

**Unaudited Quarterly Report to Stockholders for  
The Three Months Ended  
March 31, 2019**



**P10 Holdings, Inc.**

**Delaware**

*(State of Incorporation)*

**74-2961657**

*(IRS Employer Identification No.)*

**8214 Westchester Drive**

**Suite 950**

**Dallas, TX 75225**

*(Address of principal executive office)*

**(214) 999-0149**

*(Company's telephone number)*

**Common Stock**

**\$0.001 Par Value**

**Trading Symbol: PIOE**

**Trading Market: OTC Pink Open Market**

**110,000,000 Common Shares Authorized**

**89,411,175 Shares Issued and 89,234,816 Shares Outstanding**

**As of April 30<sup>th</sup>, 2019**

## Special Note Regarding Forward-Looking Statements

The following stockholder letter contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements about historical or current facts, including, without limitation, statements about our business strategy, plans, and objectives of management and our future prospects, are forward-looking statements.

You can identify forward-looking statements by words such as “may,” “will,” “expect,” “intend,” “anticipate,” “believe,” “estimate,” “seek,” “continue,” and other similar words. You should read statements that contain these words carefully because they discuss our future expectations, make projections of our future results of operations or financial condition, or state other “forward-looking” information.

We claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 for all forward-looking statements. We have based these forward-looking statements on our current expectations and projections about future events. These forward-looking statements are subject to risks, uncertainties and assumptions about our business that could affect our future results and could cause those results or other outcomes to differ materially from those expressed or implied in the forward-looking statements.

We have no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or risks, except to the extent required by applicable securities laws. If we do update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements. New information, future events or risks could cause the forward-looking events we discuss in this report not to occur. You should not place undue reliance on these forward-looking statements, which reflect our expectations only as of the date of this report. Unless otherwise indicated or the context requires otherwise, the words “we,” “us,” “our,” the “Company” and “P10 Holdings” refer to P10 Holdings, Inc. (formerly P10 Industries, Inc.) and its wholly-owned subsidiaries. References in this report to “\$” or “dollars” are to United States of America currency.

Dear P10 Stockholders:

RCP Advisors continued to successfully raise and deploy capital for its funds in the first quarter. The table below summarizes capital raised during the first quarter and the aggregate raised to date for each fund:

	<u>Quarterly Close</u> (in millions)	<u>Total</u> (in millions)
RCP Fund XIII	\$53.1	\$396.6
RCP Direct Fund III	\$42.8	\$385.0
RCP Secondary Opportunity Fund III	\$123.6	\$400.0

In total, RCP Advisors raised \$219.5 million during the quarter across the three funds. The closes for all of the funds listed above are final. Subsequently, we will begin to launch new funds for investors.

The table below outlines our cash earnings for Q1 2019 and 2018 respectively:

	<b>Q1 - 2019</b>	<b>Q1 - 2018</b>
Net Income	1,853	(2,470)
Add back:		
+Depreciation & Amortization	2,603	2,698
+Non-Cash Expenses	837	992
-Non-Recurring Income	<u>(1,951)</u>	<u>(573)</u>
Total Cash Earnings	<u>3,343</u>	<u>646</u>
Shares outstanding	94,261	89,235
Cash earnings per share	0.04	0.01

Thank you for your support and we look forward to updating you on our continued progress.

Sincerely,

Robert Alpert  
Co-CEO

C. Clark Webb  
Co-CEO

P10 Holdings, Inc  
Consolidated Balance Sheets  
(in thousands, except par value)

