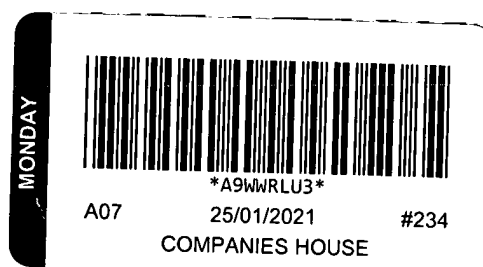


Longitude Holding III Limited  
Annual Report and Financial Statements

Registered number 11804037

For the period from 4 February 2019 (date of incorporation) to 31  
December 2019



**Longitude Holding III Limited**  
**Strategic Report for the Period Ended 31 December 2019**

The Directors present their Strategic Report for the period ended 31 December 2019.

**Fair review of the business and future developments**

Longitude Holding III Limited (the "Company" and its subsidiaries together the "group") is a holding company for Livingston International Inc., and its investing activities during the period are detailed under the investments note (note 7 of the financial statements). The Company was incorporated on 4 February 2019 and these financial statements cover the 11-month period from incorporation to 31 December 2019 ("the period"). The Company invested in Livingston International Inc. on April 26, 2019. The Directors do not envisage any change to the business of the Company in the foreseeable future.

The financial statements are presented in Canadian Dollars (\$), which is also the Company's functional currency. The loss before tax for the period to 31 December 2019 is \$6.3m and the net assets are \$180.3m.

Given the straightforward nature of the Company's business, the Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

**Section 172 duties and business relationships with suppliers, customers and other stakeholders**

Under Section 172 of the Companies Act 2006 ("Section 172"), the Directors have a duty to promote the success of the Company over the long term for the benefit of its shareholders, having regard to:

- (a) the likely consequences of any decision in the long term,
- (b) the interests of the company's employees,
- (c) the need to foster the company's business relationships with suppliers, customers and others,
- (d) the impact of the company's operations on the community and the environment,
- (e) the desirability of the company maintaining a reputation for high standards of business conduct, and
- (f) the need to act fairly as between members of the company.

The activity of the Company is mainly that of a significant holding and administrative company for its UK parent, PE Longitude Holding Limited. The interests of the Company and its UK parent are closely aligned. As a parent of a Group of international companies (the "Group"), PE Longitude Holding Limited has ultimate responsibility for setting strategic and policy issues and is responsible for the Group's long-term success.

In performance of their duties throughout the period the Directors took decisions to promote the success of the Company over the long term for the benefit of shareholders, had regard to their duties under Section 172 and remained cognizant of the need to act fairly between members of the Company and consider the potential impact on all stakeholders of the decisions it made. There were no individuals directly employed by the Company during the period. With regard to the Company's need to foster business relationships with suppliers, the Company continued to agree payment terms with its suppliers and sought to pay in accordance with those terms. As an office based Company the impact of the Company's operations on the environment is limited, but the Company recycled materials during the period and continues to support the Group's environmental initiatives. The Company also continued to focus on the desirability of maintaining a reputation for high standards of business conduct with all its stakeholders, with all employees required to comply with the Group's Code of Conduct which states that Longitude Holding III Limited must maintain an unquestioned reputation for integrity.

**Principal risks and uncertainties**

The management of the business and the execution of the Company's strategy are subject to a number of risks. In addition to monitoring the impacts of COVID-19 (see the Directors' Report), the key business risks and uncertainties affecting the Company are considered to relate to the following:

**Longitude Holding III Limited**  
**Strategic Report for the Period Ended 31 December 2019 (continued)**

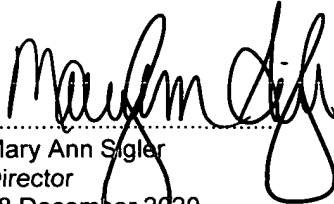
***Financial counterparty risk***

The treasury activities of the ultimate parent company, Platinum Equity Capital Partners International IV (Cayman) LP, are monitored and coordinated by a central treasury department on behalf of the whole Platinum Equity group. This includes the risk of potential failure by counterparties holding cash deposits on behalf of group companies.

***Foreign currency risk***

Foreign currency translations are translated into the functional currency of CAD using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Risk of foreign exchange gains and losses result from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies.

