

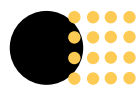


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Nov 2022



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- Portfolio Manager (AUM: \$200 million*)

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- Adam Wilk, Portfolio Manager, Greystone Capital Management LLC

"Very intriguing research"

- Individual Investor



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GEE Group (GEE): Recent stock price crash; Trading at 23% FCF yield

- M.Cap: \$54 million | Debt: \$4 million | Cash: \$19 million | EV: \$39 million
- FCF: \$8.9 million | EBITDA: \$13 million | EV/Revenue: 0.23X | EV/FCF: 4.3X
- Volume: 266,871
- Major shareholders: Raffles Associates - 7.8% | Vanguard Group - 4.4% | AWM Investment Company - 2% | Manatuck Hill Partners - 1% | First Eagle Investment Management- 1% | Renaissance Technologies - 1% | Geode Capital Management - 0.7% | Ancora Advisors - 0.6%
- Screen: Price crash

The company provides permanent and temporary professional, industrial, and physician assistant staffing and placement services.

I. RESEARCH

1. Rapid expansion and stock dilution

- Derek Dewan has been serving as the CEO of the company since April 2015.
- Significant growth through acquisitions
 - Since 2015, the company's revenue grew from \$43 million in FY 2015 to \$165 million in FY 2022, predominantly due to acquisitions.
 - Adj. EBITDA improved from \$3.4 million in FY 2015 to \$12.5 million in FY 2022.

(\$, mm)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Revenue	43.4	83.1	134.9	165.3	151.7	129.8	148.9	165.1
EBIT	-1.2	1.2	-1.4	2.5	-5.0	-13.8	6.5	3.8
Adj. EBITDA	-3.4	4.6	6.4	13.2	11.8	6.1	12.3	12.5

- FCF

(\$, mm)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
FCF	0.5	0.8	0.5	1.8	-0.6	-2.3	0.2	8.9

2. Massive dilution; Significant reduction of debt

- The company funded the acquisitions through debt.
- In June 2020, the company extinguished approximately \$47 million in combined subordinated debt and mezzanine preferred stock financing by issuing 1.8 million shares and \$5 million cash.
- In April 2021, the company raised \$50 million in equity at \$0.60 per share and paid off its remaining debt.
- This massive dilution resulted in a "loss of trust."

II. WHY ARE WE FLAGGING THIS?

- On April 15, 2021, the company's stock price hit 58 cents per share and traded in that range for quite a long time.
- 35% crash: After a long period, the company's stock price hit 75 cents in late 2022 and now is trading at 49 cents.

So, why are we flagging this?

1. Excellent improvement in financial performance

Let's compare the recent financials (FY 2022) with FY 2018 financials. Both years share similar revenue figures. As you can see below, the company's gross profit, operating income, and free cash flow improved drastically in FY 2022.

(\$, mm)	FY 2018	FY 2022
Revenue	165.3	165.1
Gross Profit	58.9	61.7
EBIT	3.6	9
Total operating expenses	53.4	52.7
Cash from operations	1.5	9.2
Capex	0.3	0.3
FCF	1.2	8.9

2. Solid balance sheet

Debt: Nil

Cash: \$18.5 million.

3. Free cash flow

The company generated \$8.9 million of free cash flow, yet it trades at an EV of \$39 million.

FCF/EV: 23%

III. OUR COMMENTS

Idle cash

Now, the entire focus is on the company's cash balance of \$18.5 million.

How much cash does the company need? As per the Q3 2022 CC, the company operated with \$3 million to \$4 million of cash for almost three years. The CEO mentioned that they don't need a lot of cash to run their business.

So, if we assume that the company needs \$4 million - \$5 million of cash, there is \$13 million to \$14.5 million of cash that is sitting idle.

What is the CEO going to do with that cash?

There is a constant debate: Acquisition or share buyback? Or both?

If you read the recent three CC (Q2, Q3 and Q4 2022), you will notice that there are plenty of discussions about buyback and acquisition.

Reading the CC gives a sense that management is clear that shareholders are preferring "buyback."

Since the company's PPP loan was forgiven, there was a restriction to buy back shares till December 17, 2022. Now, there is no restriction. Nevertheless, the board is yet to make any buyback announcement.

Acquisition

In Q3 2022 CC, the CEO talked about his goal to reach \$1 billion in revenue. In Q2 2022, the CEO mentioned that he prefers smaller acquisitions that are profitable instead of larger acquisitions that require leverage.

The CEO is an “acquirer.” M&A is in his blood.

In our opinion, if there is no shareholder pressure, the CEO will use the “excess” cash for acquisitions. He could acquire a \$50 million generating business for \$18 million-\$25 million – Assumption: EBITDA margin of roughly 7%-8% (i.e., \$3.5 million to \$4 million) and the company pays 5-6X EBITDA.

Overall –

In our opinion, buyback and acquisition could add value. If he could use the current playbook of keeping the cost under control, acquisitions would add tremendous value in the long run.

In our opinion, the company would announce both buyback and acquisition.

A lack of buyback would disappoint a lot of shareholders. Buyback is critical to rebuilding trust.

If the management/board delays any further, we wouldn't be surprised if some shareholders file SC 13D agitating for board changes.

The biggest downside is the company engaging in a big-ticket acquisition with huge leverage. Given the recent turmoil and loss of shareholder confidence, this would be the last thing the CEO would do.

OTHERS

1. Track record of the CEO

- During his tenure as CEO, Derek led the sale of two staffing companies. He served as CEO of Scribe Solutions from July 2014 to April 2015 and sold it for \$7.7 million.
- He served as CEO of MPS Group and its predecessor from 1994 to 2010 and sold it for \$1.3 billion in January 2010. During his tenure as CEO of MPS Group, the company's revenue increased from \$401 million in 1994 to \$2.2 billion in 2008.

2. CEO Compensation

- In FY 2021, the CEO received a \$300K base salary, a \$112K bonus, and \$115K stock awards.
- In FY 2020 and FY 2019, the CEO did not receive any sort of compensation except his base salary of \$300K.
- In June 2018, the company granted 600,000 restricted shares of common stock to Mr. Dewan. Except for this restricted stock award and his base compensation, he did not receive any other compensation in 2017 and 2018.

Inotiv (NOTV): Significant erosion of stock price due to the illegal import of nonhuman primates (monkeys) by a company's supplier; Significant changes after the appointment of new CEO

- M.Cap: \$174 million | Debt: \$387 million | Cash: \$19 million | EV: \$542 million
- FCF: \$ (42) million | Adj. EBITDA: \$90.50 million | EV/Revenue: 0.99X | EV/EBITDA: 5.9X
- Volume: 585,674
- Major shareholders: Wasatch Advisors - 5.5% | BlackRock - 4% | VANGUARD GROUP - 3.5% | P2 Capital Partners - 2.8% | Janus Henderson Group - 2.2% | Point72 Asset Management. - 2% | Thrivent Financial For Lutherans - 2% | Ophir Asset Management - 1.7%
- Screen: Stock price crash

Summary

In 2019, the company appointed a new CEO, Bob Leasure. He is aggressively acquiring plenty of companies and grew the company's revenue from \$26 million to \$547 million. Adj. EBITDA improved from \$2.8 million in FY 2018 to \$90.5 million in FY 2022.

Recent stock price crash

The company buys macaques (monkeys) from various parts of the world and sells them to its lab clients. As per the regulation, companies can only trade captive-bred macaques. In November 2022, a few employees of one of the company's suppliers (based out of Cambodia) was charged for trading wild macaques. The stock price tanked 65%.

Temporary problem

Our hypothesis is that the stock price crashed because the market believes that the Cambodian government could ban the export of macaques OR the US government would ban selling macaques. Why is this such a concern? China, which accounted for 60% of the US's import of macaques, stopped exporting them. So, the US companies are highly dependent on Cambodia.

The Cambodian government explicitly mentioned that there is NO ban on the export of macaques and the US government did NOT advise them to stop selling macaques. The company decided (in its sole discretion) NOT to sell the current inventory of macaques supplied by the supplier who is under investigation. We believe that given the importance of macaques for vaccines and other drug development, there is little chance for the US government to put any ban on macaques. There are no alternatives for macaques and if the government bans them, many vaccine developments in the US would come to a standstill, which would be a national security problem.

Our hypothesis is that this is more or less a short-term problem. In fact, the company mentioned that it could increase the price up to 100% due to the highly supply-constrained environment.

Concerns

The company rapidly expanded its business through acquisitions. All we know is the past two years' data. The CEO ran a consulting firm. He claims that he has advised businesses on turnaround and M&A. He lacks operational experience, i.e., he has never held a full-time in any related business.

The recent goodwill impairment of \$236 million raises a red flag. The CEO mentioned that the goodwill impairment is primarily driven by the sustained decrease in the share price as compared to its share price at the time of the Envigo acquisition (the company's largest acquisition, \$545M).

At the same time, given the adj. EBITDA margin of 16.5%, it is clear that he is not reckless.

At the same time, we are concerned about the negative FCF of \$42 million. The CEO says it's due to increased inventory and the timing between deposits made to its suppliers and when the shipments are received and then when the cash is collected from its customers.

Even though the company claims that it has sufficient capital for the next 12 months, any further problem could put a major financial strain on the business.

WHY ARE WE FLAGGING?

1. The sudden drop in stock price after the macaque problem, which we think is short-term.
2. On preliminary analysis, contract research organizations trade at an EV/revenue multiple of 4-5X of revenue. Recent M&A also hints a valuation of 3.8X of revenue. Inotiv is currently trading at a depressed EV/revenue multiple of 0.9X.

I. RESEARCH

Between mid-2018 and 2019, the company's board undertook major growth initiatives, including acquisitions and management team changes.

1. Significant management changes:

In 2019, the company hired a new CEO, COO, chief human resources officer, chief commercial officer, and critical scientific leadership roles of SVP for DMPK and vice president for pathology.

2. Track record of the new CEO

In Jan 2019, the company appointed Bob Leasure as CEO.

Track record

- From 2002, he served as managing partner of LS Associates, which provides companies with "on demand" C-suite leadership. He has more than 30 years of experience in turnarounds, restructurings, financings, mergers and acquisitions, and in building and mentoring management teams.
- Prior to being promoted to CEO, he joined the management team of the Inotiv legacy company, BASi, in September 2016 as a consultant with management consulting firm LS Associates. In this role, he worked closely with the BASi team and board of

directors to guide operations and to assist the company in restructuring, developing a growth strategy, initiating major expansion, and completing acquisitions.

3. Significant changes after the appointment as CEO

- Before the appointment of the current CEO, the company's revenue hovered between \$20 million and \$26 million from 2012 to 2018.
- Aggressive roll-up strategy
 - From April 2021 to July 2022, the company spent over \$760 million on 11 companies.
 - The company's revenue increased from a meager \$26 million in FY 2018 to a whopping \$548 million in FY 2022.

\$, mm	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Revenue	26.2	43.6	60.5	89.6	547.7
Operating income	0.1	-0.2	-3.1	-5.6	-263.5
Adj. EBITDA	2.8	2.8	2.9	9.3	90.5

- Note: FY 2022 operating income includes a \$236 million non-cash impairment charge.

- Acquisitions-

Business name	Value (\$, mm)	Date
HistoTox Labs, Inc.	22.4	30-Apr-21
Bolder BioPATH	53.4	03-May-21
Gateway Pharmacology Laboratories LLC	2.8	02-Aug-21
BioReliance Corporation	0.8	09-Jul-21
Plato BioPharma	15.2	04-Oct-21
Envigo RMS Holding Corp. (Big-ticket acquisition)	545	05-Nov-21
Robinson Services, Inc.	6.1	29-Dec-21
Integrated Laboratory Systems, LLC	56	10-Jan-22
Orient BioResource Center,	51.3	27-Jan-22
Histon, LLC	0	25-Apr-22
Protypia, Inc	10.9	07-Jul-22

• FCF

\$, mm	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Free cash flow	2.2	-5.1	-4.9	-1.7	-41.5

II. WHY ARE WE FLAGGING THIS?

1. NHP disruption: Employees of Cambodian supplier of NHPs charged with wildlife trafficking

- Long-tailed macaques are the most common nonhuman primate (NHP) used in laboratory research. As such, they are the most heavily traded primate.
- As per the law, only captive-bred macaques can be imported into the US. The long-tailed macaque and pig-tailed macaque are now endangered in the wild according to the IUCN Red List.
- Employees of the company's supplier: Alleged smuggling ring: In November 2022, U.S. authorities arrested a senior Cambodian wildlife official and charged several employees of the company's principal supplier of non-human primates for their role in bringing wild long-tailed macaques into the United States.

- The complaint alleged that several macaques were taken from national parks and other protected areas in Cambodia and were falsely labeled as captive-bred.

Significance?

- As soon as the news broke out, Cambodia ceased any exports of NHP.
- 65% price crash: On this news, the company's stock price crashed 65%.
- 25% of FY 2022 revenue: Out of the total revenue of \$547.7 million in FY 2022, approximately \$140 million was from NHPs that the company had imported from Cambodia.
- Even though the company was not directed to refrain from selling the Cambodian NHPs, the company immediately announced that it would refrain from selling or delivering any of its Cambodian NHPs held in the U.S.
- To read the impact of the Cambodian NHP matters on its business, as well as the company's perspective on the impact on the industry, refer to this article https://www.sec.gov/Archives/edgar/data/720154/000110465922126069/tm2232443d1_ex99-1.htm

Constrained NHP supply

- According to CDC statistics, Cambodia accounted for more than 60% of the NHPs imported by the US through September 30, 2022.
- Due to the COVID-19 pandemic, there was a sudden surge in the demand for lab monkeys. Subsequently, China stopped exporting NHP to fuel its domestic needs (especially for the development of vaccines). This disrupted the NHP supply chain. On top of this, the recent events in Cambodia have further exacerbated the problem.
- Overall, this has resulted in a dramatic increase in the cost of these animals, which limits the ability of small innovator companies to conduct the initial safety evaluations of new product candidates.

A few things worth noting-

1. No ban on exports: Cambodia

- As per the below article, in mid-December 2022, the Ministry of Agriculture, Forestry, and Fisheries in Cambodia announced that the country would continue to export long-tailed macaques, including to the US.
- Source: <https://www.khmertimeskh.com/501202635/monkey-exports-on-ministry-dismisses-reports-of-suspension-after-us-action/>

2. Company continues to sell NHPs from other suppliers

- As per the latest 10-K, the company has continued to sell NHPs from other suppliers.
- The company has shipments of its Cambodian NHP inventory scheduled, which will be resumed once existing inventory can be reasonably determined to be purpose-bred.
- Even if the total volume of NHPs is lower, the company expects to benefit from price increases for NHPs, which could range from 65% to over 100% throughout this year in this highly supply-constrained environment. Although we were impacted by the NHP supply issue in Q1, we believe the business is well positioned to achieve above-market revenue growth rates and expansion in margins.
- The CEO mentioned in the recent CC that the company will have ample access to NHPs to meet its clients' needs.

3. Sufficient liquidity for the next 12 months

- The company has enacted several actions to counter the liquidity problem, reducing its CAPEX and other operational expenses.
- As a result, the company believes its existing cash and cash equivalents, together with cash generated from operations, will be sufficient to fund its operations and capital expenditure and comply with financial covenant requirements for at least the next twelve months.
- At the same time, the company reported that in order to achieve the forecasted operating cash flows, it will need to begin shipping its existing Cambodian NHP inventory.
- Suggested further readings
 - <https://www.theguardian.com/world/2022/nov/17/cambodian-wildlife-official-among-eight-charged-in-us-with-smuggling-endangered-monkeys>
 - <https://www.justice.gov/usao-sdfl/pr/cambodian-officials-and-six-co-conspirators-indicted-taking-part-primate-smuggling>
 - <https://www.linkedin.com/company/nabr> (National Association for Biomedical Research)

4. Solid organic growth

- In FY 2022, even though revenue grew by 5X times, predominantly due to acquisitions, the company also grew organically by 31%.
- The company claims that the strong organic growth for fiscal 2022 has exceeded the industry average of low double-digit growth for discovery services (“DA”) and mid to high single-digit growth for the safety assessment (“SA”) segment.
- Potential price increase: In the recent CC, the CEO mentioned that the company has increased the pricing for several contracts. The pricing changes began to go into effect in January of 2023. This will help offset inflationary cost increases, which the company experienced in 2022 and during Q1 of fiscal 2023.

5. Guidance: FY 2023

- Revenue: At least \$580 million
- Adj. EBITDA: \$75 million
 - | We continue to guide long-term revenue growth of high single to low double digits and long-term EBITDA margins of 18% to 22%.

OUR THOUGHTS

Before the pandemic, about 60% of the 30,000 monkeys imported into the US were from China. But the Chinese government has banned the export of monkeys. This has created a significant impact. Now, Cambodia is supplying a significant portion of monkeys to the US.

Cambodian supply is critical for the US labs. Non-human primates are the “lifeblood” for many discoveries. There are no tangible alternatives (on the preliminary research).

As such, we believe that there is a high probability for the problem to be resolved. What do we mean by that? The company is currently not selling the primates delivered by the “supplier” who is under investigation. We do not know the value of the inventory. Very soon, the company and the government will resolve this problem.

Although we've experienced a short-term disruption, we are not aware of any importation ban from Cambodia and NHP sales could increase throughout the year from our guidance level if we are able to resume full importation levels. – Q4 2022

If you want to learn more about the importance of the non-human primate, please read the article below.

<https://www.ft.com/content/5ac33938-85c0-4143-b89a-f0a5552c5fcd>

2. Valuation

Inotiv could be potentially trading at a depressed valuation

EV: \$536 million (includes operating lease of roughly \$33 million)

EBITDA (2023 E): \$75 million.

EV/Revenue: 0.9X

EV/EBITDA (2023 E): 7X

EV/Revenue

- Charles River (CRL, \$13 billion): 4X
- Medpace Holdings (MEDP, \$7.4 billion): 5.4X
- Inotiv (NOTV): 0.9X

EV/EBITDA

- Charles River (CRL, \$13 billion): 18X
- Medpace Holdings (MEDP, \$7.4 billion): 26X
- Inotiv (NOTV): 7X

M&A Multiple

IN 2021, ICON acquired PRA Health Science for \$12 billion. PRA Health generated \$3.18 billion in revenue in FY 2020.

EV/Revenue: 3.8X

Note: Charles River and Inotiv are the two largest suppliers of non-human primates in the US.

Kforce (KFRC): Solid FCF; Recent price crash

- M.Cap: \$1.2 billion | Debt: \$12 million | Cash: \$5 million | EV: \$1.17 billion
- FCF: \$85 million | EBITDA: \$120 million | EV/Revenue: 0.7X | EV/FCF: 14X
- Volume: 67,447
- Major shareholders: Vanguard Group - 11.3% | FMR - 11% | Blackrock - 9.4% | FIL - 4.1% | Dimensional Fund Advisors - 3.9% | New South Capital Management - 2.6% | Acadian Asset Management - 2.2% | Vaughan Nelson Investment Management - 2.2%
- Screen: Price crash

I. BASIC

Kforce Inc. is a solutions firm that specializes in technology and other professional staffing services.

- Flex (98% of revenue): The company provides its clients with qualified individuals or teams of consultants on a temporary basis when the consultant's set of skills and experience is the right match for its clients. We refer to this as our Flex offering, which comprised roughly 98% of overall Technology revenues in 2021.
- Direct hire offering (2% of revenue): The company also identify qualified individuals permanent placement with its clients. Direct Hire offering comprised approximately 2% of overall revenue in 2021.
- Directly employed: The vast majority of the company's consultants are directly employed by Kforce, including domestic and foreign workers sponsored by the company.

II. WHAT WE LIKE

1. One of the largest players

- In a recent study conducted by SIA, Kforce was ranked as the #1 most recognized brand by information technology consultants..
- 6th largest in tech
 - According to the SIA research report, the company generates 85% of its revenue from technology.
 - The company is the sixth-largest technology temporary staffing firm
- 3rd largest in accounting:
 - According to the SIA research report, the company is the third-largest finance and accounting temporary staffing firm.
 - Finance and accounting ("FA") business generated 15% of total revenue.
- 3% total market share: Based on a few projected revenues, the company believes that its current market share is approximately 3%.
- Average duration: The company's average assignment duration is approximately 10 months, which has steadily increased over the last several years.

2. Divestments to focus on tech-based business

- Over the last few years, the company has been repositioning its FA business to focus on more highly skilled assignments that are less susceptible to technological change and automation.
- Moreover, since 2008 (financial crisis), the company has divested a number of non-core businesses, especially "non-tech" businesses.
 - Clinical research business (\$57M, sold in March 2012)
 - Healthcare staffing business (\$119M, sold in August 2014)
 - The assets of a business based in Manila, Philippines (sold in September 2017)

- Federal government solutions business (\$115M, sold in 2019)

3. Growing financials

- The company's revenue grew from \$1 billion in FY 2013 to \$1.7 billion in LTM Sep 2022.
- Operating income increased from \$12 million in FY 2013 to \$118 million in LTM Sep 2022.

\$, mm	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	LTM Sep 2022	9M Sep 2021	9M Sep 2022
Revenue	1074	1217	1319	1320	1254	1304	1347	1398	1580	1701	1170	1291
EBIT	12	49	74	59	60	72	75	80	107	118	82	93
Net income	11	91	43	33	32	58	131	56	75	89	55	68

4. FCF

\$, mm	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	LTM 2022	9M Sep 2021	9M Sep 2022
FCF	-8	-32	62	27	23	83	56	103	66	85	55	73

5. No debt

II. WHY ARE WE FLAGGING THIS?

The company's stock price has been consistently declining since November 2021. Stock price crashed from roughly \$79 in November 2021 to the current price of \$55.

Sterling Check Corp. (STER): Heads-up

- M.Cap: \$1.31 billion | Debt: \$524 million | Cash: \$99 million | EV: \$1.74 billion
- FCF: \$83 million | EBITDA: \$130 million | EV/Revenue: 2.2X | EV/FCF: 21X
- Volume: 139,717
- Major shareholders: Goldman Sachs Group - 61.8% | Wellington Management - 5.7% | Progeny - 3.3% | Blackrock - 3% | ArrowMark Colorado Holdings - 2.3% | Vanguard Group. - 2% | Lazard Asset Management - 1.3% | ClearBridge Investments- 0.8%
- Screen: Price crash

This is one of the leading players in the background screening industry. In November 2022, the company announced a 7% buyback, which caught our attention.

RESEARCH

1. What services the company provides? Background check and identity verification services

- The company provides four critical services: pre-hire identity verification, pre-hire screening, onboarding and post-hire monitoring areas.
- The company has over 47,000 clients around the world, including over 50% of the Fortune 100 as clients.

2. Signs of moat: Cloud-based platform with high retention rate; Long-tenured clients

- Cloud-based, recurring revenue stream: The company is decommissioning its on-premises data centers. As a result, 95% of the company's revenue is processed through platforms hosted in the cloud.
- Gross client retention rate: 96%
- Long-tenured client base: The top 100 clients have an average tenure of nine years.
- Highly integrated with the clients' processes
 - The company's platform can be integrated into many of the leading HCM and ATS platforms, including Workday, SAP, Oracle, Infor, Ceridian, Bullhorn, Kronos, and iCIMS, amongst others.
 - Integrated clients represent a growing share of the company's business, with over 50% of revenue now integrated.
- **Clients are required to use Sterling as their primary provider**
 - A majority of the company's U.S. enterprise client contracts are exclusive to Sterling or require Sterling to be used as the primary provider.
 - Contracts are typically multi-year agreements with automatic renewal terms, no termination for convenience clauses, and set pricing with Sterling's right to increase prices upon notice.

II. HEADS UP

This company caught our attention for two things: a) 7% buyback: In November 2022, the board of directors authorized a \$100 million share buyback plan. b) Recent refinancing extends the credit maturity profile to November 2027 and reduces interest expense.

The company generated roughly \$100mm of FCF in the LTM 2022. The current EV is \$1.9 billion. Trading at roughly 5% FCF yield.

1. Sustainability of current revenue growth

(\$, mm)	FY 2019	FY 2020	FY 2021	LTM Sep 2022
Revenue	497.1	454.1	641.9	770.5
EBIT	-13.4	-23.1	0.4	66.8
FCF	4.3	19.7	49.5	83.1

From the above financials, it is clear that the company has huge, fixed costs. Huge incremental revenue in LTM 2022 has translated into improved profit and free cash flow.

Now, the question is the sustainability of the revenue growth experienced in the last 1 year and nine months.

Upon close inspection, the company grew organically.

Organic revenue growth rate (not total revenue growth rate)

- 3M Sep 2022: 12.4%
- 3M June 2022: 22.8%
- 3M March 2022: 30.4%
- FY 2021: 41%
- FY 2020: (8.6)%
- FY 2019: 5.9%

Background check is a “recurring task.” Every year, millions of people switch jobs. Even though there are company layoffs, they still hire new employees if existing employees resign. This is a “recurring” business, and this business is expected to survive as long as humans work.

Great resignation?

The company’s growth is heavily tied to the “new hire” in the labor market.

The “Great Resignation” movement that started in early 2021 resulted in high employee turnover rates and resignations as people started to return to work following the start of the COVID-19 pandemic.

According to the US government statistics, on the last business day of March 2022, the number of job openings was at 11.5 million, the highest level in the history of the series, which began in December 2000.

Overall – As such, there is a high possibility that the recent growth rate is fuelled by the Great Resignation movement. Moreover, the company’s organic growth rate has been declining rapidly in recent quarters.

2. Lack of moat?

Sterling Corp lost two of its top five clients in 2018, and the average retention rate was 88% in FY 2018 compared to the current 96% retention rate.

It is clear that the company doesn't enjoy huge "switching costs," which could prevent the company from losing its clients.

3. Premium valuation?

Given the current concern of a potential recession, the immediate outlook isn't healthy. If the growth rate declines, the company may not be able to generate the free cash flow that it is generating right now. A decline in FCF and the current huge debt level could limit potential M&A activities.

We are also not encouraged by the huge debt and interest expenses.

(\$, mm)	FY 2019	FY 2020	FY 2021	LTM Sep 2022
EBIT	-13.4	-23.1	0.4	66.8
Interest expenses	39.3	32.9	30.9	28.8

In a worst-case scenario, if revenue scales back to the pre-COVID level of \$497 million in FY 2019, the company will be trading at 3.8X of revenue.

Comparable valuation

	M.Cap (\$, mm)	Debt (\$, mm)	Cash (\$, mm)	EV (\$, mm)	Revenue (\$, mm)	EV/Revenue	EV/EBITDA
HireRight Holdings (HRT)	899	704	147	1456	829	1.8	8.6
First Advantage (FA)	2030	572	402	2200	809	2.7	9.6
Sterling Check (STER)	1470	523	99	1894	770	2.5	12.9

Certara, Inc. (CERT): Hard to replicate software models; Solid growth; Solid FCF; Significant buy from a PE firm

- M.Cap: \$3.05 billion | Debt: \$307 million | Cash: \$214 million | EV: \$3.14 billion
- FCF: \$66 million | EBITDA: \$88 million | EV/Revenue: 10X | EV/FCF: 47X
- Volume: 441,132
- Major shareholders: Eqt Fund Management S.a R.l. - 18.8% | Baillie Gifford and Company - 6.8% | Vanguard Group - 6.7% | Blackrock - 3.7% | William Blair Investment Management - 3.2% | ArrowMark Colorado Holdings - 3% | Riverbridge Partners - 2.6% | JP Morgan Chase & Company - 2.6%
- Screen: 8-K (Keywords)

I. WHAT WE LIKE

1. Proprietary software to conduct virtual trials; FDA and other regulatory authorities license the software; 38 out of 40 bio-pharma firms use the software

- What is Biosimulation? Biosimulation is a powerful and proven technology that uses computer models to simulate and predict how a drug affects the body and how the body affects the drug.
- The company's customers use biosimulation software to conduct virtual trials to answer critical questions, such as: What will be the human response to a drug based on preclinical data? How will other drugs interfere with this new drug? What is a safe and efficacious dose for children, the elderly, or patients with pre-existing conditions? Virtual trials may be used to optimize dosing on populations that are otherwise difficult to study for ethical or logistical reasons, such as infants, pregnant women, the elderly, and cancer patients.
- Since 2014, customers who have used the company's biosimulation software and technology-driven services have received 90% of all new drug approvals by the FDA.
- Users profile
 - 38 of the top 40 firms: 2,000 biopharmaceutical companies and academic institutions across 62 countries, including 38 of the top 40 biopharmaceutical companies.
 - Regulatory authorities, including FDA: 17 global regulatory authorities license the company's biosimulation software to independently analyze, verify, and review regulatory submissions, including the FDA, Health Canada, Japan's Pharmaceuticals and Medical Devices Agency ("PMDA"), and China's National Medical Products Administration ("NMPA"). Demand for our offerings continues to expand rapidly.
- For over two decades, the company has honed and validated its biosimulation technology with an abundance of data from scientific literature, lab research, and preclinical and clinical studies.
- Savings? One of the company's customers, a top-ten global biopharmaceutical company by R&D spend, estimated that they saved more than half a billion dollars over three years using biosimulation to inform key decisions.

2. Signs of moat

- Proprietary software – hard to replicate: The company's proprietary biosimulation software includes more than 9.3 million lines of code and integrates biosimulation

models, scientific knowledge, and data. The company believes that it would require years of effort, immense resources, and scarce expertise to duplicate.

- The company's software is embedded in customers' R&D processes.
- Long-standing relationships
 - The top 30 customers by revenue in 2020 have been with the company for more than ten years on average.
 - Leveraging the relationship developed during early engagements in preclinical or Phase I, the company is often a favored service provider for follow-on projects throughout a drug's lifecycle.
- Consortium Model with Biopharmaceutical Companies:
 - The company's Simcyp Platform benefits from a unique business and customer collaboration model that the company refers to as "consortium."
 - Established more than 20 years ago, the consortium model provides for intense and detailed customer input into software enhancements.
 - The consortium members, consisting of scientists from leading global biopharmaceutical companies, sign multi-year contracts and actively participate in consortium meetings.

3. Solid financials

- Revenue grew from \$164 million in FY 2018 to \$324 million in LTM Sep 2022.
- During the same period, adj. EBITDA increased from \$45 million to \$117 million.

