

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2019

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-37509

LEGACY ACQUISITION CORP.
(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

**1308 Race Street, Suite 200
Cincinnati, Ohio**

(Address of principal executive offices)

81-3674868

(I.R.S. Employer
Identification Number)

45202

(Zip Code)

Registrant's telephone number, including area code: **(513) 618-7161**

Not applicable

(Former name or former address, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Units, each consisting of one share of Class A common stock and one Warrant to purchase one-half of one share of Class A common stock	LGC.U	New York Stock Exchange
Class A common stock, par value \$0.0001 per share	LGC	New York Stock Exchange
Warrants, exercisable for one-half of one share of Class A common stock for \$5.75 per half share, or \$11.50 per whole share	LGC.WS	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer", "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer
Non-accelerated filer

Accelerated filer
Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of November 1, 2019, there were (i) 7,500,000 shares of Class F common stock, par value \$0.0001 per share ("Class F common stock"), issued and outstanding, and (ii) 29,305,180 shares of Class A common stock, \$0.0001 par value per share ("Class A common stock"), issued and outstanding, which includes shares of Class A common stock underlying the Units sold in the registrant's initial public offering, and of which 28,311,459 shares of Class A common stock trade separately.

LEGACY ACQUISITION CORP.

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PART 1 – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

LEGACY ACQUISITION CORP.

CONDENSED BALANCE SHEETS

	September 30, 2019 (unaudited)	December 31, 2018
ASSETS		
Current assets –		
Cash	\$ 740,000	\$ 1,180,000
Prepaid expenses and other assets	107,000	53,000
Total current assets	<u>847,000</u>	<u>1,233,000</u>
Non-current assets –		
Cash and investments held in Trust Account	<u>306,852,000</u>	<u>304,035,000</u>
Total assets	<u>\$ 307,699,000</u>	<u>\$ 305,268,000</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities –		
Accounts payable	\$ -	\$ 17,000
Accrued expenses	1,475,000	365,000
Accrued franchise and income taxes	<u>30,000</u>	<u>225,000</u>
Total current liabilities	<u>1,505,000</u>	<u>607,000</u>
Other liabilities –		
Deferred underwriting compensation	<u>10,500,000</u>	<u>10,500,000</u>
Total liabilities	<u>12,005,000</u>	<u>11,107,000</u>
Common stock subject to possible redemption; 29,069,433 and 28,916,141 shares, respectively, at September 30, 2019 and December 31, 2018 (at approximately \$10.00 per share)	290,694,000	289,161,000
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.0001 par value; 1,000,000 shares authorized, none issued or outstanding	-	-
Class A Common stock, \$0.0001 par value, 100,000,000 authorized, shares, 30,000,000 shares issued at September 30, 2019 and December 31, 2018, 930,567 and 1,083,859 shares, outstanding (excluding 29,069,433 and 28,916,141 shares, respectively, subject to possible redemption at September 30, 2019 and December 31, 2018)	-	-
Class F Common stock, \$0.0001 par value, 10,000,000 authorized shares, 7,500,000 shares issued and outstanding	1,000	1,000
Additional paid-in-capital	701,000	2,234,000
Retained earnings	<u>4,298,000</u>	<u>2,765,000</u>
Total stockholders' equity	<u>5,000,000</u>	<u>5,000,000</u>
Total liabilities and stockholders' equity	<u>\$ 307,699,000</u>	<u>\$ 305,268,000</u>

See accompanying notes to condensed financial statements

LEGACY ACQUISITION CORP.
CONDENSED STATEMENTS OF OPERATIONS
(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Revenues	\$ -	\$ -	\$ -	\$ -
General and administrative expenses	1,210,000	211,000	2,566,000	769,000
Loss from operations	(1,210,000)	(211,000)	(2,566,000)	(769,000)
Interest income on Trust Account	1,588,000	1,522,000	5,154,000	3,878,000
Income before income taxes	378,000	1,311,000	2,588,000	3,109,000
Provision for income taxes	(325,000)	(330,000)	(1,055,000)	(765,000)
Net income	<u>\$ 53,000</u>	<u>\$ 981,000</u>	<u>\$ 1,533,000</u>	<u>\$ 2,344,000</u>
Two Class Method for Per Share Information:				
Weighted average class A common shares outstanding – basic and diluted	<u>30,000,000</u>	<u>30,000,000</u>	<u>30,000,000</u>	<u>30,000,000</u>
Net income per class A common share – basic and diluted	<u>\$ 0.04</u>	<u>\$ 0.03</u>	<u>\$ 0.13</u>	<u>\$ 0.08</u>
Weighted average class F common shares outstanding – basic and diluted	<u>7,500,000</u>	<u>7,500,000</u>	<u>7,500,000</u>	<u>7,500,000</u>
Net income (loss) per class F common share – basic and diluted	<u>\$ (0.15)</u>	<u>\$ 0.00</u>	<u>\$ (0.32)</u>	<u>\$ 0.00</u>

See accompanying notes to condensed financial statements

LEGACY ACQUISITION CORP.

CONDENSED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

For the three and nine months ended September 30, 2019 and 2018
(unaudited)

Three and nine months ended September 30, 2019:

	Class A Shares	Common Stock		Additional Paid-in Capital	Retained Earnings	Stockholders' Equity	
		Amount	Class F Shares				Amount
Three months ended September 30, 2019:							
Balances, June 30, 2019 (unaudited)	935,856	-	7,500,000	1,000	754,000	4,245,000	5,000,000
Change in Class A common stock subject to possible redemption	(5,289)	-	-	-	(53,000)	-	(53,000)
Net income, three months ended September 30, 2019	-	-	-	-	53,000	-	53,000
Balances, September 30, 2019 (unaudited)	<u>930,567</u>	<u>\$ -</u>	<u>7,500,000</u>	<u>\$ 1,000</u>	<u>\$ 701,000</u>	<u>\$ 4,298,000</u>	<u>\$ 5,000,000</u>
Nine months ended September 30, 2019:							
Balances, December 31, 2018	1,083,859	\$ -	7,500,000	\$ 1,000	\$ 2,234,000	\$ 2,765,000	\$ 5,000,000
Change in Class A common stock subject to possible redemption	(153,392)	-	-	-	(1,533,000)	-	(1,533,000)
Net income, six months ended June 30, 2019	-	-	-	-	1,533,000	-	1,533,000
Balances, September 30, 2019 (unaudited)	<u>930,567</u>	<u>\$ -</u>	<u>7,500,000</u>	<u>\$ 1,000</u>	<u>\$ 701,000</u>	<u>\$ 4,298,000</u>	<u>\$ 5,000,000</u>

See accompanying notes to condensed financial statements

LEGACY ACQUISITION CORP.

CONDENSED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY, continued
For the three and nine months ended September 30, 2019 and 2018
(unaudited)

Three and nine months ended September 30, 2018:

	Common Stock				Additional Paid-in Capital	(Accumulated Deficit)/ Retained Earnings	Stockholders' Equity
	Class A Shares	Amount	Class F Shares	Amount			
Three months ended September 30, 2018:							
Balances, June 30, 2018 (unaudited)	1,228,210	-	7,500,000	1,000	3,678,000	1,321,000	5,000,000
Change in Class A common stock subject to possible redemption	(98,143)	-	-	-	(982,000)	-	(982,000)
Net income, three months ended September 30, 2018	-	-	-	-	-	982,000	982,000
Balances, September 30, 2018 (unaudited)	<u>1,130,067</u>	<u>\$ -</u>	<u>7,500,000</u>	<u>\$ 1,000</u>	<u>\$ 2,696,000</u>	<u>\$ 2,303,000</u>	<u>\$ 5,000,000</u>
Nine months ended September 30, 2018:							
Balances, December 31, 2017	1,364,474	\$ -	7,500,000	\$ 1,000	\$ 5,040,000	\$ (41,000)	\$ 5,000,000
Change in Class A common stock subject to possible redemption	(234,407)	-	-	-	(2,234,000)	-	(2,344,000)
Net income, nine months ended September 30, 2018	-	-	-	-	-	2,344,000	2,344,000
Balances, September 30, 2018 (unaudited)	<u>1,130,067</u>	<u>\$ -</u>	<u>7,500,000</u>	<u>\$ 1,000</u>	<u>\$ 2,696,000</u>	<u>\$ 2,303,000</u>	<u>\$ 5,000,000</u>

See accompanying notes to condensed financial statements

LEGACY ACQUISITION CORP.
CONDENSED STATEMENTS OF CASH FLOWS
(unaudited)

	Nine months ended September 30,	
	2019	2018
Net income	\$ 1,533,000	\$ 2,344,000
Adjustments to reconcile net income to net cash used in operating activities:		
Interest income earned on Trust Account	(5,154,000)	(3,878,000)
Changes in operating assets and liabilities:		
Increase (decrease) in accounts payable and accrued expenses	1,093,000	(248,000)
Decrease in accrued franchise and income taxes	(195,000)	(5,000)
(Increase) decrease in prepaid expenses, rounding and other	(52,000)	45,000
Net cash used in operating activities	(2,775,000)	(1,742,000)
Cash flows from investing activities -Withdrawal from Trust Account for taxes and working capital	2,335,000	1,427,000
Net decrease in cash	(440,000)	(315,000)
Cash at beginning of period	1,180,000	1,752,000
Cash at end of period	\$ 740,000	\$ 1,437,000
Supplemental disclosure of non-cash financing activities:		
Cash paid for income taxes	\$ 1,197,000	\$ 880,000
Change in value of common stock subject to possible redemption	\$ 1,533,000	\$ 2,344,000

See accompanying notes to condensed financial statements

LEGACY ACQUISITION CORP.
Notes to Condensed Financial Statements (unaudited)

NOTE 1 – DESCRIPTION OF ORGANIZATION AND BUSINESS OPERATIONS

Organization and General:

Legacy Acquisition Corp. (the “Company”) was incorporated in Delaware on March 15, 2016. The Company was formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses (the “Business Combination”). The Company is an “emerging growth company,” as defined in Section 2(a) of the Securities Act of 1933, as amended, or the “Securities Act,” as modified by the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”).

