
FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**Report of Foreign Private Issuer
Pursuant to Rule 13a-16 under
the Securities Exchange Act of 1934**

For the month ended June, 2021

ICON plc
(Registrant's name)

333-08704
(Commission file number)

South County Business Park, Leopardstown, Dublin 18, Ireland
(Address of principal executive offices)

Brendan Brennan, CFO
South County Business Park, Leopardstown, Dublin 18, Ireland.
Brendan.Brennan@iconplc.com
00-353-1-291-2000

(Name, telephone number, email and/or facsimile number and address of Company contact person)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark whether the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes No

Indicate by check mark whether the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes No

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):82 N/A

On June 14, 2021, ICON plc (“ICON”) issued a press release announcing, in connection with the proposed acquisition by ICON of PRA Health Sciences, Inc. (“PRA”) pursuant to which Indigo Merger Sub, Inc., a wholly owned subsidiary of ICON (“Merger Sub”), will merge with and into PRA (the “Merger”), with PRA surviving the Merger, that Merger Sub intends to offer \$500 million aggregate principal amount of Senior Secured Notes due 2026 and \$1,515 million aggregate principal amount of Senior Secured Notes due 2028 in a private offering (the “Proposed Offering”), subject to market and other conditions, in a private placement exempt from the registration requirements of the Securities Act of 1933, as amended. A copy of the press release is attached hereto as Exhibit 99.1 to this Form 6-K and is incorporated herein by reference.

In connection with the Proposed Offering, ICON disclosed certain information to prospective investors in a preliminary offering memorandum, dated June 14, 2021 (the “Preliminary Offering Memorandum”), excerpts of which are furnished herewith, in the general form presented in the Preliminary Offering Memorandum, as Exhibit 99.2 to this Form 6-K and are incorporated herein by reference.

The information disclosed under in this Form 6-K is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 and shall not be deemed incorporated by reference into any filing made under the Securities Act of 1933, except as expressly set forth by specific reference in such filing.

Cautionary Note Regarding Forward-Looking Statements

This communication contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements generally include statements regarding the potential transaction between ICON public limited company, a public limited company in Ireland (“ICON”) and PRA Health Sciences, Inc., a Delaware corporation (“PRA”), including any statements regarding the expected timetable for completing the potential transaction, the ability to complete the potential transaction, the expected benefits of the potential transaction (including anticipated synergies, projected financial information and future opportunities) and any other statements regarding ICON’s and PRA’s future expectations, beliefs, plans, objectives, results of operations, financial condition and cash flows, or future events or performance. These statements are often, but not always, made through the use of words or phrases such as “anticipate,” “intend,” “plan,” “believe,” “project,” “estimate,” “expect,” “may,” “should,” “will” and similar expressions. All such forward-looking statements are based on current expectations of ICON’s and PRA’s management and therefore involve estimates and assumptions that are subject to risks, uncertainties and other factors that could cause actual results to differ materially from the results expressed in the statements. Key factors that could cause actual results to differ materially from those projected in the forward-looking statements include the ability to obtain the requisite ICON and PRA stockholder approvals; uncertainties as to the timing to consummate the potential transaction; the risk that a condition to closing the potential transaction may not be satisfied; litigation relating to the potential transaction that has been or could be instituted against ICON, PRA or their respective directors; the effects of disruption to ICON’s or PRA’s respective businesses; restrictions during the pendency of the potential transaction that may impact ICON’s or PRA’s ability to pursue certain business opportunities or strategic transactions; the effect of this communication on ICON’s or PRA’s stock prices; transaction costs; ICON’s ability to achieve the benefits from the proposed transaction; ICON’s ability to effectively integrate acquired operations into its own operations; the ability of ICON or PRA to retain and hire key personnel; unknown liabilities; and the diversion of management time on transaction-related issues. Other important factors that could cause actual results to differ materially from those in the forward-looking statements include the effects of industry, market, economic, political or regulatory conditions outside of ICON’s or PRA’s control (including public health crises, such as pandemics and epidemics); risks regarding PRA’s ability to maintain large customer contracts or enter into new contracts; PRA’s ability to attract suitable investigators and patients for its clinical trials; PRA’s ability to keep pace with rapid technological change; PRA’s potential liability if a patient is harmed; and the factors set forth under the heading “Risk Factors” of ICON’s Annual Report on Form 20-F and PRA’s Annual Report on Form 10-K and most recent Quarterly Report on Form 10-Q, and in subsequent filings with the U.S. Securities and Exchange Commission (the “SEC”). These risks, as well as other risks associated with the potential transaction, are more fully discussed in the joint proxy statement/prospectus filed with the SEC in connection with the proposed transaction. Other unpredictable or unknown factors not discussed in this communication could also have material adverse effects on forward-looking statements. Neither ICON nor PRA assumes any obligation to update any forward-looking statements, except as required by law. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof.

No Offer or Solicitation

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Important Information for Investors and Stockholders

In connection with the potential transaction, ICON has filed a registration statement on Form F-4 (File No. 333-254891) with the SEC containing a prospectus of ICON that also constitutes a proxy statement of each of ICON and PRA. The registration statement, as amended, was declared effective by the SEC on April 27, 2021. Each of ICON and PRA commenced mailing copies of the definitive joint proxy statement/prospectus to stockholders of ICON and PRA, respectively, on or about April 27, 2021. ICON and PRA may also file other documents with the SEC regarding the potential transaction. This communication is not a substitute for the joint proxy statement/prospectus or registration statement or for any other document that ICON or PRA have filed or may file with the SEC in connection with the potential transaction. INVESTORS AND SECURITY HOLDERS OF ICON AND PRA ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND OTHER DOCUMENTS THAT ARE FILED OR WILL BE FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THESE DOCUMENTS, CAREFULLY AND IN THEIR ENTIRETY BECAUSE THEY WILL IMPORTANT INFORMATION. Investors and security holders are able to obtain free copies of the joint proxy statement/prospectus and other documents filed with the SEC by ICON or PRA through the website maintained by the SEC at <http://www.sec.gov>. Copies of the documents filed with the SEC by ICON are available free of charge on ICON's website at <https://www.iconplc.com> and copies of the documents filed with the SEC by PRA are available free of charge on PRA's website at <https://www.prahs.com/>. Additionally, copies may be obtained by contacting the investor relations departments of ICON or PRA.