	<b>March 31, 2019</b>	<b>December 31, 2018</b>
	(unaudited)	
<b>ASSETS</b>		
Cash and cash equivalents	\$ 11,811	\$ 8,195
Restricted cash	756	756
Accounts receivable third party	937	624
Receivables from affiliates	95	104
Accounts receivable from funds	295	281
Prepaid expenses and other	120	200
Property and equipment, net	48	46
Caplitalized leased assets	5,051	-
Deferred tax assets	10,846	10,846
Intangibles, net	61,588	64,184
Long-term investments	850	-
Goodwill	98,680	98,680
Total assets	\$ 191,077	\$ 183,916
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Accounts payable	\$ 54	\$ 80
Accrued expenses	2,883	4,100
Post-closing payment	625	875
Deferred revenues	6,682	6,145
Long-term lease obligation	5,888	-
Credit and guarantee facility, net	89,597	90,129
Loans payable	-	-
Notes payable to sellers, net	59,416	58,677
Total liabilities	165,145	160,006
<b>STOCKHOLDERS' EQUITY</b>		
Common stock - \$0.001 par value; 110,000 and 110,000 shares authorized, respectively; 89,411 and 89,411 issued, respectively; 89,235 and 89,235 outstanding, respectively	89	89
Treasury stock	(273)	(273)
Additional paid-in-capital	323,478	323,309
Accumlated deficit	(297,362)	(299,215)
Total stockholders' equity	25,932	23,910
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 191,077</b>	<b>\$ 183,916</b>

P10 Holdings, Inc  
Consolidated Statements of Operations and Comprehensive Income  
(in thousands, except per share amounts)

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2019</b>	<b>2018</b>
	(unaudited)	
<b>REVENUES</b>		
Management fees	\$ 10,836	\$ 6,304
Other revenue	395	759
Total revenues	<u>11,231</u>	<u>7,063</u>
<b>OPERATING EXPENSES</b>		
Compensation and benefits	2,693	2,331
Professional fees	81	295
General, administrative and other	1,143	895
Amortization of intangibles	2,596	2,683
Idle facility expense	-	992
Total operating expenses	<u>6,513</u>	<u>7,196</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	4,718	(133)
<b>OTHER INCOME (EXPENSE)</b>		
Interest expense implied on notes payable to sellers	(739)	(816)
Interest expense, net	(2,126)	(1,521)
Total other expense	<u>(2,865)</u>	<u>(2,337)</u>
Net loss before income taxes	1,853	(2,470)
Income tax benefit	-	-
<b>NET INCOME</b>	<u>\$ 1,853</u>	<u>\$ (2,470)</u>
<b>Earnings per share from continuing operations:</b>		
Diluted earnings per share	\$ 0.02	\$ (0.03)
Basic earnings per share	\$ 0.02	\$ (0.03)
Weighted average shares outstanding, basic	89,235	89,235
Weighted average shares outstanding, diluted	94,261	89,235
Comprehensive income:	\$ 1,853	\$ (2,470)

Note that dilutive shares are excluded for March 31, 2018 as their inclusion would be anti-dilutive.

P10 Holdings, Inc  
Consolidated Statements of Cash Flows  
(in thousands)

	Three Months Ended	
	March 31,	
	2019	2018
	(unaudited)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 1,853	\$ (2,470)
Adjustments to reconcile net income to net cash provided by operating activities:		
Stock-based compensation	169	-
Depreciation expense	8	15
Amortization of intangibles	2,596	2,683
Amortization of debt issuance costs and debt discount	921	1,033
Capitlization of leases	838	-
Change in operating assets and liabilities		
Accounts receivable from affiliates, third party and funds	(318)	100
Prepaid expenses and other	80	289
Accounts payable	(26)	(191)
Accrued expenses	(1,218)	1,233
Deferred revenues	537	81
Net cash provided by operating activities	5,439	2,773
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of RCP Advisors 3	-	531
Post-closing payments for Columbia Partners assets	(250)	-
Long-term investments	(850)	
Loss on disposal of property and equipment	-	138
Purchase of property and equipment	(10)	(28)
Net cash used in investing activities	(1,110)	641
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of notes payable to sellers	-	(44,368)
Repayment of loans payable	-	(17,112)
Borrowings on credit and guarantee agreement facility	-	60,759
Repayments on credit and guarantee agreement facility	(713)	-
Net cash provided by financing activities	(713)	(721)
Net change in cash and cash equivalents	3,616	2,693
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, beginning of period	8,951	2,109
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, end of period	\$ 12,567	\$ 4,802
<b>SUPPLEMENTAL INFORMATION</b>		
Cash paid for interest	\$ 2,027	\$ 168
Cash paid for income taxes	\$ -	\$ -