(\$, mm)	FY 2018	FY 2019	FY 2020	FY 2021	LTM Sep 2022	9M Sep 2021	9M Sep 2022
Revenue	163.7	208.5	243.5	286.1	324.3	210.8	249.0
Gross Profit	92.7	128.7	142.7	174.5	194.2	128.5	148.2
EBIT	-4.7	19.6	-24.2	13.6	24.6	10.13	21.14
Adj. EBITDA	44.9	68.4	87.9	103.7	116.5	75.5	88.3

- Breakup of revenue
 - a) Software: The company's software business generates revenues from software licenses, software subscriptions, and software maintenance.
 - Contract term: 1-3 years
 - Renewal rate: 92%
 - b) Services: The company's services business generates revenues primarily from technology-driven services and professional services, which include software implementation services.
 - Net revenue repeat rate: 108%

(\$, mm)	FY 2018	FY 2019	FY 2020	FY 2021	LTM Sep 2022
Software	46.9	68.3	73.5	86.8	111.8
Services	116.9	140.17	170.06	199.3	212.5
Total revenue	163.8	208.5	243.5	286.1	324.3

4. FCF

(\$, mm)	FY 2018	FY 2019	FY 2020	FY 2021	LTM Sep 2022	9M Sep 2021	9M Sep 2022
FCF	0.1	28.5	36.9	51.5	66.1	33.1	47.7

II. WHY ARE WE FLAGGING THIS?

Arsenal Capital Partners buys stake from EQT Private Equity

- Prior to the below transaction, Arsenal owned approximately 4% of the o/s shares.
- In November 2022, Arsenal announced that it would acquire 30M additional shares from funds controlled by EQT Private Equity at a price of \$15 per share ~\$450 million.
- After the acquisition of shares, Arsenal Capital owns roughly 22% of the o/s shares of the company.
- Lock-up: 2 years.

The newly appointed nominee sold the company that he led for \$585 million

- As a part of the investment agreement, David Spaight joined the board.
- Track record: He joined the WIL Research Company in 2010 as CEO. In 2016, he led the turnaround of the company and subsequently sold the company to Charles River Labs for \$585 million in 2016.

Possible significant exposure?

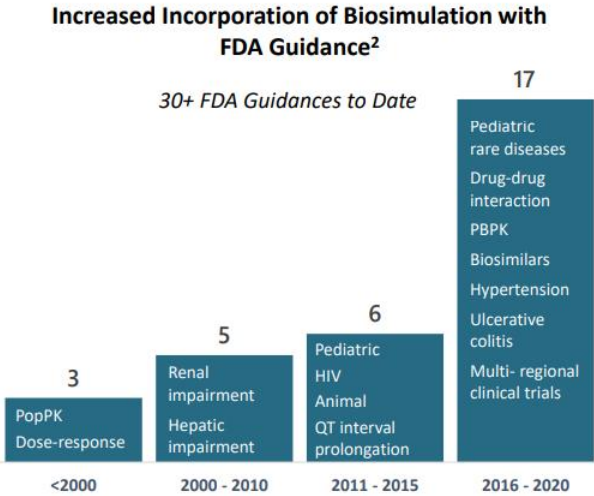
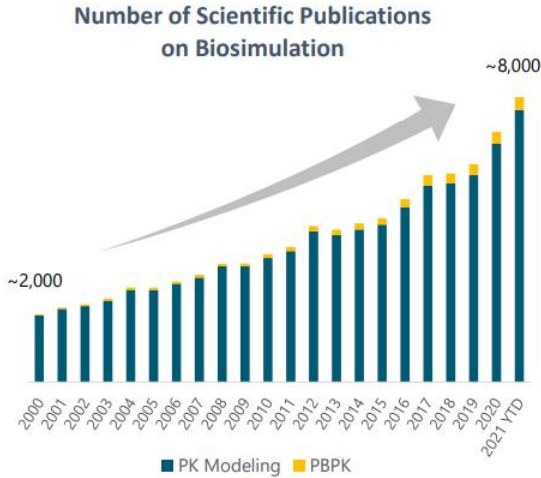
- The fund has exposure only in two industries: industrial and healthcare.
- If we assume that the fund has 50% of its \$10 billion AUM exposure in the healthcare industry, then the fund would manage roughly \$5 billion in the healthcare space. (Note: this could be still an overstatement given the fact there are 15 portfolio companies in the industrial industry compared to 9 in the healthcare industry.)
- What's our point? If we assume that the fund has allotted \$5 billion for the healthcare industry, the current investment of \$449 million in the company represents roughly 9% of its healthcare portfolio.
- If this hypothesis is true, it conveys that 1) the fund is upbeat about the prospects of the company – a solid vote of confidence – and 2) the PE fund would work very hard to improve the shareholder value.

Simcyp software has informed 250+ labels for 90 novel drug approvals

	ONCOLOGY	Agios Angen Ariad Ariad (Takeda) AstraZeneca AstraZeneca AstraZeneca Beigene Blueprint Medicines Celgene Daiichi Sankyo Eisai EMD Serono	Tibsovo (ivosidenib) Blincyto (binatumomab) Alunbrig (brigatinib) Iclusig (ponatinib) Calquence (acalabrutinib) Lynparza (olaparib) Tagrisso (osimertinib) Brukinsa (zanubrutinib) Ayvakit (avapritinib) Inrebic (fedratinib hydrochloride) Turalio (pexidartinib) Lenvima (lenvatinib) Tepmetko (tepotinib hydrochloride)	Genentech Genentech Genentech Genentech Incyte Janssen Janssen Lilly Lilly Loxo Oncology Novartis Novartis Novartis Novartis	Alecensa (alelectinib) Cotellix (cobimetinib) Polivy (polatuzumab vedotin-piia) Rozlytrek (entrectinib) Pemazyre (pemigatinib) Balversa (erdofitinib) Erlveda (apalutamide) Retevmo (selpercatinib) Verzenio (abemaciclib) Vitkravi (farroctectinib) Farydak (panobinostat) Kisqali (ribociclib succinate) Scemblix (asciminib)	Novartis Novartis Novartis Novartis Novartis Pfizer Pfizer Pharmacylics Sanofi Seattle Genetics Spectrum Takeda Verastem	Odomzo (sonidegib) Piqray (alpelisib) Rydapt (midostaurin) Tazverik (osimertinib) Zykadia (ceritinib) Bosulif (bosutinib) Lorbrera (lorlatinib) Imbruvica (ibrutinib) Jevtana (cabazitaxel) Tukysa (tucatinib) Beleodaq (tucatinib) Exkivity (mocabertinib) Copiktra (dovitinib)
	RARE DISEASE	AkaRx (Eisai) AstraZeneca Auriana Genentech Genentech	Doptelet (avatrombopag maleate) Koselugo (selumetinib) Lupkynis (voclosporin) Enspryng (satralizumab) Evrysdi (risdiplam)	Global Blood Therapeutics Intercept Kadman Merck Mirum	Oxbraya (voxelotor) Ocaliva (obeticholic acid) Rezurock (belumosudil) Welinq (belzutifan) Lixumati (maralixibat)	Novartis PTC Therapeutics Sanofi Genzyme Vertex Vertex	Isturisa (osilodrostat) Emflaza (deflazacort) Cerdelga (eliglustat tartrate) Symdeko (tezacaftor/ivacaftor) Trikafta (tefacaftor/ivacaftor/tezacaftor)
	CENTRAL NERVOUS SYSTEM	AbbVie AbbVie Alkermes Alkermes	Rinvoq (upadacitinib) Qulipta (atogepant) Aristada (aripiprazole lauroxil) Lybalvi (polarzapine; samidorphan)	Eisai GW Research Janssen Kyowa Kirin	Dayvigo (lemborexant) Epidiolex (cannabidiol) Pomvy (ponesivodol) Nourianz (istradefylline)	Lilly Novartis UCB	Reyvow (lasmiditan succinate) Mayzent (siponimod fumaric acid) Briviact (brivaracetam)
	INFECTIOUS DISEASE	Gilead GSK Janssen Merck	Veklury (remdesivir) Dectova (azanavir) Olysio (simeprevir) Pifeltro (doravirine)	Merck Nabriva Novartis	Prevmisr (letermovir) Xenleta (tefamulin acetate) Egaten (trichobenzazole)	Tibotec ViiV ViiV	Durant (rilpivirine) Cabenuva Kit (cabotegravir, rilpivirine) Vocabria (cabotegravir sodium)
	GASTROENTEROLOGY	AstraZeneca Helsinn	Movantik (naleogol) Akinzeo (fosnetupitant/palonosetron)	Shionogi	Symproic (naldemedine)	Shire	Motegrity (prucalopride)
	CARDIOVASCULAR	Actelion (J & J)	Opsumit (macitentan)	Johnson & Johnson	Xarelto (rivaroxaban)	Pfizer	Revatio (sildenafil)
	OTHER	AbbVie Galderma	Orlistat (orlistat) Aklief (trifarotene)	Janssen Lilly	Invokana (canagliflozin) Olumiant (baricitinib)	Merck	Steglatro (ertugliflozin)

We believe that our customers would have faced millions in additional costs and significant launch delays

Growing industry and regulatory adoption of biosimulation



1. Science Direct search for publications by key search terms
 2. Model-Informed Drug Development: Current US Regulatory Practice and Future Considerations. Wang et al. Clinical Pharmacology and Therapeutics, April 2019
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Proto Labs (PRLB): 26% share buyback; Profitable and excellent FCF compared to the peer group; Trading below the peer group

- M.Cap: \$776 million | Debt: \$6 million | Cash: \$85 million | EV: \$697 million
- FCF: \$52 million | EBITDA: \$75 million | EV/Revenue: 1.4X | EV/FCF: 13X
- Volume: 114,786
- Major shareholders: Blackrock - 18.4% | Vanguard Group. - 10.9% | Disciplined Growth Investors. - 7.2% | State Street Corporation - 4.1% | Sumitomo Mitsui Trust Holding. - 4% | Nikko Asset Management Americas. - 4% | Brown Capital Management - 3.2% | Dimensional Fund Advisors - 2.7%
- Screen: 8-K (Keywords)

I. BASICS

- The company is one of the world's largest digital manufacturers of custom prototypes and on-demand production parts.
- The company is a technology-enabled manufacturer that offers injection molding, CNC machining, 3D printing, and sheet metal fabrication to product developers, engineers, and supply chain teams around the world.
- The company's proprietary technology eliminates most of the time-consuming and expensive skilled labor conventionally required to quote and manufacture parts.
- History: The company introduced its Injection Molding product line in 1999 and introduced CNC Machining product line in 2007.

II. RESEARCH

1. Repeat customers; Fastest lead times

- 93% of 2021 revenue from repeat customers.
- The company digitally manufactures parts, enabling the world's fastest lead times (parts to customers' facilities in less than 24 hours).

2. Revenue growth; Profitable

- The company's revenue grew from \$126 million in FY 2013 to \$496 million in LTM Sep 2022.
- During the same period, the company's operating income increased from \$35 million to the peak of \$88 million in FY 2018, and subsequently, declined to \$39 million in LTM Sep 2022.

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	LTM 2022
(\$,mm)							
Revenue	298.1	344.5	445.6	458.7	434.4	488.1	496.4
EBIT	61.8	72.2	88.9	79.9	59.8	40.3	32.1
Comprehensive income	37.2	57.3	73.3	65.1	54.5	20	27.2

3. FCF

- Even though profitability declined from \$89 million in FY 2018 to \$32 million in LTM 2022, the company's cash flow sustained except for FY 2021.
- In the last seven years, the company generated a total free cash flow of \$300 million, and the company's current EV is roughly \$700 million.

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	LTM 2022
(\$,mm)							
FCF	43.9	49.1	35.8	53.9	60	21	52

4. Solid balance sheet

- No debt
- Cash: \$84.6 million

5. Superior performance; Trading at a discount

On a quick & rough analysis-

- ProtoLab is the ONLY company that has been consistently generating profit and free cash flow in the last 10 years.
- ProtoLab is trading at a discount compared to its peer group.

Company Name	Short research notes	Revenue	EV	EV/Revenue
Desktop Metal (DM)	Negative FCF of \$206 million in LTM 2022	\$205M	\$513M	2.5
3D Systems (DDD)	Generated operating losses in the last 8 years; Generated positive FCF only in 2 out of 6 years. Positive FCFL: Generated \$30M FCF in FY 2021 and \$8M of FCF in FY 2009	\$556M	\$1.1B	2
Stratasys (SSYS)	Generated operating losses in the last 10 years; Generated positive FCF only in four years. Positive FCF: \$11M in FY 2021; \$0.9M in FY 2020; \$40M in FY 2018; \$17M in FY 2016	\$659M	\$598M	0.9
Proto Labs (PRLB)	In the last 10 years, the company has generated only profits and solid FCF	\$496M	\$695M	1.39

III. WHY ARE WE FLAGGING THIS?

1. Expands the buyback plan to \$200mm

- In November 2022, the company approved a \$50 million increase in its authorized stock repurchase program. This increase expands the existing stock repurchase program to \$200 million ~ roughly 26% of the current market cap.
- As of November 21, 2022, the company had repurchased an aggregate dollar value of \$111 million since the program was initiated in 2017.

2. Insider buy: In December 2022, the insiders (CEO and CTO) purchased stocks worth \$0.642 million.

Our concern

- In Q4 2021, the CEO mentioned that the company has taken several pricing actions, and it will take some time to realize the full benefit of these changes. But the continued decline in profitability raises a concern about the company's ability to pass on the increased cost to its customers.

Competitive Landscape



	PROTOLABS Digital Factory x Digital Network	Online Broker	Single Mfg Service Bureau	Conventional Manufacturer	High-Volume Contract Manufacturer
Digital manufacturing	●	○	○	○	○
Speed (parts in 24 hours)	●	◐	◐	◐	◐
Reliable lead times	●	◑	◑	◑	◑
Competitive pricing for prototyping	●	◐	○	○	○
In-house manufacturing	●	○	◑	◑	◑
Part quality/consistency	◐	◑	◑	◑	●
Profitability	●	○	◐	◑	◐
Part complexity	◐	◑	◑	●	●
Competitive pricing for production	◐	◑	◑	◑	●
Breadth of capabilities	◐	●	◐	◐	◐

Issuer Direct Corporation: Owner-operator; Profitable and generates positive FCF for 10+ years; Translates 20% of revenue into FCF; Recent significant acquisition

- M.Cap: \$100 million. Since there are a few adjustments, please see below for valuation.
- Volume: 1,593
- Major shareholders: Forager Capital Management - 11.8% | Vanguard Group - 3.4% | Bard Associates - 3.1% | Herald Investment Management - 2.4%
- Screen: 8-K (Keywords)

Summary

The company's founder has been serving as the CEO since 2006. He owns 16.15%. Good governance – no related party transaction and no eyebrow-raising salary/perks.

The company generates significant revenue from press release distribution business and software for financial reporting, annual meetings, etc.

The company's revenue grew from \$9 million in FY 2013 to \$22 million in LTM Sep 2022. Throughout this period, the company was profitable. During the same period, FCF increased from \$1.3 million to \$4.3 million. The company converts roughly 20% of its revenue into FCF.

Recently, the company acquired a press release distribution company, Newswire.

The crux of the valuation is tied to the cost the company can trim down. On the face of it, the company can simply migrate the customer of Newswire (acquired biz) to its platform and shut down most of the operations of Newswire. Maybe it is not possible. This is something worth asking the management team.

Our rough valuation thoughts

Based on a few scenario analyses (see the end of the report), the base case (very rough) estimate for the expected FCF is \$6 million.

Revised EV (after adjusting for the dilution, debt, and cash): \$126 million

EV/FCF: 21X.

I. BASICS

(a) Communications segment

- This segment accounts for 62% of total revenue.
- This segment consists of ACCESSWIRE branded newswire, webcasting and events business, professional conference and events software, as well as investor relations website technology.

- The company attributes most of the historical growth rate to the success of its ACCESSWIRE newswire brand.

(b) Compliance segment

- This segment accounts for 38% of total revenue.
- This segment consists of disclosure software for financial reporting, stock transfer services, related annual meetings, print, and shareholder distribution services.

II. WHAT WE LIKE

1. Slow and steady growth; Profitable

- Revenue grew from \$8.8 million in FY 2013 to \$22 million in LTM 2022.
- During the same period, net income increased from \$0.6 million to \$2.7 million.

\$, mm	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	LTM Sep 2022
Revenue	8.8	13.6	11.6	12.1	12.6	14.2	16.3	18.5	21.8	22
Operating income	1.7	1.5	0.6	1.9	2	1.2	0.5	2.7	3.7	3.3
Net income	0.6	0.4	0.1	1.6	1.9	0.8	0.7	2.1	3.3	2.7

2. History of positive FCF

- If you observe, FCF is always greater than operating income and net income. It is very hard to find companies with this trait.
- The company converts roughly 20% of its revenue into FCF!

\$, mm	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	LTM Sep 2022
Revenue	8.8	13.6	11.6	12.1	12.6	14.2	16.3	18.5	21.8	22
FCF	1.4	1.4	3.1	2.7	2.5	2.8	2.5	4.4	4.6	4.3
FCF/Revenue	15.9%	10.3%	26.7%	22.3%	19.8%	19.7%	15.3%	23.8%	21.1%	19.5%

3. Owner-operator

- Mr. Balbirnie founded the company in 2006.
- He currently owns 16.15% of the o/s shares.
- No related party transaction.

III. WHY ARE WE FLAGGING THIS?

Significant acquisition

- In November 2022, the company acquired Newswire for \$44 million (Cash: \$18 million; Debt: \$22 million; Stocks: \$3.9 million).
- As you can see from the recent acquisition history, the Newswire acquisition is the largest in the company's history.

Business name	Value (\$, mm)	Date
iNewsWire.com LLC	44	Nov-22
VisualWebcaster Platform	2.79	Jan-19
Filing Services Canada Inc	NA	Jul-18
Interwest Transfer Company, Inc.	3.2	Oct-17

- 50% increase in revenue: The acquisition is expected to increase the company's revenue by 50%.
- The company expects the press release distribution revenue to increase by 100%.
- Doubling the customer base: ACCESSWIRE and Newswire will now be one of North America's largest press release distribution platforms, almost doubling its press

release customer base. Combined customer counts almost doubled for the press release business based on customers who have worked with both organizations within the last 12 months.

- 5% market share: In the recent CC, the CEO noted that the recent acquisition has accelerated its target to capture a 5% market share.

OUR THOUGHTS

The newly acquired press release business, Newswire, generated \$10.1 million in revenue in 2021 and expects to hit \$12.65 million (25% growth) in revenue in 2022.

So, the company has paid roughly 3.5 times of 2022 revenue. It is quite pricy on the face of it. It is higher than the multiples paid for acquiring PRNewswire and Cision.

- PRNewswire
 - In 2016, Cision acquired PR Newire for \$841 million.
 - At the time of sale, PR Newswire generated \$297 million in revenue.
 - EV/Revenue: 2.8X
- Cision
 - In Jan 2020, Platinum Equity acquired Cision for \$2.7 billion.
 - Revenue (LTM Sep 2019): \$748 million.
 - EV/Revenue: 3.6X

Valuation thoughts

- The company paid \$44 million for this acquisition. Here is the break-up: Cash: \$18 million; Debt: \$22 million; Stocks: \$3.9 million.

Current valuation	Effect of acquisition	Revised valuation
Current M. Cap	New shares issued	Revised M. Cap
\$102 mm	\$3.9mm	\$106 mm
Current Debt	Issuance of new debt	Revised debt
\$1.8 mm	\$22 mm	\$23.8 mm
Current cash balance	Payment of cash	Revised cash balance
\$21.8mm	\$18 mm	\$3.8 mm
Current EV: \$82 mm		Revised EV: \$126 mm

1. Current FCF: \$4.3 million

2. Incremental FCF

Expected revenue of Newswire: \$12.65 million

Currently, the company converts roughly 19.5% of revenue into free cash flow.

If we expect the same from the acquired business, the “incremental FCF” would be roughly \$2.5 million (\$12.65 million * 19.5%).

But, the company can trim down a lot of expenses and generate more FCF from the acquired business.

So, if we assume that the company can generate additional free cash flow of 20% to 50% of the revenue, the “incremental FCF” would be \$2.5 million to \$5 million.

Given the incremental debt of \$22mm, it is quite hard to generate the high end of the potential FCF estimate.

The total FCF (current biz + acquisition) would be \$6 million to \$9 million.

Given the revised EV of \$126 million, EV/FCF would be roughly 14X to 19X.

The crux of the research is tied to the “quantum” of cost the company can cut at Newswire.

The CEO expects to remove redundant costs like back-office services, systems distribution costs, and infrastructure. Given the CEO’s track record of delivering positive free cash flow, we expect him to achieve cost synergy.

This acquisition can be a massive event in the company’s history if the company can migrate all the Newswire customers to the company’s platform and essentially cut all the other expenses. Reading the below FAQ posted on the Newswire website, it appears that the company is planning to integrate the platform. If this is the case, we expect significant cost savings.

NOTES

The company published a FAQ report on the Newswire website. Here are a few notable questions.

- If I am a current Newswire or ACCESSWIRE customer, what is going to change for me? In the near term, business will continue as usual, and you shouldn’t expect to see many changes. **As we work toward integrating our teams, systems, and processes, we expect full integration by mid 2023.**
- How will my news distribution be affected? Currently, if you are in midst of your contract, your distribution will remain the same throughout the duration until it is time to renew. **If you are currently on a pay-as-you-go plan with Newswire, you will be given the opportunity to choose a distribution plan from ACCESSWIRE or continue your current plan until the end of 2022**

Avantax (AVTA) (Formerly: Blucora): Sale of TaxAct business for \$720 million; Migration to a pure-play wealth management company; Significant changes after the appointment of new CEO

- M.Cap: \$1.31 billion | Debt: \$557 million | Cash: \$91million | EV: \$1.78 billion
- Volume: 254,725
- Major shareholders: Blackrock Inc. - 15.7% | Vanguard Group - 10.9% | Van Berkom & Associates - 5.4% | Hill Path Capital - 4.8% | P2 Capital Partners - 4.8% | Dimensional Fund Advisors - 4.3% | Engine Capital Management - 3.8% | State Street Corporation - 3.5%
- Screen: 8-K (Keywords)

I. RESEARCH

1. Significant changes after the appointment of the new CEO

In January 2020, the company appointed Christopher Walters as CEO.

a) Management changes

- Within four months after the appointment of the new CEO, he revamped the management team; 5 out of 7 executives were hired/promoted in April 2020.
- Below is the recently updated data
 - January 2020 – CEO
 - April 2020 – CFO
 - April 2020: Chief marketing officer
 - April 2022: Chief Human Resources Officer
 - April 20: President, Wealth Management (promotion)
 - July 2021: CTO
 - Aug 2022: Chief Delivery Officer (He was appointed as SVP-Operations in April 2020)

b) Sale of tax software segment for \$720M; Debt repayment; Stock buyback

- \$720M divestment: In November 2022, the company entered into an agreement to sell its tax software business for \$720 million; it sold the business in December 2022.
- \$520M repayment of debt: The company announced its decision to repay the total debt of \$521 million.
- \$250M buyback: In January 2023, the company announced a \$250 million repurchase, which is roughly 16%-19.2% of the o/s shares. <https://www.sec.gov/Archives/edgar/data/1068875/000138713123000759/ex99-1.htm>

2. Pure-play wealth management: Growth through acquisitions

After the sale of the tax software, the company's focus has been exclusively on its wealth management business.

- Acquisition of HD Vest: The company ventured into the wealth management business in Dec 2015 by acquiring HD Vest.
- HD Vest provides wealth management solutions to financial advisors and their clients through an integrated platform of brokerage, investment advisory, and insurance services to assist in making each financial advisor a financial service center for his/her clients.

- Avantax Wealth Management offers its services through its registered broker-dealer, RIA, and insurance agency subsidiaries. It is a leading U.S. tax-focused independent broker-dealer.
- **Acquisition of Honkamp:** In July 2020, the company acquired Honkamp Krueger Financial Services and rebranded it as Avantax Planning Partners.
- To be clear, the wealth management business does NOT offer any proprietary financial products. Instead, it has distribution agreements with third-party financial institutions, including banks, mutual funds, and insurance companies.

How does this work?

- Many tax/accounting professionals do not provide wealth management services.
- At the same time, by the nature of the business, CPA firms develop deep, long-lasting relationships with their clients.
- These tax/accounting firms can integrate wealth management services into their practice and earn additional revenue streams by partnering with the company.
- The company not only offers training and support, but it also provides an open-architecture investment platform and technology tools to help financial professionals identify investment opportunities for their clients.
- In addition, CPAs and tax professionals can outsource their clients' wealth management needs to one of the company's employee financial professionals.
- Two models: A tax professional can either serve a) as an independent financial professional or b) through an affiliate model, where the company's in-house financial professionals take on the work of the wealth manager.
- The company also has a highly experienced home office team that is focused on developing and delivering solutions tailored to each financial professional's practice. The home office team provides marketing, practice management, product support, wealth management, retirement services, compliance, business consulting, succession planning, and other support to its financial professionals.

3. Financial performance

- **Recurring revenue:** Roughly 85% of this segment's revenue is recurring in nature.
- The company's revenue increased from \$317 million in FY 2016 to \$666 million in LTM Sep 2022. During the same period, operating income increased by 77% to \$82 million.

(\$, mm)	2016	2017	2018	2019	2020	2021	LTM Sep 2022	9M Sep 2021	9M Sep 2022
Revenue	316.5	348.6	373.2	507.9	546.2	658.2	666.3	486.0	494.1
Operating income	46.3	50.9	53.1	68.3	72.2	82.2	81.7	60.4	59.9
Revenue growth		10%	7%	36%	8%	21%			2%
Operating margin	15%	15%	14%	13%	13%	12%		12%	12%

- **Projection:** Over the medium term, the company expects its pure-play broker-dealer and wealth management solutions business to achieve the following:
 - 8.5% to 11% organic revenue CAGR
 - Strong positive net flows
 - Adjusted EBITDA margins in the 16-18% range

Upexi (UPXI): Amazon aggregator; Owner-operator;

Recent acquisitions

- M.Cap: \$56 million; For valuation, please refer the last section
- Volume: 24,675
- Major shareholders: Mirae Asset Global Investments - 1.6% | Vanguard Group - 0.7% | Geode Capital Management - 0.3% | Renaissance Technologies - 0.1%
- Screen: 8-K (Keywords)

I. RESEARCH

Amazon Aggregator

These companies acquire small Amazon businesses and can use their resources to build the business. It is a big business and plenty of companies have raised billions of dollars to execute this business strategy. Read this link - [Amazon Aggregators - Marketplace Pulse](#)

Upexi commenced its business in September 2018 and started trading in mid-2021.

One of the prime reasons for flagging this stock now is due to the recent exit from the Cannabidiol business and the recent series of acquisitions. Moreover, the company is on its way to reaching \$100 million in revenue within three years of operations.

1. Owner-operator

CEO

- Mr. Marshall is currently serving as the CEO of the company.
- The company's CEO owns 13% (excluding options)
- Track record of the CEO: Mr. Marshall founded Segmentz, Inc. in November of 2000 and served as the CEO, successfully acquiring five distinct logistic companies, raising more than \$25 million of capital, and creating the infrastructure and business foundation that is now XPO Logistics, Inc. (NYSE: XPO) with revenues over \$17 billion.
- On a different note, the current CFO of the company previously served as CFO of XPO Logistics.

Gene Salkind, Director, owns 14%

- He has been a practicing neurosurgeon
- Prominent investor in the pharmaceutical arena.
- Past investments include Intuitive Surgical, Pharmacyclics, which grew from less than \$1 per share to subsequently being acquired by Abbvie for \$250 per share, and Centocor, one of the nation's largest biotechnology companies, which was acquired by Johnson & Johnson for \$4.9 billion in stock.

Robert Hackett, President: 8.7%

Mr. Hackett owns 8.7%

- His experience is more into cannabidiol, vape liquid, etc.
- Prior to joining the company, he served as a managing member and equity holder of AVZ Consolidate, which filed for bankruptcy. Later, it was acquired by the company.

- (Age error: As per the S-1 document filed in March 2021 his age was 37. In the recently filed DEF 14 in April 2022, the company reported his age as 35.)

2. Potential value addition by the company

After acquiring a small Amazon business, the company intends to do a lot of value additions, listed below.

- The company's in-house, SaaS programmatic ad technology helps achieve a lower cost per acquisition.
- SEO optimization.
- The company's growing list of consumer data helps to cross-sell between its growing portfolio of brands.
- Supply chain efficiencies: With increased shipping costs affecting online retailers, the company's strength is understanding this and finding ways to lower costs and overhead, thus increasing profit margins on all of its products.

3. Recent M&A

E-Core Technology

- Revenue: \$40 million
- In Oct 2022, the company acquired E-Core technology for an undisclosed price.
- The company has branded products in the toy industry that E-Core sells direct to consumers through online sales channels and to national retail distributors.
- The company's products are currently available online through Walmart.com and SamsClub.com, as well as in-store through leading retailers such as Walmart, Sam's Club, and BJ's Wholesale.
- The company has grown 100% over the past two years.

LuckyTail

- Revenue: \$10 million
- In Aug 2022, the company acquired LuckyTail for \$3.5 million
- LuckyTail sells pet nail grinders and other pet products through various sales channels, including some international sales channels.

Cygnnet Online (Revenue: \$26.4 million)

- In April 2022, the company acquired Cygnnet Online for \$5.1 million.
- Revenue: \$26.4 million
- It is an Amazon and eCommerce seller, with 1200 active SKUs of branded OTC products.
- More than 11 years in operation.
- The company owns licenses to sell many branded OTC products on Amazon. The company has achieved substantial growth over the past two years.

3. Exit from a few Cannabidiol business assets

- In October 2022, the company sold select assets of CBD business for \$23.5 million.
- The sale represents roughly 300% ROI on original invested capital.

Revised EV calculation

Note: The company raised debt + sold a business + acquired a business after the QE September 2022. All these can be found under the "Subsequent events" in the latest 10Q.

Revised M.Cap: \$62.5 million (including restricted stock and convertible debt of \$9.5M)

Revised Debt: \$11.5 million (\$11.5M promissory note+ \$3M bank debt)

Revised cash: \$6.6 million

Revised EV: \$67 million

Projected Revenue: \$100 million.
Projected EBITDA: \$9million to 12 million

Revised EV/Projected Revenue: 0.67X
Revised EV/Projected EBITDA: 8.3X to 11X

Latest presentation

https://www.sec.gov/Archives/edgar/data/1775194/000147793222008979/upxi_ex991.htm

Note 16. Subsequent Events

Refinancing of Building Mortgage

On October 19, 2022, Upexi, Inc. (the “Company”) and its indirect wholly owned subsidiary, Upexi 17129 Florida, LLC entered into a loan agreement, promissory note and related agreements with Professional Bank, a Florida state chartered bank, providing for a mortgage on the Company’s principal office in N. Clearwater, Florida. The Company received \$3,000,000 in connection with the transaction. The principal is to be repaid to Professional Bank over a term of ten years. The proceeds of the loan were utilized by the Company to pay down its loan facility with Acorn Capital, LLC in the amount of \$2,780,200.