Approved by the Board on 18 December 2020 and signed on its behalf by:

BTM   
.....  
Mary Ann Sigler  
Director  
18 December 2020

**Longitude Holding III Limited**  
**Directors' Report for the Period Ended 31 December 2019**

The Directors present their report and the audited financial statements for the period ended 31 December 2019.

Certain disclosures required under the Companies Act 2006 to be included within the Directors' Report have been presented within the Strategic Report to avoid duplication.

**Directors of the company**

The Directors who were in office during the period and up to the date of signing the financial statements were as follows:

Ian Michael Stuart Downie – Appointed on 4 February 2019

Eva Monica Kalawski – Appointed on 4 February 2019

Mary Ann Sigler – Appointed on 4 February 2019

**Dividends**

No dividends were declared or paid to the parent company, Longitude Holding II Limited for the period ended 31 December 2019.

**Political and charitable donations**

The Company made no political or charitable donations or incurred any political expenditure during the period.

**Directors' indemnity provisions**

The parent company of Longitude Holding III Limited maintains directors' indemnity cover for all Directors. The indemnity cover was in place for the period and remains in place at the date of this report.

**Disclosure of information to the auditors**

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. The Directors confirm that so far as they are aware there is no relevant audit information of which the Company's auditors are unaware.

**Independent auditors**

The auditors, PricewaterhouseCoopers LLP, are deemed to be appointed under section 485 of the Companies Act 2006. The address of the auditors is 1 Embankment PI, Charing Cross, London WC2N 6RH.

**Post Balance Sheet Events**

The outbreak of COVID-19 accelerated during the first quarter of 2020. As this event arose after the Company's year-end it is treated as a non-adjusting event for accounting purposes. The Company is a holding investment company and therefore there have been no major operational impacts from COVID-19. The Directors have considered the impact of COVID-19 on performance of the Company's investments and liquidity, as well as in assessing and concluding on the Company's going concern, as set out further below. There are no other material events after the reporting period to disclose.

**Longitude Holding III Limited**  
**Directors' Report for the Period Ended 31 December 2019 (continued)**

**Going Concern**

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The following are mitigating measures taken by the Company.

On March 11, 2020, the World Health Organization declared the outbreak of the novel strain of coronavirus ("COVID-19") a global pandemic and recommended containment and mitigation measures worldwide. The holding company has net assets of \$180.3m and continues to operate during the course of COVID-19. The Directors continue to monitor the carrying value of its investments and subsidiaries. The Company expects to have sufficient accessible cashflows and can draw on funds from subsidiaries to cover any of its liabilities as they fall due.

**Statement of Directors' Responsibilities**

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

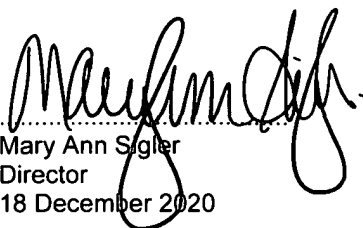
- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006

Approved by the Board on 18 December 2020 and signed on its behalf by:

BTM

  
Mary Ann Sigler  
Director  
18 December 2020

# ***Independent auditors' report to the members of Longitude Holding III Limited***

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion, Longitude Holding III Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the period from 4 February 2019 to 31 December 2019 ("the period");
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of financial position as at 31 December 2019; the Statement of comprehensive income and the Statement of changes in equity for the 10 month period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

## ***Independent auditors' report to the members of Longitude Holding III Limited (continued)***

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

### ***Strategic Report and Directors' Report***

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the period ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

### **Responsibilities for the financial statements and the audit**

#### ***Responsibilities of the directors for the financial statements***

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### ***Auditors' responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

## ***Independent auditors' report to the members of Longitude Holding III Limited (continued)***

### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Other required reporting**

#### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Patrick O'Brien (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
18 December 2020



Longitude Holding III Limited  
Annual Report and Financial Statements  
For the period ended 31 December 2019

(All figures stated in thousands of Canadian dollars, except share and per share amounts or as otherwise stated)

**Statement of comprehensive income**

		<b>Period ended 31 December</b>
	<b>Note</b>	<b>2019</b>
Administrative expenses	4	(6,274)
<b>Operating loss</b>		<b>(6,274)</b>
<b>Loss before tax</b>		<b>(6,274)</b>
Income tax credit	6	366
<b>Loss for the period</b>		<b>(5,908)</b>
<b>Total comprehensive loss for the period</b>		<b>(5,908)</b>

The notes on pages 11 to 18 form an integral part of these financial statements. The above results were derived from continuing operations.

