

Effective January 1, 2020, the Company established the Public Policy Holding Company, LLC 401(k) Plan ("PPHC Plan"). The PPHC Plan covers employees that reach certain age and length of service requirements. Eligible employees can contribute into the plans through salary deferral. The PPHC Plan does not have any employer contribution.

9 Concentration Of Credit Risk

Geographic location

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

10 Segment Reporting

As of December 31, 2021, the Company has two reportable segments; Lobbying Consulting and Public Affairs Consulting. Lobbying Consulting services include federal and state advocacy, strategic guidance, political intelligence and issue monitoring. Public Affairs Consulting services include crisis communications, community relations, social and digital podcasting, public opinion research, branding and messaging, relationship marketing and litigation support.

Corporate is primarily comprised of selling, general and administrative expenses. These expenses include corporate office expenses and certain other centrally managed expenses that are not fully allocated to operating divisions, salaries, annual bonuses and other miscellaneous benefits for corporate office employees, financial statement audits and legal, information technology and other consulting services that are engaged and managed through the corporate office, and rental expense for properties occupied by corporate office employees.

The Company measures the results of its segments using, among other measures, each segment's net revenue and operating income, which includes certain corporate overhead allocations. Information for the Company's segments, as well as for corporate and support, including the reconciliation to income (loss) from operations is provided in the following tables, as of December 31:

	2021	2020
Revenue		
Lobbying consulting	$ 64,039,856	$ 51,428,529
Public affairs consulting	35,296,604	26,055,058
Total	$ 99,336,460	$ 77,483,587
Income (loss) from operations		
Lobbying consulting	$ 4,808,030	$ 3,284,118
Public affairs consulting	878,878	(1,667,957)
Share-based accounting (ASC 718-10-S99-2) charge	(27,609,214)	-
Corporate	(1,787,287)	(2,744,871)
Total loss from operations	$ (23,709,593)	$ (1,128,710)
Depreciation and amortization		
Lobbying consulting	$ 1,728,875	$ 1,728,874
Public affairs consulting	202,432	184,328
Corporate	81,338	81,580
Total depreciation and amortization	$ 2,012,645	$ 1,994,782

Company Information

NOMINATED ADVISOR AND BROKER:

Stifel Nicolaus Europe Limited
150 Cheapside
London, EC2V 6ET
United Kingdom

LEGAL ADVISORS (UK):

Fieldfisher LLP
Riverbank House, 2 Swan Lane
London, EC4R 3TT
United Kingdom

STATUTORY AUDITOR:

Crowe U.K. LLP
55 Ludgate Hill
London, EC4M 7JW
United Kingdom

COMPONENT AUDITOR:

MN Blum LLC
1395 Piccard Dr #240
Rockville, MD 20850
United States

LEGAL ADVISORS (US):

Venable LLP
750 E. Pratt Street, Suite 900
Baltimore, MD 21202
United States

REGISTRARS:

Link Market Services (Guernsey) Ltd
Mont Crevalt House
Bulwer Avenue, St Sampson
Guernsey, GY2 4LH

FINANCIAL PR ADVISORS:

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

For Investor Relations enquiries:
inquiries@pphcompany.com

PPHC Public Policy Holding Company