

**CONFIDENTIAL**

**INFORMATION MEMORANDUM**



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**INVESTMENT OPPORTUNITY**

**IN UK CONSTRUCTION CONTRACTING SECTOR**



[partnership.com](http://partnership.com)



**COSTAIN OPPORTUNITY  
SAUDI PUBLIC INVESTMENT FUND**

**Rejected by PIF Representatives Sept 1<sup>st</sup>, 2023**



“The Emperor’s Clothes”

Greg <syler.bros@btinternet.com>

To: Elertherios panayiotou@btinternet.com; greg.syler.bros@btinternet.com;

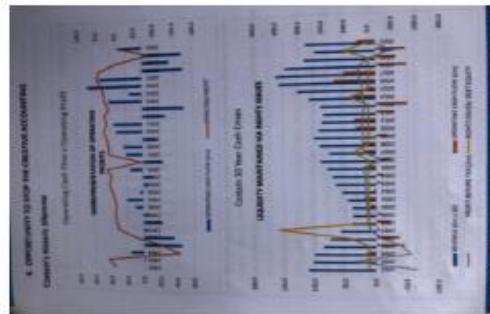
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Lefty- your arguments are sound and obviously the international strategy is an option, despite losses prior to Costain International close down 15 yes ago. To me the key message is the “elephant in the room” - Costain has not been a viable listed plc for 30 years and it’s continuous story has been the offer of profit growth potential that has NEVER materialised. Moreover management has massaged profit figures to appease shareholders again and again and resorted to asset sales and rights issues to maintain liquidity. The survival strategy is flawed as a listed plc which must offer shareholders return over time in both dividends and capital gain. Kharaf and UEM exited with their tail between their legs after years of long suffering dilution of the value of their shareholdings. It is time for a new strategy and new story to offer growth. I don’t believe that is possible with current financial structure or management- an acquisition at a fair price is probably the best option for institutional shareholders to exit and for employees and other parties with a vested interest in Costain resurrecting its reputation and ability to grow profitably. Asking a new CEO to achieve the impossible is like asking a new football manager to turn a team around without money to buy new players. The attached 3 slides say it all- “Stop trying the impossible and seek profitable growth via a strategic tie-up or sale to a financially stronger partner who can also offer entry into new markets. That’s my view.

What are the objectives of a public limited company?

The main aims of a public limited company will be to increase and maximise its profit in order for the shareholders to receive a good return on their investment.



divisions or seek new financing to survive. Costain never fully recovered from its near financial demise in the early 1990’s and had to sell all its higher margin businesses to survive. Ever since, net cash flow generation from operations has been relatively weak, negative in 14 of the last 30 years, with problem contracts burdening year on year cash flow. Poor operating cash flow continued to be substantially negative (£220m) in six of the last 17 years, negating the cumulative positive cash flow of £315m in the other nine years. While only £23m of net operating cash has been generated in the last 15 years, Costain has survived by generating cash from the £64m proceeds of asset sales in the last 15 years, and three Rights Issues generating £239m in cash. Non-operating cash generation has totalled £309.6m in 15 years (£20m per year on average compared to £6.2m from operations). Meanwhile cumulative declared Group Losses over 30 years were £311m, although with some improvement and declared Profits before tax amounting to £196m over last 15 years.

Costain never fully recovered from its early 1990’s near financial demise & needs a Strategic Partner

https://simplywall.st/stocks/gb/capital-

goods/use-cost/costain-group-shares/news/institutional-investors-control-60-of-costain-group-plc-lonc/amp



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Produced by:  
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August 26<sup>th</sup>, 2023

The opportunity is Costain PLC in the UK, a global brand in construction since the 1930's

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## THE PUBLIC INVESTMENT FUND



Native name صندوق الإستثمارات العامة

The Public Investment Fund (PIF; Arabic: صندوق الاستثمارات العامة) is the sovereign wealth fund of Saudi Arabia. It is among the largest sovereign wealth funds in the world with total estimated assets of US\$776 billion (£538 billion). It was created in 1971 for the purpose of investing funds on behalf of the Government of Saudi Arabia. The wealth fund is controlled by Crown Prince Mohammed bin Salman, Saudi Arabia's *de facto* ruler since 2015.

More than 60% of the fund's activities are within Saudi Arabia. Within Saudi Arabia, the fund's investments primarily go to private conglomerates owned by prominent Saudi business families who have close ties to the Saudi ruling family. Outside of Saudi Arabia, the fund's investments into prominent foreign assets such as Premier League football club Newcastle United have generated controversy due to the fund's lack of transparency and close control by the Saudi government, which has itself faced significant criticism around the lack of human rights in the country.

### The Public Investment Fund Achievements



85

PIF companies created



13

Strategic sectors



560,000+

Direct and indirect jobs created



700BN USD

AUM (approx.)

**The PIF fund plans to increase assets under management to over \$1 trillion by 2025**



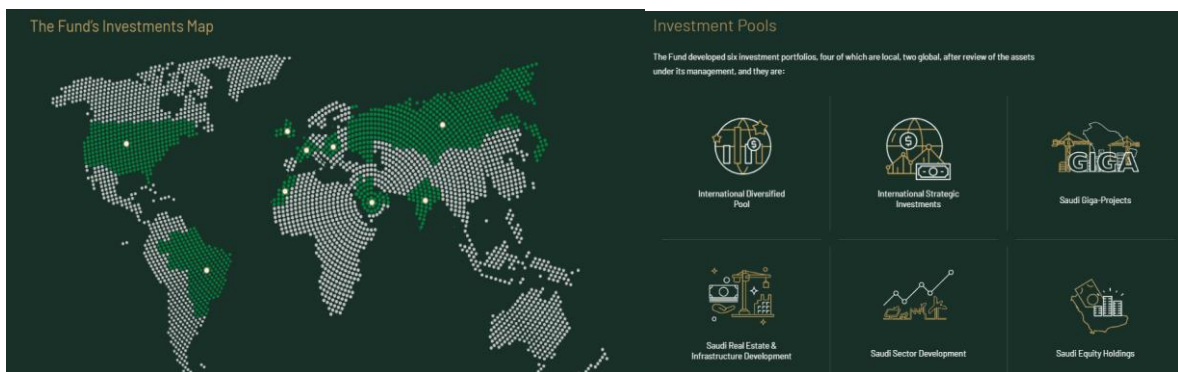
The Saudi Arabian Public Investment Fund (PIF) was established by the King Faisal bin Abdulaziz Al Saud in 1971 by Royal Decree M/24 with the stated intent to provide financing support for projects of strategic significance to the national economy. It is currently under the custodianship of King Salaman bin Abdulaziz and His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al Saud, the Crown Prince.



Custodian of the Two Holy Mosques  
KING SALMAN BIN ABDULAZIZ AL SAUD



His Royal Highness Prince  
MOHAMMED BIN SALMAN BIN ABDULAZIZ AL SAUD  
Crown Prince  
Prime Minister  
Chairman of the Council of Economic and Development Affairs  
Chairman of the Public Investment Fund



Internationally, PIF invests in a diversified portfolio across a range of asset classes. PIF has already invested in some of the world's most innovative companies, forming partnerships that will ensure Saudi Arabia is at the forefront of emerging trends while supporting the Kingdom's Vision 2030 blueprint.

**PIF has investments interests in North America, Europe, Asia, Latin America, & Africa**

## INTERNATIONAL STRATEGIC INVESTMENTS (ISI)



### NEWCASTLE UNITED FOOTBALL CLUB

PIF has led an investment group, also comprising PCP Capital ranking Partners and RB Sports & Media, to complete the 100% acquisition of Newcastle United Limited and Newcastle United Football Club Limited from St James Holdings Limited. All requisite approvals have been obtained from the English Premier League.

Following the PIF-led purchase of Newcastle United Football Club in 2021, the club has been achieving sporting and commercial successes. New sponsorship agreements are in place, while on the pitch the Club reached its first cup final since 1999 and is well positioned to secure a place in next year's Champions League. This will both increase revenues and build the profile of the Club globally.



### BRAZILIAN PROGRAM

In October 2019, during the Future Investment Initiative, PIF announced its intention to invest up to USD 10 Bn in the Federative Republic of Brazil. PIF is currently building relationships to help execute this program in accordance with PIF's goals and strategy. To date, PIF has committed to two Funds in private equity and infrastructure.



### LUCID GROUP

In 2018, PIF invested in Lucid Group, a US electric vehicle manufacturer. Since PIF's investment, the company has made many breakthroughs. Lucid finished the first phase of its Casa Grande, Arizona, factory with an initial production capacity of 30,000 units per year and up to 400,000 units annually.

## Uber

### UBER

PIF invested USD 3.5 Bn in Uber Technologies. Uber is a global leader in the transportation and technology sectors, and is transforming mobility.



### BLACKSTONE

#### US INFRASTRUCTURE INVESTMENT PROGRAM

PIF has committed up to USD 20 Bn to the "Blackstone Infrastructure Fund Program," one of the largest dedicated infrastructure Fund programs in the world, which mainly aims to modernize US infrastructure at scale.



### ACCORINVEST

PIF joined forces with a group of investors to acquire a stake in the French company in 2018. Accorinvest is both owner and operator of hundreds of hotels worldwide, largely focused on Europe.



### FRENCH PROGRAM

A memorandum of understanding was signed with AFIC in June 2015 to invest USD 2 Bn with French asset managers, whereby PIF, until the end of 2020, committed to eight Funds for private equity, credit, and infrastructure.



### BABYLON HEALTH

Babylon Health is a telemedicine company which offers virtual consultations with doctors, a symptoms checking service and chronic condition management through its app. PIF, along with others, invested in the company which targets putting accessible and affordable healthcare services in the hands of people all around the world. The application employs cutting-edge technologies like AI used as a chatbot interface for patients and helps doctors by downloading patient records and consultation transcripts, and prompting questions to aid diagnosis.



### MAGIC LEAP

Magic Leap is a mixed/augmented reality technology company based in the US. PIF is a major investor in the company.



### JIO PLATFORMS

Jio Platforms is a leading telecommunication and digital services platform in India. PIF has invested USD ~1.5 Bn to acquire a ~2.32% equity share in the company.

### SoftBank Vision Fund

#### SOFTBANK VISION FUND

PIF is the major investor in SoftBank Vision Fund, one of the largest technology focused investment Funds, after allocating USD 45 Bn. Since its inception, the SoftBank Vision Fund continues to invest across many technology sectors, such as Internet of Things (IoT), Artificial Intelligence, Healthcare and Fintech.



### RELIANCE RETAIL

Reliance Retail is the largest physical retailer in India. PIF has invested USD ~1.3 Bn to acquire a ~2.04% equity share in the company.



The PIF will be funding the new entity, which, in turn, means the PGA Tour. That new pipeline of money – of which there is a reported \$640 billion worth – should be a windfall for the PGA Tour when it comes to purses, money for the players and other such financial implications.

PIF has investments in healthcare, technology, real estate, infrastructure, sports, consumer services, & transportation





## Our objectives



With a pivotal role in realizing Vision 2030, Saudi Arabia's economic transformation program, PIF's ambitious strategy is propelling the national economy with the impact felt well beyond Saudi borders.

PIF is the engine driving the transformation of Saudi Arabia's economy. Passionate about leading local economic development, localizing cutting-edge technology and knowledge, PIF is expanding its portfolio of international assets, investing in global sectors and markets by building strategic partnerships, and launching initiatives to contribute to the goals of Vision 2030.

**PIF strategic investments are geared towards delivery of the Public Investment Fund Program & its Vision 2030**



CONSTRUCTION EXPERTISE WILL BE KEY

Solidify the Kingdom's position as a leader in the Construction & Building Components and Services for the Real Estate sector

As part of PIF efforts to diversify the Saudi economy, this initiative aims to solidify the Kingdom's position as a leader in the construction and building components and services for the Real Estate sector through securing the supply chain of Real Estate projects focusing on strategic products/ services, e.g., construction services, equipment, heavy machinery, concrete, etc.

03 Saudi Real Estate and Infrastructure Development

Assets include investment in real-estate development and infrastructure projects that exist in Saudi Arabia. Such projects meet the population's increasing need for relaxation, recreation, retail and entertainment. The investments also contribute to the promotion of Saudi Arabia as a tourism destination, improves urban livelihood, develop basic infrastructure to support economic development and launches relevant sectors.

Moreover, PIF will also capitalize on these investments to bring best-in-class development expertise, and to attract capital from local and foreign investors.



04 Saudi Giga-Projects

Assets in this pool include projects that are large-scale and form complex ecosystems, that significantly transform the Saudi economy. These investments, classified by the Board as "Giga-Projects", are multifaceted, globally unique in scope and ambition, and designed to stimulate overall growth and add significant value to the economy.

These Giga-Projects are developmental with main success measures that will bring macro-related benefits such as non-oil GDP growth, job creation, sector development and FDI, etc.



05 International Strategic Investments

Assets in this pool include long-term international direct and indirect investments through selected strategic partnerships. Through this pool, PIF targets investments that focus on industries of the future, foster relationships between PIF and innovative companies and investors, and strengthening links with international counterparts, influential investors and investment managers.



At the Institutional Level

The Development Division was set up as a specialized division to support PIF's national development agenda and oversee its successful implementation of Vision 2030, including development of a comprehensive strategy to secure the supply chain for its Giga-projects, while uncovering new private sector growth opportunities

A key pillar of PIF strategy is to position KSA's position as a Leader in Construction Services

## Support National Development and Act as an Enabler of Vision 2030

This Strategic Pillar is focused on PIF value creation and supporting national development through:

- **Securing supply chain and localization:** PIF developed a supply chain strategy to avoid delays to projects, ensure availability of materials and services for the projects at reasonable prices, increase localization through large local spending and make use of investment opportunities in PIF projects' supply chains, without crowding out the private sector.

### Develop Domestic Real Estate Projects

The Kingdom's Real Estate and Infrastructure sector is a key part of Vision 2030 and is different in scale, type and nature from other sectors and other Real Estate and Infrastructure sectors globally, thus warranting its own pillar. This Strategic Pillar contributes to developing local Real Estate and Infrastructure projects and companies along the value chain. More precisely, it bundles all initiatives that are building development companies or supporting new companies in the Real Estate and Infrastructure sector in Saudi Arabia.

The initiatives within the strategic pillar are structured by regions in Saudi Arabia (Central, Western, Southern, Eastern and Northern) and comprise of projects located within each region. The initiatives in this sector aim to achieve several goals, including, for example:

- Contributing to the Vision 2030 objective of raising home-ownership level to 70%
- Diversifying revenue sources
- Improving the Hajj and Umrah experience for both local and international visitors
- Instilling construction and design best practices into the sector, following global best practices
- Reinforcing strategic partnerships with investors (local and international)
- Cultivating and fostering innovation
- Developing world-class urban communities
- Enhancing the quality of life for Saudi citizens
- Developing and promoting Saudi Arabia as tourism destination
- Improving primary infrastructure of the Kingdom and supporting economic development
- Driving local supply chain growth for the Real Estate sector

### Develop Giga-projects

This strategic pillar is focusing on the Kingdom's giga-projects, which enable the creation of new ecosystems and unlock new sectors through the Public Investment Fund, heavily enabled by and promoting technology and knowledge in Saudi Arabia.

The giga-projects are designed to stimulate the economy and their benefits are expected to expand significantly beyond the real estate and infrastructure sectors, helping to diversify the economy away from oil, especially given their sheer scale. They support the Kingdom's economic transformation efforts and promote investments in several sectors, while achieving high returns over the medium and long terms.

There are currently four giga-projects in the Kingdom:



### 5. Solidify the Kingdom's Position as a Leader in The Construction and Building Components and Services for the Real Estate Sector

#### Initiative Description:

As part of PIF's efforts to diversify the Saudi economy, this initiative aims to solidify the Kingdom's position as a leader in the construction and building components and services for the real estate sector. Such measures will secure the supply chain of real estate projects, focusing on strategic products and services, heavy machinery, concrete, cement, tiles, etc.

#### Opportunities:

- Boost local content in non-oil sectors.
- SoP's objectives of developing non-oil exports and local content and improving the balance of services.
- Explore potential investment opportunities in other areas such as heavy machinery, elevators, windows, doors, construction chemicals, etc.
- Invest SAR ~3 billion to secure the supply chain of priority products and services in the next 10 years.

#### Progress:

- PIF has launched several Real Estate development new companies in Saudi Arabia the last three years, with several more in the pipeline.
- Established Saudi "Pecora" Company, in partnership with POSCO, to invest in the contracting sector.
- Established JV with "Katerina" to transfer offsite construction technology in Saudi Arabia; initial phase includes building 4,140 individual homes across the Kingdom.
- Acquired 40% of Aramco-Jacobs JV "Jasara" specializing in construction project management services.

#### Direct Strategic Objectives:

- Grow the assets of the Public Investment Fund
- Localize cutting-edge technology and knowledge through the Public Investment Fund



020

Public Investment Fund Program

2021 - 2025

### 14. Develop Real Estate Projects in the Central Sector

#### Initiative Description:

This initiative aims to increase the livability and competitiveness of cities around the Saudi capital, by developing new forms of urban living, centers for business, infrastructure projects, and new destinations by taking advantage of the natural, cultural and historical resources of the Kingdom.

This initiative covers more than 10 projects, and it presents, for example:

- Modern forms of office space.
- New improved forms of living (vertical living, suburban living).
- New daily urban destinations in major cities.
- New logistics/industrial cities.
- Tourism attractions leveraging the historical and cultural heritage.

#### An overview of some of the key projects encompassed by this initiative:

##### King Abdullah Financial District:

King Abdullah Financial District is planned to be Saudi Arabia's major central business district and a global center of commerce and finance, spanning over +3M sqm of GLA. Since PIF acquired the project, its strategy has been revised to target more diversified business sectors and encompass a more mixed-use offering, enabling the business activity it ambitions to host. It plans to offer incentives to its corporate tenants, such as fast business setup by regulatory agencies facilitating visa and company registration. For its broader Saudi and non-Saudi community, KAED will offer new forms of urban high rise working and living outdoor retail, food and beverage, and entertainment for citizens and residents.

#### Overall, the initiative will help PIF Portfolio Companies in supporting:

- QoL objective of developing the tourism sector.
- NIDLP objective of increasing the percentage of local content in non-oil sectors.

#### Direct Strategic Objectives:

- Grow the assets of the Public Investment Fund
- Unlock new sectors through the Public Investment Fund

# To support domestic, Giga projects, and real estate projects across the Kingdom



# CONFIDENTIAL INFORMATION MEMORANDUM – COSTAIN INVESTMENT OPPORTUNITY

## 15. Develop Real Estate Projects in Western Sector

### Initiative Description:

This initiative aims to increase the livability and attractiveness of prominent Saudi cities in the Western sector, including areas around Makkah, Madina and Jeddah by developing new forms of urban living, improving access to leisure, entertainment and sports, expanding the Kingdom's infrastructure networks, and launching new destinations by taking advantage of the natural, cultural and historical resources.

This initiative covers more than 10 projects and it presents, for example:

- Increased and upgraded hospitality, retail offering for domestic and international pilgrims.
- Tourism attractions leveraging the historical and cultural heritage of the Kingdom (e.g., UNESCO sites) as well as unique natural resources (mountain or sea tourism).
- Newly improved forms of living (downtown living).
- New daily urban destinations in major cities.
- New logistical and industrial cities.

An overview of some of the key projects encompassed by this initiative:

#### New Jeddah Downtown:

NJDT is a mixed-use development in the coastal city of Jeddah, with hospitality, residential, entertainment, and office spaces aimed at creating a new modern downtown for the city. The project is planned to develop 5M sqm of prime land along Jeddah's waterfront. A true mixed-use large-scale development, NJDT will deliver +15k residential units, +3.5k hotel keys, +150k sqm of office space and +200k sqm of retail space.

Overall, the initiative will help PIF Portfolio Companies in supporting:

- QoL's objectives of preserving the Kingdom's Islamic, Arab, and national heritage and developing the tourism sector.
- NIDL's objective of increasing the percentage of local content in non-oil sectors.
- Ministry of Tourism's objective of improving and developing tourist sites.
- DARF's objectives of facilitating hosting more Umrah performers, easy access to the Two Holy Mosques, improving the quality of Hajj and Umrah services provided, and enriching the spiritual and cultural experience of Hajj and Umrah visitors.
- NTP's objective of developing the tourism and national heritage sectors.