At September 30, 2019, the Company had not commenced any operations. All activity for the period from March 15, 2016 (inception) through September 30, 2019 relates to the Company’s formation and the initial public offering (“Public Offering”) described below, and subsequent to the Public Offering, searching for a potential business combination. The Company will not generate any operating revenues until after completion of the initial Business Combination, at the earliest. The Company will generate non-operating income in the form of interest income from the proceeds derived from the Public Offering.

Sponsor and Financing:

The Company’s sponsor is Legacy Acquisition Sponsor I LLC, a Delaware limited liability company (the “Sponsor”). The registration statement for the Company’s Public Offering (as described in Note 4) was declared effective by the United States Securities and Exchange Commission (the “SEC”) on November 16, 2017. The Company intends to finance a Business Combination with the net proceeds from a \$300,000,000 public offering (Note 4) and a \$8,750,000 private placement (Note 5). Upon the closing of the Public Offering and the private placement, \$300,000,000 is held in the Trust Account with Continental Stock Transfer and Trust Company (the “Trustee”) acting as the trustee (the “Trust Account”) (as discussed below).

The Trust Account:

Funds from the Public Offering have been placed in the Trust Account. The Trust Account will be invested only in U.S. government treasury bills with a maturity of one hundred and eighty (180) days or less or in money market funds meeting certain conditions under Rule 2a-7 under the Investment Company Act of 1940 which invest only in direct U.S. government obligations. Funds will remain in the Trust Account until the earlier of (i) the consummation of the Business Combination or (ii) the distribution of the Trust Account as described below. The remaining proceeds outside the Trust Account may be used to pay for business, legal and accounting due diligence on prospective Business Combinations and continuing general and administrative expenses.

The Company’s amended and restated certificate of incorporation provides that, other than the withdrawal of interest to pay taxes and up to \$750,000 per year for working capital purposes, if any, none of the funds held in trust may be released until the earlier of: (i) the completion of the initial Business Combination; or (ii) the redemption of any public shares properly tendered in connection with a stockholder vote to amend the Company’s amended and restated certificate of incorporation to modify the substance and timing of the Company’s obligation to redeem 100% of its public shares if the Company does not complete its initial business combination within 24 months from the closing of the Public Offering or (iii) the redemption of 100% of the shares of Class A common stock included in the Units sold in the Public Offering if the Company is unable to complete a Business Combination within 24 months from the closing of the Public Offering (subject to the requirements of law). The Company may continue to withdraw from the Trust Account amounts necessary for taxes, and for working capital of up to \$750,000 annually (on a pro rata basis), during the period of the Extension Agreement discussed in Note 2.

Business Combination:

The Company’s management has broad discretion with respect to the specific application of the net proceeds of the Public Offering, although substantially all of the net proceeds of the Public Offering are intended to be generally applied toward consummating a Business Combination with (or acquisition of) a Target Business. As used herein, “Target Business” means one or more target businesses that together have a fair market value equal to at least 80% of the balance in the Trust Account (less any deferred underwriting commissions and taxes payable on interest earned) at the time of the signing of a definitive agreement in connection with the Business Combination. Furthermore, there is no assurance that the Company will be able to successfully effect a Business Combination within 24 months from the closing of the Public Offering, if at all (as further discussed in Note 2).

The Company, after signing a definitive agreement for an initial Business Combination, will either (i) seek stockholder approval of the Business Combination at a meeting called for such purpose in connection with which stockholders holding Class A common stock may seek to redeem their shares, regardless of whether they vote for or against the Business Combination, for cash equal to their pro rata share of the aggregate amount then on deposit in the Trust Account as of two business days prior to the consummation of the initial Business Combination, including interest but less taxes payable and up to \$750,000 per year which may be, and has been, released for working capital purposes, or (ii) provide stockholders holding Class A common stock with the opportunity to sell their shares to the Company by means of a tender offer (and thereby avoid the need for a stockholder vote) for an amount in cash equal to their pro rata share of the aggregate amount then on deposit in the Trust Account as of two business days prior to commencement of the tender offer, including interest but less taxes payable and up to \$750,000 per year which may have been released for working capital. The decision as to whether the Company will seek stockholder approval of the initial Business Combination or will allow stockholders to sell their shares in a tender offer will be made by the Company, solely in its discretion, and will be based on a variety of factors such as the timing of the transaction and whether the terms of the transaction would otherwise require the Company to seek stockholder approval unless a vote is required by New York Stock Exchange (“NYSE”) rules. If the Company seeks stockholder approval, it will complete its Business Combination only if a majority of the outstanding shares of common stock voted are voted in favor of the Business Combination. However, in no event will the Company redeem its public shares of Class A common stock in an amount that would cause its net tangible assets to be less than \$5,000,001 upon consummation of the Business Combination. In such case, the Company would not proceed with the redemption of its public shares of Class A common stock and the related Business Combination, and instead may search for an alternate Business Combination.

If the Company holds a stockholder vote or there is a tender offer for shares in connection with a Business Combination, a public stockholder will have the right to redeem its Class A common stock for an amount in cash equal to such stockholder’s pro rata share of the aggregate amount then on deposit in the Trust Account as of two business days prior to the consummation of the initial Business Combination, including interest but less taxes payable and up to \$750,000 per year which may have been released to the Company to fund working capital requirements. As a result, such shares of Class A common stock are recorded at redemption amount and classified as temporary equity in the accompanying balance sheet, in accordance with FASB ASC 480, “Distinguishing Liabilities from Equity.”

The Company will only have 24 months from the closing date of the Public Offering to complete its initial Business Combination. As discussed further in Note 2 below, on October 22, 2019, the shareholders of the Company approved the extension of time to complete the business combination from November 21, 2019 to December 21, 2019 and thereafter at the Company’s option or upon the Sellers request up to five times initially to January 21, 2020 and thereafter by up to four additional 30-day periods. If the Company does not complete a Business Combination within this extended period of time, it shall (i) cease all operations except for the purposes of winding up; (ii) as promptly as reasonably possible, but not more than ten business days thereafter, redeem the public shares of Class A common stock for a per share pro rata portion of the Trust Account, including interest, but less taxes payable and up to \$750,000 per year which may be, and has been, released for working capital (less up to \$50,000 of such net interest to pay dissolution expenses) and (iii) as promptly as possible following such redemption, dissolve and liquidate the balance of the Company’s net assets to its remaining stockholders, as part of its plan of dissolution and liquidation. The initial stockholder has entered into a letter agreement with the Company, pursuant to which it has waived its right to participate in any redemption with respect to its initial shares; however, if the initial stockholder or any of the Company’s officers, directors or affiliates acquire shares of Class A common stock after the Public Offering, they will be entitled to a pro rata share of the Trust Account, with respect to such public shares, upon the Company’s redemption or liquidation in the event the Company does not complete a Business Combination within the required time period. See, however, below Note 2. Share Exchange Agreement and Extension Agreement which extends the date to complete a business combination beyond November 21, 2019 as well as other matters.

In the event of such distribution, it is possible that the per share value of the residual assets remaining available for distribution (including Trust Account assets) will be less than the initial public offering price per Unit in the Public Offering.

Going Concern

In connection with the Company's assessment of going concern considerations in accordance with Financial Accounting Standard Board's Accounting Standards Update ("ASU") 2014-15, "Disclosures of Uncertainties about an Entity's Ability to Continue as a Going Concern", management has determined that the mandatory liquidation and subsequent dissolution raises substantial doubt about the Company's ability to continue as a going concern. No adjustments have been made to the carrying amounts of assets or liabilities should the Company be required to liquidate after December 21, 2019 and thereafter at the Company's option or upon the Sellers request up to five times initially to January 21, 2020 and thereafter up to four additional 30-day periods, as extended (as discussed in Note 2).

NOTE 2 – SHARE EXCHANGE AGREEMENT FOR BUSINESS COMBINATION AND EXTENSION AGREEMENT

On August 23, 2019, the Company entered into the Share Exchange Agreement (the "Share Exchange Agreement") with Blue Valor Limited, a company incorporated in Hong Kong and an indirect, wholly-owned subsidiary of Blue Focus Intelligent Communications Group ("Blue Valor" or the "Seller"), pursuant to which, subject to the satisfaction or waiver of certain conditions set forth therein, the Company will, among other things, purchase from the Seller all of the outstanding shares of stock of a wholly-owned holding company organized in the Cayman Islands, Blue Impact (Cayman) Limited that, at the closing, will hold the Blue Impact group business, a digital-first, intelligent and integrated global advertising and marketing services company (the "Blue Impact" business). Upon the closing of the business combination, the Company will change its name to Blue Impact Inc.

For more information about the transactions contemplated by the Share Exchange Agreement, please see the Current Report on Form 8-K filed with the Securities and Exchange Commission on August 27, 2019.

Pursuant to the Share Exchange Agreement, at the closing, the Seller will receive 30 million shares of Class A common stock of the Company, subject to adjustment as set forth below (the "Closing Shares"), and Legacy expects to (a) assume \$40 million of net debt related to the Blue Impact business, (b) assume \$48 million of deferred acquisition purchase price obligations, and (c) pay \$90 million to purchase or redeem certain minority interests of one of the Blue Impact businesses ("Madhouse").