Sale of membership interests of Infusionz LLC and select CBD assets

On October 26, 2022, Upexi, Inc. (the “Company”) entered into a membership interest purchase agreement with Bloomios, Inc., a Nevada corporation (“Bloomios”) and its wholly owned subsidiary Infused Confections LLC, a Wyoming limited liability company (together with Bloomios, the Buyers) whereby the Company sold 100% of the membership interest of Infusionz LLC, a Colorado limited liability company to the Buyers for consideration of \$23,500,000, subject to adjustments. The consideration consists of \$5,500,000 in cash paid at closing, a convertible secured subordinated promissory note in the original principal amount of \$5,000,000, 85,000 shares of Bloomios Series D Convertible Preferred Stock with a stated value of \$8,500,000, a senior secured convertible debenture with a subscription amount of \$4,500,000 (with an original principal amount, after OID, of \$5,294,118) and a common stock purchase warrant to purchase up to 2,853,910 shares of Bloomios common stock. The agreement provides for a two-way, post-closing working capital adjustment based on target working capital of \$1,275,000.

The agreement contains customary confidentiality, non-competition, and non-solicitation provisions for the Company, Bloomios and their affiliates.

Acquisition of E-Core, Inc. and its subsidiaries

On October 31, 2022, Upexi, Inc. (the “Company”), and its wholly owned subsidiary Upexi Enreprises, LLC entered into a Securities Purchase Agreement, effective October 21, 2022, to purchase 100% of E-Core Technology, Inc. (“E-Core”) d/b/a New England

Technology, Inc., a Florida corporation (“New England Technology”), for \$24,100,000, subject to adjustments. The consideration consisted of \$3,100,000 in cash, 1,247,402 shares of the Company’s restricted common stock with a value equal to \$6,000,000, two promissory notes in the original principal amount of \$5,750,000 each, payable upon maturity and a convertible promissory note in the original principal amount of \$3,500,000, convertible in full on the two-year anniversary of the issuance of the note at a conversion price of \$4.81 per share. If the conversion right is not exercised, the principal balance will be paid in twelve monthly installments beginning on the two-year anniversary of the executed promissory note. The principal amount of the convertible promissory note is subject to a two-way adjustment based on the Company’s Adjusted EBITDA for the three-year period commencing on the closing date.

In addition, on October 31, 2022, the Company issued options to purchase up to 360,000 shares of the Company’s common stock at an exercise price of \$5.30 per share.

The agreement contains customary confidentiality, non-competition, and non-solicitation provisions for E-Core and its affiliates.

Within 90 days after the closing date, Buyer shall prepare and deliver to E-Core a statement, setting forth Buyer’s calculation of closing working capital and the purchase price resulting therefrom. The two-way post-closing adjustment based on target working capital shall be an amount equal to the closing working capital minus the target closing working capital.

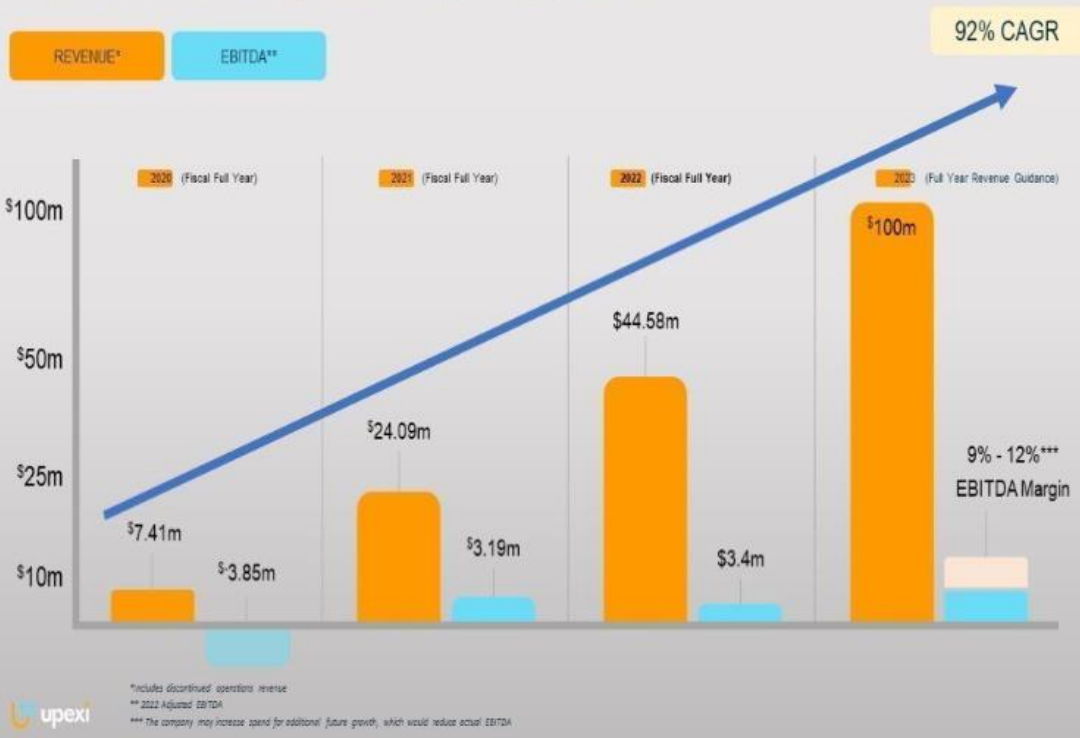
Payoff of outstanding balance on \$15 million senior secured debt

On October 31, 2022, Upexi, Inc. (the “Company”), paid \$4,275,071 in principal, \$613,466 in accrued interest, \$250,000 for settlement of a Put Option and \$7,900 in miscellaneous fees for a total of \$5,146,437 to the holders of the \$15 million senior secured convertible notes entered into on June 28, 2022. The payment terminates the agreement with the noteholders. The Company also intends to terminate the registration statement covering the senior secured debt.

Source:

https://www.sec.gov/ix?doc=/Archives/edgar/data/1775194/000147793222008516/upxi_10q.htm (page 22 & 23)

Revenue and EBITDA Growth



Kingsway Financial Services (KFS): Significant changes after the appointment of CEO; Migrating from complex to simple balance sheet; Significant reduction of debt; Exit from a few businesses

- M.Cap: \$193 million; Due to plenty of adjustments, kindly refer the calculation at the end of the report for valuation related information.
- Volume: 8,443
- Major shareholders: Stilwell Value - 31.4% | Vanguard Group - 2.3%
- Screen: 8-K (Keywords)

This is a peculiar situation and careful reading is required.

I. Significant changes after the appointment of Mr. Fitzgerald

- Mr. Fitzgerald was appointed as CEO in September 2018.
- CEO owns roughly 3% (excluding Restricted Common Shares)
 - As of this writing, the Board and management own approximately 50.3% of our current shares outstanding. – *CEO letter*

1. Extended warranty industry

- Improved financial performance
- The company's revenue and profitability significantly improved after his appointment.

\$, mm	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	LTM 2022	9M Sep 2021	9M Sep 2022
Revenue	30.7	38.5	46.3	47.6	74.9	76.3	55.0	56.3
EBIT	3.7	4.2	4.6	6.6	12.6	10.4	9.3	7.1

- In the recent two quarters, the operating performance improved after a drastic decline in 1st quarter of 2022.

	3M Mar 2021	3M Mar 2022	3M June 2021	3M June 2022	3M June 2021	3M June 2022
(\$,mm)						
Revenue	18.6	18.3	18.8	19.4	17.6	18.6
Operating income	5.3	1.7	2.6	2.9	1.4	2.5

- Acquisitions under the current CEO
 - In March 2019, the company acquired Geminus for \$7.7 million.
 - In December 2020, the company acquired PWI Holdings for \$24.4 million.

2. CEO Accelerator Program

- In late 2019, the CEO launched a new business segment - "CEO Accelerator Program."
- The program is designed to partner with talented, early-in-career managers who will source, acquire, and manage their own businesses within Kingsway.

	LTM Sep 2022
(\$, mm)	
Revenue	15.6
EBIT	2.9

Acquisitions

- In October 2021, the Company acquired Ravix Financial for \$11 million. Ravix provides outsourced financial services and human resources consulting for short or long duration engagements.
 - Revenue: \$12.5 million; Adj. EBITDA: \$2.8 million; EBT: \$1.9 million.
- In November 2022, the company acquired CSuite Financial Partners for \$8.5 million
 - Revenue: \$9.4 million; Adj. EBITDA: \$1.8 million; EBT: \$0.9 million
- In November 2022, the company acquired Secure Nursing Service for \$10.9 million
 - Revenue: \$19.7 million; Adj. EBITDA: \$2.7 million; EBT: \$2.6 million.
- All these three business share two qualities - low capital demands & re-occurring revenue.

Recent sale of PWSC- 5X return within five years

- In 2017, the company acquired a professional warranty company (PWSC) for roughly \$10 million.
- In the third quarter of 2022, the company sold the business for \$51.2 million.
- TTM EBITDA was \$2.2 million – the company sold the PWSC for 23 times of EBITDA. Yes, you read that right. That was a juicy multiple.

4. Investment Committee

- The board has a standing “Investment Committee.” The members are Douglas Levine (Chair), Joseph D. Stilwell, and Terence M. Kavanagh.
- Joseph D. Stilwell, a famous micro-cap activist, owns 32%.
- Kavanagh, chairman of the board, owns 12.5%.

5. Others

- Exit and monetizing non-strategic passive investments
 - During his tenure, the company exited several investments in non-core businesses. Examples include Itasca Capital Ltd., New Aera Assets, 1347 Investors LLC, 1347 Energy, DPM SPV, and Redseal SPV, LLC.
 - The CEO claims that this was done to eliminate non-strategic distractions.
 - Through the first nine months of 2022, the company generated proceeds of approximately \$7.4 million through the sale of non-strategic assets.
- Shareholder letters
 - 2021: <https://kingsway-financial.com/wp-content/uploads/2022/02/2021-KFS-Annual-Letter-to-Shareholders.pdf>
 - 2020: <https://kingsway-financial.com/wp-content/uploads/2021/03/2020-Annual-Letter-to-Shareholders-of-Kingsway-Financial-Services-Inc..pdf>
 - 2019: <https://kingsway-financial.com/wp-content/uploads/2020/08/2019-Annual-Letter-to-Shareholders-of-Kingsway-Financial-Services-Inc.-1.pdf>

WHY ARE WE FLAGGING THIS?

1. Exit from the leased real estate segment and significant reduction of debt

- In December 2022, the company completed the sale of BNSF real estate property, which accounted for 100% of the segment’s financials till FY 2021.
- The company expects to receive \$21.4 million in proceeds, and the company’s notes payable tied to the real estate property amounting to \$177.2 million was also wiped out.
- Secondly-

- The remaining business, RoeCo, which was recently acquired for \$2.4 million is also up for sale.
- The remaining notes payable of \$16.4 million are tied to the RoeCo real estate.
- As such, the entire notes payables will also be wiped out.
- To understand more, please read this 8-K filing – especially read the proforma section.
https://www.sec.gov/ix?doc=/Archives/edgar/data/1072627/000143774923000475/kfs20221220_8k.htm

2. Simplified balance sheet: Potential 90% reduction in debt

- As of the recent Q3 2022, the company carries a huge load of debt - \$284 million. Given the size of the revenue, this huge debt scares many investors.
- As per the recent Q3 2022 balance sheet, there are three types of debt-
 - a) Notes payables of \$200 million
 - b) Subordinate debt of \$62.3 million
 - c) Bank loan of \$22 million
- 100% repayment of notes payables: As discussed above, the entire notes payables are being wiped out.
- Sub-ordinate debt: Even though the balance sheet shows \$62.3 million of subordinated debt, the principal amount is \$90.5 million. As per the recent CC and investor presentation, the company can repurchase \$75.5 million of principal (out of the total \$90.5M) and \$19.3 million of accrued interest by paying just \$59.4 million.
- The company plans to repay this debt by the further exit from non-core assets.

Revised valuation

Cash balance calculation

Cash: \$48.6 million

(+) Additional cash: The company receives \$19.2 million from the sale of the real estate business

(-) Let's assume that the company repays the subordinate debt by paying \$59.4 million.

=Remaining cash: \$8.4 million.

Revised EV calculation

- M.Cap: \$195 million
- Revised debt: 37 million (\$22 million+\$15 million subordinate debt)
- Revised cash: \$8.4 million.
- Revised EV: \$223 million.
- This excludes the company's total investment (\$70.3 million) and restricted cash (\$13.2 million).

EBITDA of continuing business

- In the third quarter of 2022, the pro forma adjusted EBITDA for the extended warrant segment and KSX segment: \$3.6 million
- Annualized EBITDA: \$14.4 million.

Daseke, Inc. (DSKE): Heads-up; Founders get a juicy 13% dividend

- M.Cap: \$304 million | Debt: \$747 million | Cash: \$188 million | EV: \$863 million
- FCF: \$83 million | EBITDA: \$187 million | EV/Revenue: 0.5X | EV/FCF: 10X
- Volume: 388,678
- Major shareholders: Blackrock - 4.6% | Vanguard Group - 4.4% | Charles Schwab Investment Management - 2.2% | Royce & Associates - 2% | State Street Corporation - 1.8% | Millennium Management - 1.7% | Guggenheim Capital - 1.6% | Portolan Capital Management - 1.5%
- Screen: 8-K (Keywords)

In November 2022, the company entered into a stock repurchase agreement with the founders of the company - Don R. Daseke, Barbara Daseke, and The Walden Group, Inc.

There are two things-

1. The company buys back 6.66 million shares for \$40 million. There is absolutely no problem with this.
2. Now comes the problematic situation: The company exchanges 11.266 million shares in exchange for (a) 20,000 shares of Series B-1 Perpetual Redeemable Preferred Stock and (b) 47,597 shares of Series B-2 Perpetual Redeemable Preferred Stock.

The dividend rate applicable to the Series B-1 Preferred Stock is equal to 13% per annum and the dividend rate applicable to the Series B-2 Preferred Stock is equal to 7% per annum. Moreover, from and after November 14, 2027, the dividend rate with respect to the Series B-2 Preferred Stock shall be equal to 13% per annum.

That's not all.

After the occurrence of certain "change of control" transactions, the dividend rate applicable to each series of Series B-1 and B-2 preferred Stock shall be equal to 18%.

Outrageous.

Amedisys (NASDAQ: AMED) reappoints its former CEO who grew shareholder value by 4X during his prior tenure as CEO

- M.Cap: \$2.96 billion | Debt: \$562 million | Cash: \$18 million | EV: \$3.51 billion
- FCF: \$92 million | EBITDA: \$235 million | EV/Revenue: 1.5X | EV/FCF: 38X
- Volume: 215,397
- Major shareholders: Blackrock - 12.2% | Vanguard Group - 9.4% | Wellington Management Group - 8% | JP Morgan Chase & Company - 5.2% | Riverbridge Partners - 4.7% | Ameriprise Financial - 3.3% | Point72 Asset Management - 3.3% | Mackenzie Financial Corporation - 3.1%
- Screen: New CEO appointment

I. RESEARCH

1. Home health segment (61% of total revenue)

- This segment provides healthcare services in the homes of individuals who may be recovering from an illness, injury, or surgery.
- Solid improvement in profitability: If you notice, this segment grew by a meagre 25% in the last ~ 6 years, but profitability improved by 90% till FY 2021. The improved profitability is due to three reasons: a) Favourable 2019 changes in reimbursement rate. b) Improved clinical productivity/utilization and clinician mix. c) Cost discipline.
- \$1B acquisition: In fact, the CEO spent less than \$300 million on acquisitions compared to \$1 billion spent on the hospice business.
- In the recent four quarters, the segment's profitability declined.

(\$, mm)	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	LTM Sep 2022	9M Sep 2021	9M Sep 2022
Revenue	1,072	1,084	1,175	1,256	1,249	1,354	1,350	1,017	1,013
EBIT	138.6	129.8	172.6	199.4	225	271.7	235.4	213.2	176.9
EBIT margin	13%	12%	15%	16%	18%	20%	17%	21%	17%

2. Hospice care (36% of total revenue)

- This segment provides care that is designed to provide comfort and support for those who are facing a terminal illness.
- This segment grew predominantly due to acquisitions.
- Out of the \$1.5 billion spent on total acquisitions (from 2015 to till date), roughly \$1 billion is spent on acquiring hospice businesses.
- Increase in the reimbursement rate for hospice
 - This segment accounts for 36% of total revenue.
 - In July 2022, CMS issued the final rule to update hospice payment rates for fiscal 2023. Based on the company's analysis of the final rule, the company expects its impact to be in line with the 3.8% increase, which will result in an increase to net service revenue of approximately \$7 million in the fourth quarter.

(\$, mm)	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	LTM Sep 2022	9M Sep 2021	9M Sep 2022
Revenue	312	368	411	617	750	792	795	587	590
EBIT	75.9	102.8	113.2	143	184.2	171.5	152.6	132.1	113.2
EBIT margin	24%	28%	28%	23%	25%	22%	19%	23%	19%

3. Solid FCF

\$, mm	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	LTM 2022
FCF	86	47	95	217	194	284	183	92
Revenue	1,280	1,419	1,511	1,662	1,956	2,072	2,214	2,220
EBIT	-9	57	79	155	177	219	251	182

II. WHY ARE WE FLAGGING THIS?

1. Former CEO is reappointed as CEO; Stellar performance during his former tenure as CEO

In November 2022, the company reappointed Paul Kusserow as the new CEO.

- Mr. Kusserow served as CEO of the company from December 2014 to April 2022.
- Within seven months after he resigned, he was reappointed as the CEO of the company.
- Troubled time: At the time of his appointment, the company was in a mess – it settled a False Claims Act case for \$150 million and the company’s financial performance deteriorated, and the stock price crashed significantly.
- Stellar performance
 - After his appointment, the company’s revenue grew from \$1.2 billion in FY 2014 to \$2.2 billion in FY 2021.
 - Operating income increased from \$9 million in FY 2015 to \$210 million in FY 2021.
 - Growth through acquisitions: During his tenure, the company spent more than \$1.5 billion on acquisitions.
 - Shareholder value improvement: Under his watch, market capitalization increased from roughly \$950 million in December 2014 to \$3.96 billion in April 2022.
 - In the below table, the years highlighted in grey are the financial performance before he was appointed CEO.

(\$, mm)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	LTM Sep 2022
Revenue	144	1,249	1,204	1,280	1,419	1,511	1,662	1,956	2,072	2,214	2,220
EBIT	-109	-155	24	-9	57	79	155	177	219	251	182
Net income	-84	-96	13	-3	37	30	119	128	185	210	120

2. Significant stock price crash

- The company’s stock price “consistently” increased from \$28 in Dec 2014 to \$314 in Jan 2021. After a solid rally, the company is currently trading at \$92; it crashed by 70% since Jan 2021.
- The company’s stock price is trading at the 2018 level.

II. RECENT CHALLENGES

Recent five quarterly financials

(\$, mm)	Q3 2020	Q3 2021	Q4 2020	Q4 2021	Q1 2021	Q1 2022	Q2 2021	Q2 2022	Q3 2021	Q3 2022
Revenue	544	553	550.7	559.3	537	545	564	558	553	558
EBIT	63	57	62.15	48.159	69	48	78	48	57	39
Revenue growth		2%		2%		2%		-1%		1%
EBIT growth		-10%		-23%		-30%		-39%		-31%
EBIT Margin	12%	10%	11%	9%	13%	9%	14%	9%	10%	7%

As you can see in the above table, for five consecutive quarters, the company's operating profit/margin declined by double digits.

Both home health and hospice continue to be impacted by COVID-19 issues and their subsequent shake-out.

1. Decline in the average daily census ("ADC")

- ADC is the main driver of hospice revenue.
- Hospice ADC remained pressured as the company continued to see a trend of patients coming on to service much later in the dying process and not realizing the full value of the benefit.
- The company's hospice discharge average length of stay fell to 90.3 days in Q4 from 94.5 days in Q3.
- The increase of deaths on the census is materially impactful to the hospice segment performance as a 1% change in discharge rate is equivalent to approximately 130 ADC, which over the quarter would have added approximately \$2 million to the bottom line.
- The lower ADC has resulted in numerous care centers having unused capacity based on its staffing model. The cost of maintaining this level of staffing and anticipation of normalization and discharge rates is approximately \$3 million.

2. Increase in cost per visit

- The company is experiencing an increased cost per visit driven by raises, new hire pay, retention bonuses, higher utilization of contractors, and an additional holiday.
- Moreover, there is a fixed cost component of its cost structure. This also increased its cost per visit due to the significant decline in visits year over year.

2. Significant cut to reimbursement affects home health segment

The home health segment accounts for roughly 61% of revenue.

Rate cut:

- In June 2022, CMS released the 2023 home health proposed rate update, which detailed a reduction to overall home health payments by the aggregate amount of 4.2%.

- The management argued that the proposed cut to reimbursement in 2023 appears to be the result of a flawed methodology and lack of full recognition of current labor inflation.

Possibility of delaying the rate cut?

- In late July 2022, a group of bipartisan lawmakers introduced the Preserving Access to Home Health Act of 2022 in the U.S. House of Representatives and the U.S. Senate.
- Upon enactment, this legislation would pause the implementation of any temporary or permanent adjustments to the Medicare home health base payment rate until 2026.
- Potential impact? This would delay the cuts currently proposed by CMS and allow time for the industry and CMS to work on a more reasonable methodology to determine budget neutrality.

Valuation – Short notes

Prior to the COVID-19 pandemic, the company generated \$200 million of free cash flow (FY 2018 & 2019).

Current EV: \$3.65 billion.

Amedisys trades at 1.6 times of revenue

LHC Group (LHCG), which is similar to Amedisys, trades at 2.6X revenue. Similar to Amedisys, LHC Group's profitability was also down in the last 4 quarters.

As such, Amedisys appears to be trading at a discount.

A possible reason for the low valuation of Enhabit (EHAB)?

Enhabit looks cheap – EV: Enhabit has no debt, and generates \$120 million of free cash flow. The only possible reason is “stagnant revenue.” Revenue has been hovering around \$1 billion for the past four years!

Further resources

<https://hospicenews.com/>

What's Behind the M&A Spree in the Hospice Industry
<https://medcitynews.com/2022/10/whats-behind-the-ma-spree-in-the-hospice-industry/>

Home Health, Hospice Still Have Highest Multiples in All of Health Care
<https://homehealthcarenews.com/2021/06/home-health-hospice-still-have-highest-multiples-in-all-of-health-care/>

Home Health, Hospice Sectors Still Among M&A Leaders In 2022
<https://homehealthcarenews.com/2022/12/home-health-hospice-sectors-still-among-ma-leaders-in-2022/>

Hospices have become big business for private equity firms, raising concerns about end-of-life care <https://fortune.com/2022/07/27/hospices-private-equity-firms-for-profit-end-of-life-care/>

Home Health, Hospice Still Have Highest Multiples in All of Health Care <https://hospicenews.com/2023/01/05/smaller-deals-likely-to-reign-in-2023-hospice-ma/>

Aclaris Therapeutics (ACRS) appoints a new CEO who recently served as an R&D head of \$6.7 billion Arena Pharma; Many analysts are upbeat about the lead drug candidate for immuno-inflammatory diseases

- M.Cap: \$1.09 billion | Debt: \$2 million | Cash: \$248 million | EV: \$844 million
- FCF: \$ (67) million | EBITDA: \$(82) million | EV/Revenue: 35X | EV/FCF: NM
- Volume: 1,016,459
- Major shareholders: Blackrock - 7.2% | VR Adviser - 6.8% | RA Capital Management - 6.6% | BVF - 6% | Rock Springs Capital Management - 5.9% | Wellington Management Group- 5.2% | Vanguard Group- 4.4% | Foresite Capital Management - 4.2%
- Screen: New CEO appointment

Summary

In November 2022, the company appointed Douglas Manion as CEO. He recently served as EVP-R&D of Arena Pharmaceuticals. He was on the top executive team. He resigned after the company was acquired by Pfizer for \$6.7 billion.

About the company-

The company generates \$22 million in revenue and the company is currently valued at \$862 million.

The company is focused on developing novel drug candidates for immuno-inflammatory diseases. Many analysts are upbeat about its potential. We do NOT have any skill to comment on the company's drug candidate.

We are flagging this ONLY for the track record of the CEO.

1. New CEO

In November 2022, the company appointed Douglas Manion as CEO.

Aclaris Therapeutics

- Dr. Manion joined Aclaris as president and chief operating officer in August 2022.

A top executive of \$6.7 billion Arena Pharmaceuticals

- For 9 months (July 2021 to March 2022), he served as EVP of R&D and oversaw all research and development activities of the company.
- In March 2022, he resigned after the company was acquired by Pfizer for \$6.7 billion.

Sale of the company

- He served as the CEO of Kleo Pharmaceuticals until its acquisition by BioHaven Pharmaceutical Holding Company Ltd.
- The merger valued the company at roughly \$20 million. Source

Bristol-Myers Squibb

- He served the company for roughly 12 years (2005 – 2016).
- At the time of his resignation, he served as SVP – Head of Specialty Development.

2. Immuno-inflammatory diseases drug candidate

The company is focused on developing novel drug candidates for immuno-inflammatory diseases.

Zunsemetinib

- The company is developing oral, novel, small molecule selective MK2 inhibitor compound, as a potential treatment for rheumatoid arthritis and other immuno-inflammatory diseases.
- As an oral drug candidate, the company is developing zunsemetinib as a potential alternative to injectable anti-TNF/IL1/IL6 biologics and JAK inhibitors for treating certain immuno-inflammatory diseases.
- Current phase: Phase 2b
- The company expects top line data in the second half of 2023.

Analysts

Analysts are upbeat about the potential upside. (You may need a subscription to access the below links.)

<https://www.cnbc.com/2022/12/01/goldman-sachs-says-under-the-radar-stock-aclaris-therapeutics-can-surge.html>

<https://seekingalpha.com/news/3889246-aclaris-initiated-as-a-buy-at-btig-on-potential-of-zunsemetinib-for-autoimmune-conditions>

PacWest Bancorp appoints an executive who recently sold a bank that he led; Trading near 10-year low price (short notes)

- M.Cap: \$3.18 billion
- Volume: 2,977,044
- Major shareholders: Vanguard Group - 11.9% | Blackrock - 9.4% | FMR,- 9% | State Street Corporation - 5.1% | Cardinal Capital Management - 3.7% | Dimensional Fund Advisors - 2.7% | Goldman Sachs Group - 2% | Invesco - 1.7%
- Screen: New CEO appointment

I. RESEARCH

- The Bank offers a broad range of loan and lease and deposit products and services through 69 full-service branches located in California, one branch located in Durham, North Carolina, one branch located in Denver, Colorado, and numerous loan production offices across the country.
- Loan concentration:
 - Real estate: 64%
 - Commercial: 34%
 - Consumer: 2%
- Venture banking products/ Equity fund loans:
 - This accounts for roughly 10% of the loan concentration.
 - These are loans directly to venture capital firms or loans to venture-backed companies.
 - Since the borrowers predominantly report operating losses, the primary sources of repayment are future additional venture capital equity investments or the sale of the company or its assets.
 - The loans are typically secured by a first priority, secured blanket lien on all corporate assets and/or a lien on intellectual property.
- Investment management
 - In addition to deposit products, the company also offer select clients non-depository cash investment options through PWAM, an SEC registered investment adviser subsidiary.
 - PWAM provides customized investment advisory and asset management solutions.
 - At December 31, 2021, total off-balance sheet client investment funds were \$1.4 billion.
- **Acquisitive**
 - The company is an active acquirer.
 - Since 2000, the company has completed 31 acquisitions.

• Key financials

\$, mm	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	LTM 2022	9M Sep 2021	9M Sep 2022
Net interest income	662.4	823.4	961.3	979.6	1040.9	1014.6	1014.6	1103.8	1268.2	803.4	967.8
Noninterest income	42.2	84.3	112.5	128.6	148.6	142.6	146.1	193.9	151.2	136.6	93.8
Operating expense	405.6	382.0	450.1	495.7	-511.2	-502.3	-514.0	-637.4	-552.0	461.3	546.7
Net earnings (loss)	168.9	299.6	352.2	357.8	465.3	468.6	-1237.6	607.0	510.2	470.9	374.1
Book value per share	34.0	36.2	36.9	38.7	39.2	41.4	30.4	33.5	28.8	32.8	28.1
Tangible book value per share (1)	17.2	17.9	18.7	18.2	18.0	19.8	21.1	21.3	14.9	22.6	16.1
Return on average assets	1.3%	1.7%	1.7%	1.6%	1.9%	1.8%	-4.5%	1.7%	1.1%	1.9%	1.2%
Return on average tangible equity (1)	11.9%	15.8%	16.3%	15.8%	22.3%	21.5%	10.4%	24.4%	22.3%	25.2%	23.1%
Net interest margin (tax equivalent)	6.0%	5.6%	5.4%	5.1%	5.1%	4.5%	4.1%	3.4%	3.5%	3.5%	3.5%
Efficiency ratio	41.6%	38.5%	39.8%	40.8%	41.0%	42.7%	43.1%	46.9%	49.9%	47.2%	50.2%

II. WHY ARE WE FLAGGING THIS?

1. Track record of new CEO

In November 2022, the company appointed Paul W. Taylor as CEO.

Sale of Opus Bank for \$744 million

- From 2019 to June 2020, he served as the CEO of Opus Bank.
- Under his watch, in June 2022, Opus Bank was acquired by Pacific Premier Bancorp for \$744 million.

CEO of Guaranty Bancorp

- From 2011 through 2018, he served as the CEO of Guaranty Bancorp. From 2004 to FY 2011, he served in multiple roles including executive vice president, chief financial and operating officer, and secretary of the company.

2. Stock price

- The company is currently trading at \$22.2 per share.
- In the last 10 years, the company traded under \$22 only from March 2020 to October 2020.
- The current price is also the lowest in the last 10-year trading history.

