

P10

March 30, 2021

Dear Shareholders:

Amidst the global turmoil of 2020, we are grateful for the many blessings P10 enjoyed. The momentum within our business is palpable as we enter 2021. With bond yields near zero and public equity markets near or at all-time highs, investors around the world are searching for alternatives to generate acceptable returns. With high performing solutions across four attractive alternative asset classes (lower middle market private equity, venture capital, lower middle market private credit, and impact), we consider P10 a premier private market solutions provider.

Importantly, our solutions have an average two-decade track record deploying capital within their respective asset class. Our teams have perfected their craft, and as investors continue to migrate into alternative assets, we believe we are well positioned to capture an outsized share of incremental capital flows. Please visit our updated website (www.p10alts.com) where you will find an updated company presentation.

As of December 31, 2020, P10 managed \$12.7 billion in fee paying AUM, with strong diversification across our four solutions. We believe we are large and diversified enough to create private market solutions for even the largest global clients, while at the same time standing at a size where each \$1 billion of incremental capital—with our average 100bps management fee and peer leading margin profile—creates significant profit leverage for P10 shareholders.

Among our publicly traded peers, we believe P10 is not only the most diversified (with material earnings contributions across four strategies), but we are also diversified in the institutional assets of tomorrow: lower middle market private equity, private credit, venture capital, and impact. We believe lower middle market private equity and private credit are in the middle innings regarding the institutionalization of the asset class, with plenty of opportunity ahead, while in venture capital and impact the opening pitch just left the pitcher's hand. As clients adjust their portfolios to optimize returns going forward, we expect all four of our asset classes to be recipients of incremental flows. With our long track record and robust competitive position, we believe we can attract more than our fair share of those flows. Because the lower middle market consists of thousands of general partners and funds, and tens of thousands of individual investment opportunities, the need for a solutions provider like P10 is paramount.

We believe 2021 will bring significant opportunities for P10 and its shareholders. In particular:

- After a busy year of M&A, our 2021 financials should begin to showcase the earnings power of the combined model. While we do not provide guidance, we would like to provide a framework for how we think of the business. Specifically, we earn approximately 100bps on our fee-paying AUM (\$12.7 billion as of December 31, 2020), and we expect to sustain EBITDA margins of 55%- 60% over time. With little to no capex

and gross tax assets approaching \$500 million, our conversion of EBITDA to Adjusted Net Income only requires the deduction of small state taxes and cash interest paid, which currently sits at a run rate of \$18.4 million per year.

- With our expected EBITDA for 2021 (and beyond) and efficient conversion of EBITDA into Adjusted Net Income, we expect to generate significant cash flow in 2021 which can be opportunistically deployed to further build the business and enhance shareholder returns. Our first and best use of free cash flow has been the addition of new strategies. Given the quality, longevity, reputation, and investment performance of our existing strategies, we believe we are a partner of choice for premier solutions providers in the market today. That said, we view acquisitions as a long-term marriage with our partners, so we will be patient until we find the perfect fit. In the interim, we expect free cash flow will be used to pay down debt and/or seed new strategies. Across the board, we see ample opportunity to deploy internally generated cash flow to accelerate returns for P10 shareholders.
- We believe P10 and its shareholders would benefit from better liquidity and visibility in public markets. To that end, we continue to explore avenues to uplist onto a national exchange. We believe our business should compare favorably with the private market solutions providers currently listed, with superior asset class diversification, revenue mix towards management and advisory fees, EBITDA margins, and conversion from EBITDA into Adjusted Net Income, yet similar bottom line scale. With our long term contractual revenue and efficient Adjusted Net Income conversion, we in many ways view the financial profile of P10 as a “compounding bond” that we believe can grow at attractive rates organically, with the ability to add additional solutions to the platform over time.
- After a strong year in both capital deployment and investment performance, all of our strategies are raising capital for successor funds in 2021. Given the framework referenced above, incremental capital raised creates exponential value to P10 shareholders as the average duration of capital raised approaches a decade (at launch).

We have never been more excited about the prospects for P10, both short and long term. We are blessed to sit at a “win-win-win” intersection of finance (which unfortunately can be rare): P10 offers a unique solution that is a “win” for clients as they look to diversify across private markets asset classes to enhance returns; as P10 raises and deploys capital, P10 employees also “win” given the expected carried interest that can be generated from outsized investment performance, alongside the approximately 75% internal ownership of P10 common equity by employees; and finally, as clients and employees “win” from new capital raised and deployed, P10 shareholders “win” as well from incremental long-term, contractual management fee revenues with peer leading incremental margins and efficient conversion into Adjusted Net Income. Across the board, we see a virtuous cycle.

We are continually humbled by the quality of professionals with whom we interact daily. Our solutions have an average two-decade track record of deploying capital on behalf of clients. We do not believe that can happen without a special culture and high level of personal integrity. For those who are fortunate to interact with P10 employees out in the markets, we hope you see what

March 30, 2021

Page 3

we do: talented, hard-working, trustworthy, humble individuals laser focused on generating superior returns for their clients day in and day out. There is no one we would rather line up alongside to push the enterprise forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Alpert and C. Clark Webb". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Robert Alpert and C. Clark Webb
Co-Chief Executive Officers

Special Note Regarding Forward-Looking Statements

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

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

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

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