#### Direct Strategic Objectives:

- Grow the assets of the Public Investment Fund
- Unlock new sectors through the Public Investment Fund

## 16. Develop Real Estate Projects in Southern Sector

### Initiative Description:

This initiative aims to increase the livability, competitiveness and attractiveness of prominent Saudi cities in the Southern sector, including areas around and within the Assir region, by developing new forms of urban living, improving access to leisure, entertainment, and sports, expanding the Kingdom's infrastructure networks, and launching new destinations by taking advantage of the natural, cultural and historical resources.

This initiative covers more than 4 projects, and it delivers, for example:

- Increased and upgraded hospitality, retail and entertainment offering for domestic and international tourists.
- Tourism attractions leveraging the historical and cultural heritage as well as unique natural resources (mountain or sea tourism).
- New and Improved forms of living (second homes).
- New centers of gravity for a large part of the Saudi population.

Overall, the initiative will help PIF Portfolio Companies in supporting:

- QoL's objective of developing the tourism sector.
- NIDL's objective of increasing the percentage of local content in non-oil sectors.
- Ministry of Tourism's objective of improving and developing tourist sites.
- NTP's objective of developing the tourism and national heritage sectors.

#### Direct Strategic Objectives:

- Grow the assets of the Public Investment Fund
- Unlock new sectors through the Public Investment Fund



## 17. Develop Real Estate Projects in Northern and Eastern Sectors

### Initiative Description:

This initiative aims to increase the livability and attractiveness of prominent Saudi cities in the broader Northern region, from east to west, by developing new forms of urban living, improving access to leisure, entertainment, and sports, expanding the Kingdom's infrastructure networks, and launching new destinations by taking advantage of the natural, cultural and historical resources.

The initiative covers more than ten projects, and it delivers, for example:

- Increased and upgraded hospitality, retail, and entertainment offering for domestic and international tourists.
- Tourism attractions leveraging the historical and cultural heritage of the Kingdom, as well as unique natural resources (agri, desert, mountain or sea tourism).
- New daily urban destinations in major cities.

An overview of one of the key projects encompassed by this initiative:

#### AMAALA

AMAALA is planned to be one of the Kingdom's most luxurious projects, expected to place the Kingdom at the forefront of the luxury tourism market. It is planned to deliver a unique experiential offering focused on wellness and sport, as well as sun, sea and living. Once completed, the project will offer over +2.5k luxury hotel keys, allowing guests to explore unique enclaves along the Red Sea coast. Over its 13,000 Sqm of land, the project will develop three main anchors:

- The Triple Bay (focused on wellness and sports).
- The Island (focused on luxury living).
- The Coastal Development (focused on global arts, environment, and cultural events).

Overall, the initiative will help PIF Portfolio Companies in supporting:

- QoL's objective of developing the tourism sector.
- NIDL's objective of increasing the percentage of local content in non-oil sectors.
- Ministry of Tourism's objective of improving and developing tourist sites.
- NTP's objective of developing the tourism and national heritage sectors.

#### Direct Strategic Objectives:

- Grow the assets of the Public Investment Fund
- Unlock new sectors through the Public Investment Fund.

## 18. Support the Development of the Real Estate Sector Through the Setup of New Companies and Centers of Excellence

### Initiative Description:

This initiative focuses on developing new and promoting existing companies across all real estate sector verticals, from development, contracting, servicing, to operating companies, to help foster the sector's development locally. Additionally, it promotes best practices and synergies within PIF projects' portfolio by bringing in industry-leading knowledge and centers of excellence within PIF.

#### Progress:

- PIF currently oversees a series of investments across the value chain of real estate development. These companies include AlAkaria, Dur Hospitality, and others.
- Launching a series of new companies in the sector, such as the Real Estate Registration Services Company (RERSC).
- Launching and expanding PIF's centers of excellence, enhancing best practices, and cultivating collaborations across its portfolio.

This initiative will help PIF Portfolio Companies in supporting:

- NIDL's objective of increasing the percentage of local content in non-oil sectors.
- Ministry of Tourism's objective of improving and developing tourist sites.
- NTP's objective of developing the tourism and national heritage sectors.

#### Direct Strategic Objectives:

- Grow the assets of the Public Investment Fund
- Unlock new sectors through the Public Investment Fund
- Build Strategic Economic Partnerships through the Public Investment Fund



Projects including King Abdullah Financial District, New Jeddah Downtown, AMAALA, NEOM, QIDDIYA & ROSHN

# CONFIDENTIAL INFORMATION MEMORANDUM – COSTAIN INVESTMENT OPPORTUNITY

## 19. Develop NEOM Project

### Initiative Description:

NEOM, on the Red Sea in northwest Saudi Arabia, is PIF's largest project. The commencement of NEOM in 2019 was a significant achievement for PIF. With a name that means "new future," NEOM is being built when the world needs fresh thinking and new solutions. To that purpose, NEOM is expected to be a living laboratory, where new sectors and technologies are launched – a place where entrepreneurship and innovation will chart the course for a new future.

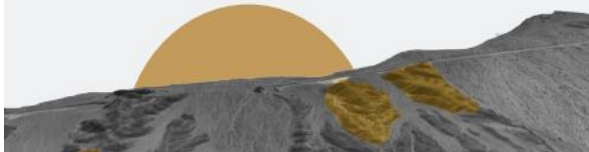
NEOM's strategy is structured around 16 sectors that can bring these elements to life: energy, water, transportation, biotechnology, food, manufacturing, media, entertainment, culture and fashion, technology and digital sciences, tourism, sports, design and construction, financial services, health and well-being, education, and livability. "The Line" project was introduced as the first of NEOM's mega-development projects, it brings to life a dream city with a length of 170 km. "The Line" strives to foster an attractive environment for inventors, entrepreneurs, and investors, with a future vision centered on people and nature, and a city unmatched in any of the global smart cities.

### The initiative will help PIF's Portfolio Company Neom in supporting:

- QoI's objectives of developing Saudi contribution to arts and culture; developing and diversifying entertainment opportunities to meet the needs of the population, and developing the tourism sector.
- NIDLP's objectives of localizing promising industries, creating special zones and rehabilitating economic cities; and increasing local content in non-oil sectors.
- MCTI's objective of supporting the growth of domestic investment in the communications and information technology sector.
- NTP's objective of developing the tourism and national heritage sectors.

### Direct Strategic Objectives:

- Grow the assets of the Public Investment Fund
- Unlock new sectors through the Public Investment Fund
- Localize cutting edge tech and knowledge through the Public Investment Fund
- Build strategic economic partnerships through the Public Investment Fund



## 20. Develop the Red Sea Project

### Initiative Description:

The Red Sea Project will be an exquisite sanctuary offering an indulgent experience, seamlessly customized to the unique needs of each visitor.

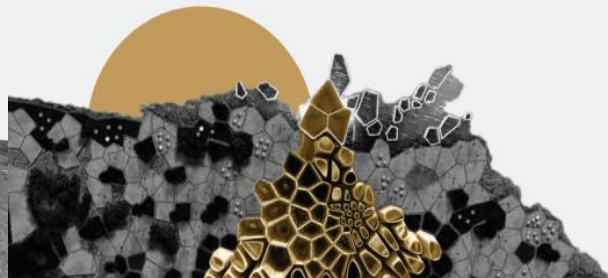
Setting new standards in sustainable development, the Red Sea Project will boost the Kingdom's position on the global tourism map. It will also uncover an array of opportunities for companies to be part of one of the world's fastest-growing tourism markets.

### This initiative will help the Red Sea Development Company in supporting:

- QoI's objectives of developing Saudi contribution to arts and culture; developing and diversifying entertainment opportunities to meet the needs of the population, and developing the tourism sector.
- NIDLP's objectives of creating special zones and rehabilitating economic cities; and increasing the percentage of local content in non-oil sectors.
- NTP's objective of developing the tourism and national heritage sectors.
- Ministry of Tourism's objectives to improve and develop tourist sites.

### Direct Strategic Objectives:

- Grow the assets of the Public Investment Fund
- Unlock new sectors through the Public Investment Fund
- Build Strategic Economic Partnerships through the Public Investment Fund



## 21. Develop Qiddiya Project

### Initiative Description:

Qiddiya will be the capital of entertainment, sports and the arts in Saudi Arabia; an integrated destination offering immersive experience, and is one of PIF's Giga-projects.

Qiddiya will be built around five cornerstones:

- Parks and attractions.
- Sports and luxury.
- Movement and transportation.
- Culture and the arts.
- Nature and the environment.

### Furthermore, Qiddiya has already launched several activities across key sectors of focus:

- Qiddiya's master plan has been developed, with the first phase scheduled to open in 2023. It will include more than 60 projects and more than 300 activities to cultivate creativity, arts, hospitality, culture, entertainment and sports. The second and subsequent phases are planned to expand Qiddiya's offerings and increase the project's capacity to enable sustainable growth of the project, and to ensure repeat visitors.
- There are plans to link the project to Riyadh Airport via the metro, and other public transport in Riyadh.
- The company focuses on effective waste management by reducing waste quantities in the first place, reusing and recycling waste, increasing biodiversity on Qiddiya lands, and promoting optimal and efficient use of water resources by reducing consumption, using and reusing water efficiently, and creating a pleasant outdoor ambiance.
- Launched a scholarship program focused on entertainment-related disciplines at some of the most prestigious universities in the world.
- Unveiled Six Flags design, one of the key entertainment facilities.

### This initiative will help support:

- QoI's objectives of promoting sports activities in the community; developing and diversifying entertainment opportunities to meet the needs of the population; and developing the tourism sector.
- NIDLP's objectives of creating special zones and rehabilitating economic cities; and increasing the percentage of local content in non-oil sectors.
- Ministry of Tourism's objective of improving and developing tourist sites.

### Direct Strategic Objectives:

- Grow the assets of the Public Investment Fund
- Unlock new sectors through the Public Investment Fund
- Build Strategic Economic Partnerships through the Public Investment Fund

## 22. Develop ROSHN Project

### Initiative Description:

ROSHN is one of PIF's flagship projects, aimed at increasing home ownership levels in Saudi Arabia. ROSHN is planned to deliver hundreds of thousands of residential units across the Kingdom in Riyadh, Makkah, Aseer and Eastern Region. ROSHN will offer true community living, developing complete townships, that will include a comprehensive real estate asset mix, providing retail, entertainment and workspace for the communities it will host.

Overall, ROSHN is planned to develop more than 395,000 residential units over a land of more than 181 Sqkm, hosting +2M residents. ROSHN is expected to directly contribute to more than 212 B SAR to Saudi Arabia's GDP by 2030, creating more than 101k direct jobs by 2030.

The project is also one of the main instruments that were created to achieve the objectives of the housing program, as ROSHN's mission is to support, enable, and facilitate the increase in the share of homeownership among Saudi citizens to 70% by 2030. The project has complimentary activities because as a master planner and community developer, ROSHN works to revitalize and regulate the housing market landscape through collaborating with the private sector. ROSHN's strategy is primarily focused on enabling more effective development while allocating housing supply to best serve market demand; To serve high-end housing and affordable housing in addition to public housing.

### This initiative will help support:

- QoI objective of developing the tourism sector.
- NIDLP's objective of increasing the percentage of local content in non-oil sectors.
- The Housing Program: By joining-forces other entities to boost effectiveness and speed in the delivery of housing in the market. Such measures will help solve and facilitate the regulatory framework when needed, to remove potential barriers to the handover of hundreds of thousands of houses to Saudi citizens in the next decade.

### Direct Strategic Objectives:

- Grow the assets of the Public Investment Fund
- Build strategic economic partnerships through the Public Investment Fund



Through the setup of new companies and centres of excellence, and ...



## PUBLIC INVESTMENT FUND PRIORITIES

- PIF plans to increase assets under management to over \$1 trillion by 2025
- PIF has investments interests in North America, Europe, Asia, Latin America, & Africa - in healthcare, technology, real estate, infrastructure, sports, consumer services, & transportation
- PIF strategic investments are geared towards delivery of the Public Investment Fund Program & its Vision 2030
- A key pillar of PIF strategy is to position KSA's position as a Leader in Construction Services to support domestic, Giga projects, and real estate projects across the Kingdom, including King Abdullah Financial District, New Jeddah Downtown, AMAALA, NEOM, QIDDIYA & ROSHN...
- Through the setup of new companies and centres of excellence and INVESTMENT

## CONCLUSION

The Development Division was set up as a specialized division to support PIF's national development agenda and oversee its successful implementation of Vision 2030, including development of a comprehensive strategy to secure the supply chain for its Giga-projects, while uncovering new private sector growth opportunities. It is logical that PIF international investments should include *investment in the acquisition of construction supply chain services and expertise* which can be transferred to the Kingdom to support developments, as well as providing their own sector growth opportunities in their home markets.



**The acquisition of supply chain construction services and expertise for technology transfer to its Giga-projects**



WHY COSTAIN?



1. OPPORTUNITY TO BENEFIT FROM INDUSTRY RE-STRUCTURE

THE PREDICTION -  
CHANGING TRENDS IN INDUSTRY CONSOLIDATION & DIVERSIFICATION



UK CONSTRUCTION GROUPS WILL MERGE, ACQUIRE, BE ACQUIRED OR SEEK NEW INVESTORS. A CONSOLIDATED INDUSTRY WILL THEN FOCUS ON INVESTMENT IN NEW TECHNOLOGIES.

The mandate for change and technological adoption in construction has never been stronger, and financial and strategic investors continue to fuel a rapid expansion of the construction technology industry.

The UK construction sector needs a Leader Organisation formed via M&A and investment in technology



## The UK's Leading Construction Groups

### THE POSITION -

#### COMPANY RANKINGS, MARKET STRUCTURE, TRENDS & PROSPECTS

THE UK CONSTRUCTION COMPANIES, CURRENT MARKET STRUCTURE, TRENDS & PROSPECTS ALL POINT TO POTENTIAL OPPORTUNITY FOR M&A, CONSOLIDATION, INTEGRATION, AND INVESTMENT IN TECHNOLOGY & DIVERSIFICATION DURING THE UK INFRASTRUCTURE SPEND OF £800 BN OVER NEXT 10 YEARS

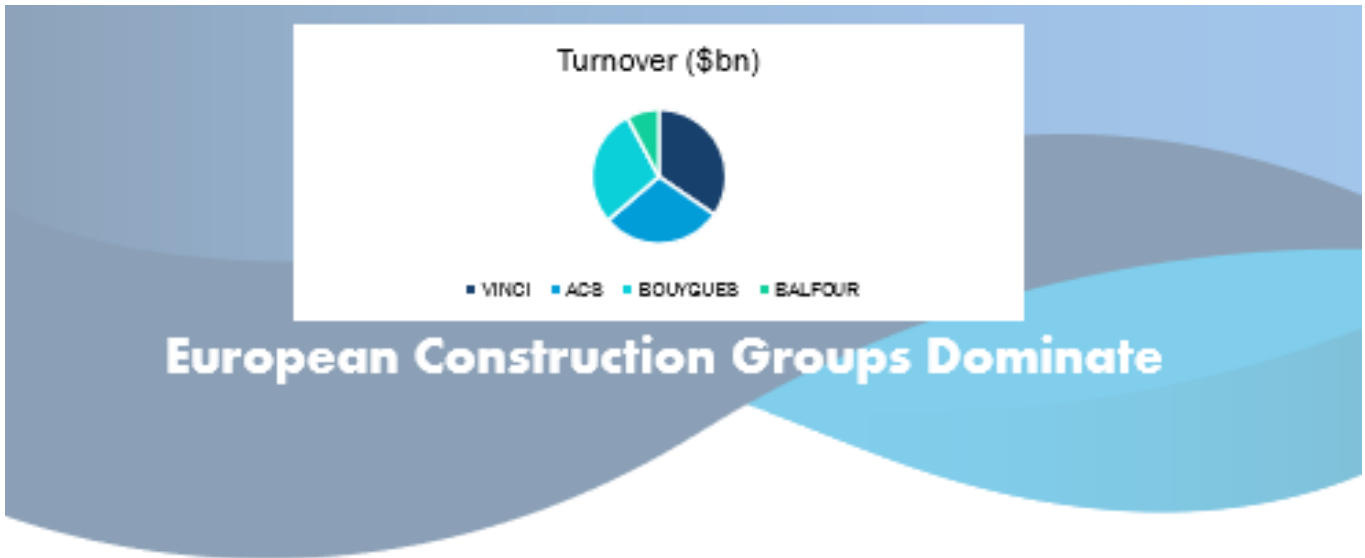
#### COMPANY RANKINGS

Latest Rank By Turnover	Latest Rank By Profit	Company	Reporting Period	Latest Turnover (£m)	Previous Turnover (£m)	Change (%)	Latest Pre-tax Profit (£m)	Previous Pre-tax Profit (£m)	Change (%)
1	4	Balfour Beatty plc	Dec-20	8593.00	8411.00	2.20	48.00	138.00	-65.20
2	100	Kier Group plc*	Jun-20	3475.60	4106.00	-15.40	-225.30	-229.50	1.80
3	2	Morgan Sindall Group plc	Dec-20	3034.00	3071.30	-1.20	60.80	88.60	-31.40
4	95	Interserve plc*	Dec-19	2552.20	3159.80	-19.20	-46.90	-128.00	63.40
5	98	Amey UK plc*	Dec-20	2406.80	2546.70	-5.50	-98.00	-109.20	10.30
6	82	Tarmac Trading Ltd	Dec-19	2128.90	2129.80	0.00	-3.10	28.70	-110.8
7	1	Keller Group plc	Dec-20	2062.50	2300.50	-10.30	63.80	51.60	23.60
8	38	ISG plc	Dec-20	2043.10	2589.70	-21.10	8.90	44.20	-79.90
9	6	Mace Ltd	Dec-19	1782.30	2315.30	-23.00	35.30	23.80	48.40
10	33	Laing O'Rourke plc	Mar-20	1651.90	1932.30	-14.50	10.50	32.70	-67.90
11	10	Skanska UK plc	Dec-20	1456.30	1789.80	-18.60	22.40	14.30	57.40
12	74	Wates Group Ltd	Dec-20	1449.20	1634.40	-11.30	0.80	34.60	-97.60
13	5	Homeserve plc	Mar-21	1304.70	1132.30	15.20	47.20	137.90	-65.80
14	16	M Group Services Ltd	Mar-20	1301.30	1174.30	10.80	18.80	13.20	42.40
15	34	Willmott Dixon Holdings Ltd	Dec-20	1191.20	1246.40	-4.40	9.80	29.20	-66.50
16	8	VolkerWessels UK Ltd	Dec-19	1180.00	984.00	19.90	31.70	29.00	9.60
17	94	Galliford Try plc	Jun-20	1121.60	1400.10	-19.90	-34.60	-64.50	46.40
18	35	J Murphy & Sons Ltd	Dec-20	1115.90	880.20	26.80	9.50	7.00	35.60
19	3	Bowmer & Kirkland Ltd	Aug-20	1110.40	1069.80	3.80	53.20	73.10	27.20
20	97	Costain Group plc*	Dec-20	978.40	1155.60	-15.30	-96.10	-6.60	-1356

Source: TheConstructionIndex

- Costain had cash crisis in 2019/20 and had to raise £92m via a rights issue, and Dubai contractor ASGC invested £25m of this take-up to secure a 15% equity stake.
- In March 2023, Costain announced - after three consecutive years of pre-tax losses - that its results for 2022 showed a pre-tax profit of £34.2m on revenue up 25% at £1,421m (2021: £1,135m)

Costain was placed 20<sup>th</sup> in the UK sector in 2020, but by 2023 its turnaround makes it the prime target for takeover



## European Construction Groups Dominate

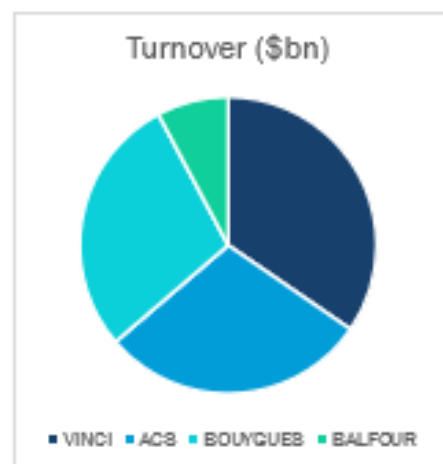
### MARKET STRUCTURE

Balfour Beatty is the UK largest contractor in terms of Turnover and among the top in Profit. Several of the others have continued to struggle since 2019/20, exacerbated by the Covid effects on the industry. Across the Top 100 UK construction companies, 48 companies either traded at a loss or suffered from reduced profitability in 2019/20, before Covid-19 hit. The prediction then was that unless there was further action to consolidate there were going to be further insolvencies. There have been numerous liquidations in recent years and Groups such as Kier, Galliford Try, Costain and Amey have had to seek cash or new equity through disposals or cash calls to survive.