Suggested further reading

<https://www.fitchratings.com/research/banks/fitch-downgrades-pacwest-bancorp-to-bbb-outlook-stable-10-08-2022>

CEO & CFO changes

Company Name	Mcap (\$,mm)	CEO date 8-k	CFO Date 8-k	Difference (in months)	Revenue(\$,m)
Broadmark Realty Capital Inc.(BRMK)	571	11-07-2022	11-07-2022	0	106
AUBURN NATIONAL BANCORPORATION, INC(AUBN)	83	11-08-2022	11-08-2022	0	29
Charah Solutions, Inc.(CHRA)	22	11/15/2022	11/15/2022	0	321
PACWEST BANCORP(PACW)	3,205	11/21/2022	11/21/2022	0	1410
Aclaris Therapeutics, Inc.(ACRS)	1,124	11/22/2022	11/22/2022	0	24
8X8 INC /DE/(EGHT)	502	11/30/2022	11/30/2022	0	713
Berry Corp (bry)(BRY)	682	11/30/2022	11/30/2022	0	932
CURO Group Holdings Corp.(CURO)	164	11/15/2022	11-02-2022	0	1030
GREEN DOT CORP(GDOT)	945	10/17/2022	11-09-2022	1	1430
Lottery.com Inc.(LTRY)	17	11-10-2022	10/18/2022	1	84
Rackspace Technology, Inc.(RXT)	628	9/26/2022	11/18/2022	2	3110
LifeStance Health Group, Inc.(LFST)	1,997	09-08-2022	11-03-2022	2	776
MARKETWISE, INC.(MKTW)	80	11/23/2022	8/31/2022	3	531
TUESDAY MORNING CORP/DE(TUEM)	3	7/29/2022	11-04-2022	3	750

Avaya Holdings Corp.(AVYA)	29	7/29/2022	11-07-2022	3	2770
RED ROBIN GOURMET BURGERS INC(RRGB)	139	7/14/2022	11-03-2022	4	1250
SQZ Biotechnologies Co(SQZ)	25	11/30/2022	07-11-2022	5	22
Horizon Global Corp(HZN)	48	11/21/2022	6/29/2022	5	675
TEAM INC(TISI)	35	11/29/2022	6/13/2022	6	912
Membership Collective Group Inc.(MCG)	929	11/16/2022	5/25/2022	6	800
iANTHUS CAPITAL HOLDINGS, INC.(ITHUF)	135	05-06-2022	11/17/2022	7	173
Cronos Group Inc.(CRON)	925	3/21/2022	11/14/2022	8	95
HAIN CELESTIAL GROUP INC(HAIN)	1,784	11/28/2022	1/18/2022	11	1880
DocGo Inc.(DCGO)	1,004	11-07-2022	11-12-2021	12	435
Farmland Partners Inc.(FPI)	716	11-08-2022	10-12-2021	13	59
eHealth, Inc.(EHTH)	225	9/23/2021	11/14/2022	14	453
BK Technologies Corp(BKTI)	61	7/20/2021	11-03-2022	16	44
Talkspace, Inc.(TALK)	131	11/14/2022	7/21/2021	16	119
LiveVox Holdings, Inc.(LVOX)	295	11-01-2022	6/24/2021	17	127
WM TECHNOLOGY, INC.(MAPS)	222	11-07-2022	6/22/2021	17	221

CEO & CFO turnover

1	Tuesday Morning Corporation (TUEM) (Mcap: \$21 million) - CEO resigned within 1 year 5 months
	Fred Hand, who was appointed as CEO in May 2021, resigned in November 2022
2	Synchronoss Technologies, Inc. (SNCR) (Mcap: \$80 million) - CFO resigned within 1 year
	Taylor Greenwald, who was appointed as CFO in Nov 2021, resigned in November 2022
3	WM Technology, Inc. (MAPS) (Mcap: \$222 million - CEO resigned within 1 year 4 months
	Christopher Beals, who was appointed as CEO in Jun 2021, resigned in November 2022
4	Broadmark Realty Capital Inc. (BRMK) (Mcap: \$552 million) - CEO resigned within 8 months
	Brian P. Ward, who was appointed as CEO in Mar 2022, resigned in November 2022
5	DocGo Inc. (DCGO) (Mcap: \$696 million) - CEO resigned within 11 months
	Stan Vashovsky, who was appointed as CEO in Nov 2021, resigned in November 2022
6	Green Dot Corporation (GDOT) (Mcap: \$1 billion) - CFO resigned within 1 year
	George Gresham, who was appointed as CFO in Oct 2021, resigned in November 2022
7	eHealth, Inc. (EHTH) (Mcap: \$81 million) - CFO resigned within 1 year 1 month

	Christine A. Janofsky, who was appointed as CFO in Sep 2021, resigned in November 2022
8	Cronos Group Inc. (CRON) (Mcap: \$1.1 billion) - CFO resigned within 1 year 3 months
	Robert Madore, whos was appointed as CFO in Aug 2021, resigned in November 2022
9	Katapult Holdings, Inc. (KPLT) (Mcap: \$94 million) - CFO resigned within 1 year 5 monnth
	Karissa Cupito, who was appointed as CFO in Jun 2021, resigned in November 2022
10	Amedisys, Inc. (AMED) (Mcap: \$2.9 billion - CEO resigned within 7 months
	Christopher T. Gerard, who was appointed as CEO in Apr 2022, resigned in November 2022
11	Symbotic Inc. (SYM) (Mcap: \$739 million) - CEO resigned within 5 months
	Michael J. Loparco, who was appointed as CEO in Jun 2022, resigned in November 2022
12	Aerie Pharmaceuticals, Inc. (AERI) (Mcap: \$753 million) - CEO resigned within 11 months
	Raj Kannan, who was appointed as CEO in Dec 2021, resigned in November 2022
13	Aerie Pharmaceuticals, Inc. (AERI) (Mcap: \$753 million) - CFO resigned within 8 months
	Peter F. Lang, who was appointed as CFO in Mar 2022, resigned in November 2022
14	PacWest Bancorp (PACW) (Mcap: \$3.1 billion) - CFO

	resigned within 1 year 10 months
	Bart R. Olson, who was appointed as CFO in Jan 2021, resigned in November 2022
15	Selecta Biosciences, Inc. (SELB) (Mcap: \$189 million) - CFO resigned within 1 year 2 months
	Kevin Tan, who was appointed as CFO in Sep 2021, resigned in November 2022

SC 13D & 13G

Type	Ticker	Company name	Fund name	Revenue(\$,mm)	M.Cap(\$,mm)
SC 13G (Beneficial ownership report)	GNSS	Genasys Inc.(GNSS)	INTEGRITY WEALTH ADVISORS, INC.	53	130
SC 13G (Beneficial ownership report)	DK	Delek US Holdings, Inc.(DK)	NORGES BANK	16,510.00	1,837
SC 13G (Beneficial ownership report)	VTEX	VTEX(VTEX)	Fourth Sail Capital LP	142	870
SC 13G (Beneficial ownership report)	HCAT	Health Catalyst, Inc.(HCAT)	Point72 Asset Management, L.P.	265	747
SC 13G (Beneficial ownership report)	BFRI	Biofrontera Inc.(BFRI)	Abshagen Consulting GmbH	28	25
SC 13D	ME	23ANDME HOLDING CO.(ME)	GSK PLC	277	1,116
SC 13G (Beneficial ownership report)	ROG	ROGERS CORP(ROG)	NORGES BANK	969	2,570

SC 13G (Beneficial ownership report)	FIGS	FIGS, Inc.(FIGS)	BAMCO INC /NY/	464	1,408
SC 13G (Beneficial ownership report)	MNTV	MOMENTIVE GLOBAL INC.(MNTV)	ArrowMark Colorado Holdings LLC	476	1,124
SC 13D	BELFA	BEL FUSE INC /NJ(BELFA)	BENNETT CHRISTOPHER FINCH	632	467
SC 13G (Beneficial ownership report)	EMBC	Embecta Corp.(EMBC)	STATE STREET CORP	1160	1,481
SC 13G (Beneficial ownership report)	CTS	CTS CORP(CTS)	T. Rowe Price Investment Management, Inc.	577	1,387
SC 13G (Beneficial ownership report)	BLZE	Backblaze, Inc.(BLZE)	Clal Insurance Enterprises Holdings Ltd	81	224
SC 13G (Beneficial ownership report)	TRUE	TrueCar, Inc.(TRUE)	AUTONATION, INC.	171	263
SC 13G (Beneficial ownership report)	TUP	TUPPERWARE BRANDS CORP(TUP)	SHARING SERVICES GLOBAL Corp	1390	188
SC 13G (Beneficial ownership report)	MRNS	MARINUS PHARMACEUTICALS, INC.(MRNS)	Point72 Asset Management, L.P.	20	322
SC 13G (Beneficial ownership report)	CPRX	CATALYST PHARMACEUTICALS, INC.(CPRX)	Flynn James E	192	1,657
SC 13G (Beneficial ownership report)	MAXR	Maxar Technologies Inc.(MAXR)	Simcoe Capital Management, LLC	1750	3,864
SC 13G (Beneficial ownership report)	VOXX	VOXX International Corp(VOXX)	KAHN BROTHERS GROUP INC	610	241

report)					
SC 13D	SIEN	SIENTRA, INC.(SIEN)	PESSIN NORMAN H	88	17
SC 13G (Beneficial ownership report)	CWGL	Crimson Wine Group, Ltd(CWGL)	MFP INVESTORS LLC	73	132
SC 13G (Beneficial ownership report)	LYLT	Loyalty Ventures Inc.(LYLT)	CastleKnight Master Fund LP	728	47
SC 13G (Beneficial ownership report)	DEI	Douglas Emmett Inc(DEI)	NORGES BANK	975	3,329
SC 13D	SCLX	SCILEX HOLDING COMPANY/DE(SCLX)	SORRENTO THERAPEUTICS, INC.	31	1,197
SC 13G (Beneficial ownership report)	FNGR	FingerMotion, Inc.(FNGR)	Acuitas Group Holdings, LLC	21	170
SC 13G (Beneficial ownership report)	CARA	Cara Therapeutics, Inc.(CARA)	Bain Capital Life Sciences Opportunities III, LP	39	603
SC 13D	ASRV	AMERISERV FINANCIAL INC /PA/(ASRV)	DRIVER MANAGEMENT CO LLC	58	69
SC 13G (Beneficial ownership report)	ORGS	Orgenesis Inc.(ORGS)	New Dimensions Trading	29	61
SC 13G (Beneficial ownership report)	SIX	Six Flags Entertainment Corp(SIX)	THUNDERBIRD PARTNERS LLP	1400	2,215
SC 13G (Beneficial ownership report)	PFSW	PFSWEB INC(PFSW)	Voss Capital, LLC	205	148
SC 13D	OSPN	ONESPAN INC.(OSPN)	ALTAI CAPITAL MANAGEMENT, L.P.	222	537

SC 13D	PBI	PITNEY BOWES INC /DE/(PBI)	HESTIA CAPITAL PARTNERS LP	3610	748
SC 13G (Beneficial ownership report)	NLS	NAUTILUS, INC.(NLS)	Namdar Family Holding LLC	387.3	57
SC 13D	HOUS	ANYWHERE REAL ESTATE INC.(HOUS)	ANGELO GORDON & CO., L.P.	7560	884
SC 13G (Beneficial ownership report)	SI	Silvergate Capital Corp(SI)	block.one	281	423
SC 13G (Beneficial ownership report)	SI	Silvergate Capital Corp(SI)	Blumer Brendan Francis	281	423
SC 13G (Beneficial ownership report)	XGN	EXAGEN INC.(XGN)	LYTTON LAURENCE W	45	45
SC 13G (Beneficial ownership report)	APYX	Apyx Medical Corp(APYX)	PURA VIDA INVESTMENTS, LLC	49	101
SC 13G (Beneficial ownership report)	OPNT	OPIANT PHARMACEUTICALS, INC.(OPNT)	Western Standard LLC	22	107
SC 13G (Beneficial ownership report)	ROCC	Ranger Oil Corp(ROCC)	MILLENNIUM MANAGEMENT LLC	1050	785
SC 13D	GRND	GRINDR INC.(GRND)	LU JAMES FU BIN	186	944
SC 13D	NGS	NATURAL GAS SERVICES GROUP INC(NGS)	HOAK PUBLIC EQUITIES, LP	79	146
SC 13G (Beneficial ownership report)	CDMO	Avid Bioservices, Inc.(CDMO)	AltraVue Capital, LLC	126	963
SC 13D/A	NAN	NUVEEN NEW YORK QUALITY MUNICIPAL INCOME	BANK OF AMERICA CORP /DE/	25	351

		FUND(NAN)			
SC 13D	BRST	BROAD STREET REALTY, INC.(BRST)	FORTRESS INVESTMENT GROUP LLC	31	39
SC 13G (Beneficial ownership report)	FSBC	FIVE STAR BANCORP(FSBC)	Davis Partnership, LP	96	461

13D: Monthly update

INITIATED

Dialectic Partners plans to have discussions with Achieve Life Sciences

Market Cap: \$82 million | Achieve Life Sciences, Inc., a clinical-stage pharmaceutical company, develops and commercializes of cytisinicline for smoking cessation and nicotine addiction in Canada, the United States, and the United Kingdom.

On January 20, 2023, Dialectic Partners (19.5%) stated that it intends to more actively engage in discussions with management and the Board regarding suggestions aimed at improving the performance, governance and compensation plans of the company, including representation on the Board. [Source](#)

Alta Fox sends letter to Daktronics

Market Cap: \$164 million | Daktronics, Inc. designs, manufactures, markets, and sells electronic display systems and related products worldwide.

On January 26, 2023, Alta Fox Capital (5.8%) issued a press release and public [letter](#) to the Board expressing its disappointment that the Board's Strategy and Financing Review Committee is not taking decisive action to address deep-rooted issues related to the company's corporate governance, undermanagement team and value creation efforts.

Morgan Dempsey Capital Management urges Polished.com to explore a sale of the company

Market Cap: \$56 million | Polished.com Inc (formerly 1847 Goedeker Inc.) operates an e-commerce platform for appliances and furniture in the United States.

On January 26, 2023, Morgan Dempsey Capital Management(7.9%) stated its belief that as a result of its ongoing analysis, the ideal way to optimize value for all shareholders in the current environment is a prompt sale of the Corporation to a strategic or financial acquirer in a private-market context. It urges the company to engage a well-regarded investment bank to solicit offers that will establish and then realize the fairest value for shareholders given the uncertain financial market and macroeconomic circumstances extant at this time. To emphasize its investment conclusion, Morgan Dempsey Capital Management voted its shares against the Corporation's proposal to increase the number of common shares authorized for issuance to 250 million from 200 million, a proposal

that remains pending at this time given the temporary adjournment of the annual meeting of shareholders on January 19, 2023. [Source](#)

Past

- On June 8, 2021, Kanen Wealth Management/ Philotimo Fund (6.6%) stated its plans to engage in discussions with management and the Board regarding Board representation and the composition of the Board, specifically in regard to founder of CarParts.com(PRTS) Mr. Mehran Nia who's most recent professional success was the turnaround at PRTS whereby the stock increased from approximately \$1 to \$18 per share. He is considered an expert in Ecommerce. Kanen Wealth Management/ Philotimo Fund remains prepared to engage in a continued constructive dialogue with the Board. [Source](#)
- On September 9, 2021, Kanen Wealth Management/ Philotimo Fund (5.5%) nominates five candidates for election to the Board at the 2021 AGM. [Source](#)
- On September 23, 2021, Cannell Capital stated that it has studied the September 9, 2021 proposal of Kanen Wealth Management, LLC ("KWM") for the Board of Directors. Cannell Capital considers most of the KWM candidates to be superior to those of GOED. Accordingly, Cannell Capital neither consents, nor approves of GOED allocating any cash (cash which rightfully and legally belongs to Cannell Capital and other shareholders) to defend its position. Cannell Capital calls on GOED to immediately reach a fair and reasonable settlement with KWM. [Source](#)
- On October 15, 2021, Kanen Wealth Management/ Philotimo Fund (5.8%) entered into a [Cooperation Agreement](#) with the company and pursuant to it, the company agreed to appoint two independent directors, Selim Bassoul and Alan Shaw to the Board. The New Directors were selected by the Kanen Group from a list of five candidates provided by the company.
- On October 19, 2021, Mr. Kanen sent Chairman Ellery Roberts a note apologizing for comments that appeared in a story published by the St. Louis Post-Dispatch on the day prior. Mr. Kanen noted to Mr. Roberts that he is pleased to have reached an amicable agreement with the company, is supportive of CEO Albert Fouerti and wishes Mr. Roberts and the company much success in the future. [Source](#)
- On November 16, 2021, Kanen Wealth Management/ Philotimo Fund reduced its stake to 3.3%.

Murchinson Ltd delivered a letter to the Board of Nano Dimension Ltd

Market Cap: \$661 million | Nano Dimension Ltd., together with its subsidiaries, provides additive electronics in Israel and internationally.

On January 22, 2023, Murchinson Ltd and certain funds (5.1%) delivered a letter to the Board demanding that the company convene a special general meeting of shareholders to allow shareholders to vote upon resolutions proposed by the Proposing Shareholders to improve the company's corporate governance by way of (i) amending certain provisions of the Company's Amended and Restated Articles of Association, including to allow shareholders to fill Board vacancies and remove directors at a general meeting by a simple majority vote, (ii) removing several members

of the Board, namely, the Chairman of the Board and CEO Yoav Stern, and current directors Oded Gera, Igal Rotem and Dr. Yoav Nissan-Cohen and (iii) appointing two new highly-qualified, independent and experienced director nominees, Kenneth H. Traub and Dr. Joshua Rosensweig, as directors of the company (such demand, the "Special Meeting Demand"). The Special Meeting Demand instructs the Board to immediately, and no later than February 12, 2023, call the Special Meeting, and hold it no later than 35 days thereafter, as required by the Companies Law. [Source](#)

Argyle Group nominated six candidates to the Board of Broadwind

Market Cap: \$121 million | Broadwind, Inc. manufactures and sells structures, equipment, and components for clean tech and other specialized applications primarily in the United States.

On January 18, 2023, the Argyle Group (1%) nominated six candidates for election to the Board at the 2023 AGM. It delivered a [letter](#) to the shareholders stating its belief that a new set of strategic priorities is needed. A high-level and preliminary overview of these priorities includes:

- Enhance Corporate Governance
- Optimize the Balance Sheet and Use of the NOL's
- Assess Management and Improve Human Capital
- Increase the Creation of Intellectual Property
- Strengthen Existing Business Segments
- Explore Accretive M&A to Supplement Organic Growth
- Prioritize Transparent Investor Relations

OCO Capital expressed its concerns on CURO Group Holdings Corp

Market Cap: \$168 million | CURO Group Holdings Corp., together with its subsidiaries, provides consumer finance products in the United States and Canada.

On January 20, 2023, OCO Capital (9.8%) expressed its concerns over the operational and stock price performance of the company. It stated that it intends to more actively and substantively engage in discussions with management and the Board, including by making suggestions aimed at improving the performance and governance of the company, as well as enhancing the composition of the Board. It stated its belief that the size of the Board is unwieldy and insufficiently aligned with the interests of the shareholders and it has lost faith in the current leadership of the Board and believes that change is long overdue. [Source](#)

Compagnie Maritime Belge seeks for the dismissal of five members from the Board of Euronav

Market Cap: \$3.2 billion | Euronav NV, together with its subsidiaries, engages in the transportation and storage of crude oil worldwide.

On January 16, 2023, Compagnie Maritime Belge NV (CMB) (25%) delivered a letter to the company seeking for the dismissal of all five members of the Board following the failed merger with Frontline. It has issued a request to the company requesting for a special general meeting of the Supervisory Board as soon as possible.

Harbor Spring Master Fund initiates discussions with Talkspace, Inc

Market Cap: \$105 million | Talkspace, Inc. operates as a virtual behavior healthcare company. It delivers healthcare through encrypted web and mobile platform..

On January 6, 2023, Harbor Spring Master Fund (5%) stated that it has been and may continue to be in contact with members of the management and Board regarding alternatives that the company could employ to enhance shareholder value, which alternatives may include, without limitation, engaging independent financial advisors to explore strategic alternatives for the company. Source

J&T sends public letter to Venator Materials Board highlighting urgent case for boardroom change

Market Cap: \$72 million | Venator Materials PLC, together with its subsidiaries, manufactures and markets chemical products worldwide.

On January 10, 2023, J&T MS 1 SICAV (14.3%) issued a press release and sent a public letter to the Board regarding its concerns with the company's financial and stock price underperformance, massive shareholder value destruction, lack of strategic direction, and apparent unwillingness to meaningfully engage with them. J&T MS 1 SICAV also stressed that the incumbent Board appears to have squandered its credibility with investors and should not be trusted to chart the course forward for the company without additional independent shareholder representation.

SR Equity Ventures nominates Board candidates to Wheeler Real Estate Investment Trust

Market Cap: \$14 million | Wheeler Real Estate Investment Trust, Inc. is a self-managed commercial real estate investment company.

On December 30, 2022, SR Equity Ventures (8.14%) delivered a letter to the company nominating a slate of six director candidates for election to the Board at the 2023 AGM.

Source

Past

(i) Steamboat Capital Partners

- On June 24, 2020, Steamboat Capital Partners disclosed 12% and sent a letter to the Board requesting that a meeting be called to elect directors to represent the Series D Preferred Shareholders and indicating that it had suggested potential candidates for the company to nominate to fill those seats. Source
- On December 31, 2020, Steamboat Capital Partners (12%) stated that it has determined, at this time, not to take further action or make further efforts to seek the calling of a meeting to elect directors to represent the Series D Preferred Shareholders or to have particular candidates fill any such seats. Source
- On May 21 2021, Steamboat Capital Partners (14.5%) had a conversation with management in which it requested the election of directors to represent the Series D Preferred Shareholders. In addition, Steamboat Capital had discussions with management regarding the company's capital structure and the possible acquisition and disposition of securities by clients of Steamboat Capital Partners. Source
- On October 25, 2021, Steamboat Capital Partners filed a complaint against the company alleging that the company's distribution of rights to the common stockholders, and notes pursuant to the rights, when accrued Series B and Series D preferred dividends had not been fully paid, breached the provisions of the company's governing documents and violated the rights of the Series B and Series D preferred stockholders and, in the case of the notes so distributed, Maryland law. The Complaint seeks, as a result, to require the company to pay all dividends accrued, as of the date of the distribution of rights, on the Series B and Series D preferred stock and to prohibit the company from paying interest on the notes distributed to the common stockholders upon exercise of the rights until all accrued dividends on the Series B and Series D preferred stock are paid. Source
- On December 20, 2022, Steamboat Capital Partners sent a letter to the Board and explained why it does not intend to tender shares of Series D Preferred Stock of the company held by its clients and therefore does not intend to consent to the proposed amendments to the charter of the company adversely affecting the rights of the Series D Preferred Stock. Steamboat also expressed its view on the value of the company and the need to negotiate with all stakeholders to address the challenges the company faces.

(ii) Daniel Khoshaba

- On January 6, 2020, Daniel Khoshaba disclosed 7.5% and expressed his belief that the company's financial performance can be improved to increase shareholder value. Accordingly, Mr. Khoshaba has sent a letter (refer, "Exhibit

B”) to the Chairman of the Board, in which he requested that the company immediately appoint him to fill the current vacancy on the Board.

- On February 25, 2020, the company filled the vacancy on the Board by electing Daniel Khoshaba to be a director. [Source](#)
- On April 13, 2020, the company terminated the employment of the company's CEO and President David Kelly and appointed Daniel Khoshaba, a current director of the Company, as a CEO. [Source](#)
- On July 5, 2021, Daniel Khoshaba has tendered his resignation as the President and CEO of the company and as a member of the Board.
- On August 23, 2021, Mr. Khoshaba, the ex-CEO of the company (11.4%) sent a letter (refer, [Exhibit A](#)) to the company and the Board expressing his concerns with the recent developments at the company. Mr. Khoshaba believes that the Board has failed to provide effective corporate governance and sound leadership to the company, especially in the wake of the Board's decision to pressure him to resign as CEO..He stated that he may seek to improve the composition of the Board
- On December 13, 2021, Mr. Khoshaba sent a letter (refer "[Exhibit A](#)") to the Board reiterating his concerns on the company.

(iii) JCP Investment Management

- On June 11, 2018, JCP Investment Management (7.2%) submitted a letter to the company exercising its right to have the company redeem their Shares at a redemption price of \$25 per Share due to the company's failure to maintain the required asset coverage specified in the Asset Coverage Provision. JCP Investment Management stated that it may take further action, including but not limited to pursuing litigation to enforce its rights as holders of Shares if the company fails to redeem their Shares. [Source](#)
- On June 28, 2018, JCP Investment Management filed a complaint against the company stating that it believes that the Certificate of Corrections filed by the company significantly altered the terms of the Shares and the rights of holders of preferred stock without a vote and was filed in breach of the Articles Supplementary and in violation of Maryland law. In addition, the Complaint states that the plaintiffs believe that the company's failure to comply with the requirements of the Asset Coverage Provision, including the mandatory redemption of Shares, have caused tens of millions of dollars in damages for the holders of the preferred stock. The Complaint requests that the court enjoins the company from continuing to violate the Articles Supplementary and that the court compels the company to redeem preferred stock in accordance with the Articles Supplementary. [Source](#)
- On February 26, 2020, JCP entered into a confidential Settlement Agreement with the company pursuant to which JCP agreed to make a filing with the court to have the lawsuit dismissed without prejudice and agreed not to refile a lawsuit relating to the issues raised by the Complaint for at least one year from the date of entry of the dismissal order. [Source](#)
- On December 9, 2020, JCP Investment Management increased its stake to 8.7% and stated that it may consider prosecuting the believed breach of the Settlement Agreement and/or refile a lawsuit relating to the issues raised by the Complaint within the year following the date of the dismissal order. [Source](#)

(iv) Westport Capital Partners

- On December 18, 2017, Westport Capital Partners (9.3%) informed the company that it was nominating two candidates for election to the Board at the 2018 annual meeting of shareholders. [Source](#)
- On April 11, 2018, Mr. Armstrong, representative of Westport Capital Partners was appointed to serve as a director on the board. [Source](#)
- On September 13, 2019, Mr. Armstrong resigned from his position as a director on the board. [Source](#)
- On February 11, 2020, Westport Capital Partners reduced its stake to 4.6%.

(v) Joseph Stilwell

- On July 3, 2017, Joseph Stilwell disclosed 8.2% stating that he hopes to work with the Board to maximize shareholder value. [Source](#)
- On November 30, 2017, Joseph Stilwell delivered a written consent to be named in the proxy statement and to serve on the board if elected. On December 4, 2017, Joseph Stilwell increased his stake to 9.7% and announced his nominees and alternate nominee for the company's upcoming election of directors. [Source](#)
- On January 17, 2018, Joseph Stilwell (9.7%) announced his belief that Jon S. Wheeler, Chairman and Chief Executive Officer, should be removed from the company. [Source](#)
- On January 30, 2018, the company [announced](#) that the Board of Directors has terminated Jon S. Wheeler as the Company's Chairman, Chief Executive Officer and President. In addition, Mr. Wheeler resigned his position from the Board of Directors. Effectively immediately, the Board of Directors named David Kelly as the Company's CEO and President.
- On July 24, 2018, Joseph Stilwell (9.7%) filed [proxy materials](#) nominating three candidates for election to the Board at the upcoming AGM.
- On July 25, 2018, Joseph Stilwell delivered an open [letter](#) to shareholders claiming that Jon S. Wheeler, Chairman and CEO made loans from company's funds for his outside projects.
- On September 19, 2018, the company [announced](#) that Glass Lewis recommends shareholders to vote in favor of: (i) the re-election of eight members of the Board, the full slate of the Company's nominees; (ii) Advisory vote on the frequency of executive compensation advisory votes for every year; (iii) Advisory vote to approve executive compensation; and (iv) The ratification of Cherry Bekaert LLP as the Company's independent registered public accounting firm for the fiscal year ending, December 31, 2018.
- On September 21, 2018, the company [announced](#) that ISS recommends shareholders to vote in favor of: (i) the re-election of seven of its eight members of the Board; (ii) Advisory vote on the frequency of executive compensation advisory votes for one year; and (iii) The ratification of Cherry Bekaert LLP as the Company's independent registered public accounting firm for the fiscal year ending, December 31, 2018. ISS has also recommended DO NOT VOTE for the Stilwell Group's nominees on the green proxy card.
- At the [AGM](#) held on October 3, 2018, Stilwell's nominees were not elected to the Board.

- On October 29, 2018, Stilwell Group (9.8%) stated that it intends to nominate again at the 2019 annual meeting. It stated its belief that a meaningful number of the company's legacy directors should resign. [Source](#)
- On April 15, 2019, Stilwell (9.8%) nominates five candidates for election to the Board at the upcoming annual meeting of shareholders. [Source](#)
- On May 7, 2019, Joseph Stilwell announced his intent to nominate an additional nominee on his slate of candidates for election as directors at the upcoming annual meeting. [Source](#)
- On December 3, 2019, the Stilwell Group [announced](#) that ISS has recommended that stockholders vote on Stilwell's **GREEN** proxy card FOR the election of two of Stilwell's nominees, Joseph Stilwell and Paula Poskon, at the Company's upcoming 2019 annual meeting of stockholders. ISS also recommended that stockholders vote AGAINST the Company's say on pay proposal and omnibus stock plan.
- On December 11, 2019, Glass Lewis recommends shareholders to vote for the company's nominees on its **WHITE** proxy card. [Source](#)
- On December 17, 2019, Egan Jones recommends shareholders to vote for the company's nominees on its **WHITE** proxy card. [Source](#)
- On December 19, 2019, the Stilwell Group [announced](#) that based on preliminary voting results from Wheeler's Annual Meeting of Shareholders, shareholders have elected all three of Stilwell's director nominees, Joseph D. Stilwell, Paula J. Poskon and Kerry G. Campbell, to the Board.
- On June 17, 2020, the Stilwell Group increased its stake to 10.9%.
- On June 19, 2020, the Board voted to increase the size of the Board from seven directors to eight directors and appointed Ms. E. J. Borrack as a director to the Board to fill the resulting vacancy with immediate effect. In addition, Ms. Borrack was appointed to the Compensation Committee of the Board. Since 2013, Ms. Borrack has been the General Counsel at a group of private investment partnerships known as The Stilwell Group. [Source](#)
- On September 22, 2020, the Stilwell Group increased its stake to 13.1%.