The Closing Shares will be subject to adjustment following closing based on the extent to which, as of the closing date, (a) the net debt of the Blue Impact business, (b) the deferred acquisition purchase price obligations for the Blue Impact business (excluding Madhouse) and (c) the amount of the purchase price for the minority interests of Madhouse, are each finally determined to be greater or less than the targets for such amounts specified in the Share Exchange Agreement. The determinations as of the closing date of the foregoing amounts will be mutually agreed to by the Seller and a committee of independent directors of the Company with any disagreements being resolved by a nationally recognized independent public accounting firm jointly selected by the Seller and the Company.

Pursuant to an "earn-out" for Madhouse, up to \$222 million may be payable after the 2022 audit is complete in the form of an incentive-based earn-out tied to average profit growth of the Madhouse business over the three-year period ending December 31, 2022. The earn-out will be payable at the Company's option in cash, stock or a combination thereof if Company's common stock share price at the time of payment is greater than \$10 per share. If not, then dependent upon the Company's then-available cash, the earn-out will be payable in cash or subordinated notes. The Seller has partially and irrevocably assigned a portion of any earn-out payment to fund a long-term incentive plan to be established for the benefit of designated individuals employed or associated with the group company business.

The Company's Charter and final IPO prospectus dated November 16, 2017, (which was filed with the SEC on November 17, 2017) provides that the Company has until November 21, 2019 to complete a business combination; however, the Company currently believes that there may not be sufficient time before November 21, 2019 to consummate the Business Combination. In order to provide the Company additional time to complete the Business Combination, subsequent to September 30, 2019 on October 22, 2019 the Company's shareholders approved an Extension Agreement (the "Extension Agreement") in order to extend the deadline to complete the Business Combination from November 21, 2019 to December 21, 2019 and thereafter at the Company's option or upon the Sellers request up to five times initially to January 21, 2020 and thereafter by up to four additional 30-day periods. While the purpose of the Extension Amendment is to allow the Company more time to complete the proposed Business Combination, if the Business Combination is terminated the Company may seek to use the Extension to complete an alternative business combination. The Company may continue to withdraw from the Trust Account amounts necessary for taxes, and for working capital of up to \$750,000 annually (on a pro rata basis), during the period of the Extension Agreement.

Subsequent to September 30, 2019, on October 23, 2019, the Company issued a note (the "Seller Note") for the aggregate principal amount of approximately \$979,000, to the Seller. Borrowings under the Seller Note will bear interest at a rate equal to the 1-month USD LIBOR interest rate, plus 1.5%. The Seller Note was issued in connection with the approval by the Company's stockholders of the Extension Amendment. In connection with the Extension Amendment, stockholders elected to redeem 694,820 shares of the Company's Class A common stock, par value \$0.0001 per share, issued in the Company's initial public offering (the "public shares"), and 29,305,180 public shares remain issued and outstanding following such redemptions. Accordingly, consistent with the Company's proxy materials relating to the special meeting, on or about October 23, 2019, the Company made a cash Contribution to the Trust Account in an amount equal to \$0.03 for each public share that was not redeemed in connection with the stockholder approval of the Extension Amendment for the initial Extension through December 21, 2019, which equaled an aggregate amount of approximately \$879,000.

Under the terms of the Share Exchange Agreement, the Seller agreed to loan (each, a "Seller Loan") to Legacy the amount of the Contributions to be made by Legacy in connection with the initial Extension through December 21, 2019, and for each period of the Extension thereafter; provided, however, that the Seller is not be required to make any loan to Legacy with respect to any Extension for the purpose of consummating an initial business combination other than the Business Combination. In addition, the Seller agreed that the Seller Loans may include additional amounts to cover certain costs and expenses that Legacy will reasonably incur in connection with the continuation of operations until the earlier of the consummation of the Business Combination or the Extended Date and the total of all such costs and expenses shall not exceed a total of \$300,000 in the aggregate for all Extensions through the Extended Date. No Seller Loan may exceed \$1,000,000 in the aggregate (including loans to fund costs and expenses). The aggregate principal amount of approximately \$979,000 under the Seller Note reflects a loan to fund the Company's Contributions to the Trust Account of approximately \$879,000 plus \$100,000 to fund the costs and expenses that the Company reasonably expects incur in connection with the continuation of operations until the earlier of the consummation of the Business Combination or the Extended Date.

The Seller Loans will be forgiven by the Seller if the closing of the Business Combination does not occur and the Trust Account liquidates, except to the extent of any funds that are available to the Company (i) after such liquidation in accordance with the trust agreement, or (ii) from any other source. The amount of the Seller Loans will be repayable by the Company to the Seller upon consummation of the Business Combination.

Should the Company elect and/or the Seller request that the Company extend the date (which initially will be extended to December 21, 2019) by which the Company has to consummate the Business Combination (or, if the Business Combination is terminated, an alternative business combination) to January 21, 2020 or thereafter for up to four additional 30-day periods ending on the Extended Date, the Company will publicly announce the Company's decision no later than the close of business on the last day of the then-current Extension period. In addition, the Company will make additional Contributions of \$0.03 per outstanding public share for each period of the Extension by Legacy at its option and/or at the Seller's request up to five times, initially to January 21, 2020 and thereafter by up to four additional 30-day periods. As a result, the Seller will make Contributions of an aggregate of approximately \$879,000 to the Trust Account within two business days prior to the beginning of each Extension. If, however, the Seller does not request that we extend to January 21, 2020 or any additional 30-day period thereafter and the Company also determines not to extend or our board of directors otherwise determines that the Company will not be able to consummate an initial business combination by the Extended Date and does not wish to have an additional Extension, the Company's board of directors would wind up our affairs and redeem 100% of the outstanding public shares.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation:

The accompanying unaudited condensed interim financial statements of the Company are presented in U.S. dollars in conformity with accounting principles generally accepted in the United States of America ("GAAP") pursuant to the rules and regulations of the SEC and reflect all adjustments, consisting only of normal recurring adjustments, which are, in the opinion of management, necessary for a fair presentation of the financial position as of September 30, 2019, and the results of operations and cash flows for the periods presented. Certain information and disclosures normally included in financial statements prepared in accordance with GAAP have been omitted pursuant to such rules and regulations. Interim results are not necessarily indicative of results for a full year. All dollar amounts are rounded to the nearest thousand dollars.

The accompanying unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2018 as well as the Current Report on Form 8-K filed on August 27, 2019 and the Definitive Proxy Statement filed on September 30, 2019.

Emerging Growth Company

Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such an election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard.

Net Income (Loss) per Common Share

Net income (loss) per common share is computed by dividing net income (loss) applicable to common stockholders by the weighted average number of common shares outstanding for the period. The Company has not considered the effect of the warrants sold in the initial public offering and Private Placement to purchase an aggregate of 23,750,000 Class A ordinary shares in the calculation of diluted income (loss) per share, since their inclusion would be anti-dilutive under the treasury stock method. As a result, diluted income (loss) per common share is the same as basic loss per common share for the period.

The Company's condensed statements of operations include a presentation of income (loss) per share for common stock subject to redemption in a manner similar to the two-class method of income (loss) per share. Net income (loss) per common share, basic and diluted for Class A common stock is calculated by dividing the interest income earned on the Trust Account, net of income tax expense, franchise tax expense and funds available to be withdrawn from Trust for working capital purposes (up to a maximum of \$750,000 annually), by the weighted average number of Class A common stock outstanding for the period. Net income (loss) per common share, basic and diluted, for Class F common stock is calculated by dividing the net income (loss), less income attributable to Class A Common Stock, by the weighted average number of Class F common stock outstanding for the period. Net income (loss) available to each class of common stockholders is as follows at September 30, 2019:

	Three months ended September 30,		Nine months ended September 30	
	2019	2018	2019	2018
Net income available to Class A common stockholders:				
Interest income	\$ 1,588,000	1,522,000	\$ 5,154,000	\$ 3,878,000
Less: Income and franchise taxes	(375,000)	(380,000)	(1,205,000)	(915,000)
Expenses available to be paid with interest income from Trust (up to a maximum of \$750,000 per year)	-	(161,000)	-	(619,000)
Net income available to Class A common stockholders	<u>\$ 1,213,000</u>	<u>\$ 981,000</u>	<u>\$ 3,949,000</u>	<u>\$ 2,344,000</u>

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2019	2018	2019	2018
Net income available to Class F common stockholders:				
Net income	\$ 53,000	\$ 981,000	\$ 1,533,000	\$ 2,344,000
Less: amount attributable to Class A common stockholders	(1,213,000)	(981,000)	(3,949,000)	(2,344,000)
Net income (loss) available to class F common stockholders	<u>\$ (1,160,000)</u>	<u>\$ -</u>	<u>\$ (2,416,000)</u>	<u>\$ -</u>

Concentration of Credit Risk:

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash accounts in a financial institution, which at times, may exceed the Federal depository insurance coverage of \$250,000. The Company has not experienced losses on these accounts and management believes the Company is not exposed to significant risks on such accounts.

Financial Instruments:

The fair value of the Company's assets and liabilities, which qualify as financial instruments under FASB ASC 820, "Fair Value Measurements and Disclosures," approximates the carrying amounts represented in the financial statements.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Deferred Offering Costs:

The Company complies with the requirements of the ASC 340-10-S99-1 and SEC Staff Accounting Bulletin (SAB) Topic 5A – "Expenses of Offering." Offering costs of approximately \$17,379,000 consisted principally of underwriter discounts of \$16,500,000 (including \$10,500,000 of which payment is deferred) and approximately \$887,000 of professional, printing, filing, regulatory and other costs, have been charged to additional paid-in-capital upon completion of the Public Offering.