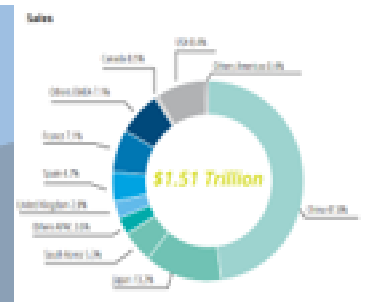
The key conclusion is that 'Size Matters' particularly in terms of cash positions in difficult times. Balfour Beatty's Turnover at US\$11.5 bn compared to Europe's largest contractor- France's Vinci US\$ 50bn. The Market Structure is best explained by making comparisons with the Top Twenty Global and European construction groups:

Six of the Top Ten are Chinese Giants. One is Japanese and the other Top Three are European (French and Spanish) Construction Companies, which were formed via M&A in the 1990's & 2000's. Their Turnovers and Profits are as follows:

Company	Turnover (US\$bn)	Pre-Tax Profit (US\$bn)
Vinci	50	3.9
ACS	40	1.1
Bouygues	40	1.7
Balfour Beatty	12	



The UK has no large contractors by European comparison, and there is opportunity to create one



## UK Construction Groups - 3% of Global Sales

### Top 20 Global and European construction groups by Turnover:

Include European Groups Vinci, ACS, Bouygues, Skanska and Strabag

Rank 2020	Company	Country	Sales 2020 (MN \$)
1	CHINA STATE CONSTRUCTION ENGINEERING CORP. LTD. (CSCEC)	CHINA	233,919
2	CHINA RAILWAY GROUP LTD. (CREC)	CHINA	141,180
3	CHINA RAILWAY CONSTRUCTION CORP. LTD. (CRCC)	CHINA	131,851
4	CHINA COMMUNICATIONS CONSTRUCTION GROUP LTD. (CCCC)	CHINA	90,452
5	METALLURGICAL CORPORATION OF CHINA LTD (MCC)	CHINA	57,952
6	VINCI	FRANCE	49,382
7	DAIWA HOUSE INDUSTRY CO.	JAPAN	40,288
8	ACTIVIDADES DE CONSTRUCCION Y SERVICIOS, S.A. (ACS)	SPAIN	39,905
9	BOUYGUES	FRANCE	39,627
10	SHANGHAI CONSTRUCTION GROUP (SCG)	CHINA	33,505
11	SAMSUNG C&T CORP.	SOUTH KOREA	25,595
12	LENNAR CORP.	USA	22,489
13	SEKISUI HOUSE	JAPAN	22,149
14	LARSEN & TOUBRO LTD. (L&T)	INDIA	21,255
15	DR HORTON	USA	20,311
16	OBAYASHI CORP.	JAPAN	19,067
17	EIFFAGE, S.A.	FRANCE	18,642
18	KAJIMA CORP.	JAPAN	18,494
19	SKANSKA AB	SWEDEN	18,232
20	STRABAG	AUSTRIA	16,847

Source: Deloitte Global Powers of Construction

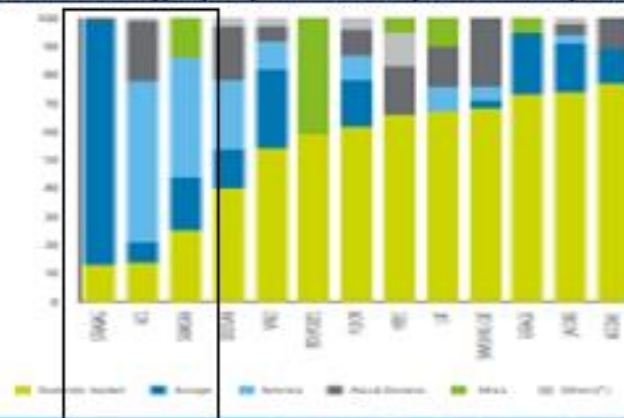
The UK contractors do not feature in the tables of Global companies





## European Groups ACS, STRABAG & SKANSKA in top 20 by Geographical Diversification

Top 20 Global and European construction groups by International (non-domestic) Sales



Rank	Company	Country	International sales (USD million)	Domestic sales (USD million)	International sales as % of total sales
1	ACS	SPAIN	34,259	5,646	86%
2	VINCI	FRANCE	23,212	26,170	47%
3	BOLYGLIE'S	FRANCE	16,324	23,303	41%
4	STRABAG	AUSTRIA	14,675	2,172	87%
5	CCCC	CHINA	14,272	76,180	16%
6	SKANSKA	SWEDEN	13,747	4,485	75%
7	CSCEC	CHINA	12,983	220,936	6%
8	DOOSAN	SOUTH KOREA	9,221	6,061	60%
9	SAMSUNG C&T	SOUTH KOREA	8,135	17,460	32%
10	L&T	INDIA	7,023	14,232	33%
11	CREC	CHINA	6,820	134,360	5%
12	FLUOR IM	USA	5,862	9,806	37%
13	CRCC	CHINA	5,606	126,245	4%
14	EFFAGE	FRANCE	4,939	13,703	26%
15	HOEC	SOUTH KOREA	4,883	9,492	34%
16	OBAYASHI	JAPAN	4,348	14,719	23%
17	KAJIMA	JAPAN	4,329	14,165	23%
18	SEKISUI	JAPAN	3,576	18,573	16%
19	JACOBS	USA	3,408	10,159	25%
20	AECOM	USA	3,102	10,138	23%

Sources: Deloitte Global Powers of Construction

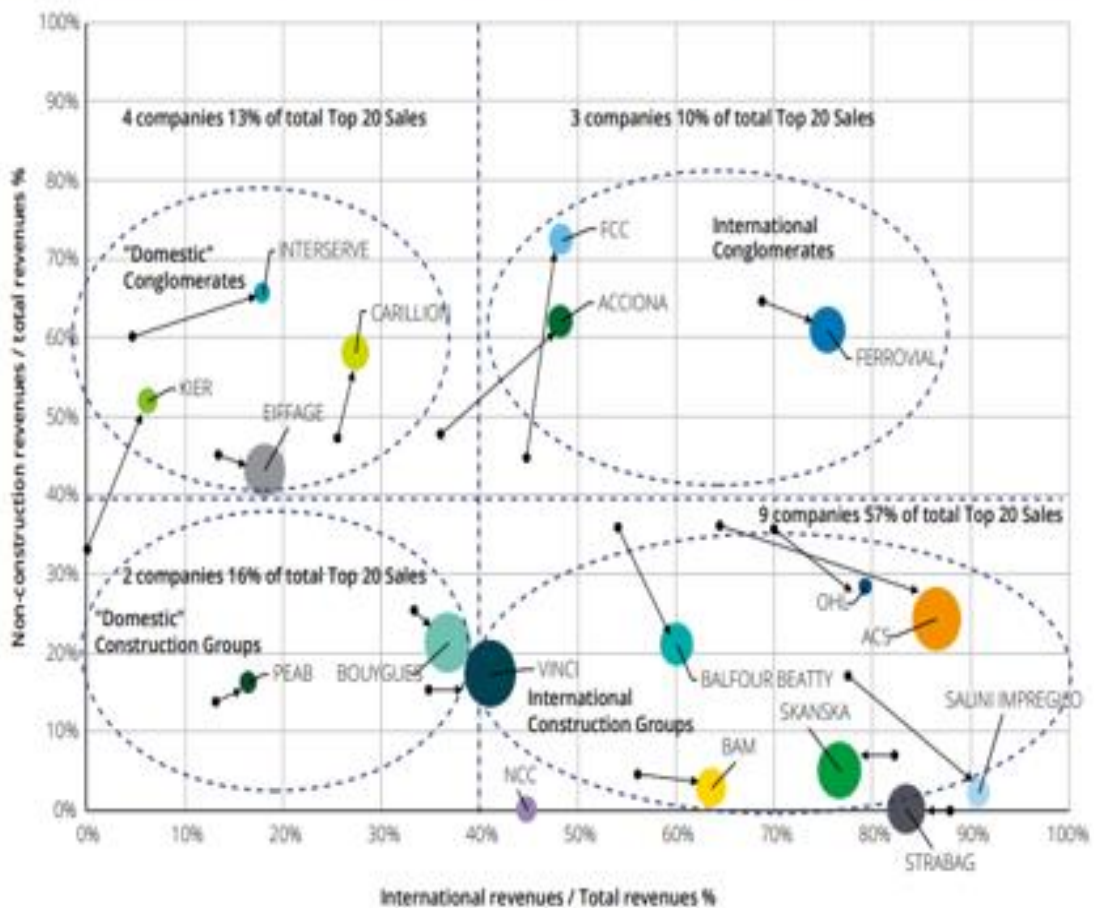
&Europe

Currently few contractors are genuinely Global, most focus on domestic markets, except for 3 European players



## History shows Diversification has been the route to Stable Profitable Growth for Major European Groups

**Top 20 Global and European construction groups variation by International & Non-Construction Sales (2010-2018)**



Diversification has proved the route to stable profitable growth for the major European groups



## Construction Sector needs Investment & an M&A Strategy To Consolidate around a few Major Players

Target Sectors 2021-2025 are: Transport (£70bn), Energy (£51bn) & Utilities (£42bn). And in planned Investment Sectors 2024 and beyond Target Sectors are: Energy & £151bn) & Transport (£32bn).

Most UK Construction Groups are undercapitalized and need to secure significant investment funds to diversify and invest in new technologies to meet the needs of the industry and its planned infrastructure investment over the next ten years. The Top Five Candidates for investment and/or M&A in the UK General Contracting Sectors of Transport-Rail-Highways, Energy & Utilities are included below.

Potential investors include large European, and International Construction Groups from within the industry; Venture Capital/ Private Equity Firms; Major Companies from related Building Materials, Machine Manufacturers or Housing/Property sectors; Global Conglomerates and Technology firms; Royals, Billionaires and Sovereign Wealth Funds.

- Balfour Beatty
- Costain
- Kier
- Laing O'Rourke
- Morgan Sindall

**The Top Players**

### TARGET PUBLIC COMPANY



COSTAIN

### TARGET PRIVATE COMPANY



LAING O'ROURKE

#### GLOBAL LISTED PLAYERS & KEY UK POSITIONS

Company	Market Cap (%)	Market Cap (\$Bn)
VINCI	18.08%	62.533
LARSEN & TOUBRO LIMITED	61.21%	38.878
CHINA STATE CONSTRUCTION	-8.05%	29.991
FERROVIAL S.A.	20.26%	22.690
JACOBS ENGINEERING GRO...	32.83%	18.832
CHINA RAILWAY GROUP LIM...	-1.95%	18.483
QUANTA SERVICES, INC.	84.14%	18.845
POWER CONSTRUCTION CO...	82.47%	18.779
WSP GLOBAL INC.	43.07%	18.284
CHINA COMMUNICATIONS C...	20.50%	18.200
BOUYGUES	-0.80%	14.700
CHINA RAILWAY CONSTRUCT...	-8.81%	14.201
METALLURGICAL CORPORA...	44.83%	11.287
EFFAGE S.A.	18.00%	10.808
SKANSKA AB	4.91%	10.800
AECOM	43.27%	10.274
ACCIONA S.A.	34.70%	9.845
ACS, ACTIVIDADES DE CONS...	-14.81%	7.888
LET TECHNOLOGY SERVICE...	117.71%	7.243
EMCOR GROUP, INC.	42.35%	7.020
STRABAG SE	34.82%	4.540

Source: 4rvesters.com (Mkt Cap in US\$ m)

#### Top 5 Foreign Players in UK

- Ferrovial/AMEY
- CRH/Tarmac
- Skanska
- BAM
- VINCI/EUROMA

(Note: ISG is US Owned Private Co)

#### Top 10 UK based Contractors (2019 Pre-Covid Positions)

Rank	Company	Reporting Period	Latest Turnover (£bn)	Previous Turnover (£bn)	Change (%)	Latest Pre-Profit (£bn)
1	Balfour Beatty Plc	Dec-19	6,495.0	7,882.0	7.7	138.0
2	Kier Group Plc	Jun-19	2,679.2	2,512.3	-0.7	-24.9
3	Impregilo Plc	Dec-19	3,223.7	3,058.9	-12.9	-111.3
4	Morgan Sindall Group Plc	Dec-19	2,071.0	2,973.0	2.3	88.4
5	Gallop Plc	Jun-19	2,882.5	3,132.0	-8.6	104.7
6	Amey UK Plc	Dec-19	2,647.4	2,549.4	9.2	-28.0
7	ISG Plc	Dec-19	2,585.7	2,227.6	15.7	44.2
8	Kier Group Plc	Dec-19	2,550.5	2,224.5	9.2	61.4
9	Tarmac Trading Ltd	Dec-19	2,129.8	2,055.9	3.6	28.7
10	Langdon & Key	Jun-19	1,982.8	1,945.4	4.9	82.7

#### Foreign-owned UK Subsidiaries in Top 25

Rank	Company	Reporting Period	Latest Turnover (£bn)	Previous Turnover (£bn)	Change (%)	Latest Pre-Profit (£bn)
4	Amey UK Plc	Dec-19	2,647.4	2,549.4	9.2	-28.0
9	Tarmac Trading Ltd	Dec-19	2,129.8	2,055.9	3.6	28.7
13	Skanska UK Plc	Dec-19	1,799.9	1,949.4	-7.4	12.9
19	Multiplex Construction Europe Ltd	Dec-19	1,064.9	1,132.4	-7.8	18.0
20	VolvoHessars UK Ltd	Dec-19	864.0	876.4	18.1	28.0
21	Balfour Beatty UK Ltd	Dec-19	849.8	868.9	-8.8	18.2
22	Vinci UK	Dec-19	808.2	873.3	-4.1	17.1

#### Foreign-owned UK Subsidiaries in Top 50

Rank	Company	Reporting Period	Latest Turnover (£bn)	Previous Turnover (£bn)	Change (%)	Latest Pre-Profit (£bn)
26	ENGE Regeneration Ltd	Dec-18	758.8	665.8	14.0	
27	BAM Nuttal Ltd	Dec-18	748.9	668.8	12.1	
30	Landbease Europe Holdings Ltd	Jun-19	673.3	532.3	26.5	
36	Eurovia UK Ltd	Dec-19	557.2	501.4	11.1	
40	Bouygues (U.K.) Ltd	Dec-18	451.9	397.0	-24.3	
48	Ferrovial Construction (UK) Ltd	Dec-19	345.4	295.7	16.8	
51	Emcor Group (UK) Plc	Dec-19	331.3	319.9	3.6	

Source: ConstructionIndex

Plenty of opportunity for foreign investment in UK construction sector via M&A



## 2. OPPORTUNITY TO LEVERAGE GLOBAL REPUTATION

Since its foundation in 1865 Costain has benefited the lives of millions of people around the globe.

In the 1930s Costain began its move overseas for the first time. A contract to build an 11-mile section of the Trans-Iranian Railway through the Alborz Mountains was discovered – remarkably, only after the deal had been signed – to require long stretches of tunnels and viaducts, rather than conventional railway construction. The company’s technical prowess in driving through such difficult terrain greatly enhanced its reputation. Iran was also the site of Costain’s first foray into petrochemicals, with the building of the refinery at Abadan in 1938.



*Costain built 11 miles of the Trans-Iranian Railway, seven tunnels and two viaducts in isolated mountainous terrain - for £1 million.*

**Costain built its reputation working on projects globally as a pioneer on difficult projects in difficult markets**

During the Second World War – and its aftermath, Costain helped to create the remarkable Mulberry floating concrete port that was towed in sections across the English Channel to give the Allies a logistics foothold in France in the days following the D-Day invasion. And when peace returned, thousands of semi-permanent Costain-constructed concrete houses designed to last for a maximum of 30 years continued to give service for a decade beyond their estimated lifespan. Post-war, grey, austerity Britain was enlivened by the Festival of Britain site on the south bank of the Thames, constructed by Costain.

Since then, International challenges and successes proliferated. Expansion in the Middle East continued, with the creation of a 10 million gallon-per-day water distillation plant helping transform Kuwait from a small fishing port into a modern city. Links with Kuwait continue to this day, with the influential Kharafi construction family which held a major stake in the company for years. Airports in Bahrain and Dubai followed, as did the world's largest dry dock and the Middle East's largest deep-water port in Dubai.

Costain has built airports, petrochemical plants, waste treatment works and schools – creating the building blocks of modern life and improving the quality of life of the people who use them.

Coalmining made an appearance in Costain's portfolio, with the Westfield opencast mine in Scotland becoming the largest man-made excavation in Europe. Opencast interests expanded into Australia, but it was a venture into geologically troublesome deep mines in the US that was a major factor in almost bringing down the company in the mid-1990s.

Even during this difficult period, however, epoch-making projects continued. With the aid of 56,000 tonnes of explosives Chek Lap Kok Island was levelled to provide Hong Kong with a new international airport, while the nearby 1,377-metre Tsing Ma suspension bridge, built as part of a consortium, became the world's longest combined road and rail bridge. Africa, too, was for many years fertile territory for Costain, with Nigeria, Zimbabwe, and Botswana among the countries where swathes of infrastructure and major buildings were erected.

**Costain built a brand for 'Landmark Projects' across the Americas, Middle East, Africa, Asia, Far East & Australasia**





*The Costain consortium building the Hong Kong Airport Platform had to shift the equivalent of 367 Empire State Buildings as part of the earth-moving project.*

Costain created many of Sydney's major office blocks, while offices and hotels regularly emerged from the clay foundations of London. More exotically, Tomsk, in Siberia, was the site for the creation of an oil additives plant.

Back in the UK, Costain's iconic projects have included the Thames Barrier, which has been raised more than 80 times since the 1980s to prevent London being flooded, and the construction of the Channel Tunnel and the Channel Tunnel Rail Link, including the revitalisation of St Pancras Station to accept Eurostar trains.

In recent years Costain's vital infrastructure work in London continues, to expand the flow both of water supplies and rail passengers through construction of the London Ring Main and projects such as Thameslink.

Costain regularly wins awards for quality, innovation, and safety. In 2010 Costain was named Contractor of the Decade by one of the UK's most influential construction publications, New Civil Engineer.

**Costain has gained a reputation for entrepreneurialism & innovation in solving engineering problems globally**





*A Costain consortium completely restored London's St Pancras Station, in its time the world's largest single-span enclosed space.*



*51,000 tonnes of structural steelwork and 214,000 cubic metres of concrete were used to build the Thames Barrier, on which Costain was lead contractor.*

**In 2010 Costain was named Contractor of the Decade by the UK's I.C.E. publication New Civil Engineer.**

### 3. OPPORTUNITY TO ACQUIRE COSTAIN CHEAPLY

In June 2022 Think Big Partnership undertook a critical review of Costain, and Offered its Services to would be acquirers:

*“The Think Big Partnership is offering its corporate advisory services directly to the Chief Executives of potential investor companies, on an exclusive basis and on terms of strict confidentiality, under contract and to an agreed timescale with its UK and European based President and Managing Partner acting as ‘Retained Consultants’ in the roles of ‘Acquisition Team Strategy Advisors’ during the pre-acquisition and due diligence period, and as Interim Chief Executive (CEO) and Chief Strategy Officer (CFO) during the period of strategy implementation and turnaround post-acquisition.”*

#### Summary

“Times have been hard for the construction sector over recent years. Since the Carillion bankruptcy- with Brexit and Covid-19 - there have been further companies going into administration including Interserve. Other 'Majors' like Kier, Galliford Try, Costain and Amey have been forced to sell off profitable divisions or seek new financing to survive.