ICON and PRA and certain of their respective directors, certain of their respective executive officers and other members of management and employees may be considered participants in the solicitation of proxies with respect to the potential transaction under the rules of the SEC. Information about the directors and executive officers of ICON is set forth in its annual report on Form 20-F, which was filed with the SEC on February 24, 2021. Information about the directors and executive officers of PRA is set forth in its Amendment to Annual Report on Form 10-K/A for the fiscal year ended December 31, 2020, which was filed with the SEC on March 30, 2021. These documents can be obtained free of charge from the sources indicated above. Additional information regarding the interests of such participants in the solicitation of proxies in respect of the potential transaction are included in the registration statement and joint proxy statement/prospectus and other relevant materials filed with the SEC.

The term "ICON" and such terms as "the company," "our," "we," "us" and "its" may refer to ICON public limited company, one or more of its consolidated subsidiaries, or to all of them taken as a whole. All of these terms are used for convenience only and are not intended as a precise description of any of the separate companies, each of which manages its own affairs.

EXHIBIT LIST

<u>Exhibit</u>	<u>Description</u>
99.1	Press Release, dated June 14, 2021
99.2	Excerpts from preliminary offering memorandum, dated June 14, 2021

SIGNATURES

Pursuant to 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.

ICON plc

Date: June 14, 2021

/s/ Brendan Brennan

Brendan Brennan

Chief Financial Officer



ICON Announces Private Offering of Senior Secured Notes

Dublin, Ireland, June 14, 2021 – **ICON plc (NASDAQ: ICLR) (“ICON”)** announced today in connection with the proposed acquisition by ICON of PRA Health Sciences, Inc. (“PRA”) pursuant to which Indigo Merger Sub, Inc., a wholly owned subsidiary of ICON (“Merger Sub”) will merge with and into PRA (the “Merger”), with PRA surviving the Merger, that Merger Sub intends to offer \$500 million aggregate principal amount of Senior Secured Notes due 2026 and \$1,515 million aggregate principal amount of Senior Secured Notes due 2028 (collectively, the “Notes”) in a private offering (the “Offering”), subject to market and other conditions.

ICON intends to use the proceeds from the Offering, together with cash on hand and borrowings made under a proposed new credit facilities to be entered into in connection with the closing of the Merger, to (i) fund the cash consideration payable by ICON for the Merger, (ii) refinance and repay certain existing indebtedness of ICON, its subsidiaries and PRA (the “Refinancing”) and (iii) pay fees and expenses related to the Merger, the Refinancing and the Offering. Upon the consummation of the Merger, the Notes will be guaranteed on a senior secured basis by ICON and certain of its direct and indirect subsidiaries that will guarantee the new credit facilities.

This press release does not constitute an offer to sell or the solicitation of an offer to buy any of the Notes (and the guarantees) or any other securities or a solicitation of any vote or approval, nor will there be any sale of the Notes (or any guarantees) or any other securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or other jurisdiction. The Notes (and the guarantees) will be offered and sold in reliance on an exemption from the registration requirements provided by Rule 144A under the Securities Act of 1933 (the “Securities Act”) and to non-U.S. persons outside the United States pursuant to Regulation S under the Securities Act. None of the Notes or related guarantees have been registered under the Securities Act or the securities laws of any state or other jurisdiction, and the Notes (and such guarantees) may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and the securities laws of any applicable state or other jurisdiction. There can be no assurance that the proposed offering of Notes will be completed.

Forward-Looking Statements

This communication contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements generally include statements relating to the Notes and related financing transactions and regarding the potential transaction between ICON public limited company, a public limited company in Ireland (“ICON”) and PRA Health Sciences, Inc., a Delaware corporation (“PRA”), including any statements regarding the expected timetable for completing the potential transaction, the ability to complete the potential transaction, the expected benefits of the potential transaction (including anticipated synergies, projected financial information and future opportunities) and any other statements regarding ICON’s and PRA’s future expectations, beliefs, plans, objectives, results of operations, financial condition and cash flows, or future events or performance. These statements are often, but not always, made through the use of words or phrases such as “anticipate,” “intend,” “plan,” “believe,” “project,” “estimate,” “expect,” “may,” “should,” “will” and similar expressions. All such forward-looking statements are based on current expectations of ICON’s and PRA’s management and therefore involve estimates and assumptions that are subject to risks, uncertainties and other factors that could cause actual results to differ materially from the results expressed in the statements. Key factors that could cause actual results to differ materially from those projected in the forward-looking statements include the ability to obtain the requisite ICON and PRA stockholder approvals; uncertainties as to the timing to consummate the potential transaction; the risk that a condition to closing the potential transaction may not be satisfied; potential litigation relating to the potential transaction that could be instituted against ICON, PRA or their respective directors; the effects of disruption to ICON’s or PRA’s respective businesses; restrictions during the pendency of the potential transaction that may impact ICON’s or PRA’s ability to pursue certain business opportunities or strategic transactions; the effect of this communication on ICON’s or PRA’s stock prices; transaction costs; ICON’s ability to achieve the benefits from the proposed transaction; ICON’s ability to effectively integrate acquired operations into its own operations; the ability of ICON or PRA to retain and hire key personnel; unknown liabilities; and the diversion of management time on transaction-related issues. Other important factors that could cause actual results to differ materially from those in the forward-looking statements include the effects of industry, market, economic, political or regulatory conditions outside of ICON’s or PRA’s control (including public health crises, such as pandemics and epidemics); risks regarding PRA’s ability to maintain large customer contracts or enter into new contracts; PRA’s ability to attract suitable investigators and patients for its clinical trials; PRA’s ability to keep pace with rapid technological change; PRA’s potential liability if a patient is harmed; and the factors set forth under the heading “Risk Factors” of ICON’s Annual Report on Form 20-F and PRA’s Annual Report on Form 10-K, and in subsequent filings with the U.S. Securities and Exchange Commission (the “SEC”). These risks, as well as other risks associated with the potential transaction, are more fully discussed in the joint proxy statement/prospectus to be filed with the SEC in connection with the proposed transaction. Other unpredictable or unknown factors not discussed in this communication could also have material adverse effects on forward-looking statements. Neither ICON nor PRA assumes any obligation to update

any forward-looking statements, except as required by law. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof.