(vi) NS Advisors

- On July 21, 2017, NS Advisors disclosed 5.4% stating that it has become concerned about the company's current trading price. It stated that it intends to engage in a dialogue with the management and the board to address these concerns and questions. Mr. Jones, the managing partner of NS Advisors, sent a [letter](#) dated July 20, 2017, to the Chairman and CEO of the company addressing, among other things, ways in which it believes shareholder value may be maximized.
- On January 29, 2018, NS Advisors (6.8%) revealed that on January 26, 2018, it sent a [letter](#) to the Lead Director of the company addressing concerns related to the performance of the company. It request that the Board undertake the following steps: (i) Publically commit to a plan of complete liquidation that will result in the sale of all the company's assets in an orderly manner, (ii) Appoint a committee of independent directors to oversee the liquidation and insure that the assets are sold for full market value, (iii) Hire a nationally recognized commercial real estate broker to market the company's assets.

- On February 27, 2018, the company issued a [press release](#) announcing that its Board of Directors has retained KeyBanc Capital Markets to lead the process in identifying and evaluating strategic alternatives in order to maximize shareholder value.
- On April 17, 2018, Andrew R. Jones. Founder and Chief Executive Officer of NS Advisors (5.8%) was appointed to the Board. [Source](#)
- On December 10, 2019, NS Advisors reduced its stake to 4.7%.

BOARD SEAT/ AGM RESULTS

Barnwell Industries entered into a settlement agreement with MRMP-Managers LLC and Ned L. Sherwood

Market Cap: \$27 million | Barnwell Industries, Inc. operates in four segments namely Oil and Natural Gas Segment, Land Investment Segment, Contract Drilling Segment and Residential Real Estate Segment

Background:

- On January 27, 2021, Barnwell entered into a settlement agreement with the shareholder group consisting of MRMP-Managers LLC, NLS Advisory Group, Inc., Ned L. Sherwood, and Bradley M. Tirpak. Pursuant to it, the company would re-nominate MRMP-Managers' three representatives to the board at 2021 AGM.
- With respect to the annual meeting of shareholders of the Company scheduled to be held on May 6, 2022, ISS and Glass, Lewis have each recommended that shareholders vote against the Company's Proposal No. 4, the proposal to amend the Company's certificate of incorporation to authorize blank-check preferred stock. Pursuant to the Cooperation and Support Agreement dated January 27, 2021 with the Company, as a result of the adverse recommendations released by ISS and Glass Lewis, Mr. Sherwood (18.3%) will vote his shares against the Company's Proposal No. 4. [Source](#)
- At the [AGM](#) held on May 6, 2022, the amendment to the Company's certificate of incorporation to authorize blank-check preferred stock was not approved.
- On October 27, 2022, MRMP-Managers LLC (20.1%) has announced that it plans to run a proxy contest for full board control at the company at its 2023 AGM. Ned L. Sherwood of MRMP commented: "We believe change is long overdue at Barnwell. We have grown tired of poison pills, millions of dollars spent on anti-takeover lawyers, and constant roadblocks placed in the way of success for the company. We plan to refocus Barnwell on making profits for shareholders instead of preserving jobs for the CEO and the board. We are confident that we can leave a better legacy than CEO Kinzler's \$42 million in net operating losses." [Source](#)

Update

On January 21, 2023, Barnwell entered into a settlement agreement with the shareholder group consisting of MRMP-Managers LLC and Ned L. Sherwood (together 19.6%) and pursuant to it, the Company agreed to nominate Messrs. Woodrum, Grossman and Kinzler, along with two new independent directors, Joshua Horowitz and Laurance Narbut, for election to the Board AGM and 2024 AGM.

FF Top designee was appointed to Faraday Future's Board of Directors

Market Cap: \$358 million| Faraday Future Intelligent Electric Inc engages in the design, development, manufacture, engineering, sale, and distribution of electric vehicles and related products in the United States and internationally.

Background

- On August 18, 2022, FF Top Holding announced that it has filed a preliminary proxy statement in connection with a special meeting of stockholders called by the Company. The Special Meeting has been called in order to hold a stockholder vote on the removal of director and former chairman Brian Krolicki from the Company's board of directors. FF Top requested that the Company call the Special Meeting to remove Mr. Krolicki pursuant to its rights under the Shareholder Agreement, entered into on July 21, 2021 between FF Top and the Company. The Shareholder Agreement provides FF Top with the right to nominate a specified number of directors to the Board (the "FF Top Designees"), the right to remove any FF Top Designee, and the exclusive right to nominate a replacement nominee to fill any vacancy arising from the removal or resignation of such FF Top Designee. [Source](#)
- On August 23, 2022, FF Top (36%) delivered to the company a demand letter requesting certain books and records of the company for the purpose of one or more contemplated proxy solicitations. FF Top demands that the company promptly publicly announce the Record Date and Meeting Date for each of the special meeting of stockholders to be held for purposes of voting on the removal of Mr. Brian Krolicki and the 2022 annual meeting of stockholders. [Source](#)
- On September 6, 2022, FF Top delivered a Notice of Removal of FF Top Designee thereby FF Top exercises its right pursuant to the shareholder agreement to remove Ms. Susan Swenson from the Board. FF Top previously exercised its right to remove Mr. Brian Krolicki (also an FF Top Designee) from the Board on June 22, 2022. The Shareholder Agreement provides FF Top with the right to nominate a specified number of directors to the Board (the "FF Top Designees"), the right to remove any FF Top Designee, and the exclusive right to nominate a replacement nominee to fill any vacancy arising from the removal or resignation of such FF Top Designee. [Source](#)
- On September 15, 2022, Season Smart (20%) disclosed that on August 24, 2022, it has delivered a letter to the Board regarding the previously announced proposed special meeting of shareholders. The letter expressed Season Smart's view that the Board should hold such special meeting expeditiously in order to resolve the company's ongoing governance disputes and supported the right of FF Top Holding LLC to remove its director nominees pursuant to the terms of its Shareholder

Agreement with the company. On September 10, 2022, Season Smart delivered a second letter to the Board, reiterating its support for holding the special meeting and reaffirming its views regarding the right of FF Top to remove its director nominees, including Sue Swenson and Brian Krolicki.

- On September 15, 2022, FF Top delivered a Notice of Nomination of Replacement FF Top Designees to the Board. The Second Nomination Notice states that FF Top is nominating (i) Ms. Li Han (who was originally nominated to replace Mr. Brian Krolicki as an FF Top Designee pursuant to the Original Nomination Notice) to the Board as replacement FF Top Designee for Ms. Susan Swenson and (ii) Mr. Xin (Adam) He, currently a senior business executive and Certified Public Accountant, to the Board as replacement FF Top Designee for Mr. Brian Krolicki. The Second Nomination Notice states that FF Top expects Ms. Han and Mr. He to be appointed to the Board on September 15, 2022. On September 19, 2022, FF Top filed a lawsuit against the company, Ms. Swenson and Mr. Krolicki in the Delaware Court of Chancery to enforce its rights under the Shareholder Agreement. Source
- On September 23, 2022, FF Top and the company reached an agreement regarding their governance dispute and pursuant to it, (i) FF Top will dismiss its lawsuit against the company and its board of directors, (ii) Ms. Sue Swenson will step down from her role as Executive Chairperson of the company and Chairperson of the Board upon the company receiving \$13.5 million in net financing proceeds, (iii) Ms. Sue Swenson and Mr. Brian Krolicki will step down from the Board upon the company obtaining \$85 million in incremental financing commitments and \$35 million in net proceeds therefrom, (iv) Mr. Adam He, a senior executive with extensive public company experience, has been appointed as a new independent board member. Source
- On September 23, 2022, the Company entered into a letter agreement with Season Smart (20.23%) pursuant to which Season Smart has agreed to vote in favor of any resolution presented to the stockholders of Faraday at a stockholder's meeting.
- On October 14, 2022, FF Top delivered a Notice of Nomination of Replacement FF Top Designees to the company stating that FF Top was nominating Ms. Li Han to fill the vacancy on the Board left by Ms. Susan Swenson's resignation. Source
- On December 18, 2022, FF Top Designee Mr. Lee Liu resigned from the Board. Also on December 18, 2022, pursuant to the Shareholder Agreement, FF Top designated Mr. Jie Sheng as its replacement FF Top Designee to fill the vacancy on the Board created by the resignation of Mr. Liu. On December 21, 2022, the company appointed Jie Sheng to the Board effective December 18, 2022. On the same date, the Board also appointed Mr. Sheng as a member of the Nominating and Corporate Governance Committee and the Compensation Committee of the Board. Source
- On December 25, 2022, FF Top Designee Mr. Edwin Goh resigned from the Board. On December 26, 2022, pursuant to the Shareholder Agreement, FF Top designated Ms. Ke Sun as its replacement FF Top Designee to fill the vacancy on the Board created by the resignation of Mr. Goh. Source

Update

On January 25, 2023, Mr. Tin Mok was confirmed by the company's selection committee as one of FF Top's designated candidates for election to the Board for the 2023 AGM, following his nomination by FF Top in accordance with the Heads of Agreement. Source

MDU Resources enters into Cooperation Agreement with Corvex Management

Market Cap: \$6.3 billion | MDU Resources Group, Inc. engages in the regulated energy delivery, and construction materials and services businesses in the United States.

Background

- On August 8, 2022, Corvex Management (5%) commend the Board and management on their recently announced decision to separate Knife River through a tax-free spinoff to shareholders. It stated that this transaction is a positive first step towards removing the significant discount embedded in MDU shares. Corvex Management intends to enter into discussions with the Board and management to discuss: (1) additional strategic alternatives to further maximize shareholder value; and (2) plans to enhance the earnings potential of the company's assets to levels commensurate with industry peers. [Source](#)
- On November 3, 2022, the Board issued a press release to review strategic alternatives for the company with the goal of creating two pure-play companies: Knife River, a leading construction aggregates business, and a separate regulated energy distribution company. Corvex Management stated its belief that the Board's announcement is the right step for the company. [Source](#)

Update

On January 24, 2023, the company announced that it has entered into a [cooperation agreement](#) with Corvex Management LP under which Corvex Partner James H. Gemmel will be appointed to the board, subject to approval by the Federal Energy Regulatory Commission (FERC) under the Federal Power Act. Initially, Mr. Gemmel will be appointed as a non-voting observer of MDU Resources' board of directors. Following the required FERC approval, the size of MDU Resources' board of directors will increase by one director and Mr. Gemmel will be appointed to fill the new director position.

Griffon Corporation announces entry into cooperation agreement with Voss Capital

Market Cap: \$2.2 billion | Griffon Corporation, through its subsidiaries, provides consumer and professional, and home and building products in the United States, Europe, Canada, Australia, and internationally.

Background

On December 29, 2022, Voss Capital (5%) delivered a letter to the company nominating a slate of seven director candidates for election to the Board at the 2023 AGM. [Source](#)

Update

On January 9, 2023, the company announced that it has entered into a [cooperation agreement](#) with Voss Capital (6%) and pursuant to it, the company appointed Travis W.

Cocke, Chief Investment Officer of Voss, to Griffon's Board of Directors. Mr. Cocke will serve as a member of the Board's Committee on Strategic Considerations and Nominating and Corporate Governance Committee.

Past:

- On November 23, 2021, Voss issued a press release and public letter to the board and announced its nomination of three candidates for election as directors of the company. Voss Capital stated that the best way to remedy the perpetual conglomerate and governance discount to the company's stock is to take the following steps: (i) immediately refresh the board with truly independent directors who will hold management accountable, (ii) bring management compensation in line with comps and base incentive pay on metrics that more accurately reflect value creation for shareholders (e.g., ROIC), and (iii) form an independent committee of the board to conduct a comprehensive strategic review with the goal of maximizing shareholder value.

Valuation insight

Voss Capital stated that "During one of our attempts to share our view on Griffon with Mr. Kramer (Chairman of the Board), he admitted to us that the Home and Building Products business alone, if valued at the current average transaction multiple of 12x EBITDA, would recoup more than Griffon's entire enterprise value. However, despite this admission, he claims that now is not the time to sell".

- On December 21, 2021, the company has entered into a definitive agreement to acquire Hunter Fan Company for \$845 million. [Source](#)
- On December 21, 2021, Voss issued a statement in opposition to Griffon's planned acquisition of Hunter Fan Company for \$845 million. Voss Capital stated that, "Griffon says their \$845 million purchase price is attractive. We disagree. Griffon is paying 9.4x their estimate of fiscal 2023 EBITDA² for Hunter Fan Company. Griffon currently trades at under 8x EV/FY 2023 EBITDA and is paying a far higher multiple to acquire Hunter Fan Company than Griffon's current or recent valuation. Given Griffon is trading near a 5-year low valuation and building products transaction valuations are hitting record highs, we believe the Company should be **selling not buying**". [Source](#)

Valuation insight

This year's vote represents an opportunity to finally add truly independent directors to the Griffon Board who will work to dissolve Griffon's outdated conglomerate structure and realize value for all shareholders — a process we estimate will yield over **\$45/share in net cash proceeds for Griffon shareholders**.

- On December 29, 2021, Voss Capital filed [proxy materials](#) seeking support for its nominees. Also, it has submitted shareholders proposals, (i) To conduct an advisory vote on the compensation of the Company's executive officers, (ii) To approve an

amendment to the Company's Certificate of Incorporation to phase out the classified structure of the Board, (iii) To approve an amendment to the Charter to reduce the percentage of outstanding voting power required to call a special meeting, (iv) To approve an amendment and restatement to the Company's 2016 Equity Incentive Plan, (v) To ratify the selection by the Company's Audit Committee of Grant Thornton LLP to serve as the Company's independent registered public accounting firm for the Company's fiscal year ending September 30, 2022, (vi) To transact any other matters that properly come before the annual meeting.

- On January 10, 2022, Voss Capital issued a [letter](#) to the shareholders outlining clear path which would yield \$50 per share if implemented.

Voss's 5-Step Plan to Unlock Shareholder Value

1. Sell Defense Electronics
 2. Explore alternatives for Home and Building Products
 3. Use cash to reduce debt and pay a special dividend
 4. Right-size corporate overhead
 5. Improve margins at the Consumer segment
- On January 19, 2022, Voss Capital announced that another of its director nominees has informed Voss that he must withdraw from the proxy contest at Griffon due to a sudden reversal of approval from his employer. Kindly [click here](#) to read the press release
 - On January 20, 2022, Voss issued an Investor [Presentation](#) titled "Renovating Griffon Opening the door to value creation," outlining Voss's history of engagement with the Company, the ongoing issues with Griffon's conglomerate structure and corporate governance, and opportunities to create value through the addition of Voss's highly experienced candidate to Griffon Corp.'s Board of Directors.
 - On January 28, 2022, Voss issued an open letter to the shareholders, which responds to several misleading statements and mischaracterizations made by Griffon in its recent investor presentation. Kindly [click here](#), to read the entire letter.
 - On February 4, 2022, Voss Capital [announced](#) that Glass Lewis has recommended that shareholders vote on the **BLUE** proxy card for Voss director candidate Charlie Diao for election to the Board.
 - On February 7, 2022, Voss Capital [announced](#) that ISS has recommended that Griffon shareholders vote on the **BLUE** proxy card for Voss's truly independent and engaged director candidate [Charlie Diao](#).
 - At the [AGM](#) held on February 17, 2022, shareholders have voted to elect three of the Griffon Board of Directors' nominees – Michelle Taylor, Louis Grabowsky and Cheryl Turnbull – and one of Voss Capital's nominees – H.C. Charles Diao to the Board. Shareholders also approved the Company's two proposals to enhance governance with charter amendments to quickly phase out the classified structure of the Board and reduce the percentage of outstanding voting power required to call a special meeting to 25%. In addition, shareholders approved the Amended and Restated 2016 Equity Incentive Plan and ratified the selection of Grant Thornton LLP to serve as the Company's independent registered public accounting firm. Shareholders failed to approve Griffon's advisory vote on executive compensation.

Philotimo Fund reaches agreement with Orion Energy Systems, Inc.

Market Cap: \$60 million | Orion Energy Systems, Inc. researches, designs, develops, manufactures, markets, sells, installs, and implements energy management systems for commercial office and retail, exterior area lighting, and industrial applications in North America.

On January 3, 2023, Philotimo Fund and Charles McDulin (5.2%) entered into a cooperation agreement with the company and pursuant to it, the Board increased its size and appointed Mr. McDulin as a Class II director with a term expiring at the company's 2024 AGM. [Source](#)

Snow Lake announces results of the annual general and special meeting of shareholders

Market Cap: \$46 million | Snow Lake Resources Ltd., a natural resource exploration company, engages in the exploration and development of mineral resources in Canada.

Background

On November 29, 2022, Kushkush Investments and Nova Minerals (together, the "Concerned Shareholders" together 37%) distributed a [proxy circular](#) and certain other related materials to the shareholders in connection with the Shareholders Meeting, proposing, among other things, the election of an alternative slate of directors.

Update

At the [AGM](#) held on January 17, 2023, nominees of the concerned shareholders were elected to the Board.

ONGOING

Emerson provides an update on all-cash proposal to acquire National Instruments

Market Cap: \$7 billion | National Instruments Corporation provides a software-centric platform and systems to engineers and scientists worldwide.

Background

On January 17, 2023, Emerson Electric Co issued a press release announcing that it had submitted a proposal to the board to acquire the Company for \$53 per share in cash in a transaction valued at \$7.6 billion. Also it issued a presentation titled "Immediate, Compelling and Certain Value for NI Shareholders," soliciting votes for the election of its slate of director nominees at the 2023 AGM.

Update

On January 23, 2023, Emerson Electric Co issued a press release regarding its all-cash proposal to acquire the company. It stated, " With the steps that the company and its Board have taken since our public proposal, Emerson has decided to proceed in its pursuit of acquiring the company without nominating its Directors for election to the Board at its upcoming AGM".

Hestia Capital nominated director candidates to the Board of Pitney Bowes Inc

Market Cap: \$793 million | Pitney Bowes Inc., a shipping and mailing company, provides technology, logistics, and financial services to small and medium-sized businesses, large enterprises, retailers, and government clients in the United States, Canada, and internationally.

Background

On December 12, 2022, Hestia Capital (7.2%) issued a press release announcing its intent to overhaul the Board, following years of value destruction under the Board's Chairman, Michael Roth, and the company's CEO, Marc B. Lautenbach, by nominating a majority slate of director candidates to the Board, including a highly-qualified proposed interim CEO.

Update

On January 23, 2023, Hestia Capital issued a presentation titled "Pitney Bowes' Failings During the Roth-Lautenbach Era" that details a sampling of current leadership's failings that have led to significant stockholder value destruction. It has nominated seven candidates for election to the Board at the 2023 AGM.

Luxor Capital files preliminary proxy statement to oppose Ritchie Bros

Market Cap: \$6.5 billion | Ritchie Bros. Auctioneers Incorporated, an asset management and disposition company, sells industrial equipment and other durable assets through its unreserved auctions, online marketplaces, listing services, and private brokerage services.

Background

- On November 7, 2022, the company entered into an Agreement and Plan of Merger and Reorganization with IAA, Ritchie Bros. Holdings, Inc. Source

- On January 18, 2023, Luxor Capital (3.6%) files proxy statement in connection with its opposition to proposals to be presented at the upcoming special meeting of shareholders relating to RBA's proposed merger with IAA, Inc. At the Special Meeting, Luxor intends to vote **AGAINST** the proposal to approve the issuance of RBA common shares to IAA stockholders. [Source](#)

Update

- On January 23, 2023, the company announced that it has entered into a securities purchase agreement with Starboard Value pursuant to which Starboard will make a concurrent \$485 million convertible preferred equity and \$15 million common share investment in Ritchie Bros. In connection with the investment, Starboard CEO Jeffrey Smith will be appointed to the Ritchie Bros. Board of Directors effective following the later of the required approvals by Ritchie Bros. shareholders and IAA shareholders in connection with the company's pending acquisition of IAA, Inc. Also, Ancora Holdings Group, which owns about 4% of IAA, agreed to vote its shares in favor of the transaction. [Source](#)
- On January 24, 2023, Luxor Capital (3.6%) issued a press release that it is deeply concerned that management and the board chose to further entrench themselves by entering into a completely unnecessary financing with Starboard Value. Luxor continues to believe that the IAA Merger risks the permanent destruction of over US\$1.8 billion of shareholder value and that RBA's standalone businesses offer the clearest and most logical path for the Company to deliver the optimal outcome for all of its common shareholders. Luxor looks forward to continuing its opposition to this ill-conceived merger, which has illuminated for all common shareholders RBA's missteps and egregious corporate governance. [Source](#)

Joseph Stilwell nominates director candidate to the Board of Peoples Financial Corp

Market Cap: \$67 million | Peoples Financial Corporation operates as the bank holding company for The Peoples Bank that provides banking, financial, and trust services to government entities, individuals, and small and commercial businesses in Mississippi.

Background:

- In November 2020, Joseph Stilwell disclosed 8.9% stating his belief that the company should explore all possibilities to maximize shareholder value. [Source](#)
- In March 2021, Joseph Stilwell (9.9%) filed proxy materials seeking support for his nominee. He stated that the company should explore all possibilities to maximize shareholder value.

- On May 5, 2021, the company announced that ISS recommended that the shareholders vote **FOR** the election of all six of the candidates nominated by the board.
- At the AGM held on May 19, 2021, shareholders elected all six of the company's director nominees. Stilwell's nominee was not elected to the board.
- On February 7, 2022, Joseph Stilwell (9.95%) announced his intent to nominate Rodney H. Blackwell for election as director at the upcoming annual meeting, with Jonathan W. Briggs, Ronald Wade Robertson, Jr., and Gregory H. Browne as alternate nominees. He stated his belief that the company should explore all possibilities to maximize shareholder value. [Source](#)
- On February 28, 2022, Joseph Stilwell filed proxy materials seeking support for his nominee.
- On March 10, 2022, Joseph Stilwell filed proxy materials seeking support for his nominee.
- On March 15, 2022, Joseph Stilwell filed proxy materials seeking support for his nominee and stated his belief that the company should explore all possibilities to maximize shareholder value. [Source](#)
- On April 4, 2022, Joseph Stilwell delivered a [letter](#) to the shareholders reiterating his concerns and urged them to vote for his nominee.
- At the [AGM](#) held on April 27, 2022, shareholders elected all the director's nominees. Stilwell's nominee was not elected to the Board.
- On July 12, 2022, Joseph Stilwell (11.2%) stated his belief that the company should explore all possibilities to maximize shareholder value. [Source](#)

Update:

On January 25, 2023, Joseph Stilwell (11.3%) announced that he served his notice of intent to nominate Rodney H. Blackwell for election as director at the company's upcoming annual meeting, with Stewart F. Peck as the alternate nominee. Also, Stilwell stated his belief that management and the directors have ill served the shareholders, and the company should explore all possibilities to maximize shareholder value. [Source](#)

Republic First Bancorp adjourns its annual meeting in compliance with the Court order

Market Cap: \$144 million | Republic First Bancorp, Inc. operates as the holding company for Republic First Bank that provides a range of credit and depository banking products and services to individuals and businesses.

(a) George E. Norcross, III

- On January 31, 2022, George Norcross, a South Jersey Democratic power broker and the executive chairman of insurance firm Conner Strong & Buckelew, released a letter to the board calling for leadership changes, saying that the bank's stock price has underperformed relative to its underlying value. Norcross was joined on the letter by his brother, Philip Norcross, and former T.D. Bank CEO Gregory Braca. Collectively, they own 6.6%. They stated their belief that the company's depressed

stock performance over several years is directly attributable to weak operating results, including return on assets and return on capital of less than half that of its peers and efficiency ratios and cost of funds for its deposits running higher than industry norms. Among other changes, the shareholder group suggested that one of their members, former T.D. Bank executive Gregory Braca, would be an outstanding candidate to become CEO of Republic First Bancorp Inc. [Source](#)

- On February 3, 2022, the shareholder group increased its stake to 7.8%.
- On February 7, 2022, the group increased its stake to 8.8% and delivered another [letter](#) to the board requesting a meeting with the firm's directors. The group stated that it was very disappointed by the lack of a substantive response to an earlier request to meet with directors.
- On February 9, 2022, the group led by George E. Norcross, III and Greg Braca (9.6%) filed notice with the SEC that it would oppose the reappointment of Vernon Hill, Barry L. Spevak and Theodore J. Flocco, Jr., at the next meeting and support the slate nominated by Driver Management Company, LLC (Peter B. Bartholow, Pamela D. Bundy, and Richard H. Sinkfield III). . The Group has not communicated with Driver and has no intention of acting in concert with Driver on the proxy solicitation process or otherwise. [Source](#)
- On February 16, 2022, George E. Norcross, III submitted a demand to the company to inspect the books and records of the company. As stated in the Books and Records Demand, the purpose of making such demand is to allow the shareholder group to communicate with fellow shareholders of the company and to determine whether the board properly discharged its duties with respect to related party transactions. [Source](#)
- On February 25, 2022, George E. Norcross, III and Greg Braca (together 9.6%) delivered a [letter](#) to the Board requesting that they be allowed to exceed a 10% ownership stake in the bank without triggering certain restrictions.
- On March 7, 2022, George E. Norcross, III submitted a supplemental demand to the company for certain books and records with respect to related-party transactions. [Source](#)
- On March 8, 2022, George E. Norcross, III, Gregory B. Braca and Philip A. Norcross (the "Plaintiffs") filed a complaint (the "Complaint") in the Court of Common Pleas of Philadelphia County against the company and Vernon W. Hill, II, Theodore J. Flocco, Jr., Brian Tierney and Barry Spevak (collectively, the "Defendants"). In the Complaint, the Plaintiffs allege that the Defendants have engaged in and are engaging in inequitable conduct designed to curtail the fundamental voting rights of the shareholders in violation of Pennsylvania law, in an effort to entrench defendant Vernon W. Hill, II, the company's Chairman and CEO. Plaintiffs seek injunctive and declaratory relief to protect the shareholder franchise, including an order declaring that any amendments to the company's executive employment agreements or executive compensation plan to alter the definition of "Change of Control" are invalid and enjoining the company from making any such amendments until after the 2022 annual meeting. [Source](#)
- On March 14, 2022, the group led by George E. Norcross, III, Greg Braca and Philip A. Norcross has issued a proposal to the Board to inject \$50 million into its operations through the purchase of newly-issued non-voting preferred stock and obtain up to a majority stake in the company via the purchase of common stock in a subsequent transaction. The proposed additional investment by the Norcross Braca group in the Company could total as much as \$156 million. Since the Norcross Braca group first

announced its acquisition of 6.6% of Republic First's outstanding shares on January 31, 2022, it has increased its holdings to 9.6%. [Source](#)

- On March 15, 2022, the group led by George E. Norcross, III, Greg Braca and Philip A. Norcross submitted a shareholder demand requesting that the Board appoint a special committee of independent, disinterested directors to investigate and, if appropriate, take remedial action for breaches of fiduciary duty, corporate waste, unjust enrichment and other misconduct by certain directors of the company. [Source](#)
- On March 23, 2022, Norcross Braca Group sent a [letter](#) to the company expressing "disappointment and concern" about the lack of substantive response to offer to inject \$50 million into bank, purchase up to a majority of company
- On March 30, 2022, George E. Norcross, III, filed a lawsuit to compel the company to make available for inspection the Company's books and records. [Source](#)
- On April 11, 2022, Norcross Braca Group delivered a [letter](#) to the Board insisting them to immediately convene a meeting to approve the immediate suspension of Mr. Hill and Brian Tierney from the Board and placement of Mr. Hill on paid administrative leave during the pendency of the investigation into related-party transactions in which they are allegedly directly implicated. They also urged the Board to adopt protocols and measures that will ensure Messrs. Hill, Tierney and any directors directly or indirectly involved in any of the transactions that are subjects of the independent investigation are removed from all discussions and decision-making regarding the investigation, including hiring of independent counsel to conduct the investigation and any reports regarding the progress of the investigation.
- On April 20, 2022, Norcross Braca Group calls for appointment of monitor to Break 4-4 Board Stalemate in amended complaint as evidence of Board's dysfunction and paralysis grows and damage to shareholders builds. [Source](#)
- On May 3, 2022, Norcross Braca Group [announced](#) they have voted proxies for their shares for the slate of Board member nominees proposed by Driver Management for election at the Company's annual meeting. The Company has not yet called or scheduled the annual meeting.
- On May 3, 2022, the company [announced](#) it has removed Vernon W. Hill, II as the Company's chairman effective immediately.
- On May 17, 2022, Norcross Braca Group announced that it supports new board leadership and majority at the company and stated that it has withdrawn all litigation filed against company and certain directors. [Source](#)
- On May 27, 2022, U.S. District Court ordered a special shareholder board election to fill the unexpired term of the late Theodore Flocco and the appointment of a Custodian to oversee that process. Norcross Braca Group delivered a letter to the Board stating that in light of the Court's decision and assuming an election process consistent with the foregoing protections and transparency, the group inform that Gregory Braca will be its candidate to fill the vacancy on the Board. [Source](#)
- On June 3, 2022, Norcross Braca Group notified Driver Management Company LLC that the Group was revoking any proxies previously provided for the 2022 AGM in light of the delayed annual meeting and the upcoming special election of shareholders for the election of a director to replace the late Theodore J. Flocco, Jr. on the Board. [Source](#)
- On July 7, 2022, Norcross Braca Group (8.1%) delivered a letter to the Board reiterating its request to immediately meet with the Board for the betterment of the

shareholders. Also, it requests that the Board grant permission to increase its ownership above 10%. [Source](#)

- On September 15, 2022, the company [announced](#) that it is initiating a strategic review in light of inquiries by multiple parties expressing interest in one or more potential strategic transactions with the Company.
- On September 16, 2022, Norcross Braca Group (9.9%) delivered a [letter](#) to the Board regarding the company's announcement of Strategic Review process. Norcross Braca Group noted a golden parachute package in Madonna's newly [amended contract](#). In addition to a salary of \$500,000, Madonna will earn at least \$1 million if the bank is sold. The Norcross-led group called it a "golden parachute package that would result in him receiving millions of dollars at the expense of the shareholders if certain transactions, like a sale of the company, were to occur."
- On September 22, 2022, Norcross Braca Group delivered a letter to the Board reiterating that a financially attractive proposal from a strategic acquirer is highly unlikely given the financial position of the Company. [Source](#)
- On October 20, 2022, Norcross Braca Group (8.1%) submitted a shareholder demand to the company (the "[Second Special Committee Demand](#)") that the Board appoint a special committee of independent, disinterested directors to investigate and, if appropriate, take remedial action for breaches of fiduciary duty, corporate waste, unjust enrichment and other misconduct committed by the current Board and all officers and employees of the company who participated in the misconduct.
- On October 25, 2022, Norcross Braca Group submitted a demand to the company to inspect the books and records of the company and also delivered a letter requesting a special meeting of shareholders. [Source](#)
- On November 1, 2022, Norcross Braca Group delivered a [letter](#) to the Board raising questions about the recent departure of CFO. It demands the Company to provide immediate disclosure and transparency to the investment community as the issues raise troubling concerns about the financial integrity of the Company's operations, senior management and Board oversight or the lack thereof during these critical times.
- On November 7, 2022, Norcross Braca Group delivered a letter to the Board calling for the immediate resignation of Harry Madonna (both as Interim CEO and Chairman of the Board). [Source](#)
- On November 11, 2022, Norcross Braca Group delivered a nomination notice to the Secretary of the company nominating Gregory B. Braca for election to the Board at the 2022 AGM. [Source](#)
- On November 16, 2022, the company stated that it has reviewed the Notice Materials and has determined that the Purported Nomination Notice was invalid. [Source](#)
- Subsequently, Norcross Braca Group sued the Company and its directors in the Court of Common Pleas of Philadelphia County seeking, among other things, a declaratory judgment that the Company's rejection of the Purported Nomination Notice was improper. The Norcross Group has filed a motion for a preliminary injunction seeking, among other things, to adjudicate the propriety of the Company's rejection of the Purported Nomination Notice.
- On December 9, 2022, Raymond James & Associates, Inc. submitted an updated non-binding proposal to the company's financial advisors, Keefe, Bruyette & Woods, Inc., on behalf of Norcross Braca Group. The Updated Term Sheet sets forth certain key

terms of Norcross Braca Group's proposal to make a direct investment of \$75,000,000 through the purchase of newly-issued non-voting preferred shares of the Issuer. The Updated Term Sheet also sets forth certain governance arrangements, including that upon executing a transaction agreement, Norcross Braca Group will have the right to nominate three directors to the board and Republic First Bank and the Board will appoint Mr. Gregory B. Braca, effective upon receipt of any required regulatory approvals, as the company's CEO. [Source](#)

(b) Driver Management

- On December 9, 2021, Driver Management nominated three candidates for election to the board at the 2021 AGM. [Source](#)
- On January 14, 2022, Driver Management filed proxy materials seeking support for its nominees.
- On February 2, 2022, Driver Management sent a [letter](#) to the board stating that it agrees with Norcross Group's assessment of FRBK's stock price performance and operating results and thereby reiterates that radical change is needed.
- On February 7, 2022, Driver Management filed proxy materials seeking support for its nominees.
- On February 23, 2022, Driver Management filed proxy materials seeking support for its nominees.
- On March 8, 2022, Driver Management filed proxy materials seeking support for its nominees.
- On April 13, 2022, Driver Management delivered a [letter](#) to the Board stating that in February 2022, it has demanded a shareholder list but the company has not yet provided the list and to that end Driver Management assume that the company's refusal is a tactic intended to interfere with both the ability to solicit proxies for the 2022 Annual Meeting and shareholders' right to elect directors of their choosing.
- On April 26, 2022, Driver Management filed proxy materials seeking support for its nominees.
- On May 2, 2022, Driver Management filed a complaint against the company seeking to compel to hold its 2022 AGM on May 10, 2022.
- On May 4, 2022, Driver Management was notified by Broadridge, the election coordinator, that the management had notified Broadridge that the 2022 AGM would not take place on May 10, 2022 and was being postponed indefinitely. Driver Management does not believe that the management has the authority to either postpone or change the date of the AGM. Absent any statement by the Board that it had authorized the management to contact Broadridge to postpone the 2022 AGM, Driver Management can only assume, consistent with the allegations made in its May 2 complaint, that the management is continuing to commit ultra vires actions in an attempt to usurp the Board's sole and exclusive authority to set the date of the 2022 AGM.
- On May 19, 2022, the company [announced](#) that it has received written notification from The NASDAQ Stock Market on May 13, 2022 that the Company is not in compliance with the Nasdaq Listing Rules because the Company has not yet filed its Quarterly Report on Form 10-Q for the quarter ended March 31, 2022.