Costain never fully recovered from its near financial demise in the early 1990's and had to sell all its higher margin businesses to survive. Ever since, net cash flow generation from operations has been relatively weak, negative in 14 of the last 30 years, with problem contracts burdening year on year cash flow. Poor operating cash flow continued to be substantially negative (£220m) in six of the last fifteen years, negating the cumulative positive cash flow of £313m in the other nine years While only £93m of net operating cash has been generated in the last 15 years, Costain has survived by generating cash from the £64m proceeds of asset sales in the last 15 years, and three Rights Issues generating £239m in cash. Non-operating cash generation has totalled £303.6m in 15 years (£20m per year on average compared to £6.2m from operations). Meanwhile cumulative declared Group Losses over 30 years were £311m, although with some improvement and declared Profits before tax amounting to £196m over last 15 years.

While consecutive CEO's (with cumulative remunerations totalling in excess of

**Costain never fully recovered from its early 1990's near financial demise & needs a Strategic Partner**



£15m over the last 15 years) have arguably been efficient in overseeing operations, they have proven to be disingenuous in consistently misrepresenting Profit Levels in bad years to maintain confidence when Operating Cash Flow was negative, causing further damage to the share price when inevitable Cash Calls/Rights Issues have subsequently been necessary to restore finances and survive as a 'Going Concern'. Meanwhile Market Value has dropped by £63m in last 15 years, from £170m in 2007 to £107m in 2022.

Costain Chairman Paul Golby is resigning from the Board during 2022, and the CEO, Alex Vaughan, a career Costain man, was a key player during the Stuart Doughty/Andrew Wyllie lack lustre period. He is unlikely to represent the leadership required to turn Costain around and provide the radical new strategy required. Costain in its current under-capitalised form, with its current senior management, as a Listed PLC likely remains an unsustainable model without future financial support from shareholders. 'Back to the Future' of declaring profits when problem contracts and negative cash flow inevitably arise to appease shareholders is an unattractive option. Costain should be backed into a larger player that can absorb one-off losses, and preferably avoid them with stronger management, and win new secured work on preferential terms.

In terms of market opportunities, the Government has announced a £600bn infrastructure spending spree over next 10 years, and Balfour Beatty, Laing O'Rourke and Morgan Sindall are the only three groups who are currently financially fit enough to bond major projects and entertain ambitious growth. Nevertheless, on the bright side for Costain, it is a major player in most key investment sectors (Transport, Energy, Utilities and Defence) – and post 2019 Rights Issue, liquidity has improved, net cash levels are circa £100m, and Book Value/Market Capitalisation ratio has increased from 0.2 in 2007 to 1.8 in 2022, indicating that the stock price is likely currently under-valued.

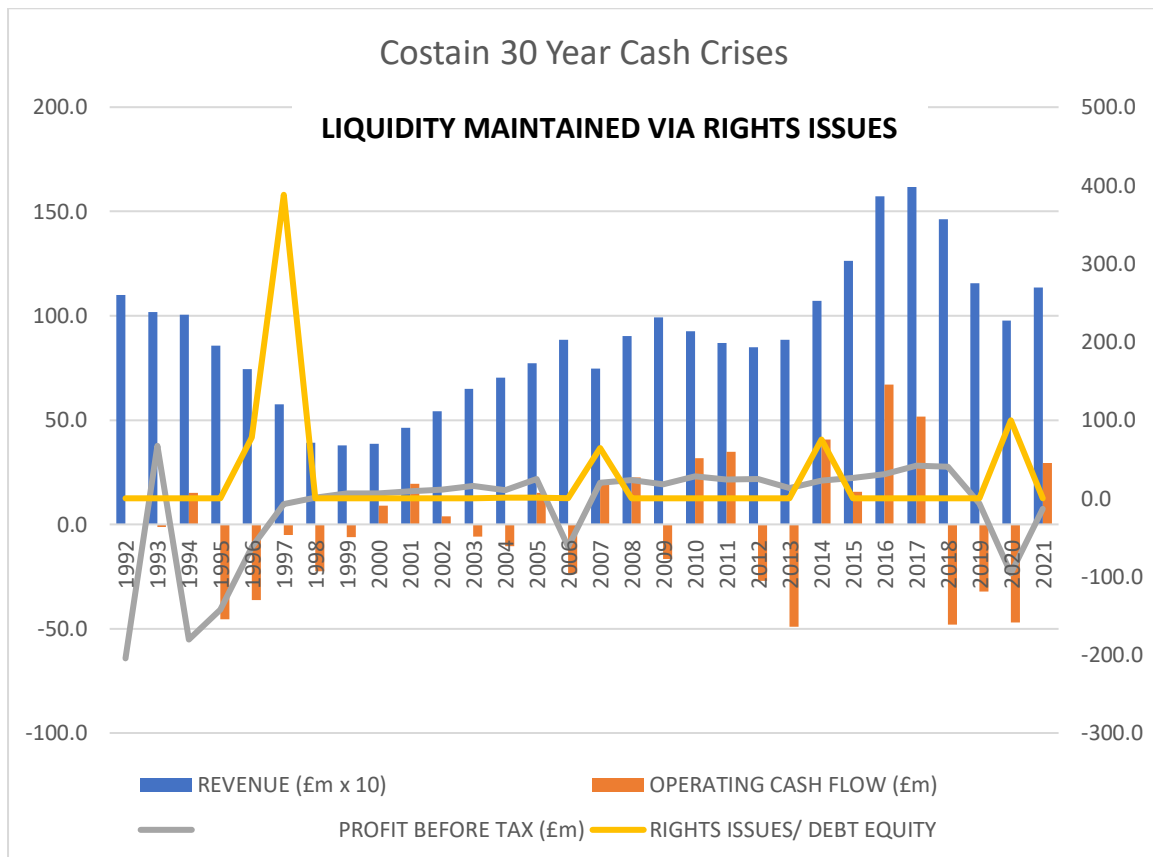
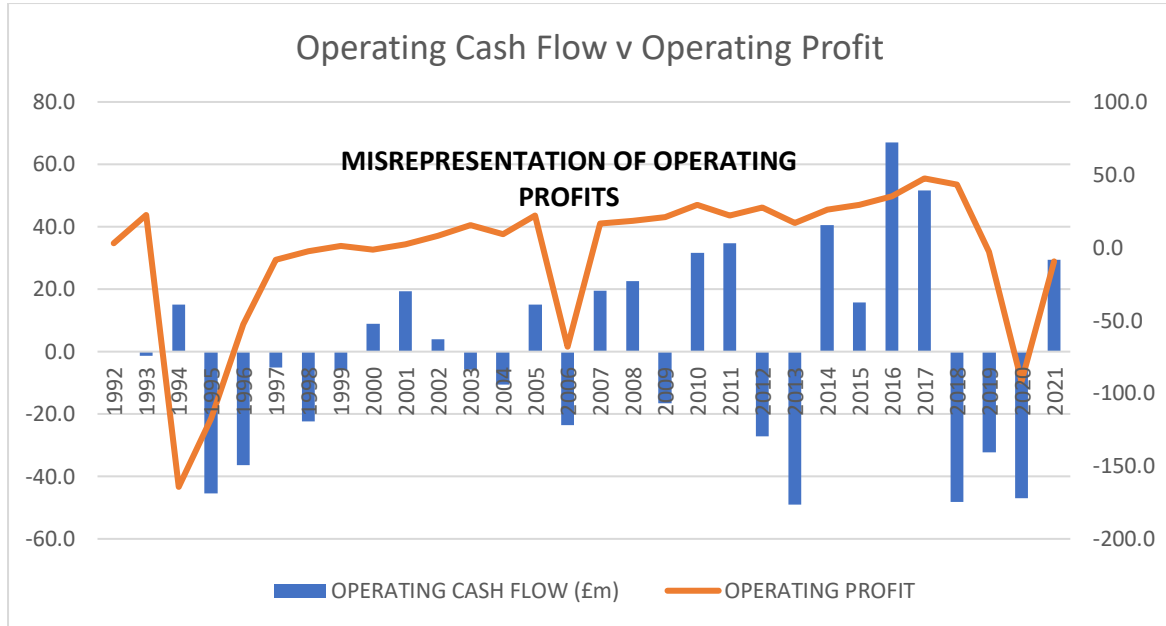
Think Big Partnership's considers that it is currently the most opportune time for a non-UK contracting entity, or overseas investor, to make a strategic investment or seek a strategic alliance to establish a significant position in the future UK construction sector. Costain is a prime target. It is time to 'clear the decks' and seek a financially strong majority shareholder/acquirer who sees the value in Costain and can back its growth strategy with investment and strong leadership. Taking Costain private in the process is an option (with a subsequent re-listing after turnaround), or a Reverse Takeover of Costain Plc is another. “

.- Greg Malpass, June 2022

**A Strategic Partner to take Costain private, provide financial investment and captive work for growth**

4. OPPORTUNITY TO STOP THE CREATIVE ACCOUNTING

Costain’s Historic Dilemma

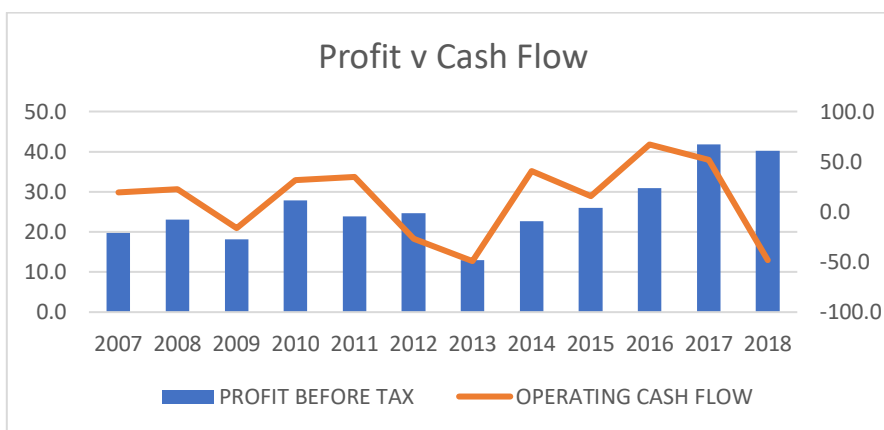


A Strategic Partner who removes the management and motivation allied to financial misrepresentation

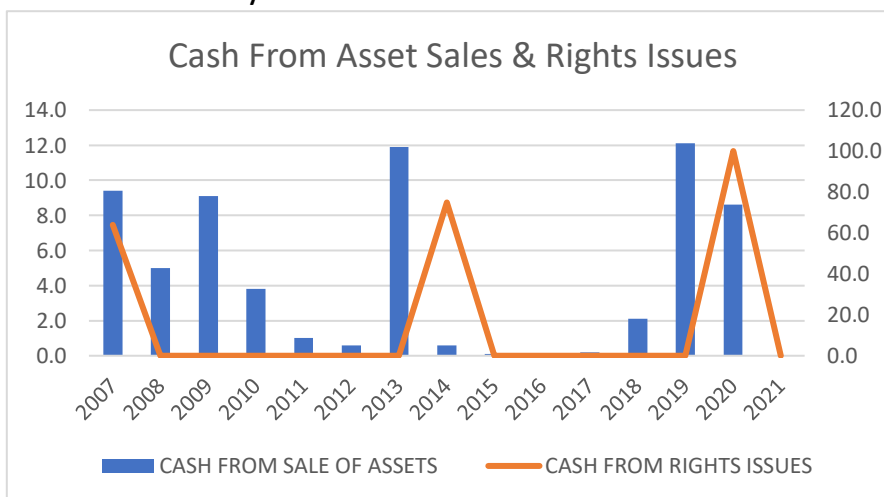


Summary/ Highlights (as of 2022)

- Revenues- Turnover by 2021 at £1135m was lower than 1992’s £1099m (30 years prior) in real terms
- Operating Cash Flow- Cumulative cash flow over 30 years totals just £1m; net cumulative net cash flow over last 15 years has been £93.1m
- Group Profit/ Loss- Cumulative declared Group Losses over 30 years are £311m, although declared Profits before tax amount to £196m over last 15 years



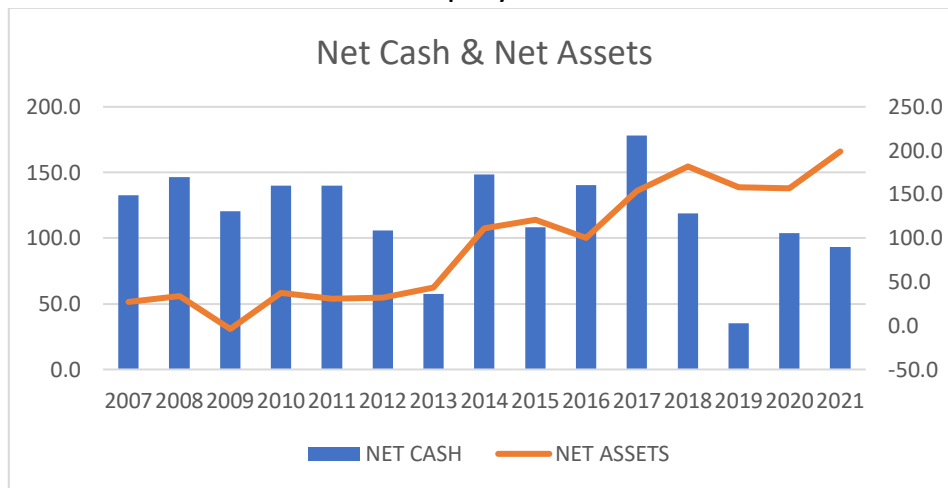
- Cash from Asset Sales- £335m cash/proceeds have been derived from sale of assets, subsidiaries, and investments, of which £64.6m have been received in last 15 years of disposals
- Cash from Rights Issues (and Debt for Equity swaps)- £706m in total cash/debt write off in 30 years, of which £239m has been raised from Rights Issues in last 15 years



Cash Flow never lies, and tells the story of company performance and sustainability

## CONFIDENTIAL INFORMATION MEMORANDUM – COSTAIN INVESTMENT OPPORTUNITY

- Net Cash- Net cash has reduced by £39.6m in last 15 years, despite £239m cash received from Rights Issues, and £65m proceeds from Asset sales in last 15 years
- Net Assets- Net Assets have increased by £172m in last 15 years, despite £239m of cash raised from new equity issues

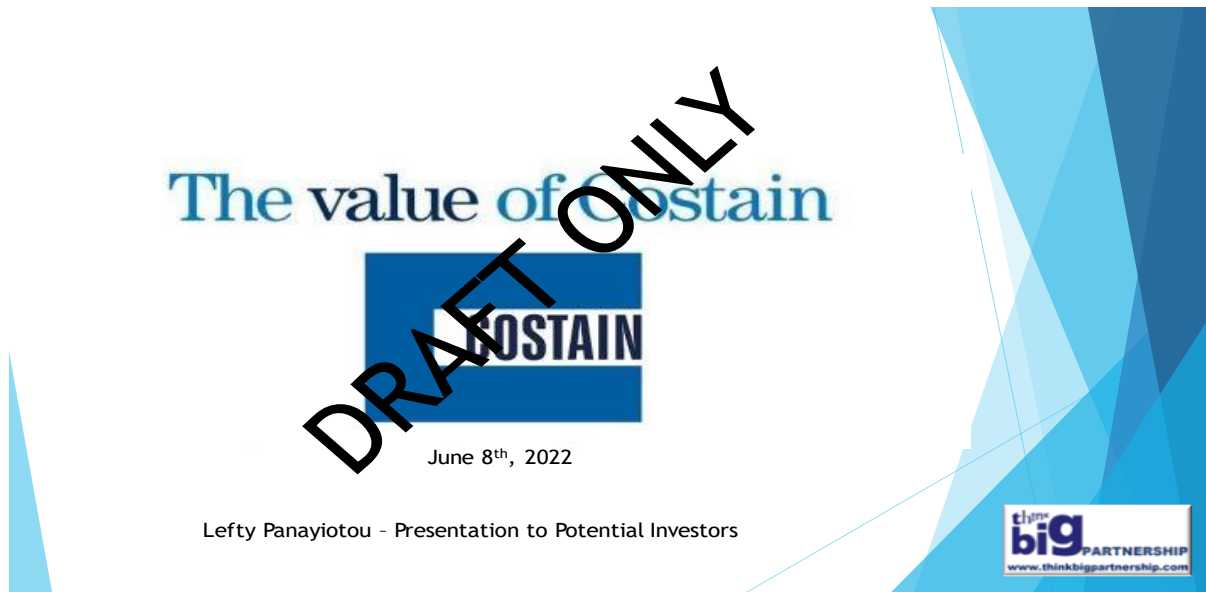


- Market Capitalisation- Market Value has dropped by £63m in last 15 years, from £170m in 2007 to £107m in 2022
- Book Value/Market Cap- Book value/Market Capitalisation has increased from 0.2 in 2007 to 1.8 in 2022, indicating that the stock price is likely under-valued
- Operating Profit v. Operating Cash Flow- Where there are discrepancies in the value of Op Profit to Op Cash Flow it is often a sign of too little cash generation to warrant the profit taking, where changes in value of Working Capital, Work in Progress and Monies Receivables on long term contracts can't be explained. Where there have been significant unexplainable differences at Costain (eg. 2003/4; 2012/13 and 2018/19) then calls for cash/rights issues have followed within 1-3 years (2007; 2014; 2020)
- CEO Remuneration - CEO Remunerations have totalled over £15m in last 15 years, despite £61m fall in Market Capitalisation, £39.6m fall in Net Cash and only a £172m rise in Net Assets despite £239m of new equity/cash raised.

**Payment of CEO salaries and bonuses in excess of £1m per year in light of performance is wholly unjustifiable**

**Outcome of Review**

Attempts by Think Big Partnership to approach 15% shareholder ASGC with proposals were rejected during May 2022. The Presentation on “The Value of Costain” (below) was produced and given to prospective investors/acquirers of Costain PLC. Dialogue with other potential investors continued.



**Costain is the best acquisition option due to its market position and under-stated current market value**

5. OPPORTUNITY TO PRESENT BENEFITS OF ACQUISITION

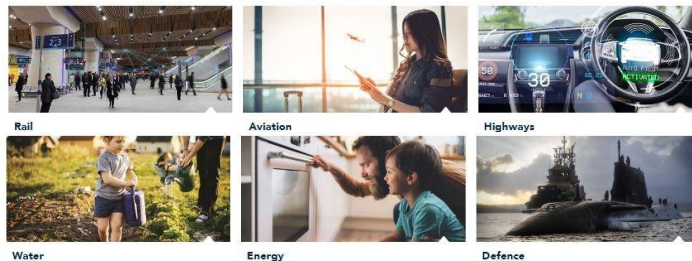
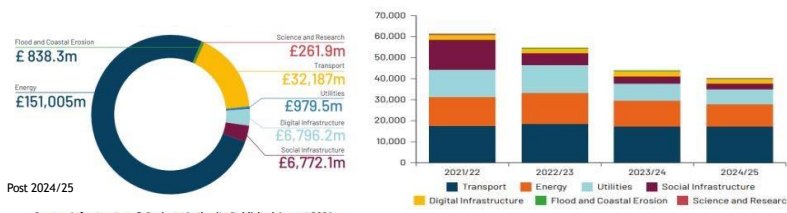
**Why Costain?**



Costain is considered an attractive Acquisition Target in UK Infrastructure Sectors



**The Right Sectors**



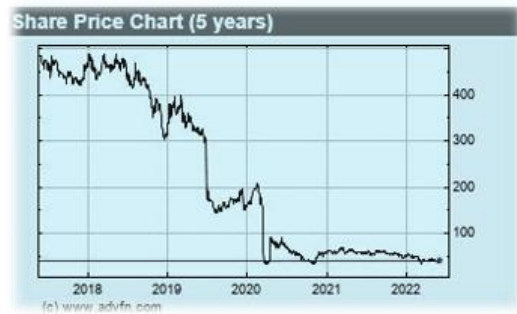
Not least because Costain is a leader in Sectors of Planned Investment



**Costain is in the right sectors for sustainable growth in the UK and potential for international expansion**



## Share Price



Costain share price has crashed in the last 5 years due to Problem Contracts and Covid 19



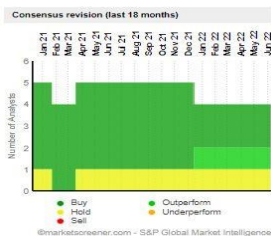
## Undervalued Stock

The following section summarizes insights on Costain Group PLC's Book Value / Market Cap:

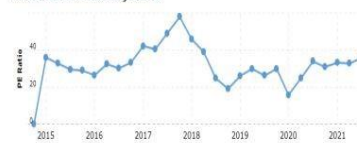


Costain Book Value to Market Capitalisation ratio is above industry average at 1.8 Price to Earnings multiple is as low as 4, and has averaged 10.6 over 10 years, well below industry average of 16.