Income Taxes:

The Company follows the asset and liability method of accounting for income taxes under FASB ASC, 740, "Income Taxes." Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that included the enactment date. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

The Company's currently taxable income consists of interest income on the Trust Account net of franchise taxes. The Company's general and administrative costs are generally considered start-up costs and are not currently deductible. The Company recorded income tax expense of approximately \$325,000 and \$1,055,000, respectively, in the three and nine months ended September 30, 2019 and \$330,000 and \$765,000, respectively, in the three and nine months ended September 30, 2018, primarily related to interest income earned on the Trust Account net of franchise taxes. The Company's effective tax rate was approximately 86% and 41%, respectively, for the three and nine months ended September 30, 2019 and approximately 25% for each of the three and nine months ended September 30, 2018. The Company's effective tax rate differs from the expected income tax rate due to the start-up costs (discussed above) which are not currently deductible. At September 30, 2019 and December 31, 2018, the Company has a deferred tax asset of approximately \$850,000 and \$355,000, respectively, primarily related to start-up costs. Management has determined that a full valuation allowance of the deferred tax asset is appropriate at this time.

FASB ASC 740 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. There were no unrecognized tax benefits as of September 30, 2019 and December 31, 2018. The Company recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense. No amounts were accrued for the payment of interest and penalties at September 30, 2019 and December 31, 2018. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position. The Company is subject to income tax examinations by major taxing authorities since inception.

Redeemable Common Stock:

As discussed in Note 4, all of the 30,000,000 common shares sold as part of a Unit in the Public Offering contain a redemption feature which allows for the redemption of common shares under the Company's Liquidation or Tender Offer/Stockholder Approval provisions. In accordance with FASB 480, redemption provisions not solely within the control of the Company require the security to be classified outside of permanent equity. Ordinary liquidation events, which involve the redemption and liquidation of all of the entity's equity instruments, are excluded from the provisions of FASB ASC 480. Although the Company did not specify a maximum redemption threshold, its charter provides that in no event will it redeem its Public Shares in an amount that would cause its net tangible assets (stockholders' equity) to be less than \$5,000,001.

The Company recognizes changes immediately as they occur and adjusts the carrying value of the securities at the end of each reporting period. Increases or decreases in the carrying amount of redeemable common stock are affected by adjustments to additional paid-in capital. Accordingly, at September 30, 2019 and December 31, 2018, 29,069,433 and 28,916,141, respectively, of the 30,000,000 Public Shares were classified outside of permanent equity.

Recent Accounting Pronouncements:

Management does not believe that any recently issued, but not yet effective, accounting pronouncements, if currently adopted, would have a material effect on the Company's financial statements.

NOTE 4 – PUBLIC OFFERING

On November 21, 2017, the Company closed on the Public Offering and sale of 30,000,000 units at a price of \$10.00 per unit (the "Units"). Each Unit consists of one share of the Company's Class A common stock, \$0.0001 par value and one redeemable common stock purchase warrant (the "Warrants"). Under the terms of a warrant agreement, the Company has agreed to use its best efforts to file a new registration statement under the Securities Act, following the completion of the initial Business Combination. Each Warrant entitles the holder to purchase one half of one share of Class A common stock at a price of \$5.75 (11.50 per whole share). No fractional shares will be issued upon exercise of the warrants. If, upon exercise of the warrants, a holder would be entitled to receive a fractional interest in a share, the Company will, upon exercise, round down to the nearest whole number the number of shares of Class A common stock to be issued to the warrant holder. Each Warrant will become exercisable on the later of 30 days after the completion of the Company's initial Business Combination or 12 months from the closing of the Public Offering and will expire five years after the completion of the Company's initial Business Combination or earlier upon redemption or liquidation. However, if the Company does not complete its initial Business Combination on or prior to the 24-month period allotted to complete the Business Combination, the Warrants will expire at the end of such period. If the Company is unable to deliver registered shares of Class A common stock to the holder upon exercise of Warrants issued in connection with the 30,000,000 public units during the exercise period, there will be no net cash settlement of these Warrants and the Warrants will expire worthless, unless they may be exercised on a cashless basis in the circumstances described in the warrant agreement. Once the warrants become exercisable, the Company may redeem the outstanding warrants in whole and not in part at a price of \$0.01 per warrant upon a minimum of 30 days' prior written notice of redemption, only in the event that the last sale price of the Company's shares of common stock equals or exceeds \$18.00 per share for any 20 trading days within the 30-trading day period ending on the third trading day before the Company sends the notice of redemption to the warrant holders.

The Company granted the underwriters in the Public Offering a 45-day option to purchase up to 4,500,000 additional Units to cover any over-allotment, at the initial public offering price less the underwriting discounts and commissions. On November 27, 2017, the Company was advised by the underwriters' that the over-allotment option would not be exercised. As such, the 1,125,000 shares subject to forfeiture which are described in Note 5 were forfeited.

The Company paid an underwriting discount of 2% of the per Unit offering price to the underwriters at the closing of the Public Offering (\$6,000,000), with an additional fee (the "Deferred Discount") of 3.5% of the gross offering proceeds (\$10,500,000) payable upon the Company's completion of a Business Combination. The Deferred Discount will become payable to the underwriters from the amounts held in the Trust Account solely in the event the Company completes its initial Business Combination.

See Notes 2 and 6 regarding shares redeemed at October 22, 2019 in connection with the Extension Agreement.

NOTE 5 – RELATED PARTY TRANSACTIONS

Founder Shares

In October 2016, the Sponsor purchased 8,625,000 shares of Class F common stock (the "Founder Shares") for \$25,000, or approximately \$0.001 per share (see Note 7). The Founder Shares are identical to the Class A common stock included in the Units being sold in the Public Offering except that the Founder Shares are convertible under the circumstances described below and subject to certain transfer restrictions, as described in more detail below. The Sponsor agreed to forfeit up to 1,125,000 Founder Shares to the extent that the over-allotment option was not exercised in full by the underwriters (see Notes 5 and 7) so that the initial stockholder would own 20.0% of the Company's issued and outstanding shares after the Public Offering. As discussed further in Notes 5 and 7, on November 27, 2017, the underwriters' notified the Company that they would not exercise the over-allotment option and, as such, the 1,125,000 shares that were subject to forfeiture were forfeited as of the closing of the Public Offering on November 21, 2017. The Founder Shares will automatically convert into shares of Class A common stock at the time of the Business Combination on a one-for-one basis, subject to adjustment as described in the Company's amended and restated certificate of incorporation.

The Company's initial stockholder has agreed not to transfer, assign or sell any of its Founder Shares until the earlier of (A) one year after the completion of the Company's initial Business Combination, or earlier if, subsequent to the Company's initial Business Combination, the last sale price of the Company's common stock equals or exceeds \$12.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after the Company's initial Business Combination or (B) the date on which the Company completes a liquidation, merger, stock exchange or other similar transaction after the initial Business Combination that results in all of the Company's stockholders having the right to exchange their shares of common stock for cash, securities or other property (the "Lock Up Period").

Private Placement Warrants

Upon the closing of the Public Offering on November 21, 2017, the Sponsor paid the Company \$8,750,000 for the private placement purchase from the Company of 17,500,000 warrants at \$0.50 per warrant (the "Private Placement Warrants"). Each Private Placement Warrant entitles the holder to purchase one-half of one share of Class A common stock at \$5.75 (\$11.50 per whole share). A portion of the purchase price of the Private Placement Warrants has been added to the proceeds from the Public Offering held in the Trust Account pending completion of the Company's initial Business Combination. The Private Placement Warrants (including the common stock issuable upon exercise of the Private Placement Warrants) are not transferable, assignable or salable until 30 days after the completion of the initial Business Combination and are non-redeemable so long as they are held by the Sponsor or its permitted transferees. If the Private Placement Warrants are held by someone other than the Sponsor or its permitted transferees, the Private Placement Warrants will be redeemable by the Company and exercisable by such holders on the same basis as the warrants included in the Units being sold in the Public Offering. Otherwise, the Private Placement Warrants have terms and provisions that are identical to those of the Warrants sold as part of the Units in the Public Offering and have no net cash settlement provisions.

If the Company does not complete a Business Combination within the required time period, then the proceeds will be part of the liquidating distribution to the public stockholders and the Warrants issued to the Sponsor will expire worthless.

Registration Rights

The Company's initial stockholder and holders of the Private Placement Warrants are entitled to registration rights (in the case of the Founder Shares, only after conversion to shares of Class A common stock) pursuant to a registration rights agreement dated November 16, 2017. The Company's initial stockholder and holders of the Private Placement Warrants are entitled to make up to three demands, excluding short form registration demands, that the Company register such securities for sale under the Securities Act. In addition, these holders have "piggy-back" registration rights to include their securities in other registration statements filed by the Company. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

Administrative Service Agreement and Services Agreement

The Company pays \$10,000 a month (\$30,000 for the three months, and \$90,000 for the nine months, ended September 30, 2019 and 2018) for office space, accounting services, utilities and secretarial support provided by the Sponsor subsequent to the date the Company's securities were first listed on the NYSE. Such monthly fee will terminate upon the earlier of the consummation by the Company of an initial Business Combination or the liquidation of the Company.

NOTE 6 – TRUST ACCOUNT AND FAIR VALUE MEASUREMENT

The Company complies with FASB ASC 820, Fair Value Measurements, for its financial assets and liabilities that are re-measured and reported at fair value at each reporting period, and non-financial assets and liabilities that are re-measured and reported at fair value at least annually.