Important Information for Investors and Stockholders

As announced on February 24th, 2021, ICON and PRA Health Sciences (“PRA”) have entered into a definitive merger agreement. In connection with the potential acquisition transaction, ICON has filed a registration statement on Form F-4 (File No. 333-254891) with the SEC containing a prospectus of ICON that also constitutes a proxy statement of each of ICON and PRA. The registration statement, as amended, was declared effective, by the SEC on April 28, 2021. Each of ICON and PRA commenced mailing copies of the definitive joint proxy statement/prospectus to stockholders of ICON and PRA, respectively, on or about April 28, 2021. ICON and PRA may also file other documents with the SEC regarding the potential transaction. This communication is not a substitute for the joint proxy statement/prospectus or registration statement or for any other document that ICON or PRA have filed or may file with the SEC in connection with the potential transaction. **INVESTORS AND SECURITY HOLDERS OF ICON AND PRA ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND OTHER DOCUMENTS THAT ARE FILED OR WILL BE FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THESE DOCUMENTS, CAREFULLY AND IN THEIR ENTIRETY BECAUSE THEY CONTAIN IMPORTANT INFORMATION.** Investors and security holders are able to obtain free copies of the joint proxy statement/prospectus and other documents filed with the SEC by ICON or PRA through the website maintained by the SEC at <http://www.sec.gov>. Copies of the documents filed with the SEC by ICON are available free of charge on ICON’s website at <https://www.iconplc.com> and copies of the documents filed with the SEC by PRA are available free of charge on PRA’s website at <https://www.prahs.com/>. Additionally, copies may be obtained by contacting the investor relations departments of ICON or PRA.

ICON and PRA and certain of their respective directors, certain of their respective executive officers and other members of management and employees may be considered participants in the solicitation of proxies with respect to the potential transaction under the rules of the SEC. Information about the directors and executive officers of ICON is set forth in its annual report on Form 20-F, which was filed with the SEC on February 24, 2021. Information about the directors and executive officers of PRA is set forth in its Amendment to Annual Report on Form 10-K/A for the fiscal year ended December 31, 2020, which was filed with the SEC on March 30, 2021. These documents can be obtained free of charge from the sources indicated above. Additional information regarding the interests of such participants in the solicitation of proxies in respect of the potential transaction are included in the registration statement and joint proxy statement/prospectus and other relevant materials filed with the SEC.

About ICON

ICON plc is a global provider of outsourced drug and device development and commercialisation services to pharmaceutical, biotechnology, medical device and government and public health organisations. The company specialises in the strategic development, management and analysis of programs that support clinical development - from compound selection to Phase I-IV clinical studies. With headquarters in Dublin, Ireland, ICON employed approximately 16,070 employees in 89 locations in 43 countries as at March 31, 2021.

Source: ICON plc

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All at ICON.

ICON/ICLR-F

NON-GAAP FINANCIAL MEASURES

EBITDA, Adjusted EBITDA, Pro Forma EBITDA, Pro Forma Adjusted EBITDA, Pro Forma Further Adjusted EBITDA, Adjusted Free Cash Flow, Cash Conversion and Total Pro Forma Net Debt as presented in this offering memorandum with respect to each of ICON and PRA are supplemental financial measures that are not required by, or presented in accordance with, generally accepted accounting principles in the United States (“GAAP”). We define (1) EBITDA as net income *before* depreciation and amortization expense, interest expense, net and provision for income taxes and net income attributable to noncontrolling interests; (2) Adjusted EBITDA as EBITDA *plus* share of equity method investments, stock-based compensation expense, certain transaction-related costs and restructuring charges; (3) Pro Forma EBITDA as net income of the combined company *before* depreciation and amortization expense, interest expense, net and provision for income taxes and share of equity method investments; (4) Pro Forma Adjusted EBITDA as Pro Forma EBITDA *plus* share of equity method investments, stock-based compensation expense, certain transaction-related costs and restructuring charges; (5) Pro Forma Further Adjusted EBITDA as Pro Forma Adjusted EBITDA *plus* certain cost savings and synergies expected to be realized as a result of the Merger; (6) Adjusted Free Cash Flow and Pro Forma Adjusted Free Cash Flow, as the case may be, as Adjusted EBITDA or Pro Forma Further Adjusted EBITDA, as the case may be, *minus* capital expenditures; (7) Cash Conversion and Pro Forma Cash Conversion, as the case may be, as Adjusted Free Cash Flow or Pro Forma Adjusted Free Cash Flow, as the case may be, *divided by* Adjusted EBITDA or Pro Forma Further Adjusted EBITDA, as the case may be and (8) Total Pro Forma Net Debt as the principal amount (without adjustment for deferred financing costs or original issue discount) of total debt of the combined company minus cash and cash equivalents of the combined company. EBITDA, Adjusted EBITDA, Pro Forma EBITDA, Pro Forma Adjusted EBITDA, Pro Forma Further Adjusted EBITDA, Adjusted Free Cash Flow, Cash Conversion, Pro Forma Adjusted Free Cash Flow Pro Forma Cash Conversion and Pro Forma Total Net Debt are commonly used as measures of financial performance or liquidity, and are used solely as performance and liquidity measures. EBITDA, Adjusted EBITDA, Pro Forma EBITDA, Pro Forma Adjusted EBITDA, Pro Forma Further Adjusted EBITDA, Adjusted Free Cash Flow, Cash Conversion, Pro Forma Adjusted Free Cash Flow, Pro Forma Cash Conversion and Pro Forma Total Net Debt should not be considered measures of financial performance or liquidity under GAAP, and the items excluded from EBITDA, Adjusted EBITDA, Pro Forma EBITDA, Pro Forma Adjusted EBITDA, Pro Forma Further Adjusted EBITDA, Adjusted Free Cash Flow, Cash Conversion, Pro Forma Adjusted Free Cash Flow, Pro Forma Cash Conversion and Pro Forma Total Net Debt are significant components in understanding and assessing the combined company’s financial performance or liquidity. EBITDA, Adjusted EBITDA, Pro Forma EBITDA, Pro Forma Adjusted EBITDA, Pro Forma Further Adjusted EBITDA, Adjusted Free Cash Flow, Cash Conversion, Pro Forma Adjusted Free Cash Flow, Pro Forma Cash Conversion and Pro Forma Total Net Debt should not be considered in isolation or as alternatives to such GAAP measures as net income, cash flows provided by or used in operating, investing or financing activities or other financial statement data presented in the financial statements of PRA and ICON or the pro forma financial statements of the combined company as indicators of financial performance. Since EBITDA, Adjusted EBITDA, Pro Forma EBITDA, Pro Forma Adjusted EBITDA, Pro Forma Further Adjusted EBITDA, Adjusted Free Cash Flow, Cash Conversion, Pro Forma Adjusted Free Cash Flow, Pro Forma Cash Conversion and Pro Forma Total Net Debt are not measures determined in accordance with GAAP and are susceptible to varying calculations, EBITDA, Adjusted EBITDA, Pro Forma EBITDA, Pro Forma Adjusted EBITDA, Pro Forma Further Adjusted EBITDA, Adjusted Free Cash Flow, Cash Conversion, Pro Forma Adjusted Free Cash Flow, Pro Forma Cash Conversion and Pro Forma Total Net Debt, as presented, may not be comparable to other similarly titled measures of other companies. Furthermore, as presented in this offering memorandum we use ICON’s definition for such non-GAAP measures with respect to PRA, and as a result will differ from PRA’s historical metrics.