- On June 2, 2022, Driver Management filed proxy materials nominating a candidate for election to the Board at a court ordered Special meeting of shareholders to elect one director to fill an existing vacancy on the Board.
- On June 22, 2022, Driver Management filed proxy materials seeking support for its nominee.
- On September 20, 2022, Driver Management delivered a letter to the Board expressing concerns regarding the employment agreement between the company and the interim CEO, Madonna. It urges that the Board should publicly disclose the members of the Strategic Review Committee and, if necessary, reconstitute the committee to exclude Mr. Madonna.
- On October 4, 2022, the company disclosed that on September 28, 2022, the company entered into a cooperation agreement with Driver Management and pursuant to it, the Company appointed Peter B. Bartholow to the board as a Class III director. Additionally, Driver has agreed to withdraw its notice of intent to nominate director candidates for election at the 2022 annual meeting.

Update

On January 25, 2023, the company announced that the Court of Common Pleas set April 25, 2023 for a hearing on the Norcross Group's motion and in the meantime, the Company may not hold any shareholder vote with regard to any vacancy on its board of directors until May 31, 2023 at the earliest. In compliance with the Order, the Company will convene the 2022 AGM on January 26, 2023, and immediately adjourn the meeting until at least May 31, 2023 without conducting any business. [Source](#)

Bradley L. Radoff and JEC II Associates oppose the proposed merger of Sesen Bio, Inc with Carisma Therapeutics

Market Cap: \$124 million | Sesen Bio, Inc., a late-stage clinical company, focuses on designing, engineering, developing, and commercializing targeted fusion protein therapeutics (TFPTs) for the treatment patients with cancer.

Background:

- On September 20, 2022, the company and Carisma Therapeutics Inc. announced that they have entered into a definitive merger agreement to combine the companies in an all-stock transaction.
- On November 18, 2022, Bradley L. Radoff and JEC II Associates (together 5.7%) stated their belief that the proposed merger with CARISMA Therapeutics Inc. significantly undervalues the company and that the consummation of the CARISMA Merger is not in the best interest of the company or its stockholders. Bradley L. Radoff and JEC II Associates stated that they intend to vote against the approval of the CARISMA Merger and the transactions related thereto. [Source](#)
- On December 1, 2022, Bradley L. Radoff and JEC II Associates increased their stake to 7.4%

- On January 5, 2023, Bradley L. Radoff and JEC II Associates (together 8.4%) reiterated their intent to vote **AGAINST** the Company's proposed merger with Carisma Therapeutics Inc. [Source](#)

Update

On January 25, 2023, Bradley L. Radoff and JEC II Associates (together 8.5%) issued an open [letter](#) to the Board of Sesen and the Board of CARISMA Therapeutics Inc.. In the letter, they reiterated their intent to vote against the proposed merger between the company and Carisma.

Daniel S. Och expressed his concerns on Sculptor Capital Management

Market Cap: \$225 million | Sculptor Capital Management, Inc. is a publicly owned hedge fund sponsor. The firm provides investment advisory services to its clients.

Background:

On November 3, 2022, Daniel S. Och (0.6%) sent a [letter](#) to the Board that along with the other founding partners of the company, he brought a books-and-records action related to governance failures that resulted in an exorbitant compensation package to the Company's CEO, totaling \$145.8 million in 2021 alone, despite sustained poor performance. He urges the Board to publicly announce that it will pursue a broad range of strategic alternatives

Update

On January 27, 2023, Daniel S. Och (0.85%) stated that he has corresponded with the Special Committee of the Board regarding potential concerns about whether the strategic process is being run in the best interest of all stockholders. Those concerns include: (1) the Special Committee may be discouraging potential bidders from making bids for distinct parts of the Company's business, including the profitable CLO business, even though analysts have noted the Company is worth less than the sum of its parts; (2) the Special Committee may not be encouraging potential bidders to consider alternative solutions to Mr. Levin's compensation package, effectively precluding potential bidders from preparing offers that would maximize value to all stockholders; and (3) the messaging of the process may be implying to potential buyers that management's approval is effectively necessary for any deal. [Source](#)

Sarissa Capital calls for Board refreshment at Amarin

Market Cap: \$747 million | Amarin Corporation plc, a pharmaceutical company, engages in the development and commercialization of therapeutics for the treatment of cardiovascular diseases in the United States.

Background

- On January 24, 2022, Sarissa Capital Management (6.06%) stated that it intends to engage in discussions with the company and others regarding its investment in the shares and ways to maximize the value of the company's assets. [Source](#)
- On June 3, 2022, Sarissa Capital Management expressed its disappointment with the company's first quarter results. Sarissa Capital believes that the meaningful decrease in share price following the earnings announcement reflects the company's insufficient adjustment to changing market conditions for its key drug Vascepa and investor concerns about the ability of leadership as currently constituted to navigate the company during this critical time. Sarissa Capital believes that the expertise and experience of its principals would be extremely beneficial to the company and intend to seek representation on the board. [Source](#)
- On June 15, 2022, Sarissa Capital [announced](#) that it intends to vote "ABSTAIN" at the upcoming AGM. It stated that "Even though such a vote will not impact the outcome of the upcoming election of directors, the United Kingdom, the jurisdiction in which Amarin is domiciled, contains laws and rights that protect the shareholder franchise even after the annual meeting. For example, under UK law and Amarin's articles, shareholders, like Sarissa, who own at least 5% of the outstanding shares can call a special meeting of shareholders to remove and replace directors AT ANY TIME. Therefore, immediately after the annual meeting, we could call a special meeting and seek to remove and replace some or all of the Amarin directors with the affirmative vote of the holders of a majority of the outstanding shares."
- On October 11, 2022, Sarissa Capital issued a [press release](#) indicating that it has commenced the process to call a special meeting of shareholders to remove and replace certain of the company's directors.
- On January 10, 2023, Sarissa Capital filed proxy materials submitting notice to call a special meeting of shareholders to add directors and remove Chairman Per Wold-Olsen. [Source](#)
- On January 18, 2023, Sarissa Capital filed proxy materials reiterating for Board refreshment. [Source](#)

Update

On January 27 2023, Sarissa Capital filed proxy materials reiterating for Board refreshment.

Triam nominates Nelson Peltz for election to Disney Board

Market Cap: \$193 billion | The Walt Disney Company, together with its subsidiaries, operates as an entertainment company worldwide.

Background

- On January 12, 2023, Trian Fund filed proxy materials for the election of Nelson Peltz, its CEO and Founding Partner, to the Board at 2023 AGM. Trian believes that Disney's recent performance reflects the hard truth that it is a company in crisis with many challenges weighing on investor sentiment. While we acknowledge that Disney, like many media companies, is undergoing a challenging pivot to streaming, Disney also benefits from owning best-in-class intellectual property, a more diversified business mix, and a Parks business that is enjoying all-time high profitability. As such, we believe that the Company's current problems are primarily self-inflicted and need to be addressed immediately, including poor corporate governance, prro strategy and operations and poor capital allocation. [Source](#)
- On January 20, 2023, Trian Fund filed proxy materials seeking support for its nominees.

Update

On January 27, 2023, Trian Fund filed proxy materials seeking support for its nominees.

Driver Management nominates director candidates to the Board of AmeriServ Financial

Market Cap: \$68 million | AmeriServ Financial, Inc. operates as the bank holding company for AmeriServ Financial Bank that provides various consumer, mortgage, and commercial financial products.

Background

- On January 13, 2023, Driver Management filed proxy materials stating that it intends to nominate director candidates for election to the Board at the 2023 AGM. [Source](#)
- On January 17, 2023, Driver Management (8.6%) delivered a letter to the company nominating a slate of director candidates: J. Abbott R. Cooper, Julius D. Rudolph and Mr. Simmons, for election to the Board at the 2023 AGM. [Source](#)
- On January 20, 2023, Driver Management delivered a [letter](#) to the CEO of the company stating that it is exercising its right to inspect certain books and records and demands to inspect certain documents.

Update

On January 25, 2023, Driver Management filed proxy materials seeking support for its nominees.

Driver Management Company seeks support for its nominees at First Foundation

Market Cap: \$866 million | First Foundation Inc., through its subsidiaries, provides personal banking, business banking, and private wealth management services in the United States.

Background

- On January 13, 2023, Driver Management Company stated that it intends to file a preliminary proxy statement and accompanying WHITE universal proxy card with SEC to be used to solicit votes for the election of its slate of highly-qualified director nominees at the 2023 AGM. [Source](#)
- On January 18, 2023, Driver Management sent a [letter](#) to the Board stating that on December 30, 2022, it has nominated 2 women for election to the board at its 2023 AGM. Driver Management stated that it has nominated the nominees due to its concerns about the adequacy of the Board's oversight of the Company's business and senior management team. Driver Management added that it has little confidence that Scott Kavanaugh, CEO of the company, and his management team is capable of repositioning the Company under the best of circumstances, let alone while simultaneously facing a proxy fight. Driver Management stated that to the extent that the Board would like to avoid a proxy fight, please do not hesitate to contact J. Abbott R. Cooper at ac@drivermgmtco.com to arrange a time to discuss how the Board might be reconstituted in order to better preserve and increase shareholder value and what other steps might be taken towards that end.

Update

On January 24, 2023, Driver Management filed proxy materials seeking support for its nominees.

Impactive Capital nominates four directors for election to Investnet Board

Market Cap: \$3.5 billion| Investnet, Inc., together with its subsidiaries, provides wealth management software and services in the United States and internationally.

Background

On November 15, 2022, Impactive Capital (7.2%) issued a [press release](#) and sent an open letter to the Board regarding its concerns with the company's long-term underperformance, lack of shareholder alignment, poor Board governance, and disingenuous shareholder engagement. In the press release and letter, Impactive

Capital stated they may consider nominating a slate of directors at the next AGM if Ms. Wolfe is not immediately appointed to the Board.

Update

On January 4, 2023, Impactive Capital (7.5%) nominates a slate of four director nominees for election at the 2023 AGM. Impactive firmly believes in Envestnet's business and the Company's considerable future potential. [Source](#)

Gregory Fortunoff delivered a letter to the Board of Kingstone Companies

Market Cap: \$16 million | Kingstone Companies, Inc., through its subsidiary, Kingstone Insurance Company, underwrites property and casualty insurance products to individuals in New York. .

Background

- On July 21, 2022, Mr. Gregory Fortunoff (3.64%) submitted a [letter](#) to the Shareholders relating to the Shareholders meeting scheduled for August 11, 2022. Mr. Fortunoff urges shareholders to vote to "Withhold All" for the board members and to vote "Against" the Company's executive compensation plan.
- At the [AGM](#) held on August 11, 2022, shareholders voted to elect all the company's director nominees and approved the compensation plan.
- On September 27, 2022, Mr. Gregory Fortunoff (3.56%) sent a [letter](#) to the Board stating that the recent vote in the proxy statement that showed over 30% of the votes cast withholding their votes for the Board of Directors proves that shareholders are fed up with this puppet Board. He demanded that the Board address his issues, convey the current status of all outstanding items to shareholders in a public forum and move in a deliberate and expeditious manner to secure the integrity and value of the company.
- On November 16, 2022, Mr. Gregory Fortunoff (5.3%) submitted a [letter](#) to the Directors of the company highlighting the management actions against the potential buyers during negotiation. In addition, Gregory Fortunoff stated that in considering the actions of current CEO and board, to regain footing he would do the necessary steps to replace the board in the next election with a diversified slate of insurance and financially savvy people, remove Barry Goldstein as chairman and CEO, appoint Meryl Golden as chairman and CEO, management and the board will be transparent and respect the fact that they are running a public company.

Update

On January 4, 2023, Mr. Gregory Fortunoff submitted a [letter](#) to the Board stating that he would do whatever he has to do in order to protect the current investment and take actions that he believes are in the best interests of all shareholders. Gregory Fortunoff added that he stands ready to engage with the current management and Board regarding his request for board representation, while at the same time, he would be

preparing for the proxy action that he believes would be necessary to effect meaningful and positive change.

Frank Porter Stansberry issues letter to Marketwise Inc's Board

Market Cap: \$711 million | MarketWise, Inc. operates a multi-brand platform of subscription businesses that provides financial research, software, education, and tools for investors in the United States and Internationally.

Background

- On June 27, 2022, Frank Porter Stansberry (69%) filed a letter to the company demanding production of certain books and records relating to the series of transactions culminating in the company becoming a public company. He subsequently withdrew the demand letter on August 25, 2022.
- On September 6, 2022, Mr. Stansberry informally expressed interest to certain board members and executive officers of the company in obtaining a board seat. Mr. Stansberry also informally identified potential strategic acquisitions for the company and a potential role for him on the management team. On multiple occasions, Mr. Stansberry has also expressed to certain board members and executive officers his disagreements with management.
- On December 20, 2022, the Board invited Mr. Stansberry to join the Board. On January 13, 2023, Mr. Stansberry informed the company that he is not accepting the invitation to join the Board. [Source](#)

Update

On January 20, 2023, Mr. Stansberry issued a [letter](#) to the Board communicating his concerns with the Board's and company's performance since becoming a public company, highlighting specific, problematic actions taken by the Board and current and former management. Additionally, Mr. Stansberry demands the immediate resignation of the entire board of directors, with the exception of Van Simmons, the calling of a special shareholder meeting to constitute a new board, and the firing of the company's General Counsel. Further, Mr. Stansberry demands the Board launch investigations into the Ascendant transaction, the September 2022 warrant conversion transaction, and specific actions taken by the former CEO of the company. Mr. Stansberry intends to explore all potential ways to change the composition of the board.

Emerson provides an update on all-cash proposal to acquire National Instruments

Market Cap: \$7 billion | National Instruments Corporation provides a software-centric platform and systems to engineers and scientists worldwide.

Background

On January 17, 2023, Emerson Electric Co issued a press release announcing that it had submitted a proposal to the board to acquire the Company for \$53 per share in cash in a transaction valued at \$7.6 billion. Also it issued a [presentation](#) titled "Immediate,

Compelling and Certain Value for NI Shareholders,” soliciting votes for the election of its slate of director nominees at the 2023 AGM.

Update

On January 23, 2023, Emerson Electric Co issued a [press release](#) regarding its all-cash proposal

to acquire the company. It stated, " With the steps that the company and its Board have taken since our public proposal, Emerson has decided to proceed in its pursuit of acquiring the company without nominating its Directors for election to the Board at its upcoming AGM".

Hoak Public Equities sent a letter to the Board of Natural Gas Services Group

Market Cap: \$152 million | Natural Gas Services Group, Inc. provides natural gas compression services and equipment to the energy industry in the United States.

Background

On December 29, 2022, Hoak Public Equities (9.3%) sent a [letter](#) to the Board calling them to cease any search process for a new CEO and to commence a review of strategic alternatives. In its letter, it stated its belief that the company needs to identify a near-term plan that would put the Company on a path to at least \$75-100 million of EBITDA, utilize a prudent level of debt to generate better equity returns, and implement an industry-standard dividend policy.

Update

On January 11, 2023, Hoak Public Equities (9.3%) sent a [letter](#) to the Board regarding the desirability of adding qualified board members with a larger financial interest in the company. The letter also reiterates that the Board should cease any search process for a new CEO and commence a review of strategic alternatives.

Lawndale Capital suggests Board changes at P&F Industries

Market Cap: \$16 million | P&F Industries, Inc. (P&F), through its two wholly owned subsidiaries, Continental Tool Group, Inc. and Countrywide Hardware, Inc., manufactures and imports air-powered tools sold principally to the industrial, retail and automotive markets, and various residential hardware, such as fencing hardware, and door and window hardware primarily to the housing industry.

On January 19, 2023, Lawndale Capital (7.3%) stated that it noted the recent retirement from P&F's board of one of its few board members who had public company board experience, 84-year old Richard Randall. Lawndale believes P&F should refill the loss of this director with a new director that also has public company board experience. Furthermore, Lawndale's Managing Member, Andrew Shapiro, has communicated to

P&F's board has the view that this would be an excellent opportunity for P&F to refresh its "pale, male & stale" board composition with a far younger and more diverse profile.
Source

Past

- In July 2010, the company added one of the five individuals recommended by Lawndale to the board.
- In January 2013, Lawndale sent a letter to the company seeking (i) improved board composition, (ii) further implement best governance practices, and (iii) further improve compensation practices. Subsequently the company disclosed that 2 long-term directors with close ties to the CEO would not be re-nominated. As a result, Lawndale announced it was no longer considering nominating an alternative slate.
- On April 29, 2013, Lawndale sent a letter to Lead Independent Director Mitchell Solomon and the rest of the Board of Directors and informed them that it intends to vote its shares AGAINST approval of the executive compensation resolution and WITHHOLD on re-election of Richard Horowitz as Director.
- At the AGM held on May 22, 2013, Richard A. Horowitz was re-elected and executive compensation resolution proposal was approved by the shareholders.
- On January 24, 2021, Lawndale reduced its stake to 13.4% and called on P&F's Board to take several incremental capital allocation steps. Lawndale's requests that P&F's Board (i) Continue to aggressively repurchase shares and, in particular, re-initiate an expired 10b5-1 stock buyback plan, (ii) Consider increasing the sustainable dividend paid to PFIN shareholders, (iii) Adopt "Best Practices" minimum share ownership requirements for all its Board members and senior management, (iv) Make by-law changes to adopt "Best Practices" in corporate governance and eliminate change-of-control protections that, with P&F's concentrated shareownership, are completely unnecessary and create undesirable optics, further hurting PFIN's market valuation
- On April 9, 2021, Lawndale reduced its stake to 9.1% and stated that it continues to believe that the Board should make by-law changes to adopt best practices in corporate governance such as de-staggering director terms to a single year vs. the company's present three-year terms, adopting a majority vote requirement for director election, and enhancing shareholders' right to call a special meeting or remove a director, among others.

Shipyard Capital, Evergreen Capital Management, Cedar Creek Partners and Walter C. Keenan urge the trustee of Pacific Coast Oil Trust to file suit against the trust's operator

Market Cap: \$18 million | Pacific Coast Oil Trust acquires and holds net profits and royalty interests in various oil and natural gas properties located in California.

Background

- On October 11, 2022, Shipyard Capital, Cedar Creek Partners and Walter C. Keenan ("concerned shareholders" together 11.4%) sent a [letter](#) to the company's trustee, The Bank of New York Mellon Trust Company, requesting that it file suit against PCEC, the trust's operator. They stated that if the trustee refuses, they intend to call a special meeting to remove the trustee.
- On December 12, 2022, the concerned shareholders (12.8%) stated their belief that the trustee is not properly representing unitholders. The trustee has refused to file suit against PCEC for what we believe are illegal and improper assessments against the trust, preventing the trust from making distributions and potentially forcing dissolution and liquidation, which we believe would harm unitholders.
- On December 22, 2022, the concerned shareholders together with Evergreen Capital Management (22.5%) filed 13D reiterating their concerns. [Source](#)

Update

On January 12, 2023, the concerned shareholders together with Evergreen Capital Management (21.3%) filed 13D reiterating their concerns. [Source](#)

Coliseum Capital Management proposed a cooperation proposal to Purple Innovation, Inc

Market Cap: \$531 million | Purple Innovation, Inc. designs and manufactures mattresses, pillows, and cushions.

Background

On September 17, 2022, Coliseum Capital Management proposed to acquire the company for \$4.35 per share. On January 12, 2023, the company rejected the Proposal.

Update

On January 13, 2023, Coliseum submitted a letter to the chairman of the Board setting forth a new proposal (the "[Cooperation Proposal](#)"), which included (i) expanding the size of the Board to nine members, which would consist of the company's current CEO, Robert DeMartini; Mr. Gray; two current independent directors of the Company to be agreed between the company and Coliseum; two additional Coliseum-affiliated directors; two directors identified by Coliseum who would be independent under Nasdaq Stock Exchange rules and not affiliates of Coliseum; and a new director to be agreed between the company and Coliseum who would be independent under Nasdaq Stock Exchange rules and not an affiliate of Coliseum, (ii) an agreement that Coliseum would formally withdraw the Proposal, (iii) an agreement that the company would terminate the Stockholder Rights Agreement, dated as of September 25, 2022, and (iv) an agreement that Coliseum would not acquire greater than 50% ownership of the

Common Stock, subject to certain exceptions. On January 16, 2023, the Special Committee provided a response to the Cooperation Proposal that, in Coliseum's view, did not provide a basis for agreement. While Coliseum would prefer to reach agreement with the company, in the absence of such an agreement, Coliseum intends to nominate a slate of directors for election at the 2023 AGM, which slate would constitute a majority of the Board. [Source](#)

Madison International Realty Holdings sought Board representation in Veris Residential, Inc

Market Cap: \$1.5 billion | Veris Residential, Inc (formerly Mack-Cali Realty Corporation) is an owner, manager and developer of premier office and multifamily properties in select waterfront and transit-oriented markets throughout the Northeast

On January 12, 2023, Madison International Realty Holdings (6.7%) met with members of the nominating and corporate governance committee to discuss potential representation on the board of directors of the company. [Source](#)

Past

Madison International Realty Holdings, LLC

On November 10, 2020, Madison International Realty Holdings, LLC (7.07%) met with members of management of the company to discuss, in general, the company's business, geographic markets, portfolio, corporate governance and strategic direction. At the meeting, Madison International Realty Holdings indicated its support for the management team and its willingness to work with management on possible strategic or other initiatives to enhance shareholder value. During the discussion, Madison International Realty Holdings, as one of the largest shareholders of the company, also discussed potentially seeking representation on the board of directors of the company. [Source](#)

Bow Street

- On April 16, 2019, Bow Street LLC (4.5%) sent a [letter](#) to the Board reiterating its proposal to acquire Mack-Cali's office portfolio and highlighting the need for a reconstituted Mack-Cali Board. Under the terms of the proposal, Mack-Cali stockholders will receive expected net cash consideration of \$8-\$10 per Mack-Cali share as well as an equity distribution of a new, high-growth apartment REIT, comprised of Mack-Cali's current multifamily portfolio with a calculated net asset value of \$19.20 per share. As detailed in its letter, Bow Street's proposal, made in partnership with DWREI LLC and first shared with the Board on February 25, 2019, was publicly rejected. Accordingly, Bow Street has nominated four candidates for election to the Board at the 2019 annual meeting of shareholders.
- On May 1, 2019, Bow Street LLC filed proxy materials seeking support for its nominees. Additionally, Bow Street sent a [letter](#) to its shareholders outlining the decades-long value destruction overseen by the Company's deeply entrenched Board as well as Bow Street's belief that new independent directors and significant structural change are required to unlock value for all shareholders.

- On May 17, 2019, Bow Street launched a website (located at www.bowstreetllc.com/mack-cali/) to communicate with shareholders of Mack-Cali Realty Corporation related to Bow Street's solicitation of proxies in connection with the 2019 annual meeting of stockholders.
- On May 22, 2019, Bow Street released an investor presentation to the shareholders detailing the case for change at Mack-Cali. The presentation and additional information regarding the THE CASE FOR CHANGE AT MACK-CALI is available at: <http://bowstreetllc.com/mack-cali/>.
- On June 12, 2019, the company announced that four current Mack-Cali directors won't stand for re-election to its 11-member board at the company's annual meeting that clears the way for candidates put forth by Bow Street.
- At the AGM held on June 12, 2019, shareholders elected eleven members to the Board including four nominees of Bow Street.
- On March 12, 2020, Bow Street issued an open letter to the shareholders calling for the removal of CEO Michael DeMarco and the election of four additional new directors to the Board of Directors. Additionally, Bow Street is re-nominating the four, independent directors shareholders elected at the 2019 annual meeting. It stated its disappointment that under Mr. DeMarco's leadership, Funds from Operations have declined ~40%, and leverage has increased from ~7.5x EBITDA to ~9.7x EBITDA.
- On May 6, 2020, Bow Street issued a letter to the shareholders outlining the company's urgent need for new leadership at the Board and management levels following years of prolonged underperformance and blatant disregard for accountability and oversight. Bow Street stated that as directors, Bow Street's nominees will execute a plan to permanently usher in a new era of corporate responsibility, operational oversight and value creation at Mack-Cali. Further, Bow Street detailed a three-step plan to maximize value for shareholders; (i) Re-Alignment of the Mack-Cali portfolio, (ii) Reconstitute Board with shareholder-focused, real estate-centric independent directors, and (iii) Installing a new, qualified CEO
- On June 10, 2020, the company announced that it has entered into an agreement with Bow Street in connection with the postponement of the company's 2020 Annual Meeting of Stockholders, which was previously scheduled to occur on June 10, 2020. Under the terms of the agreement, the Mack-Cali Board of Directors will promptly be reconstituted to be comprised of the following nine directors, eight of whom were nominated by Bow Street and one of whom was nominated by the Company, in each case in connection with the 2020 Annual Meeting: Alan R. Batkin, Michael Berman, Frederic Cumenal, MaryAnne Gilmartin, Tammy K. Jones, A. Akiva Katz, Nori Gerardo Lietz, Mahbod Nia, and Howard Stern.

Triam Fund suggests The Wendy's Company to buyback shares and declare dividends

Market Cap: \$4.9 billion | The Wendy's Company is the parent company of its wholly owned subsidiary holding company Wendy's Restaurants, LLC. Wendy's is primarily

engaged in the business of operating, developing and franchising a system of distinctive quick-service restaurants serving food.

Background

On May 24, 2022, Triun Fund (19.4%) advised the Board that it intends to explore and evaluate the possibility of participating, alone or with third parties, in a potential transaction with respect to the Company to enhance shareholder value. Such a potential transaction could include an acquisition, business combination (such as a merger, consolidation, tender offer or similar transaction) or other transaction that would result in the acquisition of control of the Company. Triun Fund is led by founders Nelson Peltz, Peter May and Ed Garden. Mr. Peltz is chairman of Wendy's board and Mr. May is vice chairman. [Source](#)

Update

On January 12, 2023, Triun Fund (19.4%) advised the Board that while they have determined not to propose such a transaction with respect to the Company at this time, they believed that in light of the Company's current business momentum and strong liquidity position, returning additional capital to shareholders through additional stock repurchases and increased cash dividends was the appropriate path to enhance shareholder value at this time. [Source](#)

Vince McMahon was elected as Executive Chairman of the Board of World Wrestling Entertainment

Market Cap: \$6.6 billion | World Wrestling Entertainment, Inc., an integrated media and entertainment company, engages in the sports entertainment business in North America, Europe, the Middle East, Africa, the Asia Pacific, and Latin America.