(All figures stated in thousands of Canadian dollars, except share and per share amounts or as otherwise stated)

**Statement of financial position**

	Note	As at 31 December 2019
<b>Assets</b>		
<b>Fixed assets</b>		
Investment in subsidiary	7	182,092
<b>Current assets</b>		
Cash and cash equivalents		484
Deferred tax assets	6	366
<b>Creditors: amounts falling due within one year</b>		
Amounts owed to group undertakings	9	2,684
<b>Net current assets (liabilities)</b>		<b>(1,834)</b>
<b>Total assets less current liabilities</b>		<b>180,258</b>
<b>Net assets</b>		<b>180,258</b>
<b>Equity</b>		
Share premium	8	186,166
Share capital	8	-
Accumulated losses		(5,908)
<b>Total shareholders' funds</b>		<b>180,258</b>

The notes on pages 11 to 18 form an integral part of these financial statements.

The financial statements on pages 8 to 10 were approved by the Board of Directors on 18 December 2020 and signed on their behalf by:

BTM   
Mary Ann Sigler  
Director  
18 December 2020

Longitude Holding III Limited  
 Annual Report and Financial Statements  
 For the period ended 31 December 2019

(All figures stated in thousands of Canadian dollars, except share and per share amounts or as otherwise stated)

**Statement of changes in equity**

	Note	Share premium	Share capital	Accumulated losses	Total
Balance as at 4 February 2019 (date of incorporation)		-	-	-	-
Loss for the period		-	-	(5,908)	(5,908)
Proceeds from shares issued		-	-	-	-
Proceeds from share premium		186,166	-	-	186,166
<b>Balance as at 31 December 2019</b>		<b>186,166</b>	<b>-</b>	<b>(5,908)</b>	<b>180,258</b>

The notes on pages 11 to 18 form an integral part of these financial statements.

(All figures stated in thousands of Canadian dollars, except share and per share amounts or as otherwise stated)

## Notes to the financial statements

### 1. General information

Longitude Holding III Limited (the "Company") is a private holding company, limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is 100 New Bridge Street, London, United Kingdom, EC4V 6JA.

### 2. Basis of preparation and significant accounting policies (continued)

The financial statements of Longitude Holding III Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS101) and the Companies Act 2006 as applicable to companies using FRS 101. The financial statements have been prepared under the historical cost convention, and derivative financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. There were no areas involving a higher degree of judgement or estimation uncertainty.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraph 45(b) and 46 to 52 of IFRS 2, 'Share-based payments' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined).
- IFRS 7, 'Financial instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 38 of IAS 1, 'Presentation of financial statements' – comparative information requirements in respect of:
  - iii. Paragraph 79(a)(iv) of IAS 1;
  - iv. Paragraph 73(e) of IAS 16, 'Property, plant and equipment'; and
  - v. Paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period).
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d) (statement of cash flows);
  - 16 (statement of compliance with all IFRS);
  - 38A (requirement for minimum of two primary statements, including cash flow statements);
  - 38B–D (additional comparative information);
  - 111 (statement of cash flows information); and
  - 134–136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group.

(All figures stated in thousands of Canadian dollars, except share and per share amounts or as otherwise stated)

## **Notes to the financial statements (continued)**

### **2. Basis of preparation and significant accounting policies (continued)**

#### ***Going concern***

The Company meets its day-to-day working capital requirements through its cash reserves in controlled undertakings and borrowings. The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current cash reserves and borrowings. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of this report as discussed in the Going Concern section of the Directors' Report. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

#### ***Consolidation***

The Company is a wholly owned subsidiary of Longitude Holding II Limited, a company incorporated in England and Wales. The Company's results are included in the consolidated financial statements of PE Longitude Holding Limited, which are publicly available. Therefore, the company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated financial statements. Consolidated financial statements can be obtained from the address of the ultimate parent's registered office at 100 New Bridge Street, London, EC4V 6JA.

These financial statements are separate financial statements.

#### ***Foreign currency translation***

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). To determine functional currency, the Directors have taken into account controlled undertakings and the primary denomination of cash flows these derive, which is considered to be Canadian Dollars (\$). The financial statements are also presented in Canadian Dollars.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges. All other foreign exchange gains and losses are presented in the income statement within 'Foreign Exchanges (gains) losses'.