Majority of Analysts recommend a Buy of Costain Shares



The Price/Earnings multiple construction industry is 16.



But Costain is currently an undervalued stock with Market Capitalisation at £108m



Costain is an under-valued stock due to its past poor performance and limited UK growth projections

## Good Fundamentals

**Business Summary**



Costain Group PLC is a United Kingdom-based company, which offers five services to its client, future-shaping strategic consultancy, consultancy and advisory, digital technology solutions, asset optimization, and complex programmed delivery. It works with its clients in their business and investment planning to develop solutions to meet changing needs, leveraging its deep client insight, edge expertise and a range of capabilities. It improves its clients' business performance by providing value adding consultancy and advisory services, leveraging its deep client insight, edge expertise and a range of capabilities. It transforms business performance and infrastructure intelligence through the development and integration of edge digital technology solutions built on its client insight. It combines its deep client insight and edge expertise to increase capacity, improve resilience and minimize downtime. It operates through two segments: Transportation and Natural Resources.

- The company has strong fundamentals. More than 70% of companies have a lower mix of growth, profitability, debt and visibility.

**Valuation**

Fiscal Period: December	2019	2020	2021	2022	2023	2024
Capitalization <sup>1</sup>	173	163	147	108	-	-
Enterprise Value (EV) <sup>1</sup>	138	58,7	53,6	29,9	25,2	20,1
P/E ratio	-59,0x	-1,61x	-25,4x	4,40x	4,31x	4,00x

A Good Business Model and Undervalued with an Enterprise Value of just £20m



## SWOT – Strengths & Weaknesses

**Strengths**

- Its low valuation, with P/E ratio at 4.4 and 4.31 for the ongoing fiscal year and 2023 respectively, makes the stock pretty attractive with regard to earnings multiples.
- The stock, which is currently worth 2022 to 0.02 times its sales, is clearly overvalued in comparison with peers.
- The company's share price in relation to its net book value makes it look relatively cheap.
- Sales forecast by analysts have been recently revised upwards.
- For the past year, analysts covering the stock have been revising their EPS expectations upwards in a significant manner.
- For the last few months, EPS revisions have remained quite promising. Analysts now anticipate higher profitability levels than before.
- Analysts have a positive opinion on this stock. Average consensus recommends overweighting or purchasing the stock.
- The difference between current prices and the average target price is rather important and implies a significant appreciation potential for the stock.

**Weaknesses**

- According to forecast, a sluggish sales growth is expected for the next fiscal years.
- The company's earnings growth outlook lacks momentum and is a weakness.
- The company's profitability before interest, taxes, depreciation and amortization characterizes fragile margins.
- Low profitability weakens the company.
- Over the past twelve months, analysts' consensus has been significantly revised downwards.

- **Undervalued Stock**
- **Brand Awareness**
- **Reputation**
- **Operational Management**

- **Senior Management**
- **Growth Forecasts**
- **Profitability**
- **Contract Losses**

©marketscreener.com - S&P Global Market Intelligence

Analysts agree stock is cheap, but poor growth in revenue and earnings is forecast



Costain would benefit from gifted in-house work on higher margins and overseas growth PIF could offer

## Opportunities

**In the UK, where we operate, the government is investing heavily in infrastructure.**

- **Sector Strengths**
- **Forecast Investment**
- **Client Base**

This underpins the government's National Infrastructure Strategy and Pipeline, published in March 2021, which commits to spending over £650bn on infrastructure in the next five years, significantly higher than in recent years. There is recognition that infrastructure underpins the economy, and a desire

in government to improve the quality of infrastructure to deliver economic growth and simultaneously put the UK on the path to net zero emissions by 2050. We have chosen to focus on four key markets where there is a strategic commitment to invest in meeting national needs and where we are well

placed to support our clients to deliver high-quality, affordable and sustainable outcomes. The transport, water, energy and defence markets benefit from long-term investment plans, underwritten by UK Government policy, regulation and legislation designed to meet a critical national need.

Investment in UK infrastructure<sup>1</sup>

£650bn

Proportion of UK infrastructure spend funded by local government<sup>2</sup>

40%

Average proportion of infrastructure spend on transport<sup>3</sup>

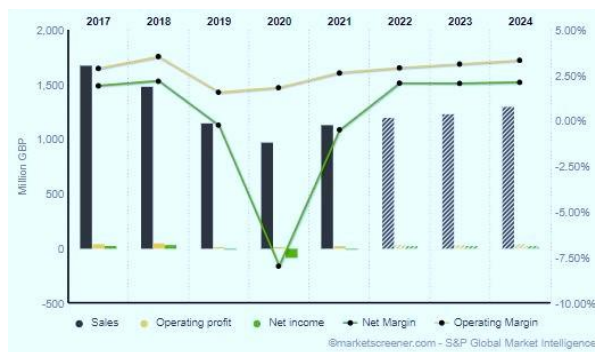
85%

Source: Annual Report

Planned Investment represents a considerable Market Opportunity for Costain



## Threats



- **Lack of Confidence In Management**
- **No Growth Potential**
- **Contract Losses**
- **Poor Cash Generation**

	2021 Em	2020 Em	2019 Em	2018 Em	2017 Em
<b>Revenue and profit</b>					
Group revenue	1,135.2	978.4	1,155.6	1,463.7	1,684.0
Group operating (loss)/profit before other items	(9.1)	(81.7)	17.9	52.5	49.1

Forecasts of 'No Growth' and legacy of recent Contract Losses and the Risk and Effect of future Contract Losses are holding Costain back



**Costain needs new management, and prospects of substantial growth in core sectors in overseas markets**

## The CEO's View

Alex Vaughan



Adjusted revenue<sup>1</sup>  
**£1,179m**  
(2020: £1,071m)

Adjusted operating profit<sup>1</sup>  
**£30.1m**  
(2020: £18.0m)

Free cash flow<sup>1</sup>  
**£38.9m**  
(2020: £31.6m)

**"We are delivering a strong operational performance, drawing a line under legacy contract issues and pushing forward with our strategic ambition in strong markets."**

### Adjusted to reported reconciliation

	Transportation			Natural Resources			Group		
	2021	2020	Change	2021	2020	Change	2021	2020	Change
<b>Revenue £m</b>									
Adjusted	864.2	724.2	19.3%	314.4	345.1	-8.9%	1,178.6	1,070.5	10.9%
Adjusting items	-	(50.1)	-	(43.4)	(42.0)	-	(43.4)	(92.1)	-
Reported	864.2	674.1	28.2%	271.0	303.1	-10.6%	1,135.2	978.4	16.0%
<b>Operating profit £m</b>									
Adjusted	41.4	20.1	106.0%	(2.6)	5.7	n/m	30.1	18.0	67.2%
Adjusting items	8.4	(50.7)	-	(48.0)	(57.4)	-	(39.6)	(110.0)	-
Reported	49.8	(30.6)	n/m	(50.6)	(51.7)	2.1%	(9.5)	(92.0)	89.7%

### Net cash reconciliation

£m	FY21	FY20
Cash and cash equivalents at the beginning of period	150.9	180.9
Net cash flow	8.5	(29.4)
FX	0.0	(0.4)
Cash and cash equivalents at the end of period	159.4	150.9
Borrowings	(40.0)	(48.0)
<b>Net cash</b>	<b>119.4</b>	<b>102.9</b>

Having a strong Cash Balance & Adjusting Profits for Extraordinary Contract Losses doesn't wash when Contract Losses are a frequent occurrence & Cash comes from Rights Issues



## Valuing Work-in-Progress

	2021 £m	2020 £m	2019 £m
Overall contract value	1,501.9	1,135.6	1,334.0
Revenue in year	146.3	176.9	281.3
Total estimated end of contract compensation events	135.4	83.1	472.1
Total estimated unagreed end of contract compensation events (included in the above)	96.1	51.3	238.6
Total unagreed compensation events valued at year-end and included in contract assets	22.9	22.5	45.7

Why perform PROJECT diligence?

- Construction Projects typically:
  - Are often very complex, risky, and consist of multiple parties, work streams, and project documents
  - Usually have a high risk for improperly applied costs, revenue, overpayment, and potentially fraud
  - Require understanding of the contract, incurred costs to date, schedule, and estimate to complete
  - Understand the potential impacts to estimate to complete of unapproved change orders, claims, expected bonuses, liquidated damages.
- To address this, engage engineering and construction specialists who have skills or experience in the construction field
- Get "behind the numbers" to form a view on the true revenues, costs, and margin of the target company's core business supporting the Net Working Capital
- Ultimately, to identify matters that could cause...
  - Walk away from...

Costain has a history of declaring Profits that are sometimes less than conservative. Taking a Favourable View of the value of unagreed Compensation to come is an example



**Costain's new management will focus on profitable delivery of new work, not profit declarations to the City**



## Cash Flow never Lies

### Operating Profit v. Operating Cash Flow

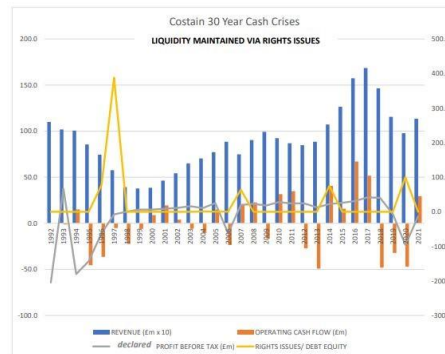
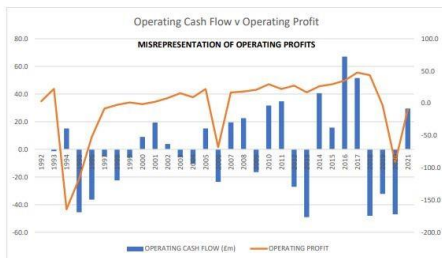
Where there are discrepancies in the value of Operating Profit to Operating Cash Flow it is often a sign of too little cash generation to warrant the profit taking, where changes in value of Working Capital - Trade Receivables, Work in Progress and Monies Receivables on long term contracts can't be explained. Where there have been significant unexplainable differences at Costain (eg. 2003/4; 2012/13 and 2018/19) then calls for cash/rights issues have followed within 1-3 years (2007; 2014; 2020)



Costain's Achilles heel has been declaring unsubstantiated operating Profits in bad years



## Costain has gone from one Cash Crisis to another



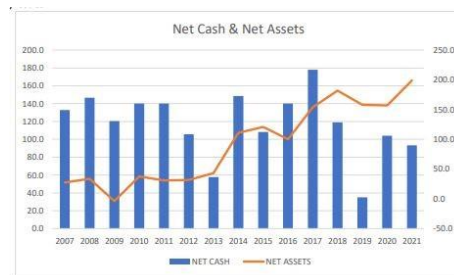
Declaring Operating Profits while Operating Cash Flow was Negative led to Cash Crises



The potential for future cash crises will be alleviated by better operating performance on new overseas contracts

## Cash Calls have saved Costain from Insolvency

“Rights Issues R-US”



Asset Sales and Rights Issues have been required to maintain liquidity, cash levels & build Net Assets



## Incumbent Management

			
<b>Alex Vaughan</b> BSc (Hons), FRICS, Dip IoD, FioD CHIEF EXECUTIVE OFFICER	<b>Helen Willis</b> ACA, BSc CHIEF FINANCIAL OFFICER	<b>Matthew Higham</b> CHIEF DIGITAL OFFICER	<b>Catherine Warbrick</b> BSc (Hons) Environmental Science GROUP HR DIRECTOR
			
<b>Sue Kershaw</b> BSc (Hons) Civil Engineering MANAGING DIRECTOR – TRANSPORTATION	<b>Sam White</b> MBA, BSc MANAGING DIRECTOR – NATURAL RESOURCES	<b>David Taylor</b> FRICS, FioD GROUP COMMERCIAL DIRECTOR	<b>Sharon Harris</b> LLB GENERAL COUNSEL AND COMPANY SECRETARY

All Senior Management is relatively new to Costain except for the CEO Alex Vaughan

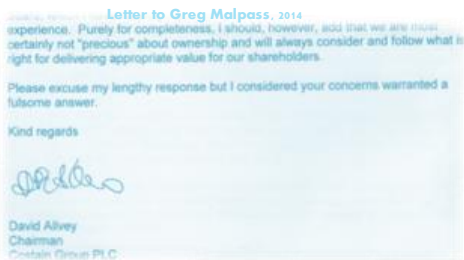


New owners will place new management in crucial executive positions of overseas growth & project delivery

## Time for Change in Ownership



No more 'Going Back to the Future'



..and Leadership

Costain needs new Ownership, Financial Backing and Strong Leadership



## Current Ownership

ASGC paid £25m for a 15.2% share in Costain in 2020, currently valued at £16m

Shareholders		
Name	Equities	%
ASGC Construction LLC	41,666,666	15.2%
J.O. Hambro Capital Management Ltd.	27,250,190	9.91%
Ennismore Fund Management Ltd.	19,534,640	7.10%
Hargreaves Lansdown Stockbrokers Ltd.	16,298,000	5.93%
Gresham House Asset Management Ltd.	15,018,286	5.46%
Gresham House Asset Management Ltd. (Investment Management)	12,622,832	4.59%
Northern Trust Global Investments Ltd. (Securities Lending)	10,315,000	3.75%
Artemis Investment Management LLP	8,469,850	3.08%
Hargreaves Lansdown Asset Management Ltd.	8,282,000	3.01%
KBI Global Investors Ltd.	7,528,503	2.74%

61% of Shares held by 9 Institutional Investors (45.6%) and ASGC of Dubai (15.2%)



De- listing and removal of Institutional investors will eliminate the need & cost of PLC financial reporting & focus on dividend payments rather than capital growth

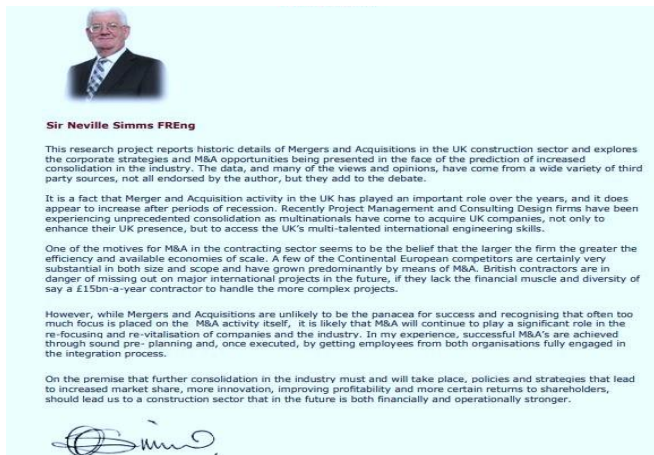
## The Role of M&A



Think Big Partnership has long been an advocate of M&A as the route to profitable growth



## Endorsed by Sir Neville Simms



M&A will continue to play a significant role in the re-focusing and re-vitalisation of companies & the industry



The need for M&A to restructure the UK construction industry is endorsed by key industry figures



## ASGC Saved the Day in 2020



Dubai-based contractor ASGC bought a 15% stake in Costain, in an investment worth £25m, as part of Costain's 2020 £100m rights issue.

- ▶ But Costain warned that if the planned rights issue had failed, it would have breached its banking covenants in June 2020 "if actual performance is below the reasonable worst-case projections"- it would have potentially lead to insolvency if lenders did not offer Costain covenant waivers.

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Business Bay  
PO Box 13164  
Telephone +971 4 425 8000  
Facsimile +971 4 425 8060

**Abu Dhabi**  
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**Egypt**  
2nd floor, Building A2,  
Business Park-Parcel 33,  
Mivida, New Cairo  
Telephone +20 122 6888 850  
Facsimile +20 22689 945

**United Kingdom**  
10 Fitzroy Square,  
London, W1T 5HP  
Telephone +44 0 207 874 1895

www.asgcgroup.com

A welcomed £25m Cash Injection- but 'expect more' Cash Calls unless ASGC takes control



## A Reverse Merger of ASGC/Costain is an Option



### No Strategic Interest?

ASGC paid £25m for a 15.2% share in Costain in 2020, currently valued at £16m

Think Big Partnership made approaches to ASGC in May 2022, without response



ASGC made a very expensive investment which has lost value while offering questionable strategic benefit

## Search for a new Strategic Investor



with new ideas and strong leadership

The search for a new owner for Costain, breaking the Bias and breaking the Mould



## How Think Big Partnership can help



Analysis, Corporate Advice, Due Diligence and Implementation



Time to seek a truly Strategic Investor which can add value in financial backing and business development

## Our Role



CORPORATE ADVISORY PROFESSIONAL SERVICES ARE PROVIDED DIRECTLY TO GROUP CHIEF EXECUTIVES, ON TERMS OF STRICT CONFIDENTIALITY, WITH A MANAGING PARTNER ACTING AS A 'RETAINED CONSULTANT', CHARGED ON A MONTHLY FEE BASIS, PLUS EXPENSES, AND COMPLETION SUCCESS FEE IF APPROPRIATE, UNDER CONTRACT WITH THE CLIENT, TO AN AGREED BRIEF AND TIMESCALE.

**PLC CORPORATE ADVICE TO GROUP CEO**  
CORPORATE DEVELOPMENT & NEW "OUTSIDE-THE-BOX" THINKING AND M&A SOLUTIONS IN GLOBAL CONSTRUCTION.

**COMPANY REVIEWS & NEW BUSINESS DEVELOPMENT**  
WORKING WITH COMPANY OFFICIALS, KEY EMPLOYEES, CUSTOMERS AND INVESTORS TO HELP CREATE NEW STRATEGIES.

**CORPORATE GOVERNANCE**  
MINIMIZING YOUR RISKS ALONG THE WAY IN GLOBAL BUSINESS DEVELOPMENT, PROJECT DELIVERY AND M&A TRANSACTIONS.

Think Big Partnership becomes integrated in the Acquisition Team



## Hands-on Implementation



### Interim Management

**Simplifying the business**  
Streamlining structures

**Strengthening leadership**  
Clear direction

**Improving governance and processes**  
Short interval control

**Changing the culture**  
Measurement and transparency

And offers Leadership and Interim Management after Acquisition



Think Big Partnership has the contacts, market & financial analysis skills, and interim management to offer

## Interim CEO – Strong Leadership



Lefty specialises in strategic planning, mergers and acquisitions, corporate turnarounds, and organisational and financial restructuring. He has held senior level positions globally taking the roles of Managing Director and CEO in major construction and engineering companies.



He will be leading Think Big Partnership's Search for Strategic Investors & Global Capital as a catalyst to promoting M&A Transactions & UK Construction Consolidation. In particular he will be reviewing Options for UK Construction Groups to Cooperate with International Investors interested in Construction Technology and Manufacturing Joint Ventures.

### Lefty Panayiotou

Lefty would lead the Acquisition Team and become Interim CEO during post acquisition integration and new strategy implementation



Lefty was the ex-Managing Director of Costain International responsible for Business Development and Project Delivery

## Lefty Panayiotou



- Search for Strategic Investors & Global Capital from the MENA, Southeast Asia, and Australasia Regions as catalyst to M&A transactions & UK Construction Consolidation
- Review of Options for Cooperation in Construction Technology and Manufacturing Joint Ventures

An Interim Chief Executive, Non-Executive Director, Managing Director, Chief Operating Officer, Turnaround Director and Program Director. An acknowledged Infrastructure industry leader and expert (in construction, transport, oil and gas, power generation, water and waste, maritime, broadcasting, life science, advanced technology, and high-tech sectors. Lefty has a BSc in Civil Engineering from Portsmouth University, a Diploma in Company Direction from the Institution of Directors of which he is a Fellow Member, and a Postgraduate in Financial Management from the M Ross School of Management University of Michigan. He is a Member of the Institution of Civil Engineers, APEC Engineer Institute PE (Aust), Fellow of the Institute of Engineers Australia FIE CPEng and FIEAust NPER. He has international reputation having held roles as Interim CEO M+W Group Germany, Executive Managing Director Doosan Power Systems, Senior Vice President EES Alstom Power, Managing Director Costain International, Executive Managing Director Walter Bau, and held Project Management roles with Wimpey Plc during the 1980s.