Upon the closing of the Public Offering and the private placement, a total of \$300,000,000 was deposited into the Trust Account. All proceeds in the Trust Account may be invested in either U.S. government treasury bills with a maturity of 180 days or less or in money market funds meeting certain conditions under Rule 2a-7 under the Investment Company Act of 1940, as amended, and that invest solely in U.S. government treasury obligations.

At September 30, 2019 and December 31, 2018, the proceeds of the Trust Account were invested in U.S. government treasury bills. U.S. government treasury bills held at September 30, 2019 mature in October 2019 and yield interest of approximately 1.8%. The Company classifies its U.S. government treasury bills and equivalent securities as held-to-maturity in accordance with FASB ASC 320, "Investments – Debt and Equity Securities." Held-to-maturity securities are those securities which the Company has the ability and intent to hold until maturity. Held-to-maturity U.S. government treasury bills are recorded at amortized cost on the accompanying September 30, 2019 and December 31, 2018 condensed balance sheets and adjusted for the amortization of discounts.

The following table presents information about the Company's assets that are measured at fair value on a recurring basis as of September 30, 2019 and December 31, 2018 and indicates the fair value hierarchy of the valuation techniques the Company utilized to determine such fair value. Since all of the Company's permitted investments at September 30, 2019 and December 31, 2018 consist of U.S. government treasury bills or money market funds holding U.S. government treasury bills, fair values of its investments are determined by Level 1 inputs utilizing quoted prices (unadjusted) in active markets for identical assets or liabilities as follows:

Description	Carrying value at September 30, 2019	Gross Unrealized Holding Gain	Quoted Price Prices in Active Markets (Level 1)
Assets:			
Cash and money market	\$ 1,000	\$ -	\$ 1,000
U.S. government treasury bills	306,851,000	80,000	306,931,000
Total	<u>\$ 306,852,000</u>	<u>\$ 80,000</u>	<u>\$ 306,932,000</u>

Description	Carrying value at December 31, 2018	Gross Unrealized Holding Loss	Quoted Price Prices in Active Markets (Level 1)
Assets:			
Cash and money market	\$ 1,000	\$ -	\$ 1,000
U.S. government treasury bills	304,034,000	(7,000)	304,027,000
Total	\$ 304,035,000	\$ (7,000)	\$ 304,028,000

The U.S. government treasury bills that matured in July 2019 were reinvested in U.S. government treasury bills maturing in August 2019. During the nine months ended September 30, 2019, the Company withdrew approximately \$2,335,000 from the Trust Account in order to pay 2018 actual and 2019 estimated income taxes (approximately \$1,197,000) and franchise taxes (approximately \$380,000) paid in installments in January 2019, April 2019, May 2019 and September 2019) and to release the 2019 \$750,000 allowed for working capital. The Company may continue to withdraw from the Trust Account amounts necessary for taxes, and for working capital of up to \$750,000 annually (on a pro rata basis), during the period of the Extension Agreement.

Subsequent to September 30, 2019 on October 22, 2019, in connection with the Extension Amendment, stockholders elected to redeem 694,820 public shares of the Company's Class A common stock at approximately \$10.23 per share resulting in a distribution from the Trust Account of approximately \$7,108,000. As a result, 29,305,180 public shares remain issued and outstanding following such redemptions. Also see Note 2 for further details and for information regarding payments made into the Trust Account in connection with the Extension Amendment.

NOTE 7 – STOCKHOLDERS' EQUITY

Common Stock

The authorized common stock of the Company is 110,000,000 shares, including 100,000,000 shares of Class A common stock, par value \$0.0001, and 10,000,000 shares of Class F common stock, par value \$0.00001. Upon completion of the Public Offering, the Company will likely (depending on the terms of the initial Business Combination) be required to increase the number of shares of common stock which it is authorized to issue at the same time as its stockholders vote on the Business Combination to the extent the Company seeks stockholder approval in connection with its initial Business Combination. Holders of the Company's common stock vote together as a single class and are entitled to one vote for each share of common stock.

In October 2016, the Sponsor purchased 8,625,000 shares of Class F common stock (the "Founder Shares") for \$25,000, or approximately \$0.004 per share. The Sponsor had agreed to forfeit up to 1,125,000 Founder Shares to the extent that the over-allotment option is not exercised in full by the underwriters. The forfeiture would be adjusted to the extent that the over-allotment option is not exercised in full by the underwriters so that the initial stockholder will own 20% of the Company's issued and outstanding shares after the Public Offering. On November 27, 2017, the Company was advised by the underwriters' that the over-allotment option would not be exercised. As such, the 1,125,000 shares subject to forfeiture were forfeited. As such at September 30, 2019 and December 31, 2018 there were 7,500,000 shares of Class F common stock issued and outstanding and 30,000,000 shares of Class A common stock outstanding (29,069,433 and 28,916,141, respectively, of which are classified outside of equity as redeemable common stock).

Subsequent to September 30, 2019 on October 22, 2019, in connection with the Extension Amendment, stockholders elected to redeem 694,820 shares of the Company's Class A common stock, par value \$0.0001 per share, issued in the Company's initial public offering (the "public shares"). The shares were redeemed at \$10.23 per share, the per share value of the Trust Account at that date resulting in a distribution from the Trust Account of approximately \$7,108,000. As a result, 29,305,180 public shares remain issued and outstanding following such redemptions. Also see Note 2 regarding payments made into the Trust Account in connection with the Extension Amendment.

Preferred Stock

The Company is authorized to issue 1,000,000 shares of preferred stock, par value \$0.0001, with such designations, voting and other rights and preferences as may be determined from time to time by the Board of Directors. At September 30, 2019 and December 31, 2018, the rights and preferences have not been determined and there were no shares of preferred stock issued and outstanding.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the condensed financial statements and the notes thereto contained elsewhere in this report. This management's discussion and analysis should also be read in conjunction with the management's discussion and analysis and the financial statements for the year ended December 31, 2018 included in our Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission on March 15, 2019.

Special Note Regarding Forward-Looking Statements

All statements other than statements of historical fact included in this section and elsewhere in this Form 10-Q regarding the Company's financial position, business strategy and the plans and objectives of management for future operations, are forward-looking statements. When used in this Form 10-Q, words such as "anticipate," "believe," "estimate," "expect," "intend" and similar expressions, as they relate to us or the Company's management, identify forward-looking statements. Such forward-looking statements are based on the beliefs of management, as well as assumptions made by, and information currently available to, the Company's management. Actual results could differ materially from those contemplated by the forward-looking statements as a result of certain factors detailed in our filings with the SEC.

Overview

We are a blank check company incorporated as a Delaware corporation and formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses. We have reviewed a number of opportunities for the purpose of entering into a business combination with an operating business, but we are not able to determine as of the date of this Form 10-Q whether we will complete a business combination with any of such target businesses or with any other target business. We intend to effectuate our initial business combination using cash from the proceeds of our initial public offering and the private placement of the private placement warrants, our capital stock, debt or a combination of cash, stock and debt.

The issuance of additional shares of our stock in a business combination:

- may significantly dilute the equity interest of investors in our initial public offering, which dilution would increase if the anti-dilution provisions in the Class F common stock resulted in the issuance of shares of Class A common stock on a greater than one-to-one basis upon conversion of the shares of Class F common stock;
- may subordinate the rights of holders of common stock if preferred stock is issued with rights senior to those afforded our common stock;
- could cause a change of control if a substantial number of shares of our common stock are issued, which may affect, among other things, our ability to use our net operating loss carry forwards, if any, and could result in the resignation or removal of our present officers and directors;
- may have the effect of delaying or preventing a change of control of us by diluting the stock ownership or voting rights of a person seeking to obtain control of us; and
- may adversely affect prevailing market prices for our Class A common stock and/or warrants.

Similarly, if we issue debt securities, it could result in:

- default and foreclosure on our assets if our operating revenues after an initial business combination are insufficient to repay our debt obligations;
- acceleration of our obligations to repay the indebtedness even if we make all principal and interest payments when due if we breach certain covenants that require the maintenance of certain financial ratios or reserves without a waiver or renegotiation of that covenant;

- our immediate payment of all principal and accrued interest, if any, if the debt security is payable on demand;
- our inability to obtain necessary additional financing if the debt security contains covenants restricting our ability to obtain such financing while the debt security is outstanding;
- our inability to pay dividends on our common stock;
- using a substantial portion of our cash flow to pay principal and interest on our debt, which will reduce the funds available for dividends on our common stock if declared, expenses, capital expenditures, acquisitions and other general corporate purposes;
- limitations on our flexibility in planning for and reacting to changes in our business and in the industry in which we operate;
- increased vulnerability to adverse changes in general economic, industry and competitive conditions and adverse changes in government regulation; and
- limitations on our ability to borrow additional amounts for expenses, capital expenditures, acquisitions, debt service requirements, execution of our strategy and other purposes and other disadvantages compared to our competitors who have less debt.

As indicated in the accompanying financial statements, at September 30, 2019 we had approximately \$740,000 in cash, including the \$750,000 that was withdrawn from the Trust Account in March 2019 for the 2019 release of amounts for working capital. We expect to incur significant costs in the pursuit of our acquisition plans. We cannot assure you that our plans to raise capital or to complete our initial business combination will be successful.