Background

- On January 5, 2023, Vince McMahon (40%), the founder and controlling shareholder of the company [announced](#) that he has taken necessary actions to position the Company to capitalize on a unique opportunity to maximize long-term value for all WWE shareholders. The actions, communicated to WWE's Board via [written consent](#), include the election to the Board of Mr. McMahon, as well as Michelle Wilson and George Barrios – former WWE Co-Presidents and Board members, and currently the Co-Founders and Co-CEOs of Isos Capital Management – and the requisite removal from the Board of three directors. Mr. McMahon expects to assume the role of Executive Chairman of the Board. Prior to delivering written consent, Mr. McMahon sent two separate letters ([December 20, 2022](#), [December 31, 2022](#)) to the Board in late December in which he expressed the urgency of his return to the Company as Executive Chairman and his desire to work collaboratively with

the Board and management team. Following conversations with representatives of the Company both before and after Mr. McMahon's most recent letter on December 31, Mr. McMahon determined, consistent with his rights as controlling shareholder, that the steps announced are necessary to maximize value for all WWE shareholders.

- On January 6, 2023, the company provided an update regarding the composition of its Board of Directors and the exploration of strategic alternatives. The company announced that Vince McMahon, will be returning to the Board. Also, the company welcomed back Michelle Wilson and George Barrios to its Board. In connection with the change in the composition of the Board of Directors and in cooperation with Vince McMahon as majority shareholder, the Company intends to undertake a review of its strategic alternatives with the goal being to maximize value for all WWE shareholders. Vince McMahon, in his capacity as controlling shareholder of the Company, has removed JoEllen Lyons Dillon, Jeffrey R. Speed and Alan M. Wexler from the Board. Vince McMahon, George Barrios and Michelle Wilson have been added to the Board to fill the resulting vacancies. [Source](#)

Update

On January 9, 2023, the Board elected Vince McMahon as Executive Chairman of the Board. Subsequently, Vince McMahon informed the company of his view that there is substantial alignment among the Board and management concerning the decision to conduct a review of strategic alternatives amid the upcoming media rights cycle and that the company's corporate governance will properly enable and support stockholder rights. In light of the foregoing, on January 16, 2023, Vince McMahon executed and delivered a written consent (the "January 16th Consent") taking certain actions by consent without a meeting in accordance with Section 228 of the DGCL to substantially repeal the January 5th Amendments. [Source](#)

PRESS RELEASE

ProPetro Holding Corp. (PUMP) (MCap: \$1.1 billion)

ProPetro Acquires Silvertip Creating a Leading Completions-Focused Oilfield Services Company

Highly Complementary Service Offerings Create Significant Cross-Selling Opportunities Across Combined Blue-Chip Customer Base

Transaction Expected to Be Meaningfully Accretive to ProPetro Across All Financial Metrics

ProPetro to Host Conference Call November 2, 2022, at 8:00 a.m. CT to Discuss Transaction and Third Quarter 2022 Results

MIDLAND, Texas – November 1, 2022 – ProPetro Holding Corp. ("ProPetro" or the "Company") (NYSE: PUMP), an oilfield services company providing completions services to upstream oil and gas companies, today announced it has acquired Silvertip Completion Services Operating, LLC ("Silvertip"), a provider of wireline perforating and pumpdown services solely in the Permian Basin, creating a leading completions-focused oilfield services company headquartered in the Permian Basin. The transaction consideration consisted of the issuance of 10.1 million shares of ProPetro common stock, \$30 million of cash, the payoff of approximately \$7 million of assumed debt, and certain other transaction costs, subject to customary post-closing adjustments, which implies a value of \$150 million based upon a 15-day volume weighted average price ("VWAP") of ProPetro's stock price as of October 27, 2022.

Headquartered in Midland, Texas, Silvertip owns and operates 23 wireline units and a best-in-class pumpdown fleet. Silvertip provides operators with efficient wireline and pumpdown services including logging, perforating, and pressure control, while showcasing its culture of data-driven decision-making, and established track record of safety.

Sam Sledge, Chief Executive Officer of ProPetro, commented, "This acquisition represents another important step for ProPetro, advancing our strategy of pursuing accretive growth opportunities that expand our margins and increase free cash flow generation to create a stronger, more resilient and more diversified company. With our highly complementary service offerings including Silvertip's premier wireline franchise, strong cash flow metrics, and blue-chip customer relationships, ProPetro is now well-positioned to execute on cross-selling opportunities, while accelerating our ability to achieve our financial growth targets through a more integrated and diversified service offering. We are excited to welcome the Silvertip team as we work to deliver best-in-class services for our customers through a more integrated and diverse service offering to aid us in unlocking meaningful value for our shareholders."

Mike Wood, Co-Founder and President of Silvertip, commented, "We are excited to complete this transaction, which creates an organization that is well-positioned to serve our E&P customers with greater scale and efficiency. Combining ProPetro and Silvertip pairs the best-in-class Permian hydraulic fracturing and cementing company with one

of the largest Permian wireline companies. As part of a larger, more diversified and well-capitalized company, our wireline-focused business will have the resources and support to accelerate earnings, share best practices and benefit from ProPetro's deep completions experience and technical capabilities. Importantly, we believe this transaction is also in the best interest of our valued team members, who will benefit from expanded career opportunities and a well-aligned culture focused on safety and operational excellence. We look forward to working closely with ProPetro's talented team here in Midland to realize the full potential of this combination."

ProPetro management expects the acquisition of Silvertip to increase 2023 Adjusted EBITDA expectations by approximately \$65 million to \$75 million, while converting approximately 80% of that Adjusted EBITDA into free cash flow. Given its Adjusted EBITDA-to-cash flow conversion rate, which is double ProPetro's approximately 40% Adjusted EBITDA-to-cash flow conversion rate, Silvertip will significantly enhance the free cash flow generation of ProPetro. The transaction is expected to be immediately accretive across all financial metrics. Such estimates are based on information currently available to ProPetro, depend on certain estimates and assumptions and are subject to change. Adjusted EBITDA and free cash flow are non-GAAP measures. See "Non-GAAP Measures" later in this release.

ProPetro will continue to analyze opportunities to prudently deploy capital towards value-enhancing growth opportunities along with investments in its frac fleet conversion strategy. In parallel, ProPetro intends to work towards reducing capital spending through operational efficiency and enhanced maintenance capabilities. ProPetro and Silvertip will share best practices for customer service and operational processes, leveraging their combined resources to enhance already strong partnerships and organizational agility.

<https://www.sec.gov/Archives/edgar/data/1680247/000168024722000028/exhibit993announcementofsi.htm>

ISSUER DIRECT CORP (ISDR) (MCap: \$100 million)

Issuer Direct Acquires iNewsWire.com LLC: Acquisition Increases Issuer Direct's Communications Revenues By More Than 80%, and Almost Doubles Customers

RALEIGH, NC / ACCESSWIRE / November 3, 2022 / Issuer Direct Corporation (NYSE American: ISDR) (the "Company"), an industry-leading communications and compliance company, today announced it acquired iNewsWire.com LLC ("Newswire"), a leading media and marketing communications technology company that provides press release distribution, media databases, media monitoring, and newsrooms through its Media Advantage Platform.

"We are very pleased to complete the strategic acquisition of Newswire as part of our plan to grow and invest in our Communications business. We are excited to welcome Newswire customers and employees to the Issuer Direct family," said Brian Balbirnie, CEO of Issuer Direct. "With this transaction completed, Issuer Direct strengthens its

entire communications portfolio and grows its press release distribution business to be a significant provider in the industry. The combination of ACCESSWIRE and Newswire will now be one of North America's largest press release distribution platforms, almost doubling our press release customer base. The acquisition of Newswire combines what we think are the very best in people, distribution, technology and brands. Newswire customers will benefit from the global footprint ACCESSWIRE has built over the last 7 years, whereas Issuer Direct's customers will have access to Newswire's brand new media database platform, analytics, as well as its Media Advantage Platform, something which we are very excited about."

Mr. Balbirnie added, "This strategic acquisition will also result in meaningful operational synergies in the combined company and we expect the acquisition will be accretive to earnings in the first full quarter of combined operations. The acquisition is projected to increase Issuer Direct's annual revenues by over 50%, and our Communications business by over 80%."

Joe Esposito, Newswire's CEO, added, "We believe the combined assets of both companies along with our shared joint mission values and cultures will ensure a rapid transition to operational excellence. Every employee will have a strategic role to play in the Company to ensure our continued focus on accelerated growth, cash flow, product superiority and unrelenting attention to customer success. We expect this merger of people, process and technology offers significant benefits for all employees, customers, and shareholders. We are excited to get started on this journey together."

https://www.sec.gov/Archives/edgar/data/843006/000165495422014685/isdr_ex991.htm

ACACIA RESEARCH CORP (ACTG) (MCap: \$189 million)

Acacia Research Streamlines Capital Structure, Strengthens Financial Base, Creating a Corporate Acquisition Platform Backed by Starboard Value LP

CEO Clifford Press Announces Retirement With Successful Completion of this Transformation

Starboard to Invest Over \$245 Million in Additional Capital and Convert All Ownership Interests to Common Shares; Starboard's Gavin Molinelli to be Appointed Chair of Acacia's Board

Acacia to Conduct Rights Offering at \$5.25 per share for All Shareholders and Starboard Commits to Buy at Least 15 Million Shares; Acacia to Have Expected Book Value of \$5.37 and Adjusted Book Value of \$5.63

New York, NY, October 31, 2022 - Acacia Research Corporation (Nasdaq: ACTG) ("Acacia" or the "Company") and Starboard Value LP ("Starboard"), an investment adviser with a focused and fundamental approach to investing in publicly traded U.S. companies, today announced an agreement to streamline the Company's capital structure, further strengthen its financial position, and position it as a unique Starboard-backed corporate acquisition platform. As a result of the agreement, which provides for Starboard converting its ownership interests to common shares, Acacia has

enhanced its ability to be a strategic acquirer of operating companies and positioned all of the Company's shareholders to be invested on the same terms as Starboard.

Acacia also announced that Chief Executive Officer Clifford Press will retire from his CEO and Board position, having overseen Acacia's transformation, first as a board member, then as CEO, for the last four years. MJ McNulty has been appointed as interim-Chief Executive Officer. Mr. McNulty has served as Chief Operating Officer and Head of M&A at Acacia since March 2022. The Board will conduct a search for a permanent successor.

https://www.sec.gov/Archives/edgar/data/934549/000110465922113094/tm2229255d1_ex99-1.htm

Quanex Building Products CORP (NX) (MCap: \$813 million)

Quanex Building Products Announces Strategic Acquisition of LMI Custom Mixing, LLC Assets

HOUSTON, TEXAS, November 1, 2022 – Quanex Building Products Corporation (NYSE: NX) (“Quanex” or the “Company”) today announced the acquisition of substantially all the assets of LMI Custom Mixing, LLC (“LMI”) for \$92 million, or \$79 million, net of the present value of \$13 million in anticipated future cash tax benefits. The transaction will be funded with cash-on-hand and borrowings on the Company's existing revolving credit facility. Quanex expects to realize approximately \$500,000 in synergies in the first year following the acquisition. The Company expects LMI to generate revenue of approximately \$80 million and an EBITDA margin of approximately 15% in fiscal 2023.

LMI is a state-of-the-art custom polymer mixer that produces high-quality, customized rubber compounds used in a variety of applications in complementary and attractive diversified industrial end markets, including fenestration, where LMI has been a supplier to Quanex for approximately 20 years. LMI has a highly customer centric model with a reputation for cutting-edge compound development using state-of-the-art machinery.

Key Strategic Benefits of the Combination:

- ☒ Fits squarely within Quanex's material science and process engineering expertise
- ☒ Expands product portfolio into a new, attractive category with significant growth opportunities
- ☒ Vertical integration and cost savings through supply of compounds to Quanex's existing IG sp plant
- ☒ Familiar, complementary operations represent low execution and integration risk

Key Financial Benefits of the Combination:

- ☒ Attractive effective purchase price multiple
- ☒ Immediately accretive to adjusted EPS
- ☒ Improves consolidated margin profile
- ☒ Meets Quanex return hurdles within 3 years
- ☒ Pro forma balance sheet remains strong

George Wilson, President and Chief Executive Officer of Quanex, stated, "The acquisition of LMI is consistent with the "Growth with Purpose" strategy we recently unveiled and represents an important first step on our path to generating at least \$2 billion in annual revenue. Part of our strategy is to acquire businesses that help us grow in new and existing markets, reinforce our leadership positions, as well as enhance scale to create a more effective platform to drive growth and share gains. The acquisition of LMI delivers on all aspects of this strategy as it adds capabilities well-aligned with our material science and process engineering expertise while expanding our product offering into an attractive category with significant organic and inorganic growth opportunities. In addition, Quanex has a long-tenured relationship with LMI and we firmly believe the addition of LMI's complementary capabilities will help deliver on our long-term growth strategy. We look forward to a seamless integration that will deliver solid results over time for our employees, customers and shareholders."

Kevin Gray, President, Chairman and CEO of LMI's parent company, Lauren International, added, "Quanex is the preferred buyer for this business and a great home for LMI. Quanex is a clear leader in the industries it serves and presents a strong fit with LMI's custom compounding capabilities. I believe in the value that can be created for our customers by combining these companies and I'm excited for the LMI team to join the Quanex brand."

Quanex has posted a presentation on its website (<http://www.quanex.com>) in the Investors section under Events & Presentations that provides a summary of the transaction's strategic rationale and financial benefits.

Bank of America served as exclusive financial advisor to Quanex Building Products in connection with the transaction.

https://www.sec.gov/Archives/edgar/data/1423221/000110465922113504/tm2228962d2_ex99-1.htm

KINGSWAY FINANCIAL SERVICES INC (KFS) (MCap: \$186 million)

KINGSWAY ANNOUNCES ACQUISITION OF CSUITE FINANCIAL PARTNERS

CHICAGO, November 1, 2022 - (NYSE: KFS) Kingsway Financial Services Inc. ("Kingsway") today announced the acquisition of the privately-held company CSuite Financial Partners ("CSuite"), the second such acquisition completed under the Kingsway Search Xcelerator Program. CSuite, based in Manhattan Beach, California (www.csuitefinancialpartners.com), is a national, financial executive services firm providing financial management leadership to companies in every industry, regardless of size, throughout the United States.

"This is Kingsway's second acquisition under the Kingsway Search Xcelerator Program and will be run alongside Ravix, which we acquired in October 2021. It fits our model of low capital demands, re-occurring revenue, and strong margins in a growing industry" said Kingsway President and CEO, J.T. Fitzgerald. "Arthur Cohen and team have built a leading company that has a solid reputation and loyal customer base. I am excited to welcome the CSuite team to the Kingsway family of companies."

"This acquisition presents an excellent opportunity for CSuite to partner with an organization that shares our ideals of sustainable growth and reinvestment in people," said Arthur Cohen, Founder and National Managing Partner of CSuite. "We are excited to join the team at Kingsway and Ravix."

"We believe that the addition of CSuite is a nice complement to the offerings provided by Ravix – both CSuite and Ravix will be able to go to market as a one-stop shop of services for our clients," said Timi Okah, President & CEO of Ravix. "I look forward to working with Arthur and the talented team of professionals at CSuite to continue to deliver the highest level of service to our clients."

For the twelve-month period ending July 31, 2022, CSuite had \$9.4 million of unaudited revenue, \$0.9 million U.S. GAAP income before income taxes and \$1.8 million of unaudited non-GAAP adjusted EBITDA. A reconciliation of U.S. GAAP income before income taxes to non-GAAP adjusted EBITDA is presented on the attached schedule. Even after taking into consideration the anticipated effects of purchase accounting, Kingsway expects the acquisition to be immediately accretive.

The purchase price was \$8.5 million (subject to customary adjustments) at close, inclusive of \$0.9 million paid for cash on hand at close, with up to an additional \$3.55 million that could be paid over the next three years depending upon achievement of certain financial metrics. The closing purchase price was paid in cash; however, the Company expects to complete a recapitalization of the loan currently in place at Ravix in the near future.

For more information regarding the CSuite transaction, please join Kingsway's third quarter results call on November 10, 2022 (<https://kingsway-financial.com/press-releases/>).

Eversheds Sutherland (US) LLP served as legal counsel to Kingsway and Jeffer Mangels Butler & Mitchell LLP served as legal counsel to the sellers, and JD Merit & Company served as financial advisors to the sellers in connection with the transaction.

https://www.sec.gov/Archives/edgar/data/1072627/000143774922025459/ex_440493.htm

KINGSWAY FINANCIAL SERVICES INC (KFS) (MCap: \$186 million)

KINGSWAY ANNOUNCES ACQUISITION OF SECURE NURSING SERVICE, INC.

Chicago (November 21, 2022) – (NYSE: KFS) Kingsway Financial Services Inc. ("Kingsway") today announced the acquisition of the privately-held company Secure Nursing Service, Inc. ("SNS"), the third such acquisition completed under the Kingsway Search Xcelerator Program. SNS, based in Los Angeles, California (www.securenursing.com), employs highly skilled and professional per diem and travel Registered Nurses, Licensed Vocational Nurses, Certified Nurse Assistants and Allied Healthcare Professionals with multiple years of acute care hospital experience. SNS places these healthcare professionals in both per diem assignments, and in short-term and long-term travel assignments in a variety of hospitals in southern California.

"The acquisition of SNS marks Kingsway's third business acquisition under the Kingsway Search Xcelerator program. For the last sixteen years, SNS has answered the growing demand for medical staffing driven by the increasing need for healthcare services combined with a persistent nursing shortage across the country. The business meets our criteria of recurring revenue, strong margins, and low capital demands, making it a great fit for our model," said Kingsway President and CEO, J.T. Fitzgerald. "It truly is a pleasure to support our 'Operator-in-Residence', Charles Mokuolu, in this transaction. We're excited to work with Charles as he transitions into the CEO role at SNS."

"We are thrilled to partner with a group that embodies the four pillars of success at SNS: commitment, competency, integrity and reliability," said Roman Gofman, former President and CEO of SNS. "Both our company and our customers are in good hands with Kingsway."

"Roman Gofman and his team have built a leading company by providing the highest level of service in the healthcare industry, with qualified and compassionate healthcare professionals," said Charles Mokuolu, newly appointed President and CEO of SNS. "I am delighted to welcome an SNS team that shares our high-level of standards to the Kingsway family of companies. I look forward to working with the talented SNS team to continue to deliver the highest level of service to our clients and our healthcare professionals."

For the twelve-month period ending June 30, 2022, SNS had \$19.7 million of unaudited revenue, \$2.6 million unaudited U.S. GAAP income before income taxes and \$2.7 million of unaudited non-GAAP adjusted EBITDA. A reconciliation of U.S. GAAP income before income taxes to non-GAAP adjusted EBITDA is presented on the attached schedule. Even after taking into consideration the anticipated effects of purchase accounting, Kingsway expects the acquisition to be immediately accretive.

The transaction was structured as a purchase of SNS' assets and assumption of certain liabilities. The purchase price was \$10.9 million (subject to customary adjustments) at close. The closing purchase price was financed with a combination of debt financing provided by Signature Bank and cash on hand. Pegasus Acquirer Holdings LLC and Pegasus Acquirer LLC, subsidiaries of Kingsway, borrowed a total of \$6.5 million, in the form of a term loan, and established a \$1 million revolver (together, the "Loan") that was undrawn at close. The Loan has a variable interest rate equal to the Prime Rate plus 0.50%, with a floor of 5.00%. The Loan requires monthly principal and interest payments, and the term loan matures on November 18, 2028.

Eversheds Sutherland (US) LLP served as legal counsel to Kingsway and Lagerlof LLP served as legal counsel to the sellers in connection with the transaction.

https://www.sec.gov/Archives/edgar/data/1072627/000143774922027833/ex_449259.htm

Evolut Health, Inc. (EVH) (MCap: \$3.2 Billion)

EVOLUT HEALTH ANNOUNCES ACQUISITION OF SPECIALTY ASSET NIA AND STRATEGIC PARTNERSHIP WITH CENTENE

WASHINGTON, November 17, 2022 /PRNewswire/ -- Evolut Health, Inc. ("Evolut" or "the Company") (NYSE: EVH) today announced that it has entered into a definitive agreement to acquire NIA (also known as Magellan Specialty Health), the specialty benefit management organization owned by Centene Corporation (NYSE: CNC) that focuses on managing cost and quality in the areas of radiology, musculoskeletal, physical medicine, and genetics.

NIA has revenues of approximately \$250 million and stand-alone Adjusted EBITDA of approximately \$50 million. Contracted service expansions from Centene combined with identified cost synergies are expected to increase run-rate Adjusted EBITDA to \$85 million and be fully realized by the fourth quarter of 2024. Consideration for the acquisition includes \$650 million at close plus additional contingent consideration of up to \$150 million based on 2023 performance. The upfront consideration will be funded in part by \$250 million in Evolut equity issued to the sellers at a price of \$29.50, a 24% premium to the prior day's closing price, subject to lock-up provisions. Upon close, the NIA team and platform will be fully integrated into Evolut's value-based specialty care business, which includes New Century Health, Vital Decisions and IPG.

In addition to the NIA acquisition, Evolut and Centene are expanding Centene's relationship with NIA and extending NIA's contracts with Centene through 2027. We believe these expansions will generate at least \$20 million of Adjusted EBITDA by the fourth quarter of 2024.

Seth Blackley, Chief Executive Officer of Evolut, stated, "Today's announcement represents another step forward in Evolut's journey to become a national leader in value-based specialty care, and we believe it will also improve our financial profile, customer diversification and scale. I am also excited to significantly expand our strategic partnership with Centene, and I look forward to the opportunity to further grow our relationship in the time ahead."

Mr. Blackley continued, "These transactions should elevate our visibility with payers and create a more comprehensive specialty solution that should position us as the go-to value-based specialty partner for any health plan in the country. After the closing of the transaction, we believe we will have a \$50 billion cross-sell opportunity inside our existing customer footprint, up from \$16 billion today. Finally, this acquisition brings complementary assets to a core Evolut business that is performing well, including

strong revenue and margin growth heading into 2023. We believe this announcement aligns with our core operating priorities of revenue growth, margin expansion and disciplined capital allocation, all for the benefit of our shareholders.”

John Johnson, Chief Financial Officer of Evolent, stated, “We believe the NIA acquisition is financially attractive and is expected to immediately enhance our Adjusted EBITDA margin and cash flow profile. Further, with highly visible free cash flow generation in 2023 and beyond, the transaction maintains our strong balance sheet from day one, while enabling us to quickly de-lever in the next 18 months.”

Dan McCarthy, President of Evolent, added, “With the successful integration of past specialty acquisitions and the accelerating growth in our existing business, we believe we can integrate the NIA asset into our platform and add new revenue and Adjusted EBITDA with the benefit of the NIA solutions, team and customer base. Our experience in the value-based specialty market informs us that many current and prospective payer partners are looking for more breadth and integration across specialties, and I believe this acquisition sets us up to meet that need.”

Sarah London, Chief Executive Officer of Centene, commented, “Magellan Specialty Health has been a trusted partner of Centene and its health plans for more than a decade. By combining Magellan Specialty Health with Evolent, which is also a trusted strategic partner, Centene will have access to a broad and integrated portfolio of value-based specialty solutions across more of Centene’s geographies and lines of business.”

<https://www.sec.gov/Archives/edgar/data/1628908/000162890822000154/a20221117exhibit992.htm>

BLUCORA, INC. (BCOR) (MCap: \$1.3 Billion)

BLUCORA TO BECOME AVANTAX, A PURE-PLAY LEADING U.S. INDEPENDENT BROKER-DEALER AND INVESTMENT ADVISOR THAT PROVIDES TAX-FOCUSED WEALTH MANAGEMENT SOLUTIONS

Has Entered Into Definitive Agreement to Sell Tax Software Business for \$720 Million in Cash

Company to Use Proceeds to Pay Down Debt and Return Excess Capital to Shareholders

Company to Streamline Operations and Rebrand as Avantax after the Closing of the TaxAct Transaction

Blucora to Host Conference Call Today at 8:30 a.m. ET

DALLAS, November 1, 2022 – Blucora, Inc. (“Blucora” or the “Company”) (NASDAQ: BCOR) today announced that it has agreed to sell TaxAct, its tax software business. Under the terms of the transaction, an affiliate of Cinven will purchase TaxAct for \$720 million in cash, subject to adjustment. The transaction is expected to close by the end of 2022.

“The TaxAct transaction and value it will deliver to shareholders are the direct result of our team’s significant efforts to provide customers with the best full-featured value offering in the tax software space. TaxAct’s accomplishments over the past few years have been remarkable. NPS scores and retention rates have increased as we have invested in product and customer care enhancements, inclusive of free access to tax experts. This, coupled with strong marketing and partnership execution, has enabled the business to deliver strong financial performance and return to growing market share,” said Chris Walters, President and Chief Executive Officer. “We believe that Cinven will provide the business and its talented team the opportunity to continue to serve customers and grow revenue as a more scaled software-only business,” he added.

Following completion of the transaction, Blucora will rebrand as Avantax and focus on its success in providing tax-focused wealth management through its independent broker dealer (IBD), Avantax Wealth Management, and its employee-based registered investment advisor (RIA), Avantax Planning Partners.

As a pure-play wealth management company, Blucora will streamline its operations and cost structure, allowing the wealth business to invest further in areas that will generate strong revenue growth and expand its margins. Overall, the Company is expected to benefit from:

- ☑ A capital structure well-suited to invest in high-return initiatives, including:
 - o Building upon its successful recruiting efforts to attract new assets, Financial Professionals and accounting firms;
 - o Growing its RIA through on-platform firm acquisitions; and
 - o Creating best-in-class technology tools to meet the needs of financial professionals and clients.
- ☑ Enhanced returns on assets (ROAs) in a rising rate environment.

The Company will continue to execute its differentiated tax-focused wealth management strategy that has delivered impressive results over the last few years including:

- ☑ Dramatically increased Financial Professional satisfaction;
- ☑ Exceptionally high production retention rates;
- ☑ Multiple quarters of positive net flows; and
- ☑ Sustained shifts toward advisory assets and its higher-margin employee-based RIA.

“Completing this transaction will allow us to return significant capital to our shareholders and enable us to focus on our wealth management business and its extraordinary community of Financial Professionals and accounting firms. Avantax has grown significantly over the last four years, and we are confident in our ability to deliver holistic, tax-focused financial planning and investment solutions, while also generating superior returns for shareholders,” said Walters.

Over the medium term, Blucora expects its pure-play broker-dealer and wealth management solutions business will achieve:

- ☑ 8.5% to 11% organic revenue CAGR;
- ☑ Strong positive net flows; and
- ☑ Adjusted EBITDA margins in 16-18% range

“The decision to focus the Company on its wealth business and monetize the value of TaxAct reflects Blucora’s disciplined stewardship of shareholder capital. Closing this transaction will enable the Company to immediately pay down debt and return excess capital to shareholders, allowing Blucora to continue investing into Avantax to fuel organic growth,” said Georganne Proctor, Blucora’s Chair of the Board.

The transaction is subject to customary closing conditions and regulatory approvals. The closing of the transaction is not subject to any financing condition. Blucora expects the transaction to deliver after-tax net cash proceeds of approximately \$620 million.

Blucora will host a conference call at 8:30 a.m. Eastern Time today to discuss the transaction, its strategic transformation, third quarter results and its outlook for full year 2022. This call will be webcast and can be accessed within the Investor Relations section of the Blucora corporate website at www.blucora.com.
<https://www.sec.gov/Archives/edgar/data/1068875/000138713122010995/ex99-1.htm>

UPEXI, INC. (UPXI) (MCap: \$56 million)

Upexi Closes Acquisition of E-Core and its Subsidiaries, Adding Over \$40 Million in Trailing Twelve Month Sales and Increasing Projected Calendar 2023 Sales to \$100M

E-Core’s subsidiaries, Tytan Products and New England Technology, provide Upexi with entrance into the toy category as well as national retail distribution for branded and non-branded products

Clearwater, FL / November 2, 2022 / Upexi Inc. (NASDAQ: UPXI) (the “Company” or “Upexi”), a multi-faceted brand owner and innovator in aggregation, today announced the closing of its acquisition of E-Core, Inc. (“E-Core”) and its subsidiaries; Tytan Products (“Tytan”) and New England Technology, Inc. (“New England Technology”), for a combination of cash, stock and one-to-three year notes. Tytan is a children’s toy brand and maker of popular magnetic tiles and building blocks and New England Technology is a national distributor for branded consumer products.

Allan Marshall, CEO of Upexi, commented, “The diversified business of E-Core is very complimentary to our brand acquisition and distribution business model and E-Core and its subsidiaries fit perfectly with our model of profitability and organic growth. In

particular, Tytan has grown 100% over the past two years, with major retail distribution through some of the largest retailers in America. We are excited to enter another recession resistant category with compounding organic growth and national distribution.”

With over \$40 million in trailing twelve-month sales, E-Core provides Upexi with an entrance into the toy category as well as national retail distribution for owned and non-owned branded products. Tytan is a high-quality, eco-conscious toy company that has grown 100% over the past two years. They are continuously expanding their network of retail partners with new, innovative offerings and their products are currently available online through Walmart.com and SamsClub.com, as well as in-store through leading retailers such as Walmart, Sam's Club and BJ's Wholesale. New England Technology is one of the most competitively priced distributors for name branded consumer electronics in the industry with several innovative distribution models specializing in e-commerce, business to business, and business to consumer marketplaces.

Marshall continued, “We continue to focus on both growth and profitability, with an internal goal of 40-50% organic growth and the continued acquisition of profitable brands adding to year-over-year top and bottom line growth. This acquisition expands our ability to leverage direct-to-consumer distribution and the broad distribution capabilities of E-core and its subsidiaries. We look forward to capitalizing on the synergies between E-Core and our current business to generate additional scale and growth.”

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UPEXI, INC. (UPXI) (MCap: \$56 million)

Upexi Eliminates Outstanding Balance on \$15 Million Senior Secured Debt and Plans to Terminate Underlying Registration Statement

Balance Sheet strengthened and approximately \$900,000 in annualized interest savings is expected

Clearwater, FL / November 3, 2022 / Upexi Inc. (NASDAQ: UPXI) (the “Company” or “Upexi”), a multi-faceted brand owner and innovator in aggregation, today announced the payoff of the outstanding balance on its \$15 million senior secured debt facility, its plans to terminate the registration statement covering the loan, and the termination of the agreement with lenders. The elimination of this loan is expected to reduce annualized interest expense by approximately \$900,000.

The sale of CBD assets gave the company flexibility to cut overall expenses.