#### ***Rounding***

All amounts in the financial statements and notes have been rounded off to the nearest thousand Canadian Dollar, unless otherwise stated.

#### ***Critical accounting estimates and judgements***

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be more reasonable under the circumstances. There were no sources of estimation uncertainty or judgements that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities and amounts recognised as reported profit or loss.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

The Company was incorporated in 2019, and as such does not have comparable values for prior periods.

(All figures stated in thousands of Canadian dollars, except share and per share amounts or as otherwise stated)

## **Notes to the financial statements (continued)**

### **2. Basis of preparation and significant accounting policies (continued)**

#### **Cash and Cash Equivalents**

Cash and cash equivalents consist of cash and highly liquid investments that are readily convertible to known amounts of cash, with original maturities of three months or less.

#### **Amounts owed to group undertakings**

Intercompany payables are initially recognised at fair value, net of transaction costs incurred. These are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the loan using the effective interest method.

Intercompany payables are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

#### **Investment in subsidiaries**

Investments in subsidiaries are held at cost less accumulated impairment losses. The Company performs an annual impairment trigger test, and in the case any impairment indicators are identified, an impairment test is performed. There are no triggers noted as at 31 December 2019.

#### **Share capital and share premium**

Ordinary shares and share premium are classified as equity.

#### **Current and deferred tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement. The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(All figures stated in thousands of Canadian dollars, except share and per share amounts or as otherwise stated)

## Notes to the financial statements (continued)

### 2. Basis of preparation and significant accounting policies (continued)

#### Transfer pricing

Transfer pricing charges are invoiced to the Company when costs incurred by its subsidiaries are for the benefit of the Company. Invoices are issued and settled on a quarterly basis.

### 3. Employees and Directors

The Company had no employees during the period. Remuneration for directors has been borne by a related company. These directors are also directors of other companies within the Platinum Equity Group.

### 4. Operating Loss

Operating loss is stated after charging \$2,376 of foreign exchange losses, \$2,169 of transfer pricing expenses, \$340,782 of dividend income and \$342,511 of impairment losses.

The dividend income and impairment losses relate to an intercompany structure that was put into place to facilitate the acquisition of Livingston International Inc. ("the transaction") by the Group. As a part of this structure the Company acquired Longitude Holding IV Limited (a subsidiary within the Group) for a consideration of \$342,511. Following completion of the transaction, Longitude Holding IV Limited was wound up. The capital invested by the Company was returned by Longitude Holding IV Limited through a dividend of \$340,782 on 30 April 2019, which after reduction of the initial investment in Longitude Holding IV Limited, now returned, resulted in a net loss of \$1,729.

### 5. Auditors' Remuneration

Amounts receivable by the Company's auditors and their associates in respect of services to the Company, other than the audit of the Company's financial statements, have not been disclosed as the information is required to be disclosed on a consolidated basis in the consolidated financial statements of PE Longitude Holding Limited. Audit fees for the Company and its UK subsidiaries were borne by and are disclosed in PE Longitude Holding Limited's financial statements for the period ended 31 December 2019.

### 6. Income tax

Total tax expense recognised in the Statement of comprehensive income	<b>2019</b>
<i>Deferred tax</i>	
Deferred tax credit	(366)
<b>Total deferred tax</b>	<b>(366)</b>
<b>Total tax expense</b>	<b>(366)</b>

(All figures stated in thousands of Canadian dollars, except share and per share amounts or as otherwise stated)

## Notes to the financial statements (continued)

### 6. Income tax (continued)

#### Reconciliation of effective tax rate

	<b>2019</b>
Loss on ordinary activities before taxation	(6,274)
Total tax expense	<u>366</u>
Tax using the UK corporation tax rate of 19%	1,192
Non-taxable dividend income	64,749
Non-deductible impairment	(65,077)
Non-deductible expenses	(455)
Tax rate differences	(43)
Total deferred tax charge (see above)	<u>366</u>

The Company and its related UK undertakings are part of a UK tax group where group tax relief may be sought. The finalisation of group tax relief will be completed in 2020 and therefore the above amounts may be subject to change based on final amounts of relief received by the Company. This amount is not expected to be material.

The standard rate of corporation tax in the UK remained at 19% throughout 2019. Accordingly, the company's profit for this accounting year is taxed at a rate of 19%.

Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements. The deferred tax asset is expected to be utilized within the next 12 months.