Agreement for Business Combination and Extension Agreement

On August 23, 2019, the Company entered into the Share Exchange Agreement with Blue Valor Limited, a company incorporated in Hong Kong and an indirect, wholly-owned subsidiary of Blue Focus Intelligent Communications Group (“Blue Valor” or the “Seller”), pursuant to which, subject to the satisfaction or waiver of certain conditions set forth therein, the Company will, among other things, purchase from the Seller all of the outstanding shares of stock of a wholly-owned holding company organized in the Cayman Islands, Blue Impact (Cayman) Limited, which we refer to as “Blue Impact Target,” that, at the closing, will hold the Blue Impact group business, a digital-first, intelligent and integrated global advertising and marketing services company (the “Blue Impact” business). Upon the closing of the business combination, the Company will change its name to Blue Impact Inc.

Pursuant to the Share Exchange Agreement, at the closing, the Seller will receive 30 million shares of Class A common stock of the Company, subject to adjustment as set forth below (the “Closing Shares”), and Legacy expects to (a) assume \$40 million of net debt related to the Blue Impact business, (b) assume \$48 million of deferred acquisition purchase price obligations, and (c) pay \$90 million to purchase or redeem certain minority interests of Madhouse.

The Closing Shares will be subject to adjustment following closing based on the extent to which, as of the closing date, (a) the net debt of the Blue Impact business, (b) the deferred acquisition purchase price obligations for the Blue Impact business (excluding Madhouse) and (c) the amount of the purchase price for the minority interests of Madhouse, are each finally determined to be greater or less than the targets for such amounts specified in the Share Exchange Agreement. The determinations as of the closing date of the foregoing amounts will be mutually agreed to by the Seller and a committee of independent directors of the Company with any disagreements being resolved by a nationally recognized independent public accounting firm jointly selected by the Seller and the Company.

Pursuant to an “earn-out” for Madhouse, up to \$222 million may be payable after the 2022 audit is complete in the form of an incentive-based earn-out tied to average profit growth of the Madhouse business over the three-year period ending December 31, 2022. The earn-out will be payable at the Company’s option in cash, stock or a combination thereof if Company’s common stock share price at the time of payment is greater than \$10 per share. If not, then dependent upon the Company’s then-available cash, the earn-out will be payable in cash or subordinated notes. The Seller has partially and irrevocably assigned a portion of any earn-out payment to fund a long-term incentive plan to be established for the benefit of designated individuals employed or associated with the group company business.

The Company's Charter and final IPO prospectus dated November 16, 2017, (which was filed with the SEC on November 17, 2017) provides that the Company has until November 21, 2019 to complete a business combination; however, the Company currently believes that there may not be sufficient time before November 21, 2019 to consummate the Business Combination. In order to provide the Company additional time to complete the Business Combination, subsequent to September 30, 2019 on October 22, 2019 the Company's shareholders approved an Extension Agreement (the "Extension Amendment") to extend the deadline to complete the Business Combination from November 21, 2019 to December 21, 2019 and thereafter at the Company's option or upon the Sellers request up to five times initially to January 21, 2020 and thereafter by up to four additional 30-day periods. While the purpose of the Extension Amendment is to allow the Company more time to complete the proposed Business Combination, if the Business Combination is terminated, the Company may seek to use the Extension to complete an alternative business combination.

Subsequent to September 30, 2019, on October 23, 2019, the Company issued a note (the "Seller Note") for the aggregate principal amount of approximately \$979,000, to the Seller. Borrowings under the Seller Note will bear interest at a rate equal to the 1 month USD LIBOR interest rate, plus 1.5%. The Seller Note was issued in connection with the approval by the Company's stockholders of the Extension Amendment. In connection with the Extension Amendment, stockholders elected to redeem 694,820 shares of the Company's Class A common stock, par value \$0.0001 per share, issued in the Company's initial public offering (the "public shares"), and 29,305,180 public shares remain issued and outstanding following such redemptions. Accordingly, consistent with the Company's proxy materials relating to the special meeting, on or about October 23, 2019, the Company made a cash Contribution to the Trust Account in an amount equal to \$0.03 for each public share that was not redeemed in connection with the stockholder approval of the Extension Amendment for the initial Extension through December 21, 2019, which equaled an aggregate amount of approximately \$879,000.

Under the terms of the Share Exchange Agreement, the Seller agreed to loan (each, a "Seller Loan") to Legacy the amount of the Contributions to be made by Legacy in connection with the initial Extension through December 21, 2019, and for each period of the Extension thereafter; provided, however, that the Seller is not be required to make any loan to Legacy with respect to any Extension for the purpose of consummating an initial business combination other than the Business Combination. In addition, the Seller agreed that the Seller Loans may include additional amounts to cover certain costs and expenses that Legacy will reasonably incur in connection with the continuation of operations until the earlier of the consummation of the Business Combination or the Extended Date and the total of all such costs and expenses shall not exceed a total of \$300,000 in the aggregate for all Extensions through the Extended Date. No Seller Loan may exceed \$1,000,000 in the aggregate (including loans to fund costs and expenses). The aggregate principal amount of approximately \$979,000 under the Seller Note reflects a loan to fund the Company's Contributions to the Trust Account of approximately \$879,000 plus \$100,000 to fund the costs and expenses that the Company reasonably expects incur in connection with the continuation of operations until the earlier of the consummation of the Business Combination or the Extended Date.

The Seller Loans will be forgiven by the Seller if the closing of the Business Combination does not occur and the Trust Account liquidates, except to the extent of any funds that are available to the Company (i) after such liquidation in accordance with the trust agreement, or (ii) from any other source. The amount of the Seller Loans will be repayable by the Company to the Seller upon consummation of the Business Combination.

Should we elect and/or the Seller request that we extend the date (which initially will be extended to December 21, 2019) by which we have to consummate the Business Combination (or, if the Business Combination is terminated, an alternative business combination) to January 21, 2020 or thereafter for up to four additional 30-day periods ending on the Extended Date, we will publicly announce our decision no later than the close of business on the last day of the then-current Extension period. In addition, Legacy will make additional Contributions of \$0.03 per outstanding public share for each period of the Extension by Legacy at its option and/or at the Seller's request up to five times, initially to January 21, 2020 and thereafter by up to four additional 30-day periods. As a result, the Seller will make Contributions of an aggregate of approximately \$879,000 to the Trust Account within two business days prior to the beginning of each Extension. If, however, the Seller does not request that we extend to January 21, 2020 or any additional 30-day period thereafter and we also determine not to extend or our board of directors otherwise determines that we will not be able to consummate an initial business combination by the Extended Date and does not wish to have an additional Extension, our board of directors would wind up our affairs and redeem 100% of the outstanding public shares.

Results of Operations and Known Trends or Future Events

We have neither engaged in any operations nor generated any revenues to date. Our primary activities since inception have been organizational activities and those necessary to prepare for our initial public offering which was consummated on November 21, 2017. Since that time, our activities have also included the activities in our search for a business combination and our negotiation and entry into the Share Exchange Agreement and our performance of our obligations thereunder.

In the three and nine months ended September 30, 2019 our principal operating expenses included approximately \$65,000 and \$255,000 for the professional, insurance and listing costs associated with our public reporting, approximately \$50,000 and \$150,000 in franchise taxes, approximately \$1,100,000 and \$2,100,000 in consulting, legal and travel costs associated with our search for a business combination candidate and approximately \$30,000 and \$90,000 (\$10,000 per month) in administrative fees to our Sponsor. Further, during the three and nine months ended September 30, 2019, the Company generated approximately \$1,588,000 and \$5,154,000 of interest income on the U.S. government treasury bill investments in the Trust Account. The higher interest income in 2019 is largely due to higher interest rates. Such interest income is currently taxable and results in a provision for income taxes of approximately \$325,000 and \$1,055,000 in the three and nine months ended September 30, 2019 since the majority of our operating expenses are considered start-up costs and are not currently deductible. The Company periodically withdraws funds from the Trust Account to fund the payment of income and franchise taxes and for permitted withdrawals for working capital.

In the three and nine months ended September 30, 2018 our principal operating expenses included approximately \$211,000 and \$768,000, respectively, for the professional, insurance and listing costs associated with our public reporting, approximately \$50,000 and \$100,000, respectively, in franchise taxes, approximately \$135,000 and \$219,000, respectively, in consulting and travel costs associated with our search for a business combination candidate and approximately \$30,000 and \$90,000, respectively, (\$10,000 per month) in administrative fees to our Sponsor. Further, during the three and nine months ended September 30, 2018, the Company generated approximately \$1,522,000 and \$3,878,000, respectively, of interest income on the U.S. government treasury bill investments in the Trust Account. Such interest income is currently taxable and results in a provision for income taxes of approximately \$330,000 and \$765,000, respectively in the three and nine months ended September 30, 2018 since the majority of our operating expenses are considered start-up costs and are not currently deductible. The Company periodically withdraws funds from the Trust Account to fund the payment of income and franchise taxes.

Following the closing of our initial public offering in November 2017, we have not generated, and will not generate, any operating revenues until after completion of our initial business combination. As discussed above, we currently generate non-operating income in the form of interest income on cash and cash equivalents after our initial public offering and such income generates a currently payable provision for income taxes on such income since our operating expenses are considered start-up expenses and are not currently deductible. In addition to our taxes, administrative fees to our Sponsor and costs associated with our public reporting, we expect to incur increased expenses for our due diligence and other costs of identifying, documenting and closing a business combination and such costs are expected to be very significant and will vary with the stage of development of a business combination. We intend to pay our income and franchise taxes from the income of the Trust Account and we are permitted to draw \$750,000 annually from the Trust Account for working capital, which amounts for 2018 and 2019 have been fully drawn and included in our current cash balances. The Company may continue to withdraw from the Trust Account amounts necessary for taxes, and for working capital of up to \$750,000 annually (on a pro rata basis), during the period of the Extension Agreement.