Accordingly, we have provided reconciliations of such non-GAAP measures under “Summary—Summary ICON Historical Consolidated Financial Data,” “Summary—Summary PRA Historical Consolidated Financial Data” and “Summary—Summary Unaudited Pro Forma Condensed Combined Financial Information.” You are encouraged to review those reconciliations carefully.

EBITDA, Adjusted EBITDA, Pro Forma EBITDA, Pro Forma Adjusted EBITDA, Pro Forma Further Adjusted EBITDA, Adjusted Free Cash Flow, Cash Conversion, Pro Forma Adjusted Free Cash Flow, Pro Forma Cash Conversion and Pro Forma Total Net Debt have limitations as analytical tools, and should not be considered in isolation or as substitutes for analyzing our results as reported under GAAP.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS AND INFORMATION

This offering memorandum contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements generally include statements regarding ICON, PRA, the Transactions and related to the Notes and related financing transactions, including any statements regarding the expected timetable for completing the potential transaction, the ability to complete the potential transaction, the expected benefits of the potential transaction (including anticipated synergies, projected financial information and future opportunities) and any other statements regarding ICON’s and/or PRA’s future expectations, beliefs, plans, objectives, results of operations, financial condition and cash flows, or future events or performance. These statements are often, but not always, made through the use of words or phrases such as “anticipate,” “intend,” “plan,” “believe,” “project,” “estimate,” “expect,” “may,” “should,” “will” and similar expressions. All such forward-looking statements are based, as applicable, on current expectations of ICON’s and PRA’s management and therefore involve estimates and assumptions that are subject to risks, uncertainties and other factors that could cause actual results to differ materially from the results expressed in the statements. Key factors that could cause actual results to differ materially from those projected in the forward-looking statements include the ability to obtain the requisite ICON and PRA stockholder approvals; uncertainties as to the timing to consummate the potential transaction; the risk that a condition to closing the potential transaction may not be satisfied; litigation relating to the potential transaction that has been or could be instituted against ICON, PRA or their respective directors; the effects of disruption to ICON’s or PRA’s respective businesses; restrictions during the pendency of the potential transaction that may impact ICON’s or PRA’s ability to pursue certain business opportunities or strategic transactions; the effect of this communication on ICON’s or PRA’s stock prices; transaction costs; ICON’s ability to achieve the benefits from the proposed transaction; ICON’s ability to effectively integrate acquired operations into its own operations; the ability of ICON or PRA to retain and hire key personnel; unknown liabilities; and the diversion of management time on transaction-related issues. Other important factors that could cause actual results to differ materially from those in the forward-looking statements include the effects of industry, market, economic, political or regulatory conditions outside of ICON’s or PRA’s control (including public health crises, such as pandemics and epidemics); risks regarding PRA’s ability to maintain large customer contracts or enter into new contracts; PRA’s ability to attract suitable investigators and patients for its clinical trials; PRA’s ability to keep pace with rapid technological change; PRA’s potential liability if a patient is harmed and the factors set forth under the heading “Risk Factors” beginning on page 27.

The Transactions

The Merger

On February 24, 2021, ICON, US Holdco, Merger Sub and PRA entered into the Merger Agreement, pursuant to which Merger Sub will merge with and into PRA. At the effective time of the Merger (the “Effective Time”), the separate existence of Merger Sub will cease, and PRA will be the surviving corporation and a wholly owned subsidiary of ICON and US Holdco. Following the Merger, PRA common stock will be delisted from Nasdaq, deregistered under the Exchange Act and will cease to be publicly traded.

In the Merger, each share of PRA common stock (other than certain excluded shares and dissenting shares) will be converted automatically into the right to receive (i) 0.4125 of one ICON ordinary share, which number is referred to as the exchange ratio, and (ii) \$80.00 in cash, without interest. The exchange ratio is fixed and will not be adjusted for changes in the market price of either ICON ordinary shares or PRA common stock prior to completion of the Merger. No fractional ICON ordinary shares will be issued upon the conversion of shares of PRA common stock pursuant to the Merger Agreement. Each PRA stockholder that otherwise would have been entitled to receive a fraction of a share of ICON ordinary shares will be entitled to receive cash in lieu of a fractional share. At the Effective Time, all excluded shares (other than subsidiary-held shares) will be canceled and will cease to exist, and no payment will be made in respect of such shares.