Changes to UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020.

In November 2019, the Prime Minister announced that the Government intended to cancel the future reduction in corporation tax rate from 19% to 17%. This announcement does not constitute a substantive enactment and therefore deferred taxes at the balance sheet date continue to be measured at the enacted tax rate of 17%.

### 7. Investment in subsidiary

Investment in subsidiary comprises equity contributions to Livingston International Inc. (incorporated in Canada), L.I.I. Holdings U.S. Parent Corp. (incorporated in the United States of America), and Livingston Luxco Sarl. (incorporated in Luxembourg), which are not publicly traded. The address of the registered office of Livingston International Inc is 1055 West Hastings Street, Suite 1700, Vancouver, BC, V6E 2E9, Canada. The address of the registered office of L.I.I. Holdings U.S. Parent Corp is 150 Pierce Road, Suite 500 Itasca, IL 60143-1222 USA. The address of Livingston Luxco Sarl. is 208, Val des Bons Malades L-2121 Luxembourg Grand Duchy of Luxembourg.

As at 23 August 2019 the Company owns 100% of the common shares of Livingston International Inc, L.I.I. Holdings U.S. Parent Corp. and Livingston Luxco Sarl.



(All figures stated in thousands of Canadian dollars, except share and per share amounts or as otherwise stated)

## Notes to the financial statements (continued)

### 8. Share Capital and share premium (to nearest \$ or US\$)

On 26 April 2019, 1 ordinary share was issued for US\$0.0001. On 23 August 2019, 1 ordinary share was issued for US\$140,048,327 (\$186,166,242).

Class of shares	Number of shares allotted	Nominal value of shares	Shares allocated and fully paid
Ordinary	2	US\$0.0001	US\$0.0002

All ordinary shares rank pari passu in all respects. The shares are not redeemable nor liable to be redeemed at the option of the company or the holder.

### 9. Related Party Transactions

In April 2019, the Company issued an intercompany loan of \$192,550 to its parent. \$4,558 was repaid in June 2019, and the remaining loan payable was fully converted to equity by August 2019.

The Company's subsidiary issued an intercompany loan of \$192,550 to the Company on 30 April 2019. The Company also had an intercompany loan payable to its subsidiary as at 30 April 2019 totaling \$4,415. The \$4,415 intercompany loan payable was partially offset against the intercompany loan receivable. Of the remaining balance outstanding, \$4,558 was repaid in June 2019, and the residual loan receivable was fully converted to investment in the subsidiary by August 2019.

As at 31 December 2019, the Company has non-interest bearing intercompany payables with Longitude Holding Limited totaling \$484 and Livingston International Inc totaling \$2,169 which are expected to be settled within 12 months of the reporting date.

The Company owns 100% of Livingston International Inc., L.I.I. Holdings U.S. Parent Corp., and Livingston Luxco Sarl. Listed below are other indirectly owned subsidiaries of the Company, where ownership is 100%.

Subsidiary	Registered office address	Type of share capital held	Direct / Indirect
Livingston International Inc.	1055 West Hastings Street Suite 1700 Vancouver, B.C. V6E 2E9 Canada	Common shares	Direct
Livingston General Partner Inc.	405 The West Mall, Suite 400 Toronto, ON M9C 5K7 Canada	Common shares	Indirect
Livingston L.P.	6700 Chemin de la Côte-de-Liesse Montreal, Quebec H4T 2B5 Canada	General partner units Limited partner units	Indirect
Livingston II L.P.	405 The West Mall, Suite 400 Toronto, ON M9C 5K7 Canada	General partner units Limited partner units	Indirect
Livingston General Partner II Inc.	405 The West Mall, Suite 400 Toronto, ON M9C 5K7 Canada	Common shares	Indirect
Adminserv Canada GP Inc.	405 The West Mall, Suite 400 Toronto, ON M9C 5K7 Canada	Common shares	Indirect
Adminserv Canada L.P.	405 The West Mall, Suite 400 Toronto, ON M9C 5K7 Canada	General partner units Limited partner units	Indirect
Livingston Transportation Inc.	405 The West Mall, Suite 400 Toronto, ON M9C 5K7 Canada	Common shares	Indirect

(All figures stated in thousands of Canadian dollars, except share and per share amounts or as otherwise stated)