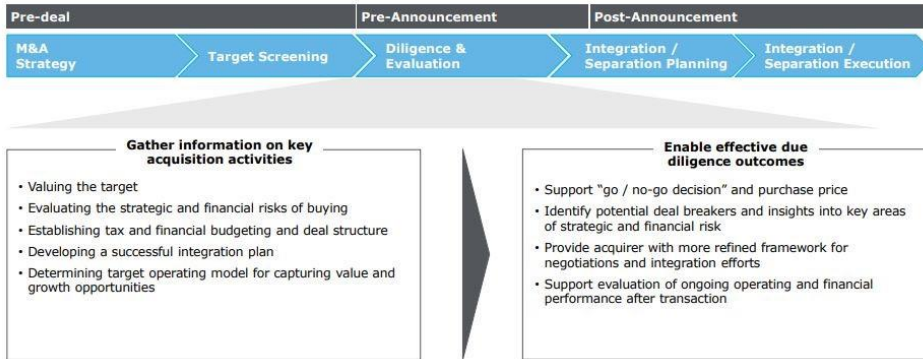
Lefty is a 'Big Thinker' and brings leadership, his international network and reputation that the industry needs to broaden its horizons and find new investment and strategic partners



Lefty Panayiotou offers the knowledge, interim management capabilities, and international expertise required



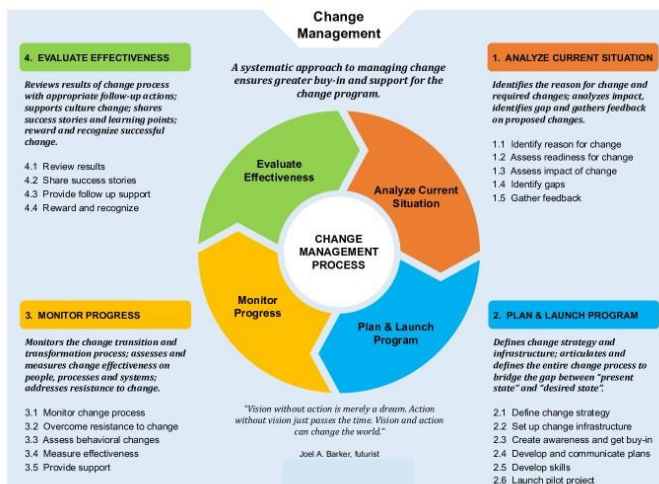
## Pre-deal and Post-deal Support



Lefty would be supported by Think Big Partnership's analytical & due diligence team



## Change Management

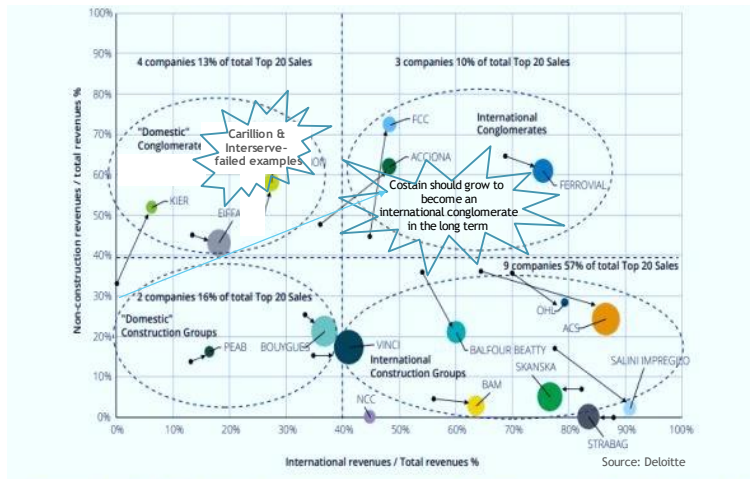


Lefty would lead the Change Management Process over 18 months post-acquisition



Lefty would lead the acquisition support function and offer change management experience post acquisition

## Formulating a Strategy for Growth



Non-contracting & International Diversification is the long term route to stable Profitable Plc Growth



**COSTAIN**

‘Choosing Costain’

**THANK YOU**



Think Big Partnership & Lefty are best placed to develop the introduction of PIF to Costain senior management

## 6. OPPORTUNITY TO FINALLY CONSOLIDATE ON THE TIDIED-UP FINANCES

Lefty Panayiotou provided the Presentation below (exclusively for the Saudi PIF), summarizing the opportunity now presented, following Costain's Interim Results, published on August 24<sup>th</sup>, 2023.

### Business Case - Acquisition



Lefty Panayiotou – August 24<sup>th</sup>, 2023

Disclaimer: Where Information provided includes Opinions and Interpretations of the Author or data sourced from other Information Providers – the Author provides no guarantee as to the correctness nor interpretation made, nor use of the information or comments to make investment decisions.



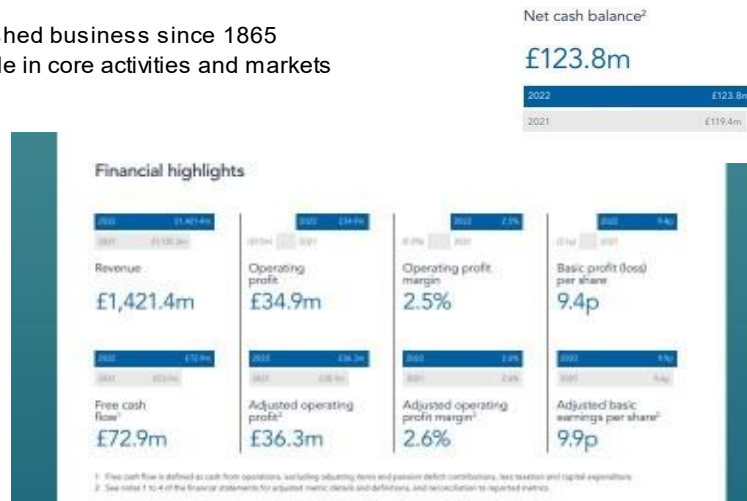
**Think Big Partnership & Lefty are open to work exclusively with PIF on the acquisition of Costain PLC**

## Business Case - Acquisition

The key has been to identify a company that is well known, is profitable, has potential future growth prospects, a confirmed order book, and global brand awareness.

**Costain PLC fits this criteria, with 2022 Year End Figures:**

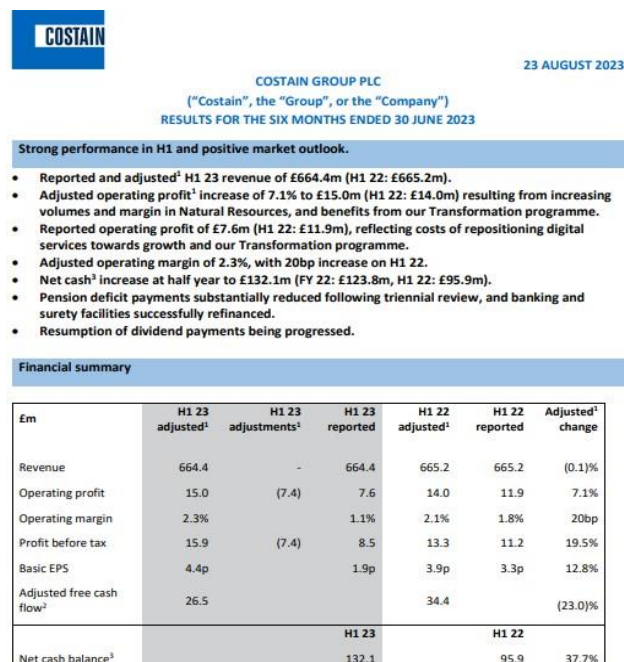
- Established business since 1865
- Profitable in core activities and markets



- High quality secured workload reflecting five year programme cycles: Order book of £2.8bn (FY21: £3.4bn), and Preferred bidder book of £1.6bn (FY21: £0.9bn).

2

## Costain PLC – Back on Track (Up-dated 2023 Half Year Results)



3

**Net cash at £132m & positive cash from operations £16.9m, net cash flow of £8m, for H1 23**



## Cash Flow Going Forward

£m	H1 23	H1 22
Cash from operations	16.9	(19.1)
Add back adjusting items	4.0	48.4
Add back pension deficit contributions	5.7	5.2
Less taxation	-	-
Less capital expenditure	(0.1)	(0.1)
<b>Free cash flow</b>	<b>26.5</b>	<b>34.4</b>

### Cashflow and liquidity

During the period we completed the March 2022 review of our defined benefit pension scheme, and the refinancing of our bond and surety facilities, with the positive outcomes of both increasing our ability to generate cash for the Group. We continue to implement our Transformation programme to increase efficiencies within the Group, which is on track to deliver further operational efficiencies in H2 23 and FY 24.

Cash from operations in H1 23 was £16.9m (H1 22: cash used by operations £19.1m), following increased adjusted operating profits, with the H1 22 comparison impacted by the settlement of the Peterborough & Huntingdon contract of £43.4m in February 2022.

Free cash flow in H1 23 of £26.5m reflected continued good working capital management, which benefitted from further positive cash collection timings during the half. We expect our year end net cash position to be broadly similar to that at the end of H1 23, as the underlying free cash flow from the business is likely to be offset by the unwinding of positive working capital timing benefits accumulated

The Group had a positive net cash balance of £132.1m as of 30 June 2023 (FY 22: £123.8m; H1 21: £95.9m) comprising Costain cash balances of £77.6m (FY 22: £67.3m; H1 22: £76.5m), cash held by operations of £54.5m (FY 22: £56.5m; H1 22: £55.4m), and borrowings of Enil (FY22: Enil; H1 22: £3 excluding arrangement fees of £0.2m). During H1 23, the Group's average month-end net cash bala was £127.9m (FY 22: £99.2m; H1 22: £91.9m). Utilisation of the total bonding facilities as of 30 June 2023 was £78.9m (FY 22: £88.8m, H2 22: £88.5m).

Assume Normalised Annual Net Cash Flow of £15m /year going forward

£m	H1 23	H1 22	FY 22
Cash and cash equivalents at the beginning of year	123.8	159.4	159.4
Net cash flow	8.3	(27.5)	(35.6)
Cash and cash equivalents at the end of year	132.1	131.9	123.8
Borrowings (excluding leases and unamortised arrangement fee of £0.6m in FY21)	-	(36.0)	-
<b>Net cash</b>	<b>132.1</b>	<b>95.9</b>	<b>123.8</b>

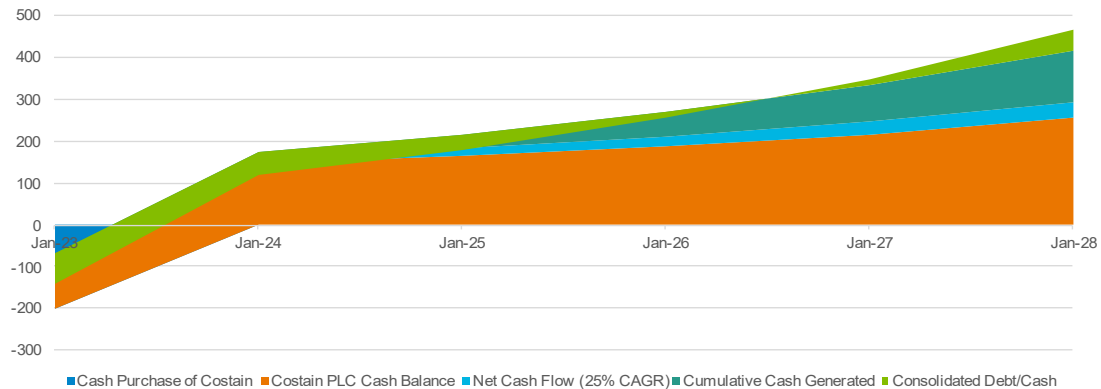
Cash from/ (used by) operations	16.9	(19.1)
Interest received	1.6	0.1
Interest paid	(0.7)	(1.2)
<b>Net cash from/ (used by) operating activities</b>	<b>17.8</b>	<b>(20.2)</b>
Cash flows from/ (used by) investing activities	-	-
Additions to property, plant and equipment	-	(0.1)
Additions to intangible assets	(0.1)	-
Proceeds on sale of investment	-	0.5
<b>Net cash (used by)/ from investing activities</b>	<b>(0.1)</b>	<b>0.4</b>
Cash flows from/ (used by) financing activities	-	-
Repayments of lease liabilities	(9.4)	(3.7)
Repayment of loans	-	(4.0)
<b>Net cash used by financing activities</b>	<b>(9.4)</b>	<b>(7.7)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>8.3</b>	<b>(27.5)</b>
Cash and cash equivalents at beginning of the period	12	123.8
Cash and cash equivalents at end of the period	12	132.1

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## Buying Costain with its own Cash Flow

	Dec-23	Dec-24	Dec-25	Dec-26	Dec-27	Dec-28
Cash Purchase of Costain	-200					
Costain PLC Cash Balance	130	145	164	187	216	253
Net Cash Flow (25% CAGR)		15	19	23	29	37
Cumulative Cash Generated		15	34	57	86	123
Consolidated Debt/Cash	-70	-55	-36	-13	16	53

Cash Purchase of Costain PLC (assuming 25% CAGR in Net Cash Flow)



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Acquisition with its own cash & cash generation within 4 yrs based on £200m Market Cap, NCF of £15m & 25% CAGR

## Costain PLC - Overview

Core Markets & Investment:

Strategic investment programmes – expected infrastructure spend<sup>1</sup>

	Current business plan investment	2022	2023	2024	2025	2026	2027	2028	2029	2030
National Highways	£27bn	RIS2		RIS3						
High Speed rail	c.£50bn	Phase 1 (London – West Midlands)		Phase 2a (West Midlands – Crewe)		Phase 2b (Crewe – Manchester)				
Integrated Rail Plan	£54bn	IRP								
Network Rail	£44bn	CP6		CP7			CP8			
Local Government	£11bn	Regional development funds								
Water	£51bn	AMP 7			AMP 8					
Energy	£12bn	10 Point Plan								
	£30bn	RIIO 2			RIIO 3					
Defence	£240bn	Defence Estates Plan								
	£5bn	Defence Estates Optimisation								
Nuclear	c.£10bn	Nuclear Decommissioning Authority Business Plan			Sizewell C					
	c.£20bn									

### Transportation

- Highways England RIS2 and Network Rail CP6
- HS2
- Government's Project SPEED
- Aviation clients

### Water

- Water companies progressing approved AMP7 investment programs
- Clients include Anglian Water and Thames Tideway

### Energy

- Energy investment programs
- Government progressing pathfinder schemes looking to increase zero carbon energy
- No longer pursuing Energy EPC contracts

### Defence

- Critical defence equipment related programs

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## Costain PLC

### Segmental Income Statement

(Sound Sector Performance in 2022):

Adjusted operating profit<sup>1</sup>

£36.3m

2022 £36.3m

2021 £30.1m



### Adjusted to reported reconciliation

	Transportation			Natural Resources			Group		
	2022	2021	Change	2022	2021	Change	2022	2021	Change
<b>Revenue £m</b>									
Adjusted <sup>1</sup>	1,046.3	864.2	21.1%	375.1	314.4	19.3%	1,421.4	1,178.6	20.6%
Adjusting items	-	-		-	(43.4)		-	(43.4)	
Reported	1,046.3	864.2	21.1%	375.1	271.0	38.4%	1,421.4	1,135.2	25.2%
<b>Operating profit £m</b>									
Adjusted <sup>1</sup>	31.5	41.4	-23.9%	15.0	(2.6)		36.3	30.1	20.6%
Adjusting items	(1.4)	8.4		4.5	(48.0)		(1.4)	(39.6)	
Reported	30.1	49.8	-39.6%	19.5	(50.6)		34.9	(9.5)	N/A

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Costain is now profitable in both its core Transportation and Natural Resources sectors

## Sector Progress Half Year 2023

TRANSPORTATION						NATURAL RESOURCES					
£m	H1 23 adjusted <sup>1</sup>	H1 23 reported	H1 22 adjusted <sup>1</sup>	H1 22 reported	Adjusted <sup>1</sup> change	£m	H1 23 adjusted <sup>1</sup>	H1 23 reported	H1 22 adjusted <sup>1</sup>	H1 22 reported	Adjusted <sup>1</sup> change
Road	201.8	201.8	239.2	239.2	-15.6%	Water	107.2	107.2	106.9	106.9	0.3%
Rail	259.3	259.3	219.2	219.2	18.3%	Energy	24.0	24.0	27.3	27.3	-12.1%
Integrated transport	26.0	26.0	36.2	36.2	-28.2%	Defence and Nuclear <sup>2</sup>	46.1	46.1	36.4	36.4	26.6%
Total revenue	487.1	487.1	494.6	494.6	-1.5%	Total revenue	177.3	177.3	170.6	170.6	3.9%
Operating profit	12.2	6.9	15.9	15.9	-23.3%	Operating profit	7.5	7.5	2.6	2.4	188.5%
Operating margin	2.5%	1.4%	3.2%	3.2%	-0.7ppt	Operating margin	4.2%	4.2%	1.5%	1.4%	2.7ppt

### Divisional adjusted to reported reconciliation

	Transportation			Natural Resources			Group		
	H1 23	H1 22	Change	H1 23	H1 22	Change	H1 23	H1 22	Change
<b>Revenue £m</b>									
Adjusted	487.1	494.6	-1.5%	177.3	170.6	3.9%	664.4	665.2	-0.1%
Reported	487.1	494.6	-1.5%	177.3	170.6	3.9%	664.4	665.2	-0.1%
<b>Operating profit £m</b>									
Adjusted	12.2	15.9	-23.7%	7.5	2.6	183.8%	15.0	14.0	7.1%
Adjusting items	(5.3)	-		-	(0.2)		(7.4)	(2.1)	
Reported	6.9	15.9	-56.9%	7.5	2.4	207.1%	7.6	11.9	-36.1%

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## Costain PLC

### Progress in Turnaround since 2019

#### Five-Year Financial Summary

	2022 £m	2021 £m	2020 £m	2019 £m	2018 £m
<b>Revenue and profit</b>					
<b>Revenue</b>	1,421.4	1,135.2	978.4	1,155.6	1,463.7
Contract adjustments	-	43.4	92.1	20.0	-
<b>Adjusted revenue</b>	1,421.4	1,178.6	1,070.5	1,175.6	1,463.7
<b>Adjusted operating profit/(loss)</b>	36.3	30.1	18.0	37.9	52.5
Adjusting items - contract adjustments	-	(39.2)	(99.7)	(20.0)	-
Adjusting items - other	(1.4)	(0.4)	(10.3)	(21.1)	(9.4)
<b>Operating profit/(loss)</b>	34.9	(9.5)	(92.0)	(3.2)	43.1
Share of results of joint ventures and associates	-	-	0.2	0.3	0.3
<b>Profit/(loss) from operations</b>	34.9	(9.5)	(91.8)	(2.9)	43.4
Finance income	1.8	0.1	0.8	1.0	0.4
Finance expense	(3.9)	(3.9)	(5.1)	(4.7)	(3.6)
<b>Net finance expense</b>	(2.1)	(3.8)	(4.3)	(3.7)	(3.2)
<b>Profit/(loss) before tax</b>	32.8	(13.3)	(96.1)	(6.6)	40.2
Taxation	(6.9)	7.5	18.1	3.7	(7.4)
<b>Profit/(loss) for the year attributable to equity holders of the Parent</b>	25.9	(5.8)	(78.0)	(2.9)	32.8

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Costain combined Water, Road & Rail performance have delivered first operating profit since 2018

## Costain PLC

Market Capitalisation £136m

(Share Price Performance last 6 months)



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## Costain PLC

Shareholders

(Top Six Shareholders hold 47.6%)

Shareholder	Date of notification	Number of shares/ voting rights	% of voting rights
ASGC Construction L.L.C.	29/05/2020	41,666,666	15.15
J O Hambro Capital Management Limited*	04/06/2020	27,773,508	10.10
Ennismore Fund Management Limited	07/09/2020	19,534,640	7.10
KBI Global Investors Ltd**	13/05/2020	7,528,503	6.70
Gresham House Asset Management Limited	23/09/2020	15,018,286	5.46
Artemis Investment Management LLP	02/06/2020	8,469,850	3.08

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**Top 6 shareholders control 48% of company making general offer settlement more concentrated & manageable**



## Costain PLC

### **Rationale for the acquisition:**

- Expand existing core market sectors
- Market penetration into new market sectors with track history
- Instant access to profitability
- Increased market cap following restructure, to optimise short term return
- Secured order backlog
- Utilisation of past tax losses
- Market awareness and greater UK and grow International coverage
- Strong global brand identity and reputation

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## Costain PLC

### **Possible Growth Strategies through further acquisition could include:**

- Infrastructure savings with shared locations
- Shared centralised resource Legal, HR, Finance, Marketing, bidding etc
- Shared local IT support & infrastructure
- Insurance cost from common policies
- Improved sales and marketing
- Economies of scale
- Reduced staff and related costs

**Proposal obviously subject to legal and financial due-diligence.**

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**Costain offer PIF strategic investment and construction services for Ciga -projects, and opportunity to re-list**

## Business Case - Summary

### Rationale for Acquisition of Costain PLC

- Costain has a strong Global Brand identity and Reputation
- Established business since 1865, Profitable and a Market Leader in its core Growth Markets of Transportation, Water, Energy and Defence, has a £2.8bn committed Order Book
- Results in 2019/2020 were impacted by One-off Costs: due to impact of charges on the A465 contract (£45.4 million) and Peterborough & Huntingdon contract (£49.3 million), the result of an arbitration award (£9.7m) and aggregate charges for the loss on disposal and asset impairment for the Group's non-core business assets in Spain (£8.9m).
- Share price has suffered from recent Losses and current Market Cap is only £136m, with Net Cash of £124m, making the Acquisition/ Enterprise Value of Costain attractive
- Reported Operating Profits were -£9.5m and £34.9m in 2021/2022 respectively, and 2023/24 Profit forecasts are positive and growing – representing instant access to profitability, as well as utilization of historic Tax Losses, and synergistic savings post acquisition
- Cash Balance is £130m and the Business should generate net Cash Flow of at least £15m going forward.