At the Effective Time, each PRA stock option, whether vested or unvested, that is outstanding as of immediately prior to the Effective Time, will be assumed by ICON and converted into an option to purchase a number of ICON ordinary shares equal to the product of (i) the number of shares of PRA common stock subject to such PRA stock option immediately prior to the Effective Time and (ii) the equity award conversion ratio (as defined below) (rounded down to the nearest whole number of ICON ordinary shares on an award-by-award basis), with an exercise price equal to the quotient of (x) the exercise price per share of PRA common stock subject to such PRA stock option and (y) the equity award conversion ratio (rounded up to the nearest whole cent), in each case, subject to the same terms and conditions as were applicable to such PRA stock option immediately prior to the Effective Time (including applicable vesting conditions). At the Effective Time, each outstanding restricted share of PRA common stock will vest at closing and be converted automatically into the right to receive the Merger consideration for each such share. At the Effective Time, each outstanding restricted stock unit award in respect of PRA common stock, whether vested or unvested, will be assumed by ICON and converted into a number of restricted share units with respect to a number of ICON ordinary shares equal to the product of (i) the number of such PRA restricted stock units and (ii) the equity award conversion ratio (rounded down to the nearest whole number of ICON restricted share units on an award-by-award basis), subject to the same terms and conditions as were applicable to such PRA restricted stock unit award immediately prior to the Effective Time (including applicable vesting conditions).

If this offering closes prior to the consummation of the Merger, concurrently with the closing of this offering, the Escrow Issuer will deposit the gross proceeds from this offering of Notes and the Issuer will deposit (or cause to be deposited) into Escrow Accounts an amount sufficient to pay interest that would accrue on the Notes of each series from the Issue Date (or the last day on which interest was paid on the Notes) up to, but excluding, the date that is fifteen calendar days following the Issue Date (the “Initial Accrual Date”). No later than the close of business on the date that is two business days prior to the Initial Accrual Date (the “Initial Deposit Date”) and every 15 calendar days thereafter (in each case, unless the Release Date or a Special Mandatory Redemption has occurred), the Issuer will deposit (or cause to be deposited) to the Escrow Accounts an additional amount of cash and/or cash equivalents sufficient to pay the interest that would accrue on the Notes of each applicable series to, but excluding, the last day of the next succeeding 15 calendar day period (beginning with the 15 calendar days after the Initial Accrual Date) (in each case, as calculated in accordance with the terms of the indenture). The Escrow Release will be subject to the satisfaction of certain conditions, including that the Merger shall have been consummated. If the conditions to the Escrow Release have not been satisfied on or prior to the Initial Outside Date (subject to the potential extension of such date pursuant to the terms of the Merger Agreement not beyond the Final Outside Date), or upon the occurrence of certain other events, the Notes of each series will be subject to a Special Mandatory Redemption at a price equal to 100% of the initial issue price of the Notes of each applicable series, plus accrued and unpaid interest from the date the Notes are issued up to, but not including, the Special Mandatory Redemption Date. The funds deposited into the Escrow Account will be pledged as security for the benefit of the holders of the Notes of the applicable series. See “Description of Notes—Escrow of Proceeds; Special Mandatory Redemption.”

Financing Transactions

In connection with the consummation of the Merger, we intend to enter into the following financing transactions:

- (i) the borrowing of (i) \$4,000 million under a new senior secured U.S. dollar denominated term loan facility (the “Term Loan Facility”) and (ii) the entry into a new \$300 million senior secured revolving credit facility (the “New Revolving Credit Facility”) and, together with the Term Loan Facility, the “New Senior Secured Credit Facilities”);
- the issuance of \$500.0 million aggregate principal amount of 2026 Notes offered hereby; and
- the issuance of \$1,515.0 million aggregate principal amount of 2028 Notes offered hereby.

For a more detailed description of the New Senior Secured Credit Facilities, see “Description of Certain Other Indebtedness—New Senior Secured Credit Facilities.”

In addition, on the Release Date or, if the Merger is consummated on or prior to the consummation of this offering, the issue date, we intend to repay all amounts outstanding, and terminate all commitments in respect of, (i)(A) ICON Investments Five Unlimited Company’s (“ICON Five”) 2.32% Series A Senior Notes due December 8, 2023 (the “2023 Series A Notes”) and 2.43% Series B Senior Notes due December 8, 2025 (the “2025 Series B Notes”), both series of which are guaranteed by ICON and ICON Global Treasury Unlimited Company, a subsidiary of ICON and (B) our existing multi-currency revolving credit facility (the “Existing Revolving Credit Facility”), dated as of March 12, 2018, by and among ICON, ICON Five, Santander UK PLC (“Santander”), as agent, and the lenders party thereto (clauses (i)(A) and (B), collectively, the “Existing ICON Indebtedness”) and (ii)(A) the Credit Agreement, dated October 28, 2019, by and among PRA, PNC Bank, National Association, as administrative agent, the lenders party thereto and the other parties thereto and (B) the accounts receivable financing agreement, dated as of March 22, 2016, by and among PRA, PNC Capital Markets LLC, as structuring agent, the lenders party thereto and the other parties thereto (clauses (ii)(A) and (B), collectively, the “Existing PRA Indebtedness”).

Certain Initial Purchasers or their affiliates may hold a portion of the indebtedness being repaid or refinanced in connection with the Transactions and as a result may receive a portion of the net proceeds from this offering. See “Plan of Distribution.”

The consummation of the Merger, this offering of Notes, the entry into, and the initial borrowings under, the New Senior Secured Credit Facilities and the refinancing of the Existing ICON Indebtedness and the Existing PRA Indebtedness, together with the payment of fees and expenses relating thereto, are referred to in this offering memorandum collectively as the “Transactions.”

Sources and Uses

The following table sets forth estimated sources and uses of funds in connection with the Transactions, including the proceeds of the Notes offered hereby, assuming the Transactions occurred on March 31, 2021. Amounts shown in the table below are estimated and approximate. Actual amounts may vary from estimated amounts due to several factors, including the amount of available cash and debt as of the closing date of the Merger and differences from our estimate of transaction fees and expenses.