Liquidity and Capital Resources

The net proceeds from (i) the sale of the Units in our initial public offering, after deducting offering expenses of approximately \$887,000 and underwriting commissions of \$6,000,000 (excluding deferred underwriting commissions of \$10,500,000), and (ii) the sale of the private placement warrants for a purchase price of \$8,750,000, are approximately \$301.6 million. Of this amount, \$300.0 million was placed in the Trust Account, which includes up to \$10,500,000 of deferred underwriting commissions. The remaining approximately \$1,600,000 was made available to us for working capital and is not held in the Trust Account.

We intend to use substantially all of the funds held in the Trust Account, including any amounts representing interest earned on the trust account (which interest shall be net of taxes payable and up to \$750,000 released to us annually to fund working capital requirements and excluding deferred underwriting commissions) to complete our initial business combination. We may withdraw interest to pay taxes, if any, and up to \$750,000 to fund working capital requirements (all of which has been drawn from the Trust at September 30, 2019) annually. Delaware franchise tax is based on our authorized shares or on our assumed par and non-par capital, whichever yields a lower result. Our annual franchise tax obligation is expected to be capped at the maximum amount of annual franchise taxes payable by us as a Delaware corporation of \$200,000. The Company may continue to withdraw from the Trust Account amounts necessary for taxes, and for working capital of up to \$750,000 annually (on a pro rata basis), during the period of the Extension Agreement. Our annual income tax obligations will depend on the amount of interest and other income earned on the amounts held in the Trust Account. To the extent that our capital stock or debt is used, in whole or in part, as consideration to complete our initial business combination, the remaining proceeds held in the Trust Account will be used as working capital to finance the operations of the target business or businesses, make other acquisitions and pursue our growth strategies.

As of September 30, 2019, we have available to us approximately \$740,000 of proceeds held outside the Trust Account. We may continue to withdraw from the Trust Account amounts necessary for taxes, and for working capital of up to \$750,000 annually (on a pro rata basis), during the period of the Extension Agreement.

See Overview, Agreement for Business Combination and Exchange Agreement above for a discussion of the Share Exchange Agreement and the Extension Agreement.

Subsequent to September 30, 2019, on October 23, 2019, the Company issued the Seller Note for the aggregate principal amount of approximately \$979,000, to the Seller. Borrowings under the Seller Note will bear interest at a rate equal to the 1 month USD LIBOR interest rate, plus 1.5%. The Seller Note was issued in connection with the approval by the Company's stockholders of the Extension Amendment. In connection with the Extension Amendment, stockholders elected to redeem 694,820 of the public shares, and approximately 29,305,000 public shares remain issued and outstanding following such redemptions. Accordingly, consistent with the Company's proxy materials relating to the special meeting, on or about October 23, 2019, the Company made a cash Contribution to the Trust Account in an amount equal to \$0.03 for each public share that was not redeemed in connection with the stockholder approval of the Extension Amendment for the initial Extension through December 21, 2019, which equaled an aggregate amount of approximately \$879,000.

Under the terms of the Share Exchange Agreement, the Seller agreed to loan (each, a "Seller Loan") to Legacy the amount of the Contributions to be made by Legacy in connection with the initial Extension through December 21, 2019, and for each period of the Extension thereafter; provided, however, that the Seller is not be required to make any loan to Legacy with respect to any Extension for the purpose of consummating an initial business combination other than the Business Combination. In addition, the Seller agreed that the Seller Loans may include additional amounts to cover certain costs and expenses that Legacy will reasonably incur in connection with the continuation of operations until the earlier of the consummation of the Business Combination or the Extended Date and the total of all such costs and expenses shall not exceed a total of \$300,000 in the aggregate for all Extensions through the Extended Date. No Seller Loan may exceed \$1,000,000 in the aggregate (including loans to fund costs and expenses). The aggregate principal amount of approximately \$979,000 under the Seller Note reflects a loan to fund the Company's Contributions to the Trust Account of approximately \$879,000 plus \$100,000 to fund the costs and expenses that the Company reasonably expects incur in connection with the continuation of operations until the earlier of the consummation of the Business Combination or the Extended Date.

The Seller Loans will be forgiven by the Seller if the closing of the Business Combination does not occur and the Trust Account liquidates, except to the extent of any funds that are available to the Company (i) after such liquidation in accordance with the trust agreement, or (ii) from any other source. The amount of the Seller Loans will be repayable by the Company to the Seller upon consummation of the Business Combination.

Should we elect and/or the Seller request that we extend the date (which initially will be extended to December 21, 2019) by which we have to consummate the Business Combination (or, if the Business Combination is terminated, an alternative business combination) to January 21, 2020 or thereafter for up to four additional 30-day periods ending on the Extended Date, we will publicly announce our decision no later than the close of business on the last day of the then-current Extension period. In addition, Legacy will make additional Contributions of \$0.03 per outstanding public share for each period of the Extension by Legacy at its option and/or at the Seller's request up to five times, initially to January 21, 2020 and thereafter by up to four additional 30-day periods. As a result, the Seller will make Contributions of an aggregate of approximately \$879,000 to the Trust Account within two business days prior to the beginning of each Extension. If, however, the Seller does not request that we extend to January 21, 2020 or any additional 30-day period thereafter and we also determine not to extend or our board of directors otherwise determines that we will not be able to consummate an initial business combination by the Extended Date and does not wish to have an additional Extension, our board of directors would wind up our affairs and redeem 100% of the outstanding public shares.

We believe the Company's sources of liquidity, including our \$740,000 cash position at September 30, 2019, together with the agreement for Seller Loans in the Share Exchange Agreement, are adequate to fund our operations until December 21, 2019 and thereafter at the Company's option or upon the Sellers request up to five times initially to January 21, 2020 and thereafter by up to four additional 30-day periods when we are required to complete our business combination or cease operations and liquidate. In addition, the Company may continue to withdraw from the Trust Account amounts necessary for taxes, and for working capital of up to \$750,000 annually (on a pro rata basis), during the period of the Extension Agreement. We will use these funds primarily to perform business due diligence on the prospective Business Combination target business, review corporate documents and material agreements of prospective target business, structure, negotiate and complete the Business Combination, pay our professional and other costs of being a public company, and to pay taxes to the extent the interest earned on the trust account is not sufficient to pay our taxes. We do not expect to have any material capital expenditures during 2019, except as may be incurred in connection with our initial business combination (if any).

In order to fund working capital deficiencies or finance transaction costs in connection with an intended initial business combination, our Sponsor or an affiliate of our Sponsor or certain of our officers and directors may, but are not obligated to, loan us funds as may be required. If we complete our initial business combination, we would repay such loaned amounts. In the event that our initial business combination does not close, we may use a portion of the working capital held outside the Trust Account to repay such loaned amounts but no proceeds from our Trust Account would be used for such repayment. Up to \$1,500,000 of such loans may be convertible into warrants of the post business combination entity at a price of \$0.50 per warrant at the option of the lender. The warrants would be identical to the private placement warrants issued to our Sponsor, including as to exercise price, exercisability and exercise period. The terms of such loans by our officers and directors, if any, have not been determined and no written agreements exist with respect to such loans. Assuming that we complete our initial business combination within the 24 month period subsequent to our Public Offering, we do not expect to seek loans from parties other than our Sponsor or an affiliate of our sponsor as we do not believe third parties will be willing to loan such funds and provide a waiver against any and all rights to seek access to funds in our Trust Account.

Unless and until we complete an initial business combination, we expect our primary liquidity requirements will include legal, accounting, due diligence, travel and other expenses associated with completing the Business Combination or structuring, negotiating and documenting successful business combinations; legal and accounting fees related to regulatory reporting requirements; NYSE and other regulatory fees; office space, administrative, consulting and support services provided under an agreement with our Sponsor and other working capital needs. In addition, we expect to use a portion of the funds not being placed in trust to pay commitment fees for financing, fees to consultants to assist us with our search for a target business or as a down payment or to fund a "no-shop" provision (a provision designed to keep target businesses from "shopping" around for transactions with other companies on terms more favorable to such target businesses) with respect to a particular proposed business combination. If we entered into an agreement where we paid for the right to receive exclusivity from a target business, the amount that would be used as a down payment or to fund a "no-shop" provision would be determined based on the terms of the specific business combination and the amount of our available funds at the time. Our forfeiture of such funds (whether as a result of our breach or otherwise) could result in our not having sufficient funds to continue searching for, or conducting due diligence with respect to, prospective target businesses. There can be no assurances that we will complete our initial business combination within the 24 month period subsequent to our Public Offering, which could materially and adversely affect our liquidity requirements and working capital needs.

Going Concern

In connection with the Company's assessment of going concern considerations in accordance with Financial Accounting Standard Board's Accounting Standards Update ("ASU") 2014-15, "Disclosures of Uncertainties about an Entity's Ability to Continue as a Going Concern", management has determined that the mandatory liquidation and subsequent dissolution raises substantial doubt about the Company's ability to continue as a going concern. No adjustments have been made to the carrying amounts of assets or liabilities should the Company be required to liquidate after December 21, 2019 and thereafter at the Company's option or upon the Sellers request up to five times initially to January 21, 2020 and thereafter by up to four additional 30-day periods.

Critical Accounting Policies

The preparation of financial statements and related disclosures in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and income and expenses during the periods reported. Actual results could materially differ from those estimates. The Company has identified the following as its critical accounting policies:

Emerging Growth Company

Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such an election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard.

