

SCL Group - CEO Report
August 1st 2016

Dear Team SCL,

“The single biggest problem in communication is the illusion that it has taken place.”

George Bernard Shaw

Since the company launched in 2012, Cambridge Analytica has grown from six full-time employees to over 70. Revenue has more than doubled YOY for four consecutive years, and the business is successfully diversifying from pure politics into advocacy, and more recently into the commercial and brand spaces.

Whilst such rapid growth is exciting, it brings its own problems; not least that it can impede effective [internal] communication. It is clear to me that the management of Cambridge Analytica should be doing more to ensure that both the strategic vision, and the operational plans for the business remain clearly articulated and shared with all the team.

As part of a commitment for greater transparency and communication I will be sharing with the company a quarterly news letter that seeks to provide a high level overview of the business, its strategic objectives, operational successes and updates on internal systems and processes.

CA POLITICAL

In 2014, in its first full year of operations, CA supported 42 campaigns across eleven states in the US. This was a spectacular achievement, and since this time the business has grown from strength to strength.

Over the past 18 months Cambridge Analytica completed some twenty contracts, with another thirty or so currently contracted or at proposal stage. These range from providing data to assist with county races, to state campaigns, and involve an ever-expanding suite of services that now includes data analytics, programmatic digital, and optimized linear TV.

Most important, however, has been our involvement in two Presidential nominations and our current work on the Presidential election. Of the dozens of Republican vendors operating today, only

a handful have been offered this opportunity and it is a testament to all the very hard work that everyone has contributed that CA is in its current position.

CA COMMERCIAL

Our go-to-market strategy in the US was to leverage SCL Elections' 27 year global track-record to gain a few major political clients, and to use this high-profile demonstration of our offering drive growth in other sectors.

As you are aware, we have now reached that tipping point, and the success and notoriety that we have achieved in the political market is allowing us to diversify our product and service offering. I appreciate that for some CA staff, working in politics can be divisive, and I hope that the move into the commercial and brand sector will provide the opportunity for all staff to engage with both heart and mind.

The official launch of CA Commercial will be marked on September 20th with a reception for clients and press at the NYC office.

SCL ELECTIONS & SOCIAL

SCL Elections and Social continue to deliver. In 2016 we have supported campaigns in Argentina, Lithuania, Ghana, St Lucia and are currently active in Kenya. This last project has the makings of a seminal campaign, where we are synthesizing 25 years of SCL know-how with recent learnings from the US to provide a (very forward looking) client with an unparalleled suite of products and services. There is a strong likelihood that this campaign will continue to grow well into next year.

In addition to these campaigns, SCL has a number of other high profile projects in the pipeline, and to assist with local sales and operations, we have opened up new offices in Australia, Brazil, Macedonia and Mexico. All in all it should make for an exciting last two quarters.

OFFICES

With much gratitude and thanks to Erin, ably supported by Daniel and Richard, I am delighted to announce the completion of our office move in NYC. CA now has a home in the commercial capital of the US from where we will drive commercial sales and operations. Over the next 12 months we will be staffing this office with teams across sales, data, digital, IT development and TV. Whilst we will be seeking to place an emphasis on recruiting US employees, if there is appetite, there will be an opportunity for some UK staff to relocate as well. If this might be of interest to you – please let Brendan or your line managers know.

RESOURCE ALLOCATION

A number of staff have spoken to me about the growth of the company and how this will impact the staffing of the political and commercial divisions. The short answer is that (unless a particular preference is expressed) the majority of CA staff will continue to have the opportunity to work between commercial and political projects, with resource allocation decided on an as needs basis. Clearly, as we grow, those staff with skills specialist to a specific industry (e.g. political campaign managers) will spend the majority of their time on working within their specialist field.

It is possible that further down the road a more formalized distinction will need to be made between the different divisions of the company – but as things stand today, that decision is a long way off.

HUMAN RESOURCES

As Cambridge Analytica grows, so does the need for the company to continue to invest in attracting and retaining the best possible talent. This remains one of, if not the most important priority for the company.

With Brendan Johns joining us in April 2016 as Head of HR, he has been focused on implementing best practice systems and processes, for both the US & UK Human Resources function. This does not happen over-night, but under his direction and with the full support of the Board, CA is exploring a range of different incentive opportunities, both short and longer term, to ensure that CA remains both a rewarding, engaging and fulfilling company to be a part of.

Upcoming actions for Quarter 3 include:

New Benefits for UK & US Employees

On the 1 September 2016 we will be launching new employee benefits for both UK and US employees. We are very excited to improve our employee benefits offering and confident you will enjoy the additional benefits we have planned for all employees.

New Payroll & HR Solution for US Employees

In addition, and in response to employee feedback, we will be transitioning to a new US Payroll Provider on the 1 September 2016 and the implementation of a US focused HR solution for US employees.

Appogee HR Launch

Appogee HR, will be made available to all employees on 1 October 2016. Appogee HR is a self-service HR system that will provide employee access to update their personal information, access HR Policies & Procedures and general HR information.

Career Progression

Leading into the final quarter of the year, HR will be focused on formalizing structures for career progression, to ensure that all employees fully understand the opportunities available, together with the routes to achieve them.

Your Feedback

Finally, much consideration has been given to establishing a formal feedback channel, to allow all staff to share their concerns and help to take a more active role in shaping the culture of the company. We have a number of ideas, including an employee survey, which we hope to roll out in early course, but any additional thoughts on how this could be manifested would be most welcome.

SALVE / VALE

CA is delighted to have welcomed many new faces to the company this year, both in the US and UK, and in particular four recent senior hires: Mark Turnbull, as Managing Director of SCL Elections, Duke Perucci, as Chief Revenue Office for CA Commercial, Sheryl Harkins as Senior Vice President of Commercial Sales, and Scott Walker's former deputy campaign manager, Emily Cornell, has joined the team in DC as Senior Vice President of Political Programs.

To further augment the management team, we are currently actively recruiting for a CTO and a Finance Manager.

In spite of these hires, it is with disappointment that I have to announce the departure of Arlindo and Josh. Both have been instrumental in helping to build the foundations of CA and will be missed very much – though I am hopeful that they will be tempted back* for the occasional CA party! We wish them well.

THE FUTURE

It is the view of the Board that first mover advantage remains critical to the success of the company and as such CA is committed to growth. Over the next couple of years we will be investing heavily in identifying and retaining talent, developing our products and services offering and to diversifying into new markets and territories. Additionally we will continue to explore opportunities for both growth and development through strategic partnerships, mergers and acquisition. To assist with this strategy, CA will be undertaking another round of financing in 2017.

AND FINALLY

As we move forward, it would be helpful to receive some feedback on what you might like to see included in this quarterly letter. However, if you have queries in the interim, please do not hesitate to speak to me directly.

Onwards and upwards...

Alexander

** In the case of Josh – from the beaches of Australia!!!*