Sources of funds	Amount	Uses of funds	Amount
(dollars in millions)		(dollars in millions)	
Cash ^(a)	\$ 1,241.0	Equity Purchase Price	\$ 11,148.0
		Stock Consideration	5,773.0
		Cash Consideration	5,375.0
Term Loan Facility ^(b)		Existing ICON Indebtedness and Existing PRA	
	4,000.0	Indebtedness	1,631.0
ICON Equity ^(c)	5,773.0	Estimated fees and expenses related to the Transactions ^(d)	250.0
2026 Notes offered hereby	500.0		
2028 Notes offered hereby	1,515.0		
Total sources	<u>\$ 13,029.0</u>	Total uses	<u>\$ 13,029.0</u>

- (a) Cash is derived from the actual combined cash and equivalents of ICON and PRA as of March 31, 2021. As of March 31, 2021, prior to giving effect to the Transactions, the combined company would have had cash and cash equivalents of approximately \$1,632.7 million and, after giving effect to the Transactions, would have had approximately \$391.7 million of cash and cash equivalents. As of May 31, 2021, prior to giving effect to the Transactions, the combined company would have had cash and cash equivalents of approximately \$1,690.0 million. See “Summary—Summary PRA Historical Financial Data,” “Summary—Summary ICON Historical Financial Data,” “Use of Proceeds,” “Capitalization” and ICON’s Unaudited Pro Forma Condensed Combined Financial Statements (the “Pro Forma Financial Statements”) incorporated by reference into this offering memorandum from ICON’s Current Report on Form 6-K filed by ICON on June 14, 2021 (the “Pro Forma 6-K”) for additional information.
- (b) See “Summary—Financing Transactions” and “Description of Certain Other Indebtedness—New Senior Secured Credit Facilities.”
- (c) Represents the stock portion of the consideration for the Merger of 0.4125 ordinary shares of ICON for each share of PRA based on a fixed exchange ratio, calculated using the ICON share price as of May 31, 2021. See the Pro Forma 6-K for additional information, including for the number of PRA shares outstanding as of March 31, 2021.
- (d) Represents estimated fees and expenses associated with the Transactions, including financing fees, original issue discounts, legal, advisory and professional fees, and other transaction costs such as printing and rating agency fees. To the extent any financing fees, original issue discounts and other fees and expenses exceed the estimated amounts, we expect to fund such amounts with cash of the combined company at the closing of the Transactions.

SUMMARY UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following summary unaudited pro forma condensed combined financial information for the three months ended March 31, 2021, the three months ended March 31, 2020 and the year ended December 31, 2020 combine the historical consolidated statements of earnings of ICON and PRA. The summary unaudited pro forma condensed combined statement of earnings for the three months ended March 31, 2021, the three months ended March 31, 2020 and the year ended December 31, 2020 is presented as if the Merger had occurred on January 1, 2020, the beginning of the earliest period presented. The following table also presents certain other financial data for the combined company for the twelve months ended March 31, 2021, which were derived by adding the pro forma condensed combined financial information for the combined company for the three months ended March 31, 2021 with the pro forma condensed combined financial information for the fiscal year ended December 31, 2020 and then deducting the pro forma condensed combined financial information for the three months ended March 31, 2020. The summary unaudited pro forma financial information and other financial data are based on the historical consolidated financial statements of ICON and PRA, and certain assumptions and adjustments. See “Unaudited Pro Forma Condensed Combined Financial Information” for more information.

The summary unaudited pro forma financial information for the Merger has been developed from, and should be read in conjunction with, the ICON and PRA unaudited interim condensed consolidated financial statements contained in the ICON Quarterly Report on Form 6-K and PRA Quarterly Report on Form 10-Q for the three months ended March 31, 2021, respectively, the ICON audited consolidated financial statements contained in the ICON Annual Report on Form 20-F and the PRA audited consolidated financial statements contained in the PRA Annual Report on Form 10-K for the year ended December 31, 2020, which is incorporated by reference into this offering memorandum, and the more detailed Pro Forma Financial Statements, including the notes thereto, appearing in the Pro Forma 6-K incorporated by reference into this offering memorandum. See “Where You Can Find Additional Information”.

The summary unaudited pro forma financial information was prepared using the acquisition method of accounting with ICON treated as the accounting acquirer and therefore, the historical basis of ICON’s assets and liabilities was not affected by the Merger. The summary unaudited pro forma financial information is provided for informational purposes only and is based on available information and assumptions that ICON believes are reasonable. It does not purport to represent what our actual consolidated results of operations or the consolidated financial position would have been had the Merger occurred on the dates indicated, nor is it necessarily indicative of future consolidated results of operations or consolidated financial position. The actual financial position and results of operations will differ, perhaps significantly, from the pro forma amounts reflected herein due to a variety of factors, including access to additional information, changes in the preliminary estimated value of acquired assets and liabilities not currently identified and changes in operating results following the date of the pro forma financial information.

(\$ in thousands)	Year Ended December 31, 2020	Three Months Ended March 31,		Twelve Months Ended March 31, 2021
		2020	2021	
Selected Pro Forma Statements of Operations Data:				
Revenue	\$ 5,964,987	\$ 1,491,059	\$ 1,791,897	\$ 6,265,825
Direct Costs	4,326,680	1,103,427	1,321,256	4,544,509
Selling, general and administrative	1,036,446	384,683	221,626	873,389
Depreciation and amortization	563,175	139,930	142,503	565,748
Restructuring	18,089	—	—	18,089
Total costs and expenses	\$ 5,944,390	\$ 1,628,040	\$ 1,685,385	\$ 6,001,735
Income/(loss) from operations	\$ 20,597	\$ (136,981)	\$ 106,512	\$ 264,090
Interest income	3,048	1,809	257	1,496
Interest expense	(308,529)	(83,729)	(64,929)	(289,729)
Income/(loss) before income taxes expense	\$ (284,884)	\$ (218,901)	\$ 41,840	\$ (24,143)
Income tax (expense)/credit	68,841	30,276	(1,090)	37,475
Income before share of earnings from equity method investments	\$ (216,043)	\$ (188,625)	\$ 40,750	\$ 13,332
Share of equity method investments	(366)	—	(274)	(640)
Net Income/(loss)	\$ (216,409)	\$ (188,625)	\$ 40,476	\$ 12,692
Net income attributable to noncontrolling interest	(633)	(633)	—	—
Net Income/(loss)	\$ (217,042)	\$ (189,258)	\$ 40,476	\$ 12,692

(\$ in thousands (except for
Pro Forma Cash Conversion and Ratios))