**Notes to the financial statements (continued)**

**9. Related Party Transactions (continued)**

<b>Subsidiary</b>	<b>Registered office address</b>	<b>Type of share capital held</b>	<b>Direct / Indirect</b>
L.I.I. Holdings U.S. Parent Corp.	150 Pierce Road, Suite 500 Itasca, IL 60143-1222 USA	Common shares	Indirect
Livingston International, Inc.	150 Pierce Road, Suite 500 Itasca, IL 60143-1222 USA	Common shares	Indirect
Livingston International Professional Services, LLC	20700 Civic Center Drive, Suite 500 Southfield, MI 48076 USA	Membership interests	Indirect
Livingston International Professional Services, LLC., Taiwan Branch	8F., No. 367, Fuxing N. Road, Songshan District, Taipei City 105, Taiwan	Membership interests	Indirect
Adminserv U.S. LLC	150 Pierce Road, Suite 500 Itasca, IL 60143-1222 USA	Membership interests	Indirect
South Ranch, Inc.	150 Pierce Road, Suite 500 Itasca, IL 60143-1222 USA	Common shares	Indirect
MBLX, LLC	365 Canal Street Suite 1600 New Orleans, LA 70130 USA	Membership interests	Indirect
Livingston Luxco Sàrl	208, Val des Bons Malades L-2121 Luxembourg Grand Duchy of Luxembourg	Ordinary shares	Indirect
Livingston Poland Sp. z.o.o.	1 Kraszewkiego Street 2nd Floor 85-240 Bydgoszcz Poland	Shares (Ordinary equivalent)	Indirect
Livingston International Europe Limited	12th Floor, Broadgate Tower, 20 Primrose Street London EC2A 2EW United Kingdom	Ordinary shares	Indirect
Livingston International Europe Limited (Belgium Branch)	Avenue Louise 143/4 1050 Brussels Belgium	Ordinary shares	Indirect
Livingston International Europe Limited (France Branch)	La Grange aux Bois Route d'Olivet 45160 Ardon France	Ordinary shares	Indirect
Livingston International Europe Limited (Germany Branch)	Bockenheimer Landstraße 17/19 60325 Frankfurt am Main Germany	Ordinary shares	Indirect
Livingston International Europe Limited (Hong Kong "Branch")	Level 43, AIA Tower 183 Electric Road North Point, Hong Kong	Ordinary shares	Indirect
Livingston International Europe Limited (Spain Branch)	Pase de la Castellana, 35 - 2o 28046 Madrid, Spain	Ordinary shares	Indirect
Livingston International do Brasil Servicox de Comercio Exterior Ltda	Av. Paulista 37 - 4º Andar, São Paulo, 1311-902, Brazil	Units/quotas	Indirect
Livingston International India Private Limited	1102 Tower B, Peninsula Business Park, S.B. Road, Lower Parel, Mumbai 400013 India	Equity shares (Ordinary equivalent)	Indirect
Livingston International Netherlands B.V.	Prins Bernhardplein 200 1097 JB Amsterdam The Netherlands	Shares (Ordinary equivalent)	Indirect
Livingston Commercial Consulting (Shanghai) Co., Ltd.	Room 6012, 6th Floor, 21st Century Tower No. 210 Century Avenue Shanghai 200120 China	Equity interests	Indirect
Livingston International Mexico, S. de R.L. de C.V.	Carretera Mexico - Toluca No. 5420, Piso 24 Col. El Yaqui. Del. Cuajimalpa de Morelos C.P. 05320 Mexico, D.F., Mexico	Units/quotas	Indirect

(All figures stated in thousands of Canadian dollars, except share and per share amounts or as otherwise stated)

## **Notes to the financial statements (continued)**

### **10. Controlling parties**

The immediate parent undertaking is Longitude Holding II Limited.

The smallest and largest group to consolidate these financial statements in the UK is PE Longitude Holding Limited. Copies of the PE Longitude Holding Limited consolidated financial statements can be obtained at 100 New Bridge Street, London, EC4V 6JA.

The ultimate parent and controlling party is Platinum Equity, LLC.

### **11. Events after the end of the reporting period**

The outbreak of COVID-19 accelerated during the first quarter of 2020. This event was classified as a non-adjusting event for accounting purposes and has not impacted the measurement of amounts in these financial statements as at 31 December 2019. Further information of the Company's consideration of this is set out in the Directors' Report. There are no other material events after the reporting period to disclose.