### Post Acquisition Growth Strategy

- Realization of Synergy Savings in Overheads (Offices, Legal, HR, Finance, IT, Insurances, etc)
- Economies of Scale
- Merged Management Changes, improved Leadership, Marketing, Operational Management
- Access to new Overseas Markets and investment in related Market growth and Diversification



**Saudi Arabia Public Investment Fund acquires stake in UK construction sector with the £200m acquisition of Costain PLC the Global brand in Engineering & Construction**

## Related Investments



Updated 22 June 2015

### ARAB NEWS

June 22, 2015 03:00



JEDDAH: The Public Investment Fund of Saudi Arabia (PIF) signed an agreement worth \$1.1 billion to acquire 38 percent of the equity of Korean POSCO Engineering and Construction Company, on June 15.

POSCO E&C is one of the leading global engineering and construction companies that specializes in engineering and building industrial and energy facilities, infrastructure and urban development, and has several international branches in emerging markets.

The agreement includes a commitment to proceed with strategic plans in Saudi Arabia, such as the establishment of a Saudi joint venture company in the field of engineering and construction.



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Deals

## Saudi Arabia's PIF invests \$1.3 billion in 4 local construction firms

By Hadeel Al Sayegh

February 14, 2023 11:19 AM GMT+1 · Updated 6 months ago

DUBAI, Feb 14 (Reuters) - Saudi Arabia's sovereign wealth fund has invested a total of \$1.3 billion in four local construction firms to support the sector tasked with spearheading projects across the kingdom, it said on Tuesday.

The Public Investment Fund said it acquired new shares as part of capital increases representing significant minority stakes in Nesma & Partners Contracting Company, ElSeif Engineering Contracting Company, AlBawani Holding Company and AlMabani General Contractors Company.

**PIF has already invested \$2.4bn in Korean & Middle East based EPC contractors & Costain/ASGC will represent valuable additional International and Dubai based Project Management and Procurement capabilities.**

THINK BIG PARTNERSHIP

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SPECIALISING IN THE CONSTRUCTION SECTOR

**INTERNATIONAL TRADE PROMOTION**

**RESEARCH & ANALYSIS**

**INDUSTRY RESEARCH & ANALYSIS**  
Publication of Industry Reports

**RESEARCH & ANALYSIS:**

- Think Big Partnership completes 15-Year Financial Review Costain Plc- Financial Reporting Irregularities "Rights Issues R-US" (free issue - click on icon above)
- Think Big Partnership completes Potential Investor Presentations Bull Case no longer built on Sand "The Value of Costain" (issued to potential investors)
- Think Big Partnership completes Pre-Listing Proposals "Maximizing Value of Laid O'Rourke - 2021" (issued to CEO)
- Think Big Partnership Promotes Ideas for a Laid O'Rourke Listing via a "2023 Reverse Merger" (issued to CEO)
- Think Big Partnership offers to help defend Auditor's Case on Ebn "Professional Negligence Claim" (claim settled by KPMG)

**NEW BUSINESS**

**YouTube**

**Destiny-Gram™**

**think big partnership.com**

**MARKETING**

**London Business School**  
Mentor Organisation - L.B.S.  
Best Business School in the World 2022

**carillon**

**Crisis Analysis**

**KPMG**

**VERIFIED & SECURED**

Think Big Partnership is a Management Consultancy est'd in 2016, specialising in M&A and Investment Advice



## What We Do



**Think Big Partnership undertakes Company Reviews, Corporate Governance Audits, Mergers & Acquisitions, Strategy and International Business Development**

**FOCUS ON**  
M&A INVESTMENT  
IN UK CONSTRUCTION

**A Revolution in Construction**

**PROMOTION & ADVICE ON INTERNATIONAL INVESTMENT**

**PRESS RELEASE**

Appointment of Interim President

**MERGE**

**PRESS RELEASE**

Focus on M & A In Construction

**MERGER MINDSET**

Focus on Securing Investment In UK Construction Sector

**CONFIDENTIAL**

Proposal to Laing O'Rourke

**2022/23 - NEW BUSINESS INITIATIVE**

Focus on Global Trade Promotion

**FOCUS ON**  
CRITICAL EXAMINATION OF COSTAIN  
FINANCIAL PERFORMANCE

**Value of Costain Presentation**

**COSTAIN**

**The value of Costain**  
Founded 1865

**Focus on Financial Review**

Focused on Analysis, M&A, and Advice on International Investment in UK Construction Companies

## How We Work

### SERVICES

CORPORATE ADVISORY PROFESSIONAL SERVICES ARE PROVIDED DIRECTLY TO GROUP CHIEF EXECUTIVES, ON TERMS OF STRICT CONFIDENTIALITY, WITH A MANAGING PARTNER ACTING AS A "RETAINED CONSULTANT", CHARGED ON A MONTHLY FEE BASIS, PLUS EXPENSES, AND COMPLETION SUCCESS FEE IF APPROPRIATE, UNDER CONTRACT WITH THE CLIENT, TO AN AGREED BRIEF AND TIMESCALE.

WE FOCUS ON DEVELOPING M&A OPPORTUNITIES IN CONSTRUCTION BUT OUR CLIENTS AND PROJECTS ARE GLOBAL AND MULTI-SECTOR.

### WELCOME



We offer a strictly confidential Corporate Advisory Role exclusively to Group Chief Executives, on matters of Corporate Development, Sales & Business Development, and M&A Strategies for Profitable Growth through Company Transformation in Multi-Sectors globally, with special focus on construction.

We are committed to placing an ethical approach to business at the core of our activities, and encourage the spread of a doctrine of Anti-Corruption, increased Transparency and Good Governance in all our areas of service provision.

### OUR APPROACH



We undertake in-depth Company Research, Financial & Market Analysis. Working with world-class clients, and bringing the best global experience, we focus working with Group Chief Executive Officers to help them deliver positive impact, and generate sustainable profitable growth for their companies.

We focus on 'Big Ticket' items delivering Quantum Business Change with new strategic thinking, often via radical M&A. The Partnership has bases in London and Miami with Affiliates in Spain, Peru, UAE, and Singapore, and special focus on M&A and Investment, in the UK and USA, Iberia and South America.

### WHAT WE DO

- ✓ **PLC CORPORATE ADVICE TO GROUP CEO**  
CORPORATE DEVELOPMENT & NEW "OUTSIDE-THE-BOX" THINKING AND M&A SOLUTIONS IN GLOBAL CONSTRUCTION.
- ✓ **COMPANY REVIEWS AND NEW BUSINESS DEVELOPMENT**  
WORKING WITH COMPANY OFFICIALS, KEY EMPLOYEES, CUSTOMERS AND INVESTORS TO HELP CREATE NEW STRATEGIES AND BUILD MARKET SHARE & PROFITABILITY IN PRIORITY SECTORS
- ✓ **CORPORATE GOVERNANCE**  
MINIMIZING YOUR RISKS ALONG THE WAY IN GLOBAL BUSINESS

Partners are assigned to work confidentially for Client CEO's on a Retainer and Success Fee basis

## ORGANISATION

[www.thinkbigpartnership.com](http://www.thinkbigpartnership.com)



Lefty Panayiotou is our President and Middle East specialist who would lead our Service Offer



LEFTY PANAYIOTOU

## AFFILIATE DIRECTOR/ NON-EXEC INTERIM PRESIDENT (Middle East & Asia)



### RESEARCH PROJECTS (London Office)

- Search for Strategic Investors & Global Capital from the MENA, Southeast Asia, and Australasia Regions as catalyst to M&A transactions & UK Construction Consolidation
- Review of Options for Cooperation in Construction Technology and Manufacturing Joint Ventures

LEFTY PANAYIOTOU

Director | Affiliate

An interim Chief Executive, Non-Executive Director, Managing Director, Chief Operating Officer, Turnaround Director and Program Director. An acknowledged Infrastructure industry leader and expert (in construction, transport, oil and gas, power generation, water and waste, maritime, broadcasting, life science, advanced technology, and high-tech sectors. Lefty has a BSc in Civil Engineering from Portsmouth University, a Diploma in Company Direction from the Institution of Directors of which he is a Fellow Member, and a Postgraduate in Financial Management from the M Ross School of Management University of Michigan. He is a Member of the Institution of Civil Engineers, APEC Engineer Institute PE (Aust), Fellow of the Institute of Engineers Australia FIE CPEng and FIEAust NPER. He has international reputation having held roles as Interim CEO M+W Group Germany, Executive Managing Director Doosan Power Systems, Senior Vice President EES Alstom Power, Managing Director Costain International, Executive Managing Director Walter Bau, and held Project Management roles with Wimpey Plc during the 1980s.



<https://www.linkedin.com/in/leftypana/>

**Lefty Panayiotou has worked as an Affiliate Director and Non-executive Interim President since Nov 2021**



I am an Interim Chief Executive, Non-Executive Director, Managing Director, Chief Operating Officer, Turnaround Director, and Programme Director. An acknowledged Infrastructure industry leader and expert (in the construction, transport, oil and gas, power generation, water and waste, maritime, broadcasting, life science, advanced technology and high-tech sectors, I have international reputation (Alstom, Doosan, Costain).

My achievements have included:-

- Turning around a multi-billion Euro Austrian owned, global infrastructure company, by robust financial negotiations and an expansion of its Asian oil, gas and power station construction businesses as a preferred bidder to Petronas.
- Changing the strategic direction of a Canadian based carbon capture company as a Non-Executive Director.
- Enhancing (as an NED ) the impact of the UK's construction industry on the EU, the World Bank, the Asian Development Bank, and the European Commission.
- Leading the delivery of many dozens of power station construction projects globally for Alstom while delivering a significant EBITDA in a mature market.
- Winning and delivering the rebuilding of the City of Bangkok's Wastewater Treatment infrastructure.
- Establishing Doosan's reputation in the Middle East, leading to a new market presence in the region, delivered through my network of the region's business and political leaders.
- Negotiating, for Costain's international division, a joint venture with the President of Iraqi Kurdistan, to build an airport, roads, schools, and other projects funded by the United Nations (UN).
- Delivering the key strategic acquisition of Austrian Energy whilst working for Doosan.
- Building a global alliance with China Harbour to deliver marine projects.

I am keen on senior executive and or senior interim management and non-executive roles in infrastructure where the depth of my subject knowledge, strategic thinking, network, and commercial skills can deliver transformational objectives (including turnaround).

**Lefty Panayiotou has worked on Turn-arounds, Strategic Reviews, and forming Global Alliances**



**PRESS RELEASE**

**November 23<sup>rd</sup>, 2021**

**“Lefty Panayiotou Appointed Interim President”**

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Lefty Panayiotou has been appointed Acting Interim President of the Think Big Partnership with immediate effect.

Lefty specialises in strategic planning, mergers and acquisitions, corporate turnarounds, and organisational and financial restructuring. He has held senior level positions globally taking the roles of Managing Director and CEO in major construction and engineering companies.

He will be leading Think Big Partnership’s Search for Strategic Investors & Global Capital as a catalyst to promoting M&A Transactions & UK Construction Consolidation. In particular he will be reviewing Options for UK Construction Groups to Cooperate with International Investors interested in Construction Technology and Manufacturing Joint Ventures.

Lefty joins from M+W Group Germany where he was Interim CEO and led major restructuring of operations, finances, and management. He is a Chartered Engineer and has a strong track record in directing change. He moved from Australia where he was Executive Managing Director of Walter Bau for 13 years to join Costain in 2004. At Costain he led the reorganisation of the Company’s international operations including its Middle East, African and Hong Kong businesses. In 2008 he became Senior Vice President at EES Alstom Power (Switzerland) where he led delivery of power station projects worldwide, before his success led to his next role as Executive Managing Director at South Korean conglomerate Doosan Power Systems, where he established strategic relationships in the Middle East.

**Lefty Panayiotou has led Think Big Partnership’s search for Strategic Investors in the MENA region**

Greg Malpass, Managing Partner, Europe of Think Big Partnership said, “Lefty is a *Big Thinker* and brings the leadership, his international network and reputation that the industry needs to broaden its international horizons and find new investment and strategic partnerships for the leading UK construction groups to recapitalise for the future.”

Mr Panayiotou stated “There is no doubt that the UK construction Industry needs new vision and leadership. Global Capital will be the catalyst and I am excited about putting a Global perspective on Investment and potential Mergers & Acquisitions that might present themselves to help UK Groups move forward from their relatively weak financial position, compared with their major European competitors, and embrace New Technologies in the future.”

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*For more Information contact:*

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Think Big Partnership  
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**Related Links:**

**Website**

<https://www.thinkbigpartnership.com>

**Think Big Partnership History**

<https://nebula.wsimg.com/307eb538b93b8753bac121c0808e4bc4?AccessKeyId=95B6737F98B38E354D56&disposition=0&alloworigin=1>

**Industry Report - UK Construction Consolidation (2017-2022)**

<https://nebula.wsimg.com/b1bbc824518c202504ba1ff201496d5b?AccessKeyId=95B6737F98B38E354D56&disposition=0&alloworigin=1>

**Think Big Partnership published Industry Report on UK Construction Consolidation in January 2017**



# CONFIDENTIAL INFORMATION MEMORANDUM – COSTAIN INVESTMENT OPPORTUNITY

## HISTORY

The 'Think Big Partnership Initiative' launched by Greg Malpass began its Lobby and Proposals for – "Overseas (UK plc) Government backed cooperation between UK major construction companies & subsequent Mergers & Acquisitions between the UK major construction companies to achieve UK Construction Sector Consolidation" – in January 2016 with its first publication:



In January 2016 the first 'Think Big Partnership Initiative' PROPOSAL was published promoting OVERSEAS COOPERATION between the UK's Major Construction Groups with UK Government support, and suggested establishment of a Joint Venture Group with initial focus on Peru as a Pilot Target Country, seeking UK Government support.

<https://nebula.wsimg.com/6f1937ee7a43d8b3b7520f5e95f768bc?AccessKeyId=95B6737F98B38E354D56&disposition=0&alloworigin=1>

On February 27<sup>th</sup>, 2016, the Concept was developed further to promote the idea of incorporating an international construction group "British Infrastructure Group" to pursue international opportunities more widely in competition with European and US majors. The Proposal was copied personally to the Chief Executive of Carillion Plc with an offer for Think Big Partnership to lead the initiative.



<https://nebula.wsimg.com/4d6d4a806fc9de5d3ed0917e787dba8b?AccessKeyId=95B6737F98B38E354D56&disposition=0&alloworigin=1>

On April 1<sup>st</sup>, 2016, a Partnership Agreement 'The Think Big Partnership' was entered into between Greg Malpass, Civil Engineer and Aleksandar Petrovich, Attorney a Law - to pursue 'International Business Development Opportunities in Global Infrastructure Sectors', and 'Promote and Give Advice on Trade & Investment' - established under the Laws of England and Wales, with its Head Office of Operations to be established in Lima Peru. In the same month [www.ThinkBigPartnership](http://www.ThinkBigPartnership) website was launched.

On April 13<sup>th</sup>, 2016, Think Big Partnership presented to the FCO a Bid for the Peru "Prosperity Fund" offering to draw together all Stakeholders and Potential Partners to promote a UK-Peru initiative for Peruvian Infrastructure Promotion, Procurement and Implementation, in a transparent and efficient manner.



<https://nebula.wsimg.com/19af92607c07756ec30752a6c89bc718?AccessKeyId=95B6737F98B38E354D56&disposition=0&alloworigin=1>

On January 11<sup>th</sup>, 2017, a 360-page Industry Report (MAIN REPORT) entitled "UK Construction Consolidation 2017-2022, Corporate Strategies and M&A Opportunities" was published on the partnership's Website and on December 7<sup>th</sup>, 2016, pre-published hard copies with covering letter promoting M&A were issued to the Chairmen of Balfour Beatty and Carillion Plc's.



<http://nebula.wsimg.com/f6db7768c52b627225d2a8eed27f721e?AccessKeyId=95B6737F98B38E354D56&disposition=0&alloworigin=1>

The APPENDICES to the MAIN REPORT was posted to Website on January 11<sup>th</sup>, 2017.



<http://nebula.wsimg.com/e92d4e1dfb3f47dcd58a6c80476042b7?AccessKeyId=95B6737F98B38E354D56&disposition=0&alloworigin=1>

On January 30<sup>th</sup>, 2017, a 'PRESS REVIEW SUMMARY' was posted to the Website.



<http://nebula.wsimg.com/acecfb53647f7e31847d42a7bd94c8a?AccessKeyId=95B6737F98B38E354D56&disposition=0&alloworigin=1>

Two prominent Construction Industry Media Articles were published including: January 13<sup>th</sup>, 2017, 'TheConstructionIndex'- "Report calls for contractors to merge"; and on 30<sup>th</sup> January 2017 Construction News- "Top firms must merge to break industry's vicious cycle."



Report calls for contractors to merge



From early January 2017 Think Big Partnership shifted its focus to in-depth analysis of, and further numerous approaches to Carillion Plc (CEO Richard Howson) and EY concerning M&A opportunities for the company. After Greg Malpass meetings with London Based Hedge Fund managers, and interview with Gill Plimmer, reporter at the Financial Times on January 17<sup>th</sup> 2017- the FT carried out further research and reported on findings in a full-page article "Carillion Most Shorted Stock" and on April 6<sup>th</sup>, 2017, published "Anatomy of a trade: the persistence of Carillion's short sellers". Subsequently Carillion's woes became common market knowledge.