Twelve
Months
Ended
March 31,
2021

Other Financial Data:	
Pro Forma EBITDA ⁽¹⁾	\$ 829,198
Pro Forma Adjusted EBITDA ⁽¹⁾	\$ 1,005,735
Pro Forma Further Adjusted EBITDA ⁽¹⁾	\$ 1,155,735
Pro Forma Adjusted Free Cash Flow ⁽¹⁾⁽⁸⁾⁽⁹⁾	\$ 1,043,214
Pro Forma Cash Conversion ⁽¹⁾⁽⁸⁾⁽¹⁰⁾	90%
Total Pro Forma Net Debt ⁽²⁾	\$ 5,623,300
Ratio of Total Pro Forma Net Debt to Pro Forma Further Adjusted EBITDA ⁽²⁾	4.90 to 1.00

- (1) Pro Forma EBITDA, Pro Forma Adjusted EBITDA, Pro Forma Further Adjusted EBITDA, Pro Forma Adjusted Free Cash Flow and Pro Forma Cash Conversion as presented in this offering memorandum are supplemental financial measures that are not required by, or presented in accordance with, GAAP. We define (1) Pro Forma EBITDA as net income of the combined company *before* depreciation and amortization expense, interest expense, net and provision for income taxes and net income attributable to noncontrolling interests; Pro Forma Adjusted EBITDA as Pro Forma EBITDA *plus* share of equity method investments, stock-based compensation expense, certain transaction-related costs and restructuring charges; (3) Pro Forma Further Adjusted EBITDA as Pro Forma Adjusted EBITDA *plus* certain cost savings and synergies expected to be realized as a result of the Merger; (4) Pro Forma Adjusted Free Cash Flow as Pro Forma Further Adjusted EBITDA *minus* capital expenditures; (5) Pro Forma Cash Conversion as Adjusted Free Cash Flow *divided by* Pro Forma Further Adjusted EBITDA and (6) Total Pro Forma Net Debt as the principal amount (without adjustment for deferred financing costs or original issue discount) of total debt of the combined company minus cash and cash equivalents of the combined company. Pro Forma EBITDA, Pro Forma Adjusted EBITDA, Pro Forma Further Adjusted EBITDA, Pro Forma Adjusted Free Cash Flow, Pro Forma Cash Conversion and Total Pro Forma Net Debt are commonly used as measures of financial performance, and are used solely as performance measures. Pro Forma EBITDA, Pro Forma Adjusted EBITDA, Pro Forma Further Adjusted EBITDA, Pro Forma Adjusted Free Cash Flow, Pro Forma Cash Conversion and Total Pro Forma Net Debt should not be considered measures of financial performance or liquidity under GAAP, and the items excluded from Pro Forma EBITDA, Pro Forma Adjusted EBITDA, Pro Forma Further Adjusted EBITDA, Pro Forma Adjusted Free Cash Flow, Pro Forma Cash Conversion and Total Pro Forma Net Debt are significant components in understanding and assessing the combined company's financial performance or liquidity. Pro Forma EBITDA, Pro Forma Adjusted EBITDA, Pro Forma Further Adjusted EBITDA, Pro Forma Adjusted Free Cash Flow, Pro Forma Cash Conversion and Total Pro Forma Net Debt should not be considered in isolation or as alternatives to such GAAP measures as net income, cash flows provided by or used in operating, investing or financing activities or other financial statement data presented in the financial statements of PRA and ICON or the pro forma financial statements of the combined company as indicators of financial performance or liquidity. Since Pro Forma EBITDA, Pro Forma Adjusted EBITDA, Pro Forma Further Adjusted EBITDA, Pro Forma Adjusted Free Cash Flow, Pro Forma Cash Conversion and Total Pro Forma Net Debt are not measures determined in accordance with GAAP and are susceptible to varying calculations, Pro Forma EBITDA, Pro Forma Adjusted EBITDA, Pro Forma Further Adjusted EBITDA, Pro Forma Adjusted Free Cash Flow, Pro Forma Cash Conversion and Total Pro Forma Net Debt, as presented, may not be comparable to other similarly titled measures of other companies. Pro Forma EBITDA, Pro Forma Adjusted EBITDA, Pro Forma Further Adjusted EBITDA, Pro Forma Adjusted Free Cash Flow, Pro Forma Cash Conversion and Total Pro Forma Net Debt have limitations as analytical tools, and should not be considered in isolation or as substitutes for analyzing our results as reported under GAAP.

The following table sets forth a reconciliation of pro-forma net income to Pro Forma EBITDA, Pro Forma Adjusted EBITDA, Pro Forma Further Adjusted EBITDA, Pro Forma Adjusted Free Cash Flow and Pro Forma Cash Conversion:

(\$ in thousands (except for Pro Forma Cash Conversion))	Twelve Months Ended March 31, 2021
Net Income/(loss)	\$ 12,692
Depreciation and Amortization	\$ 565,748
Interest expense (net)	\$ 288,233
Provision for income taxes	\$ (37,475)
Pro Forma EBITDA	\$ 829,198
Share of equity method investments ⁽³⁾	\$ 640
Stock based compensation expense ⁽⁴⁾	\$ 164,262
Transaction related costs ⁽⁵⁾	\$ (6,454)
Restructuring Charges ⁽⁶⁾	\$ 18,089
Pro Forma Adjusted EBITDA	\$ 1,005,735
Cost savings and synergies ⁽⁷⁾	\$ 150,000
Pro Forma Further Adjusted EBITDA	\$ 1,155,735
Capital expenditures ⁽⁸⁾	\$ 112,521
Pro Forma Adjusted Free Cash Flow⁽⁸⁾⁽⁹⁾	\$ 1,043,214
Pro Forma Cash Conversion⁽⁸⁾⁽¹⁰⁾	90%