Net Income (Loss) per Common Share

Net income (loss) per common share is computed by dividing net income (loss) applicable to common stockholders by the weighted average number of common shares outstanding for the period. The Company has not considered the effect of the warrants sold in the initial public offering (including the consummation of the over-allotment) and private placement to purchase an aggregate of 23,750,000 Class A ordinary shares in the calculation of diluted income (loss) per share, since their inclusion would be anti-dilutive under the treasury stock method. As a result, diluted income (loss) per common share is the same as basic loss per common share for the period.

The Company's statements of operations include a presentation of income (loss) per share for common stock subject to redemption in a manner similar to the two-class method of income (loss) per share. Net income (loss) per common share, basic and diluted for Class A common stock is calculated by dividing the interest income earned on the Trust Account, net of income tax expense, franchise tax expense and funds available to be withdrawn from Trust for working capital purposes (up to a maximum of \$750,000 annually), by the weighted average number of Class A common stock outstanding for the period. Net income (loss) per common share, basic and diluted, for Class F common stock is calculated by dividing the net income (loss), less income attributable to Class A Common Stock, by the weighted average number of Class F common stock outstanding for the period. Net income (loss) available to each class of common stockholders is as follows for the three and nine months ended September 30, 2019 and 2018:

	Three months ended September 30,		Nine months ended September 30	
	2019	2018	2019	2018
Net income available to Class A common stockholders:				
Interest income	\$ 1,588,000	1,522,000	\$ 5,154,000	\$ 3,878,000
Less: Income and franchise taxes	(375,000)	(380,000)	(1,205,000)	(915,000)
Expenses available to be paid with interest income from Trust (up to a maximum of \$750,000 per year)	-	(161,000)	-	(619,000)
Net income available to Class A common stockholders	<u>\$ 1,213,000</u>	<u>\$ 981,000</u>	<u>\$ 3,949,000</u>	<u>\$ 2,344,000</u>

	Three months ended		Nine months ended	
	September 30,		September 30	
	2019	2018	2019	2018
Net income available to Class F common stockholders:				
Net income	\$ 53,000	\$ 981,000	\$ 1,533,000	\$ 2,344,000
Less: amount attributable to Class A common stockholders	(1,213,000)	(981,000)	(3,949,000)	(2,344,000)
Net income (loss) available to class F common stockholders	<u>\$ (1,160,000)</u>	<u>\$ -</u>	<u>\$ (2,416,000)</u>	<u>\$ -</u>

Financial Instruments:

The fair value of the Company's assets and liabilities, which qualify as financial instruments under FASB ASC 820, "Fair Value Measurements and Disclosures," approximates the carrying amounts represented in the financial statements.

Deferred Offering Costs:

The Company complies with the requirements of the ASC 340-10-S99-1 and SEC Staff Accounting Bulletin (SAB) Topic 5A – "Expenses of Offering". Offering costs of approximately \$17,387,000 consisted principally of underwriter discounts of \$16,500,000 (including \$10,500,000 of which payment is deferred) and approximately \$887,000 of professional, printing, filing, regulatory and other costs, have been charged to additional paid-in-capital upon completion of the public offering.

Income Taxes:

The Company follows the asset and liability method of accounting for income taxes under FASB ASC, 740, "Income Taxes." Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that included the enactment date. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

The Company's currently taxable income consists of interest income on the Trust Account net of franchise taxes. The Company's general and administrative costs are generally considered start-up costs and are not currently deductible. The Company recorded income tax expense of approximately \$325,000 and \$1,055,000, respectively, in the three and nine months ended September 30, 2019 and \$330,000 and \$765,000, respectively, in the three and nine months ended September 30, 2018, primarily related to interest income earned on the Trust Account net of franchise taxes. The Company's effective tax rate was approximately 86% and 41%, respectively, for the three and nine months ended September 30, 2019 and approximately 25%, for each of the three and nine months ended September 30, 2018. The Company's effective tax rate differs from the expected income tax rate due to the start-up costs (discussed above) which are not currently deductible. At September 30, 2019 and December 31, 2018, the Company has a deferred tax asset of approximately \$850,000 and \$355,000, respectively. Management has determined that a full valuation allowance of the deferred tax asset is appropriate at this time.

FASB ASC 740 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. There were no unrecognized tax benefits as of September 30, 2019 and December 31, 2018. The Company recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense. No amounts were accrued for the payment of interest and penalties at September 30, 2019 and December 31, 2018. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position. The Company is subject to income tax examinations by major taxing authorities since inception.

Redeemable Common Stock:

As discussed in Note 3, all of the 30,000,000 common shares sold as part of a Unit in the public offering contain a redemption feature which allows for the redemption of common shares under the Company's Liquidation or Tender Offer/Stockholder Approval provisions. In accordance with FASB 480, redemption provisions not solely within the control of the Company require the security to be classified outside of permanent equity. Ordinary liquidation events, which involve the redemption and liquidation of all of the entity's equity instruments, are excluded from the provisions of FASB ASC 480. Although the Company did not specify a maximum redemption threshold, its charter provides that in no event will it redeem its Public Shares in an amount that would cause its net tangible assets (stockholders' equity) to be less than \$5,000,001.

The Company recognizes changes immediately as they occur and adjusts the carrying value of the securities at the end of each reporting period. Increases or decreases in the carrying amount of redeemable common stock are affected by adjustments to additional paid-in capital. Accordingly, at September 30, 2019 and December 31, 2018, 29,069,433 and 28,916,141, respectively, of the 30,000,000 Public Shares were classified outside of permanent equity at approximately \$10.00 per share.

Recent Accounting Pronouncements

Management does not believe that any recently issued, but not yet effective, accounting pronouncements, if currently adopted, would have a material effect on the Company's financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable for smaller reporting companies.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in company reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

As required by Rules 13a-15 and 15d-15 under the Exchange Act, our Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of September 30, 2019. Based upon their evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were effective as of September 30, 2019.

Changes in Internal Control over Financial Reporting

During the three months ended September 30, 2019, there has been no change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

In making its assessment of the effectiveness of the Company's internal control over financial reporting, the Company's management utilizes the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control — Integrated Framework

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 1A. RISK FACTORS

As of the date of this Quarterly Report on Form 10-Q, there have been no material changes to the risk factors disclosed in our annual report on Form 10-K for the year ended December 31, 2018. Any of these factors could result in a significant or material adverse effect on our results of operations or financial condition. Additional risk factors not presently known to us or that we currently deem immaterial may also impair our business or results of operations. We may disclose changes to such risk factors or disclose additional risk factors from time to time in our future filings with the SEC.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

<u>Exhibit Number</u>	<u>Description</u>
2.1	Share Exchange Agreement, dated as of August 23, 2019, by and between Legacy and Blue Valor Limited*(1)
2.2	First Amendment to Share Exchange Agreement dated as of September 27, 2019, by and between Legacy and Blue Valor Limited.(2)
3.1	Articles of Amendment to Amended and Restated Certificate of Incorporation.(3)
10.1	Amendment No.1 to Investment Management Trust Agreement dated October 22, 2019 by and between Legacy Acquisition Corp., a Delaware corporation, and Continental Stock Transfer and Trust Company, a New York corporation.(3)
10.2	Promissory Note dated as of October 23, 2019 issued by Legacy Acquisition Corp. to Blue Valor Limited.(4)
31.1	Certification of the Principal Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes Oxley Act of 2002.
31.2	Certification of the Principal Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes Oxley Act of 2002.
32.1**	Certification of the Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002.
32.2**	Certification of the Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* Legacy has omitted schedules and similar attachments to the Share Exchange Agreement pursuant to Item 601(a)(5) of Regulation S-K.

** Furnished herewith

- (1) Incorporated by reference to Exhibit 2.1 to the Current Report filed on August 27, 2019.
- (2) Incorporated by reference to Exhibit 2.1 to the Current Report filed on October 8, 2019.
- (3) Incorporated by reference to Exhibit 3.1 to the Current Report filed on October 23, 2019.
- (4) Incorporated by reference to Exhibit 10.1 to the Current Report filed on October 29, 2019.

SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: November 12, 2019

LEGACY ACQUISITION CORP.

/s/ Edwin J. Rigaud

Name: Edwin J. Rigaud

Title: Chief Executive Officer and Chairman
(Principal Executive Officer)

Dated: November 12, 2019

/s/ William C. Finn

Name: William C. Finn

Title: Chief Financial Officer
(Principal Financial and Accounting Officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Edwin J. Rigaud, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Legacy Acquisition Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting, which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Edwin J. Rigaud
Edwin J. Rigaud
Chief Executive Officer and Chairman

Date: November 12, 2019

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, William C. Finn, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Legacy Acquisition Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting, which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ William C. Finn
William C. Finn
Chief Financial Officer

Date: November 12, 2019

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

Pursuant to 18 U.S.C. 1350

(Section 906 of the Sarbanes-Oxley Act of 2002)

In connection with the Quarterly Report on Form 10-Q of Legacy Acquisition Corp. (the "Company") for the quarter ended September 30, 2019, as filed with the Securities and Exchange Commission (the "Report"), I, Edwin J. Rigaud, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 12, 2019

/s/ Edwin J. Rigaud

Name: Edwin J. Rigaud

Title: Chief Executive Officer and Chairman

(Principal Executive Officer)

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

Pursuant to 18 U.S.C. 1350

(Section 906 of the Sarbanes-Oxley Act of 2002)

In connection with the Quarterly Report on Form 10-Q of Legacy Acquisition Corp. (the "Company") for the quarter ended September 30, 2019, as filed with the Securities and Exchange Commission (the "Report"), I, William Finn, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 12, 2019

/s/ William C. Finn

Name: William C. Finn

Title: Chief Financial Officer

(Principal Financial and Accounting Officer)