Allan Marshall, CEO of Upexi, commented, “Our team’s focus is to maximize every percentage point of expense and margin for overall maximum profitability. Our current balance sheet allows Upexi to work with commercial lenders at a more attractive rate going forward.”

https://www.sec.gov/Archives/edgar/data/1775194/000147793222008144/upxi_ex991.htm

TEAM INC (TISI) (MCap: \$359 million)

TEAM, INC. COMPLETES SALE OF QUEST INTEGRITY BUSINESS

SUGAR LAND, TX, November 1, 2022 (GLOBE NEWSWIRE) - Team, Inc. (NYSE: TISI) (“TEAM” or the “Company”), a global leading provider of integrated, digitally-enabled asset performance assurance and optimization solutions, announced today the closing of the previously disclosed sale of its Quest Integrity business to Baker Hughes, an energy technology company that provides solutions to energy and industrial customers worldwide, for approximately \$279 million, reflecting certain estimated post-closing adjustments. The net proceeds to the Company (after payment of transaction related expenses and certain other fees) will be approximately \$270 million. The Company intends to use approximately \$238 million of the proceeds to pay down term debt and to pay certain fees associated with that repayment and related accrued interest, with the remainder reserved for general corporate purposes.

Keith Tucker, TEAM’s Interim Chief Executive Officer, stated, “We are pleased to close the Quest Integrity transaction, which represents an important step in our plan to refocus TEAM on its core Inspection and Heat Treating and Mechanical Services businesses. The cash proceeds provide for a substantial debt paydown that significantly strengthens our balance sheet and improves our financial flexibility while we continue to execute on our strategic initiatives designed to improve profitability and cash flow. Looking ahead, we are experiencing higher activity levels in our core businesses and remain excited about TEAM’s prospects for the future, particularly as operational and strategic changes begin to positively impact results. We expect further improvements as our action plan accelerates, giving us increased confidence in our ability to enhance shareholder value.”

Robert W. Baird & Co served as the exclusive financial advisor to TEAM on the transaction. Kirkland & Ellis LLP served as TEAM’s legal counsel.

<https://www.sec.gov/Archives/edgar/data/318833/000119312522278453/d866971dex991.htm>

TEAM INC (TISI) (MCap: \$359 million)

TEAM, INC. RECEIVES CONTINUED LISTING NOTICE FROM NYSE

SUGAR LAND, Texas – November 4, 2022 – TEAM, INC. (“TEAM” or the “Company”) (NYSE: TISI) today announced that on November 2, 2022 it received written notice from the New York Stock Exchange (“NYSE”) that the Company is not in compliance with the continued listing standards set forth in Rule 802.01C of the NYSE Listed Company

Manual that requires listed companies to maintain an average closing share price of at least \$1.00 over a consecutive 30 trading-day period (the “Notice”).

The NYSE rules require the Company to notify the NYSE, within 10 business days of receipt of the Notice, of its intent to cure this deficiency. The Company has six months following the receipt of the Notice to cure the deficiency and regain compliance. TEAM can regain compliance at any time during the six-month cure period if, on the last trading day of any calendar month during the cure period, its common stock has a closing price of at least \$1.00 and an average closing price of at least \$1.00 over the 30 consecutive trading-day period ending on the last trading day of that month.

The Company will closely monitor the closing share price of its common stock and is considering all available options and intends to regain compliance with the NYSE listing standards by pursuing measures that are in the best interests of the Company and its shareholders, including potentially through the consummation of a reverse stock split, which has been approved by shareholders but is still subject to Board approval.

During this period, the Company’s common stock will continue to be listed and traded on the NYSE under its existing ticker symbol, with the addition of a suffix indicating the “below compliance” status of its common stock, as “TISI.BC.”

The Notice does not affect the Company’s business operations, or its Securities and Exchange Commission reporting requirements, and does not conflict with or trigger any violation under the Company’s material debt agreements.

<https://www.sec.gov/Archives/edgar/data/318833/000119312522278453/d866971dex992.htm>

Certara, Inc. (CERT) (MCap: \$3.1 billion)

Arsenal Capital Partners Increases Investment in Global Biosimulation Leader Certara with \$449M Stock Purchase

Arsenal will acquire approximately 30M shares at \$15 per share from funds controlled by EQT Private Equity and agrees to two-year lock-up on sale of shares

PRINCETON, N.J.— November 7, 2022 -- Certara, Inc. (Nasdaq: CERT) today announced that Arsenal Capital Partners (“Arsenal”), a private equity firm specializing in investing in and building transformational healthcare companies, has committed to make a new \$449M investment in Certara. Arsenal currently owns approximately 4% of common shares outstanding and will acquire approximately 30M additional shares from funds controlled by EQT Private Equity (“EQT”), at a price of \$15 per share. Upon closing of the transaction, which is subject to HSR regulatory approval, Arsenal will own approximately 22% of diluted shares outstanding.

Arsenal is deeply familiar with Certara’s value proposition for all stakeholders. The firm previously held a majority stake in the company before selling a controlling interest to EQT in 2017. Arsenal continued to maintain a minority equity interest both before and after Certara’s initial public offering in 2020.

In a separate agreement with the company, Arsenal has agreed to a two-year lock-up prohibiting any sale of the newly purchased shares without company approval, reflecting Arsenal's commitment to being a long-term shareholder. Arsenal will also have the right, subject to maintaining certain ownership percentages, to nominate up to two board members, including current board member Stephen McLean. Following the closing of the transaction, Arsenal Operating Partner David Spaight is expected to join the board, and current board members Eric Liu and Ethan Waxman of EQT will step down from the board.

"We are pleased to further enhance our long-term-oriented shareholder base via a significant new investment from Arsenal," said William F. Feehery, Chief Executive Officer of Certara. "Arsenal has been invested in Certara for almost a decade, is confident in the critical role of biosimulation within drug discovery and development, and shares in our strategic vision for the business. I also want to thank EQT for its leadership and strategic partnership since 2017, highlighted by the company's IPO in 2020."

Stephen McLean, a Senior Partner of Arsenal, said, "This transaction reflects our long-term advocacy for, and conviction in, the strategic importance of biosimulation in drug development. It also reflects our belief in the long-term prospects of Certara, our admiration for William Feehery's leadership, and our trust in the entire Certara management team. We look forward to our continued partnership with Certara and to further supporting its efforts to enable more efficacious development of therapies and cures for human disease."

Eric Liu, Partner, Head of North American Private Equity, and Co-Head of the Global Healthcare Sector Team at EQT, added, "EQT is proud to have been part of Certara's remarkable journey during the last five years. We would like to thank the management team for their trusted partnership. EQT is confident that Arsenal will continue to be a great shareholder as Certara builds on its strong momentum, and we look forward to the company's continued success."

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Azenta, Inc. (AZTA) (MCap: \$3.9 billion)

Azenta Announces \$500 Million Accelerated Share Repurchase Agreement

CHELMSFORD, Mass., November 23, 2022 (PR Newswire) – Azenta, Inc. (Nasdaq: AZTA) today announced that it has entered into an accelerated share repurchase agreement ("ASR") with JP Morgan Chase Bank, N.A. (the "Dealer") to repurchase \$500 million of the Company's common stock. The ASR was entered into pursuant to the Company's previously announced \$1.5 billion share repurchase authorization. In addition to the ASR, the Company intends to repurchase at least an additional \$500 million in common stock over the next year.

Under the ASR, the Company will make an initial payment of \$500 million to the Dealer and will receive an initial delivery of approximately 6.1 million shares of the Company's common stock on November 28, 2022. The final number of shares to be repurchased will be based on the average of the daily volume-weighted average price of the Company's common stock during the term of the ASR, less a discount and subject to adjustments pursuant to the terms of the ASR. The final settlement of the ASR is expected to be completed by the end of the Company's third fiscal quarter ended June 30, 2023.

<https://www.sec.gov/Archives/edgar/data/933974/000155837022018174/azta-20221123xex99d1.htm>

Sterling Check Corp. (STER) (MCap: \$1.3 billion)

Sterling Announces New \$700 Million Credit Facility and \$100 Million Share Repurchase Program

Credit facility enhances capital structure and financial flexibility while reducing interest expense

Share repurchase program expands capital allocation optionality and is expected to be funded through existing cash and future free cash flow

New York, NY (November 30, 2022) – Sterling Check Corp. (NASDAQ: STER) (“Sterling” or “the Company”) today announced a \$700 million refinancing of the Company's credit facility and the authorization of a \$100 million share repurchase program. These distinct yet complementary strategic initiatives will enhance Sterling's financial position and flexibility by optimizing the Company's capital structure and allocation capacity.

“We are pleased to announce a new 5-year credit facility, offering us increased capacity to invest in organic revenue growth and M&A while maintaining a healthy balance sheet with low leverage,” said Peter Walker, Chief Financial Officer. “We are particularly proud that the refinancing was over-subscribed despite a challenging environment for many borrowers, which we believe reflects the credit market's recognition of our successful growth strategy and maturation as a public company. We are also pleased to announce the concurrent authorization of a share repurchase program, which we expect to fund through the Company's strong existing cash position and robust future free cash flow. The option to purchase shares of Sterling at attractive levels will provide us with a flexible mechanism to return capital to shareholders and reflects our confidence in the future strength of our business.”

Sterling completed a refinancing of its existing debt via a \$300 million Term Loan A Facility and a \$400 million Revolving Credit Facility. The new structure extends the Company's debt maturity profile to November 2027, increases the Company's credit capacity, and is expected to reduce the Company's annual interest expense. The Company's total debt and net leverage are unchanged as a result of the transaction. Interest on the new credit facility will be based on a Total Net Leverage grid and will initially bear interest at the Secured Overnight Financing Rate (“SOFR”) plus a credit

spread adjustment plus 2.25%. In the near term, Sterling plans to enter into an interest rate hedging arrangement to substantially fix the facility's interest rate.

Sterling's Board of Directors also authorized the repurchase of up to \$100 million of the Company's shares over a period through December 31, 2024. The program is expected to be funded through the Company's existing cash and future free cash flow. It will be executed on a discretionary basis through open market repurchases, private transactions, or other transactions, including through block trades and Rule 10b5-1 trading plans. Share repurchases under the program will be consistent with the Company's strategic initiatives prioritizing investments in organic and acquisitive growth. The Company is not obligated to repurchase any specific number of shares, and the timing and amount of any share repurchases will be subject to several factors including share price, trading volume, market conditions, and capital allocation priorities. The share repurchase program may be suspended, terminated or modified without notice at any time.

KeyBanc Capital Markets Inc. led the refinancing transaction with Wells Fargo Securities, LLC, Citizens Bank N.A., and J.P. Morgan Chase Bank N.A. acting as Joint Lead Arrangers.

<https://www.sec.gov/Archives/edgar/data/1645070/000164507022000058/ex991pressrelease.htm>

ADAMS RESOURCES & ENERGY, INC. (AE) (MCap: \$118 million)

ADAMS RESOURCES & ENERGY, INC. ANNOUNCES REPURCHASE OF ALL OUTSTANDING KSA SHARES

EXPANDED AND EXTENDED CREDIT FACILITY, AND NEW TERM LOAN

Houston, Texas (Tuesday, November 1, 2022) -- Adams Resources & Energy, Inc. (NYSE AMERICAN: AE) ("Adams" or the "Company") today announced the repurchase of all of the shares of Adams common stock owned by KSA Industries, Inc. ("KSA"), the Company's largest stockholder, and members of the family of the late Kenneth Stanley Adams, Jr., the Company's founder, who are affiliated with KSA. The sellers had previously announced their intention to pursue a sale of their shares in Adams. The total purchase price was approximately \$70 million for 1,942,433 shares, or \$36 per share. This represents approximately 44.2% of the total shares outstanding, reflecting an effective control position. The \$36 share price represents approximately a 10% premium over the year-to-date weighted average daily closing share price as of October 28th, 2022. Following the transaction, the Company will have 2,452,404 shares of common stock outstanding. The purchase will be funded by a combination of existing cash on hand and a new term loan.

The transaction was reviewed and approved by a Special Committee of the Adams Board of Directors. The Special Committee received fairness and solvency opinions from leading national advisory firms in connection with its evaluation of the share repurchase.

Additionally, the Company announced that it has entered into a new five-year \$85 million credit agreement led by Cadence Bank. This new agreement replaces the Company's existing three-year \$60 million facility and includes a \$25 million term loan which amortizes over 10 years, with a balloon payment after 5 years and \$60 million in revolving credit capacity. The new agreement includes letter of credit capacity of \$30 million, or \$10 million greater than the previous agreement. In addition, the financial covenants under the new facility provide Adams with more operational flexibility than the prior agreement.

“We believe that by repurchasing the KSA and associated shares, along with the recent acquisition of Firebird and Phoenix, we have enhanced the value for all remaining shareholders. This transaction will eliminate the perceived stock overhang, and given the fewer shares outstanding, will proportionally increase earnings per share”, stated Kevin Roycraft, Chief Executive Officer of the Company. “The Company will also see an immediate annual savings of roughly \$1.9 million in dividend payments at the current dividend rate.”

Mr. Roycraft continued, “We have appreciated the long-standing relationship with the Adams family and wish them the best with future endeavors. Furthermore, we appreciate the confidence of our stakeholders and their continued support in growing our business.”

Mr. Roycraft concluded, “We remain committed to capital discipline focusing on free cash flow, a healthy and disciplined balance sheet, and returning cash to shareholders through our dividend program. Our continued focus will be on growth opportunities adjacent to our current business.”

The Special Committee was advised by the GulfStar Group as financial advisor, with Locke Lord LLP and Richards, Layton & Finger. P.A. acting as legal advisors.

<https://www.sec.gov/Archives/edgar/data/2178/000000217822000083/a4q20228-kccaxksaxex991.htm>

FIRST COMMUNITY BANKSHARES INC /VA/ (FCBC) (MCap: \$521 million)

First Community Bankshares, Inc. to Enhance its Small Business Expertise Pending Merger with Surrey Bancorp

BLUEFIELD, Va., November 18, 2022 (GLOBE NEWSWIRE) – Bluefield, VA-based First Community Bankshares, Inc. (“First Community”) (NASDAQ: FCBC), parent company of First Community Bank, and Mount Airy, NC-based Surrey Bancorp (“Surrey”) (OTCPK: SRYB), parent company of Surrey Bank & Trust, jointly announced today their entry into an agreement and plan of merger pursuant to which First Community will acquire Surrey and its wholly owned bank subsidiary, Surrey Bank & Trust. As of September 30, 2022, Surrey Bank & Trust had total assets of approximately \$500 million. Upon completion of the transaction, First Community is expected to have total consolidated assets in excess of \$3.6 billion with branch locations in four states.

This combination will bring together two high-performing community banks that have historically produced returns on average assets well-above one percent and efficiency ratios below sixty percent while maintaining low-risk profiles. “We have long admired Surrey Bank & Trust for its financial performance and its government lending platform. We are looking forward to bringing the two franchises together to better serve our customers and local communities” said Gary R. Mills, President and CEO of First Community Bank.

Edward (Ted) C. Ashby III, CEO and Director of Surrey, commented, “When considering a long-term partner, we wanted a bank that shared our values of providing the highest level of banking services to our community, valued its employees and performed at a level worthy of its shareholders. In First Community, we found all those qualities and are confident that our combined franchise will continue to generate value for all our stakeholders.”

“We are pleased to announce our partnership with Surrey Bank & Trust, and I am confident the combination will create a leading community banking institution in northwestern North Carolina and southwestern Virginia. First Community’s commercial loan customers will benefit from Surrey’s government guarantee lending expertise, and Surrey’s customers will benefit from the additional scale, increased lending limits, and enhanced product and technology offerings of First Community. Shareholders, customers and employees of both banks will benefit greatly from future synergies and efficiencies,” said William (Will) P. Stafford, II, Chairman and Chief Executive Officer of First Community.

The agreement and plan of merger provides for the merger of Surrey with and into First Community, with First Community as the surviving corporation. Under the terms of the agreement and plan of merger, each share of Surrey common and Class A common stock outstanding immediately prior to the merger will be converted into the right to receive 0.7159 shares of First Community common stock, which equates to \$26.95 per share of Surrey common stock and an aggregate transaction value of approximately \$113.2 million based on First Community’s recent 10-day volume-weighted average price.

First Community Bank and Surrey Bank & Trust have entered into a separate merger agreement providing for the merger of Surrey Bank & Trust with and into First Community Bank immediately following the merger of First Community and Surrey, with First Community Bank as the surviving bank.

The transaction, which received unanimous approval by both First Community’s and Surrey’s Board of Directors, is subject to customary closing conditions, including the approval of Surrey’s shareholders and the receipt of all required regulatory approvals. All members of the Surrey Board of Directors owning shares have entered into support agreements to vote the shares of Surrey they own in favor of the transaction. The transaction is expected to be consummated in the second quarter of 2023. At that time, Mr. Ashby and one other current member of Surrey’s Board of Directors will join the Board of First Community Bank. Additionally, Pedro (Peter) A. Pequeno, II, Surrey’s President, and other key executives and employees plan to join the First Community

team. We believe that joining together these two strong teams will ensure a successful transition of Surrey's loan and deposit relationships.

Pequeno commented, "We wanted to partner with a financial institution that shared our values on how we treated our employees, customers, and community. The ability to combine our expertise in government guaranteed lending with a full suite of banking services offered by First Community was a winning combination for the families and businesses in the markets we serve."

First Community expects the transaction to be minimally dilutive to tangible book value per share (non-GAAP) and to provide mid-single digit accretion to earnings per share. Performance Trust Capital Partners, LLC served as financial advisor to First Community, and Bowles Rice LLP served as legal counsel. Raymond James & Associates, Inc. served as financial advisor to Surrey, and Brooks, Pierce, McLendon, Humphrey & Leonard, LLP served as legal counsel.

https://www.sec.gov/Archives/edgar/data/859070/000143774922027708/ex_448832.htm

Redwire Corp (RDW, RDW-WT) (MCap: \$168 million)

Redwire Completes Acquisition of QinetiQ Space NV and \$80 Million Financing from Bain Capital and AE Industrial Partners

\$80 Million Investment from Bain Capital and AE Industrial Partners to Finance Acquisition and Support Growth Initiatives

JACKSONVILLE, Fla. November 1, 2022 – Redwire Corporation (NYSE: RDW), a leader in critical space infrastructure for the next generation space economy, announced today that the Company has completed its previously announced acquisition of Belgium-based commercial space business, QinetiQ Space NV ("Space NV"). The Company also announced today that Bain Capital and AE Industrial Partners ("AEI") together will make an investment of \$80 million in the form of equity-linked securities that will be used to finance the Space NV acquisition and to support Redwire's growth initiatives.

The transaction expands Redwire's portfolio through Space NV's complementary core space infrastructure offerings including advanced payloads, small satellite technology, berthing and docking equipment and space instruments. Joining Space NV's business with Redwire enhances the Company's scale and innovation capabilities across numerous high-growth space areas and provides an expanded total addressable market and increased exposure to European customers, including the European Space Agency ("ESA") and the Belgian Science Policy Office ("BELSPO").

"We are thrilled to complete our acquisition of Space NV and close this important financing with Bain Capital and AEI," said Peter Cannito, Chairman and Chief Executive Officer of Redwire. "This is another step toward demonstrating that Redwire is a pure play public space platform that can effectively scale through organic and inorganic growth to achieve operating leverage for the business. Space NV adds significant flight heritage, innovation, profitable topline growth, broader access to addressable markets

and a significant backlog. The addition of Space NV and the growth capital from Bain Capital and AEI leave us well positioned for the future.”

As previously announced, under the terms of the agreement, Redwire paid €32 million, subject to customary working capital adjustments, to QinetiQ Group plc (“QinetiQ Group”). The Company continues to anticipate the transaction will be accretive to Redwire’s revenue, Adjusted EBITDA and free cash flow, after giving effect to the financing. The Company also continues to anticipate integrating Space NV into Redwire without disruption to either business, maintaining Space NV’s existing facilities, management and operational structures.

<https://www.sec.gov/Archives/edgar/data/1819810/000181981022000131/exhibit991-pressrelease202.htm>

MeiraGTx Holdings plc (MGTX) (MCap: \$385 million)

MeiraGTx Reports Third Quarter 2022 Financial and Operational Results and Receives \$25 Million Investment from Johnson & Johnson Innovation - JJDC, Inc.

LONDON and NEW YORK, November 10, 2022 -- MeiraGTx Holdings plc (Nasdaq: MGTX), a vertically integrated, clinical-stage gene therapy company, today announced financial results for the third quarter ended September 30, 2022, and provided an update on recent progress.

“As we head into year-end, we continue to make progress in advancing our clinical and preclinical pipeline,” said Alexandria Forbes, Ph.D., president and chief executive officer of MeiraGTx. “This includes presenting data from our Phase 1/2 clinical study in XLRP at AAO, further demonstrating botaretigene sparoparvovec’s potential to improve vision in patients with retinitis pigmentosa. We are currently dosing patients in the Phase 3 LUMEOS trial and remain on track for a BLA in 2024. We are also pleased with the \$25 million investment from JJDC which will help us to further our programs and continue development of our internal capabilities.”

“In addition, we are now dosing patients with adeno-associated virus (AAV) encoding glutamic acid decarboxylase (AAV-GAD), an investigational gene therapy product candidate for Parkinson’s disease” Dr. Forbes continued. “And in our xerostomia program, we look forward to presenting updated data from our Phase 1 AQUAx trial later this year.”

“We are also very excited by the progress of our technology and manufacturing platforms”, stated Dr. Forbes. “We published 15 abstracts at ESGCT in October this year, highlighting the robustness of our riboswitch gene regulation technology for gene and cell therapies, as well as the depth of our proprietary promoter and manufacturing and process development platforms.”

<https://www.sec.gov/Archives/edgar/data/1735438/000155837022017297/mgtx-20221109xex99d1.htm>

Kimbell Royalty Partners, LP (KRP) (MCap: \$1.2 billion)

Kimbell Royalty Partners, LP Announces \$290 Million Permian Basin Acquisition in Cash and Unit Transaction

FORT WORTH, Texas, November 3, 2022 – Kimbell Royalty Partners, LP (NYSE: KRP) (“Kimbell” or the “Company”), a leading owner of oil and gas mineral and royalty interests in approximately 16 million gross acres in 28 states, today announced that it has agreed to acquire mineral and royalty interests (the “acquired assets”) held by Austin-based Hatch Royalty LLC (“Hatch Resources” or “Hatch”) in a cash and unit transaction valued at approximately \$290 million, subject to purchase price adjustments and other customary closing adjustments (the “Acquisition”). The purchase price for the Acquisition is comprised of \$150 million in cash (approximately 52% of the total consideration) and approximately 7.3 million common units of Kimbell Royalty Operating, LLC, which are valued at \$140 million (approximately 48% of the total consideration).

Kimbell estimates that, as of October 1, 2022, the acquired assets produce approximately 2,072 Boe/d (1,198 Bbl/d of oil, 372 Bbl/d of NGLs, and 3,012 Mcf/d of natural gas) (6:1)⁵. For the full year 2023, Kimbell estimates that the acquired assets will produce approximately 2,522 Boe/d (1,439 Bbl/d of oil, 461 Bbl/d of NGLs, and 3,730 Mcf/d of natural gas) (6:1). Hatch’s acreage is located in the Permian Basin, with high interest locations concentrated in the Texas Delaware Basin (82%), New Mexico Delaware Basin (8%) and Midland Basin (10%). The Board of Directors of Kimbell’s general partner and the governing bodies of Hatch have each unanimously approved the Acquisition, which is expected to close in the fourth quarter of 2022, subject to customary closing conditions. The effective date of the Acquisition is expected to be October 1, 2022.

https://www.sec.gov/Archives/edgar/data/1657788/000110465922114419/tm2229618d1_ex99-1.htm

Six Flags Entertainment Corp (SIX) (MCap: \$2.3 billion)

Six Flags Amends Cooperation Agreement with H Partners

ARLINGTON, Texas — November 10, 2022 — Six Flags Entertainment Corporation (NYSE: SIX), the world’s largest regional theme park company and the largest operator of waterparks in North America, today announced that the company and H Partners agreed to amend their existing Cooperation Agreement to permit H Partners to increase its beneficial ownership of Six Flags common stock to 19.9%, up from a cap of 14.9% in the original agreement.

“H Partners has been a constructive and important partner to the company. We are pleased they continue to recognize the value potential of Six Flags and the progress management is making for our shareholders,” said Ben Baldanza, Non-Executive Chairman of the Board.

“We are excited about the company’s strategy to deliver an exceptional guest experience and to drive sustainable, long-term earnings growth,” said Arik Ruchim, a Partner at H Partners and director on the Six Flags Board. “We believe that meaningful change takes time to implement, and we are encouraged by the early signs of progress on this ambitious journey.”

<https://www.sec.gov/Archives/edgar/data/701374/000070137422000061/six-20221110xex99d1.htm>

CareMax, Inc. (CMAX, CMAXW) (MCap: \$482 million)

CareMax, Inc. Completes Acquisition of Medicare Value-Based Care Business of Steward Health Care System

Significantly expands CareMax’s comprehensive and coordinated healthcare delivery system designed to reduce healthcare costs, improve overall health outcomes, and promote health equity for seniors

Miami, FL – November 11, 2022 - CareMax, Inc. (NASDAQ: CMAX; CMAXW) (“CareMax” or the “Company”), a leading technology-enabled provider of value-based care to seniors, today announced that it has completed its acquisition of the Medicare value-based care business of Steward Health Care System (“Steward”), establishing CareMax as one of the largest independent senior-focused value-based care platforms in the U.S. The Medicare value-based care business of Steward includes a Medicare Direct Contracting Entity (“DCE”) and two Medicare Shared Savings Program (“MSSP”) accountable care organizations (“ACOs”), one of which is one of the nation’s largest ACOs.

This transaction expands CareMax’s network to approximately 2,000 providers and over 200,000 senior value-based care patients in 10 states across 30 markets. CareMax now serves as the exclusive value-based management services organization (“MSO”) for Steward’s Medicare Advantage network. Steward’s network also includes an additional approximately 380,000 Medicare Advantage fee-for-service beneficiaries and approximately 480,000 traditional Medicare beneficiaries, for whom CareMax and Steward will look for opportunities to provide value-based services.

“The completion of the acquisition is transformative for CareMax and represents another significant step CareMax has taken to redefine healthcare for seniors across the U.S.,” said Carlos de Solo, Chief Executive Officer of CareMax. “Our hybrid model of a capital-light MSO combined with high-performing medical centers establishes our foundation for industry leadership as we expand value-based care across the country.”

Mr. de Solo continues, “This transaction is expected to be immediately accretive to revenue and Adjusted EBITDA. As integration planning has progressed, we are even more confident that this transaction is in the best interest of our patients, our company and our stockholders.”

Dr. Ralph de la Torre, Chief Executive Officer of Steward, commented, “CareMax and Steward believe in a future where primary and specialty care come together to redefine healthcare delivery and empower value-based success. Bringing together Steward’s rich

history in value-based excellence dating back to 2010 and CareMax's modernized approach to the value-based market and senior care in particular, we believe we are each well-positioned to define the next-generation of care delivery and the future of healthcare for seniors."

<https://www.sec.gov/Archives/edgar/data/1813914/000119312522283690/d419128dex991.htm>

Victoria's Secret & Co. (VSCO) (MCap: \$3.2 billion)

Victoria's Secret & Co. Signs Definitive Agreement to Acquire AdoreMe, Inc.

Move Strategically Positions VS&Co for Growth

Enhances Digital-First Focus with Investment in Digitally-Native, Technology-First Brand

Reynoldsburg, Ohio (November 1, 2022) – Victoria's Secret & Co. ("Victoria's Secret" or "VS&Co") (NYSE: VSCO) today announced that it has signed a definitive agreement to acquire 100 percent of AdoreMe, Inc. ("Adore Me"), a digitally-native intimates brand. The deal will create significant upside for VS&Co, including the opportunity to leverage Adore Me's expertise and technology to continue to improve the Victoria's Secret and PINK customer shopping experience and accelerate the modernization of VS&Co's digital platform. As a trailblazer in the intimates value segment, Adore Me will also serve as a growth vehicle for VS&Co, providing access to a consumer that is complementary to VS&Co's existing customer base. VS&Co and Adore Me will continue pushing the intimates category forward in a more inclusive, tech-forward, and sustainable way.

The structured transaction includes an initial upfront \$400 million cash payment and further cash consideration, a portion of which is fixed and a portion of which is based on the performance of Adore Me and achievement of specified growth and synergy targets over a two-year period. This reflects Adore Me's growth potential and combined company synergies. The transaction has been unanimously approved by VS&Co's Board of Directors and is expected to close by the end of January 2023, subject to customary closing conditions and regulatory clearances. VS&Co plans to finance the transaction at closing with cash on hand.

"I'm absolutely delighted to be announcing this transaction, welcoming Adore Me into the VS&Co family. Adore Me is a technology-led, digital-first innovator in the intimates category that will help us bring differentiated experiences to Victoria's Secret and PINK customers," said Martin Waters, CEO, Victoria's Secret & Co. "This acquisition will be a significant accelerant as we pivot toward growth and modernize the foundation of our company with an entrepreneurial mindset that puts technology at the forefront of everything we do. In partnering with the incredible team at Adore Me, we will move to the future much faster."

Named a leading Digital Native Growth Brand in intimates by the NPD Group, Adore Me serves more than 1.2 million active customers and is powered by a sophisticated

proprietary technology platform with highly differentiated customer experiences including “Home Try-On” and monthly subscription options. Adore Me has long been a leader in extended sizes and continues to push the category forward in a more environmentally-conscious way as a *Certified B Corporation*.

“We have significantly grown our business over the past decade, and are excited to bring our technology, purchase experiences, inclusive assortment, brand and team to join the next phase of Victoria’s Secret’s growth and customer journey transformation,” said Morgan Hermand, Founder and CEO of Adore Me.

Adore Me’s “Home Try-On” offering generates strong retention among its customers with a personalized product experience and has achieved scale by leveraging a complex combination of proprietary logistics, algorithms, and operational assets. This shopping experience presents an attractive new option for the Victoria’s Secret customer base and exemplifies the next generation of retail innovation to complement Victoria’s Secret’s best-in-class physical store offering.

Victoria’s Secret has transformed the intimate apparel industry over its lifetime, and its acquisition of Adore Me represents a combination of scale, brand, and digital excellence that will advance the company’s innovation and customer experience.

Presentation materials relating to the acquisition will be available on the Investors section of the company’s website.

Goldman Sachs is acting as financial advisor to VS&Co and Kirkland & Ellis is providing legal counsel. Credit Suisse is acting as financial advisor to Adore Me and WilmerHale is providing legal counsel.

<https://www.sec.gov/Archives/edgar/data/1856437/000119312522274458/d415494dex991.htm>