- (2) Total Pro Forma Net Debt is equal to (x) the principal amount (without adjustment for deferred financing costs or original issue discount) of \$6,015.0 million of total debt of the combined company *minus* (y) \$391.7 million of cash and cash equivalents of the combined company, in each case, as of March 31, 2021 as reflected in the Pro Forma Adjusted column under “Capitalization” after giving effect to the cash and cash equivalents used to consummate the Transactions.
- (3) Share of equity method investments include ICON’s share of gain/loss in respect of its 49% share in the voting interest of Oncacare, which was jointly established with a third party.
- (4) Stock based compensation expense reflects non-cash employee compensation expenses.
- (5) Transaction related charges include acquisition (including the Merger) related costs and changes to the fair value of acquisition consideration.
- (6) Restructuring charges include the cost of resource rationalizations following approval of restructuring plans adopted following a review of resource utilization
- (7) Represents an adjustment to reflect the anticipated annual “run rate” benefit from certain operational cost synergies expected to be fully realized by the end of the fourth fiscal year following the consummation of the Transactions. These assumptions and estimates are inherently uncertain and subject to significant business, operational, economic and competitive uncertainties and contingencies. We cannot assure you that any or all of these cost savings and cost synergies will be achieved in the anticipated amounts or within the anticipated timeframes or at all. See “Risk Factors—Risks Relating to the Merger and the Combined Company after Completion of the Merger—ICON may be unable to realize anticipated cost and tax synergies and expects to incur substantial expenses related to the Merger.”
- (8) Capital expenditures are defined as purchases of and additions to property, plant & equipment, net.
- (9) Pro Forma Adjusted Free Cash Flow is defined as Pro Forma Adjusted EBITDA minus capital expenditures.
- (10) Pro Forma Cash Conversion is defined as Pro Forma Adjusted Free Cash Flow divided by Pro Forma Adjusted EBITDA.

ICON may be unable to realize anticipated cost and tax synergies and expects to incur substantial expenses related to the Merger.

ICON expects to generate run rate cost synergies of approximately \$150 million and tax savings from the targeted combined effective tax rate decreasing to 14% both to be realized within approximately four years after completion of the Merger.

ICON's ability to achieve such estimated cost and tax synergies in the timeframe described, or at all, is subject to various assumptions by ICON's management, which may or may not prove to be accurate, as well as the incurrence of costs in ICON's operations that offset all or a portion of such cost synergies. As a consequence, ICON may not be able to realize all of these cost and tax synergies within the timeframe expected or at all. In addition, ICON may incur additional or unexpected costs in order to realize these cost and tax synergies.

ICON's ability to realize tax synergies is also subject to legal uncertainties. For example, see the risk factor entitled "— There is a risk that, as a result of the Merger, either (1) ICON could be treated as having become a U.S. corporation for U.S. federal income tax purposes or (2) ICON and its affiliates could become subject to certain adverse U.S. federal income tax rules."

Failure to achieve the expected cost and tax synergies could significantly reduce the expected benefits associated with the Merger.

In addition, ICON has incurred and will incur substantial expenses in connection with completion of the Merger. ICON expects to continue to incur non-recurring costs associated with consummating the Merger, combining the operations of the two companies and achieving the desired cost synergies. These fees and costs have been, and will continue to be, substantial. The substantial majority of nonrecurring expenses will consist of transaction costs related to the Merger and include, among others, fees paid to financial, legal and accounting advisors, employee benefit costs and filing fees. Such costs, as well as other unanticipated costs and expenses, could have a material adverse effect on the financial condition and operating results of ICON following the completion of the Merger and many of these costs will be borne by ICON even if the Merger is not completed.

Pending and future tax law changes may result in significant additional taxes to us.

Pending and future tax law changes may result in significant additional taxes to us. For example, the Organization for Economic Cooperation and Development ("OECD") published a "Programme of Work," which was divided into two pillars. Pillar One focused on the allocation of group profits among taxing jurisdictions based on a market-based concept rather than the historical "permanent establishment" concept. Pillar Two, among other things, introduced a global minimum tax. More recently, on June 5, 2021, the finance ministers of the G7 agreed to (1) reach an equitable solution with respect to Pillar One and (2) a global minimum tax rate of at least 15% under Pillar Two. The foregoing proposals (in the event international consensus is achieved and implementing laws are adopted) and other possible future tax changes may have an adverse impact on us.

There is a risk that, as a result of the Merger, either (1) ICON could be treated as having become a U.S. corporation for U.S. federal income tax purposes or (2) ICON and its affiliates could become subject to certain adverse U.S. federal income tax rules.

For U.S. federal income tax purposes, a corporation generally is considered to be a domestic corporation (a “U.S. corporation”), which is subject to U.S. federal income tax on its worldwide income, only if such corporation is organized or incorporated under the laws of the United States, any state thereof or the District of Columbia. Accordingly, because ICON is an Irish incorporated entity, it generally would be classified as a non-U.S. corporation for U.S. federal income tax purposes. However, the so-called “anti-inversion rules” of Section 7874 of the Code (“Section 7874”) provide an exception to this general rule under which, as a result of the Merger, either (1) ICON might be treated as having become a U.S. corporation for U.S. federal income tax purposes or (2) ICON might remain a non-U.S. corporation for U.S. federal income tax purposes but ICON and its affiliates might become subject to certain adverse U.S. federal income tax rules.

While ICON believes that Section 7874 should not apply to ICON as a result of the Merger, due to the factual uncertainty and legal complexity of Section 7874 and the limited authority interpreting it, there can be no assurance that ICON’s view, if challenged, would be sustained. Moreover, it is possible that a future change in law could expand the scope of Section 7874 on a retroactive basis. In this regard, (1) bills recently introduced in Congress propose a change to the anti-inversion rules that would, if enacted in its current form, retroactively pose a significant risk that Section 7874 would cause ICON to become a U.S. corporation as a result of the Merger (which risk would depend on factors outside of ICON’s control, including the trading price of ICON common stock on the closing date) and (2) on April 7, 2021, the U.S. Treasury Department released the “Made in America Tax Plan,” which announced President Biden’s proposal to adopt such change, but was silent on whether such change would apply retroactively. More recently, on May 28, 2021, the Treasury Department released its explanation of the Biden administration’s tax proposals (commonly referred to as the “Green Book”), which provides that the Biden administration’s proposed changes to the anti-inversion rules would be effective only for transactions that are completed after the date of enactment. ICON believes that, even if the proposed changes were to apply to the Merger (either because the proposals were ultimately enacted with retroactive effect or were enacted prior to the date of the Merger without an exception for transactions occurring pursuant to agreements entered into prior to the date of enactment), based on the current facts (including the current trading price of ICON common stock), Section 7874, as amended by the proposed bill in its current form, would not apply, but due to the factual and legal uncertainty with respect to Section 7874, there can be no assurance that ICON’s view, if challenged, would be sustained. The application of Section 7874 to ICON could have a material adverse effect on the financial condition of ICON following the completion of the Merger.