<https://www.ft.com/content/153913cc-1a0b-11e7-bcac-6d03d067f81f>

In April 2017 the UK was appointed a main delivery partner of the Lima Peru 2019 Pan American Olympics



News story  
UK to be main delivery partner of Lima 2019 Pan American Games

<https://www.gov.uk/government/news/uk-to-be-main-delivery-partner-of-lima-2019-pan-american-games>



Infrastructure Exports: UK (IE:UK)

IE:UK brings together companies of all sizes as one 'Team UK' consortia to bid for global infrastructure contracts and deliver complex projects by combining their expertise.

On July 6<sup>th</sup>, 2017, the UK Government together with 17 Industry Partners established a overseas joint venture initiative "Infrastructure Exports UK" to select and bid for international opportunities, with Government to Government (G2G) support- nicknamed 'Team UK' bidding. The Construction Index Industry newspaper reported that "IE:UK appears to be a direct response to the hefty Merge or Die report by Greg Malpass, produced in January 2017 by Greg Malpass (of Think Big Partnership)".

"IE:UK is a partnership between the Department for International Trade (DIT) and the UK's leading infrastructure firms to help UK companies secure major international contracts. The industry led group pursues large scale infrastructure projects in collaboration with government."

<https://www.thinkbigpartnership.com/our-history.html>

# CONFIDENTIAL INFORMATION MEMORANDUM – COSTAIN INVESTMENT OPPORTUNITY



<https://www.theconstructionindex.co.uk/news/view/british-construction-colludes-for-team-uk-bidding>

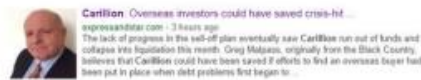
On July 13<sup>th</sup>, 2017, the Industry Newspaper Construction News publishes Greg Malpass views as "Expert Opinion" as article entitled "Carillion woes prove the urgent need for industry M&A".



<https://www.constructionnews.co.uk/agenda/opinion/expert/carillions-woes-prove-the-urgent-need-for-industry-ma-13-07-2017/>

From the end of July 2017 until January 2018, Think Big Partnership concentrated all efforts on seeking overseas corporate investors for Carillion Plc. Investor approaches were made on July 28<sup>th</sup> and September 29<sup>th</sup>, 2017. Expressions of Interest were received from a Middle East based conglomerate on 11<sup>th</sup> November 2017, and Ernst & Young (corporate advisers to Carillion) were advised of the same on 27<sup>th</sup> November, with response on December 4<sup>th</sup> that the advisors' focus remained on disposals of subsidiaries.

On January 15<sup>th</sup>, 2018, Carillion Plc went into "Compulsory Liquidation"; which was reported as "The largest trading liquidation in the UK". On January 22<sup>nd</sup>, 2018, the Wolverhampton based Newspaper Express & Star published an Article entitled "Carillion: Overseas investors could have saved crisis-hit construction giant".



<https://www.expressandstar.com/news/business/2018/01/22/overseas-investors-could-have-saved-carillion/>

On February 18<sup>th</sup>, 2018, Greg Malpass offered comments/information/ advice to Frank Field MP, Chairman of the UK Government's Works & Pensions and BEIS Committee Joint Inquiry into the circumstances leading to the Liquidation of Carillion Plc. Recognition was received February 19<sup>th</sup>, 2018.



<https://nebula.wsimg.com/abd898f9c603abf99b4fd40cd32693767?AccessKeyId=9586737F98B38E354D56&disposition=0&alloworigin=1>

Following the collapse of Carillion Plc, Think Big Partnership Managing Partners returned to focus on opportunities in Peru and Spain. In May 2018 Spain became a new focus for the Think BIG Partnership Managing Partner Greg Malpass, while Aleksandar Petrovich relocated to Lima Peru from Fort Lauderdale USA.



<https://nebula.wsimg.com/8bf517cc94c722e8ba1eb2f6f73fb1b?AccessKeyId=9586737F98B38E354D56&disposition=0&alloworigin=1>

On July 28<sup>th</sup>, 2018, Think Big Partnership issued an unsolicited bid to the Peruvian Ministry of Housing & Construction for the provision and construction of Prefabricated Social Housing to alleviate the housing crisis in the south of the country.



<https://nebula.wsimg.com/9f96b12c99726d98281e3493e56d11c67?AccessKeyId=9586737F98B38E354D56&disposition=0&alloworigin=1>

During 2019 Think Big Partnership worked on development of a new international Business development initiative called "British Trade International", ([www.britishtradeinternational.com](http://www.britishtradeinternational.com)) focusing on the following concept/proposal:

- Promoting UK's Excellence across the Globe and establishing a Sponsor Group of Major UK Exporters. Letters were issued to 60 Blue Chip UK Exporters.
- The Managing Partner Greg Malpass of Think Big Partnership becoming an International Trade Ambassador to network with Sponsor Exporters and other stakeholders across the Globe, Promoting the Best of the UK as the Trade & Inward Investment Partner of choice.
- Issue of Letter in January 2020 to Rt Hon Elizabeth Truss, Secretary of State for International Trade for UK Government soliciting support for a Global Trade Mission

The Launch of the business was 'Delayed until further Notice' due to the onset of the Coronavirus, and the suspension of international travel in 2020. Also following a cabinet shuffle, Anne-Marie Trevelyan was appointed **Secretary of State for International Trade** and President of the Board of Trade on 15 September 2021. Meanwhile British Trade International remains on-hold and the shift of the initiative and its focus has moved for the interim back on Peru.



[www.britishtradeinternational.com](http://www.britishtradeinternational.com)

Think Big Partnership's focus on Peru continued with Managing Partner Aleks Petrovich undertaking numerous personal client assignments in-country. Following severe damage caused by climate cycle El Niño in Peru in 2017, the Department for International Trade (DIT) signed a government-to-government (G2G) agreement in June 2020 with the Government of Peru to support the reconstruction of the country's public services facilities. This is seen as a success story for UK-Peru and an example of the virtue of the various initiatives pursued by Think Big Partnership in pursuing and promoting infrastructure Company Joint Ventures and Government support, highlighted in 2016-2019.



<https://www.great.gov.uk/campaigns/peru20/>

The virus was first confirmed to have spread to Spain on 31 January 2020, when a German tourist tested positive for SARS-CoV-2 in La Gomera, Canary Islands. A partially unconstitutional lockdown was imposed on 14 March 2020.

During the rest of 2020-2021 (March 2020- March 2021) Greg Malpass, during Covid related 'Lockdown', worked on writing three books on the theme of "Personal Destiny in Life and Business":



<https://nebula.wsimg.com/643a9584ec3c055daa4ec8132a1e4faa?AccessKeyId=9586737F98B38E354D56&disposition=0&alloworigin=1>

<https://www.thinkbigpartnership.com/our-history.html>



# CONFIDENTIAL INFORMATION MEMORANDUM – COSTAIN INVESTMENT OPPORTUNITY

On 30<sup>th</sup> March 2021 Think Big Partnership re-launched its campaign for 'Construction M&A/Consolidation in the UK' in the light of further industry bankruptcies, and companies being forced into selling off assets or raising new equity to survive. In October 2022, Think Big Partnership began its search for International Investors in a number of selected UK Construction Groups. On 25<sup>th</sup> October 2021 a Press Release was issued to that effect. "Time for leadership in UK Construction Consolidation and M&A"



<https://nebula.wsimg.com/e9d9d28820355b57736029003d4ef40d7?AccessKeyId=9586737F98838E354D56&disposition=0&alloworigin=1>

## A Revolution in Construction

<https://nebula.wsimg.com/c067b4b09b1b70d504efae838f11bcdf?AccessKeyId=9586737F98838E354D56&disposition=0&alloworigin=1>

A further Industry Report on 'UK Construction M&A Opportunities' was published code named 'Project Alpha-Beta' on November 22nd, 2021.



<https://nebula.wsimg.com/24b888d8415bd6b0ef1a41b990501f557?AccessKeyId=9586737F98838E354D56&disposition=0&alloworigin=1>

On November 24<sup>th</sup>, 2021 Think Big Partnership sent a Proposal/Offer to the CEO of KPMG UK to act on KPMG's behalf as an 'Expert Witness in the £1bn Professional Negligence Claim' by Carillion's Receiver



<https://nebula.wsimg.com/077ed137860a2488a7f67f29c55c7cc887?AccessKeyId=9586737F98838E354D56&disposition=0&alloworigin=1>

Followed by a Private and Confidential 'Pre-Listing Proposal' issued to the CEO-elect of Laing O'Rourke on February 2<sup>nd</sup>, 2022.



<https://nebula.wsimg.com/a7e8a3d8798fd2032d38cb25b6359487?AccessKeyId=9586737F98838E354D56&disposition=0&alloworigin=1>

On June 8<sup>th</sup>, 2022, Think Big Partnership completed and published a 30-year 'Financial Analysis of Costain Plc' and further produced an 'Investors Presentation' to be used in an attempt to find an international Acquirer for the ailing contractor which was saved from Insolvency in May 2020 by a deeply discounted £100m Rights Issue'



<https://nebula.wsimg.com/307ef9c590587f41861d3dd2e8cf3c7?AccessKeyId=9586737F98838E354D56&disposition=0&alloworigin=1>

On October 31st, 2022, Greg Malpass announced that, while retaining his responsibilities and duties as Managing Partner of Think Big Partnership, his New Personal Focus in 2023 would be on finding a Publisher for his four books on the theme of 'Personal Destiny in Life and Business', and the Development of the 'Personal Development' Website 'Destiny-Gram'.

Scripts and Requests for Interest and Proposals were circulated to Literary Agents, Website Programmers, Website Developers, and Investors – with the intent to share Ownership, Publication & Development Rights with the Author.

An introductory YouTube video Presentation and Executive Summary of the Overall Opportunity were produced.



<https://nebula.wsimg.com/be3582b65b71ead872813d83a47c41897?AccessKeyId=9586737F98838E354D56&disposition=0&alloworigin=1>

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London Stock Exchange | FTSE | Alexander Petrovich, Managing Partner, Americas & Partnership Attorney. "We put a Global perspective on Mergers & Acquisitions and Corporate Governance"

Greg Malpass, Managing Partner, Europe. "The UK construction Industry needs new vision and leadership. Global Capital may be the catalyst"

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SPECIALISING IN THE CONSTRUCTION SECTOR

Trading As **Think BIG Partnership**  
SINCE 2018  
**A Revolution in Construction**

Research | Partners & Territories | Industry Leadership | Greg Malpass Co-Founder & Managing Partner

TRADE PROMOTION: INTERNATIONAL TRADE PROMOTION

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Our History since Think Big Partnership's establishment in April 1916

Our Story of Success

Our History

Based on: Research - Promotion - Client Engagement

Leading to: Development of Our Range of Services

PLC CORPORATE ADVICE TO GROUP CEO  
CORPORATE DEVELOPMENT & NEW "OUTSIDE-THE-BOX" THINKING AND M&A SOLUTIONS IN GLOBAL CONSTRUCTION

COMPANY REVIEWS & NEW BUSINESS DEVELOPMENT  
WORKING WITH COMPANY OFFICIALS, KEY EMPLOYEES, CUSTOMERS AND INVESTORS TO HELP CREATE NEW STRATEGIES.

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[www.ThinkBigPartnership.com](http://www.ThinkBigPartnership.com)

## MANDATED REFERRER / RETAINED CONSULTANT AGREEMENT

### REFERRER/ RETAINED CONSULTANT AGREEMENT

#### 1. PARTIES

- a. This Retained Consultant Agreement (hereinafter referred to as the “Agreement”) is entered into on \_\_\_\_\_ (the “Effective Date”), by and between The Think Big Partnership , with an address of Studio 4, The Carltons, 32 Carlton Drive, London SW15 2BL (hereinafter referred to as the “Referrer/ Retained Consultant”), and \_\_\_\_\_, with an address of \_\_\_\_\_ (hereinafter referred to as the “Client/Investor”) (collectively referred to as the “Parties”).
- b. The Client/Investor is in the business of \_\_\_\_\_ and seeks to make investments or strategic partnerships in the UK Construction sector for the purpose of the Client/Investor’s Business Development.
- c. The Referrer/Retained Consultant is a Partnership named the Think Big Partnership engaged in Business Development and has senior level contacts with UK based Companies and/or their Holding Companies, and/or their Advisers involved in UK Construction related business, potentially seeking investors/strategic partners.

#### 2. TERM AND TERMINATION

- a. This Agreement shall be effective on the date of signing this Agreement (hereinafter referred to as the “Effective Date”) and will continue in full force and effect for a period of 180 days from the date of this Referral Agreement (the “Term”), unless terminated by either Party upon 30 days prior written notice.



- b. This Agreement may be terminated in case the following occurs:
- Immediately in case one of the Parties breaches this Agreement.
  - At any given time by providing a written notice to the other party 30 days prior to terminating the Agreement.

### **3. RELATIONSHIP BETWEEN PARTIES**

- a. Hereby, the Parties agree that the Referrer/Retained Consultant in this Agreement is an independent contractor where the Referrer/Retained Consultant provides the services hereunder and acts as an independent contractor.
- b. Under no circumstances shall the Referrer/Retained Consultant or any of its Managing Partners, Affiliate Directors or other Partnership Representatives be considered employees.
- c. Whereas this Agreement does not create any other Partnership between the Parties.

### **4. SERVICES PROVIDED BY REFERRER, DUTIES AND RESPONSIBILITIES**

- a. The Referrer/Retained Consultant is engaged as a Business Development Advisor and will provide Corporate Advisory Professional Services directly to the group chief executive of the Client/Investor, or his/her appointees, on terms of strict confidentiality, in accordance with clause (10) of this Agreement.
- b. The Referrer/Retained Consultant, in addition to providing Corporate Advisory Professional Services, agrees to act as an intermediary referrer of leads and clients and advisers potentially interested in investment or strategic alliance in their businesses by the Client/Investor.

## 5. NORMAL PLACE OF WORK

- a. The Referrer/Retained Consultant is based in London, and its Managing Partners and Affiliate Directors work from their respective homes in Malaga Spain, London UK, Fort Lauderdale USA, and Lima Peru. Partnership Representatives shall be available for communication electronically and on Social Networking Sites, or with reasonable notice elsewhere as requested by the Client/Investor. The Referrer/Retained Consultant will be eligible for reimbursement of travelling expenses and subsistence for periods spent away from home, for any of its Representatives, where requested and pre-approved by the Client/Investor.

## 6. NON-EXCLUSIVITY

- a. This Agreement shall not imply any Exclusivity and shall not be construed to be a commitment by either of the Parties to work exclusively with one another regarding referrals of potential new business contacts and clients or any other business or investment activities.

## 7. PAYMENT AND FEES

- a. The Client/Investor will pay the Referrer/Retained Consultant a Retainer Fee (“the Retainer Fee”) at the rate of £ \_\_\_\_\_ per calendar month. The number of man-hours per day are expected to be as maybe required to meet the commitments of, and provide the Services required by, the Referrer/Retained Consultant in this Agreement.
- b. In addition, the Parties agree that the Client/Investor will pay the Referrer/Retained Consultant a (\_\_\_\_) % Commission per Successful Referral (the “Referral Fee”). The Referral Fee shall apply only to Successful Transactions and the Commission percentage shall apply to the Value of the Investments, or merged value made by the Client/Investor, where such

- c. Investments or Merger are made as a result of the Introductions/Referrals of the leads or clients made to the Client/Investor or its relevant executives by the Referrer/Retained Consultant during this Agreement.
- d. Successful Transactions shall be defined as any payments or investments, or merged added-value where applicable, whether raised as debt or equity or related party transaction, made by the Client/Investor and/or their retained affiliates or advisers, subsidiaries, or other group shareholders, where such payments or investments or mergers are made as a result of the Introductions/Referrals of the leads or clients, or advisers to the Client/Advisor or its relevant executives by the Referrer/Retained Consultant during this Agreement.
- e. The Referrer/Retained Consultant will invoice the Client/Investor monthly in arrears for work done related to the Retainer Fee. Provided the Referrer/Retained Consultant has met all obligations of this Agreement, the Client/Investor will pay the invoiced amounts for the Retainer Fee within (7) days of receipt of invoices.
- f. Referral Fee entitlements for Successful Transactions shall remain in force, post-Agreement, for Introductions/Referrals made during the Term of the Agreement, regardless of whether the Agreement Term has expired, or the Agreement terminated.
- g. Upon determination of Referral Fees due, the Referrer/Retained Consultant shall issue separate invoices to the Client/Investor and payments shall be due thirty (30) days from the dates of the Invoices.
- h. The Parties agree that the means of payment will be via cheque or bank transfer to nominated bank accounts. Cheques shall be made payable to The Think Big Partnership.

## **8. EXPENSES**

- a. The Client/Investor will reimburse the Referrer/Retained Consultant for pre-agreed travelling and other expenses reasonably incurred by its Representatives in the proper performance of the Referrer/Retained Consultant's duties, provided that receipts or other evidence of actual expenditure is provided. The level and type of expenses eligible for reimbursement will be in accordance with the general policies of the Client/Investor company.

## **9. NON-CIRCUMVENTION**

- a. During the Term of this Agreement, the Client/Investor will not attempt to do any direct business with, or otherwise solicit any interest from senior level contacts of the UK based Companies and/or their Holding Companies, and/or their Advisers potentially seeking investors/strategic partners, introduced by the Referrer/Retained Consultant during the Term of this Agreement.
- b. Investments made or Mergers found or otherwise by the Client/Investor for the purpose of circumventing, the result of which shall be to prevent the Referrer/Retained Consultant from realising or recognising a Retainer and/or Commission/Referral Fee. If such circumvention shall occur the Referrer/Retained Consultant shall be entitled to any Retainer Fee and/or Commission/Referral Fee due on any such transactions pursuant to this Agreement.

## **10. CONFIDENTIALITY**

- a. The Referrer/Retained Consultant shall not disclose any confidential information belonging to the Client/Investor, its own clients, contractors, or suppliers. All such information whatever its content is confidential, and the Referrer/Retained Consultant has a personal responsibility to protect and maintain



- b. confidentiality of Client/Investor's information. The Referrer/Retained Consultant must not, except as authorized or required by law, reveal any confidential information relating to the Client/Investor or any group company or any of its suppliers or clients.
- c. All written terms and conditions of this Agreement and any written materials provided during the term of the Agreement must be returned to the Client/Investor upon termination of the Agreement, and where not written, kept confidential by the Referrer/Retained Consultant after termination of the Agreement unless the disclosure is required pursuant to the process of law.
- d. Disclosing or using this information for any purpose beyond the scope of this Agreement, or beyond the exceptions set forth above, is expressly forbidden without the prior consent of the Client/Investor.

#### **11.LIMITATION OF LIABILITY**

- a. Under no circumstances will either party be liable for any indirect, special, consequential, or punitive damages (including lost profits) arising out of or relating to this Agreement or the transactions it contemplates (whether for breach of contract, tort, negligence, or other form of action) in case such is not related to the direct result of one party's negligence or breach.

#### **12.GOVERNING LAW**

- a. This Agreement shall be governed by and construed in accordance with the laws of England and Wales.

**13.SEVERABILITY**

- a. In an event where any provision of this Agreement is found to be void and unenforceable by a court of competent jurisdiction, then the remaining provisions will remain to be enforced in accordance with the Parties' intention.

**14.ENTIRE AGREEMENT**

- a. This Agreement contains the entire Agreement and understanding among the Parties hereto with respect to the subject matter hereof, and supersedes all prior agreements, understandings, inducements, and conditions, express or implied, oral, or written, of any nature whatsoever with respect to the subject matter hereof. The express terms hereof control and supersede any course of performance and/or usage of the trade inconsistent with any of the terms hereof.

**15.AMENDMENTS**

- a. The Parties agree that any amendments made to this Agreement must be in writing where they must be signed by both Parties to this Agreement.
- b. As such, any amendments made by the Parties will be applied to this Agreement.

**16.SIGNATURE AND DATE**

- a. The Parties hereby agree to the terms and conditions set forth in this Agreement and such is demonstrated throughout by their signatures below:

**REFERRER/RETAINED CONSULTANT**

Name: \_\_\_\_\_

Position: \_\_\_\_\_, Think Big Partnership

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**CLIENT/INVESTOR**

Name: \_\_\_\_\_

Position: \_\_\_\_\_, PIF

Signature: \_\_\_\_\_

Date: \_\_\_\_\_



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