

Longitude Holding III Limited
Annual Report and Financial Statements
Registered number 11804037
For the year ended 31 December 2022



Directors and Advisors

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Ian Michael Stuart Downie
Eva Monica Kalawski
Mary Ann Sigler

Company Secretaries

Eva Monica Kalawski

Independent Auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH
United Kingdom

Solicitors

Baker & McKenzie LLP
280 Bishopsgate
London
EC2M 4RB
United Kingdom

Registered office

280 Bishopsgate
London
EC2M 4RB
United Kingdom

Company registration number

11804037

Longitude Holding III Limited
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Longitude Holding III Limited
Strategic Report for the Year Ended 31 December 2022

The Board of Directors presents its Strategic Report for the year ended 31 December 2022.

Fair review of the business and future developments

Longitude Holding III Limited (the "Company" and, together with its subsidiaries, collectively, the "Group") is a holding company and its investing activities during the year are detailed under the investments note (note 6 of the financial statements). These financial statements are for the year ended 31 December 2022 ("the year"). The Board of Directors (each, a "Director" and collectively, "Directors") does not envisage any change to the principal activities of 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 profit before tax for the year ended 31 December 2022 is \$14.5m (2021: \$87.7m) and the net assets are \$202.7m (2021: \$188.2m). During the year, the Company received \$16.3m (2021: \$89.1m) in dividends from its subsidiary.

On 24 February 2022, Russian troops invaded Ukraine ("the Russian-Ukraine Invasion"). Multiple countries and jurisdictions, and large public and private companies have imposed tranches of economic sanctions on Russia. The Company is a holding company and does not have operations or assets in Russia or Ukraine.

Given the straightforward nature of the Company's business, the Directors are of the opinion that analysis using key performance indicators 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 as an indirect subsidiary of PE Longitude Holding Limited, its UK Parent (the "UK Parent"). The interests of the Company and its UK parent are closely aligned. The UK Parent has ultimate responsibility for setting strategic and policy issues and is responsible for the Group's long-term success.

Longitude Holding III Limited

Strategic Report for the Year Ended 31 December 2022 (continued)

In performance of their duties throughout the year 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 cognisant 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 employed by the Company during the year. 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 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.

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 the Russian-Ukraine Invasion (see above) the key business risks and uncertainties affecting the Company are considered to relate to the following:

Financial counterparty risk

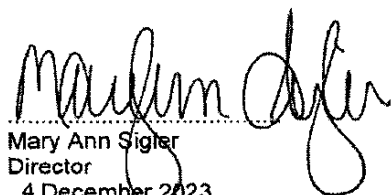
The treasury activities of the company are monitored and coordinated by the Group and Company's senior management. This includes the risk of potential failure by counterparties holding cash deposits on behalf of group companies.

Foreign currency risk

Foreign currency transactions are translated into the Group's 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 4 December 2023 and signed on its behalf by:

WRB



Mary Ann Sigler
Director

4 December 2023

Longitude Holding III Limited

Directors' Report for the Year Ended 31 December 2022

The Directors present their annual report and the financial statements for the year ended 31 December 2022.

Certain disclosures required under the Companies Act 2006 to be included within the Directors' Report have been presented within the Strategic Report in accordance with section 414C(11).

Directors of the company

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

Ian Michael Stuart Downie

Eva Monica Kalawski

Mary Ann Sigler

Dividends

No dividends were paid to the parent company, Longitude Holding II Limited during the year ended 31 December 2022 (2021: dividend of \$77.7m were paid).

Political and charitable donations

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

Directors' indemnity provisions

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

Post Balance Sheet events

There are no subsequent events impacting the Company.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months from the date of this report and for the foreseeable future. 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 (see note 2 to the financial statements).

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this Annual Report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing its Annual Report and financial statements, of which the auditors are unaware. Having made enquiries of fellow directors and the Company's auditors, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Longitude Holding III Limited
Directors' Report for the Year Ended 31 December 2022 (continued)

Statement of Directors' responsibilities in respect of the financial statements

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 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 the financial statements, the Directors are required to:

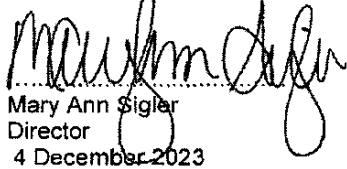
- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates 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 4 December 2023 and signed on its behalf by:

WRB


Mary Ann Sigler
Director
4 December 2023

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 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including 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 2022; the Statement of comprehensive income and the Statement of changes in equity for the year 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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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. 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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 year ended 31 December 2022 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 in respect of the financial statements, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to income tax, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Enquiries of management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Understanding and evaluation of the design and implementation of management's controls designed to prevent and detect irregularities;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations in respect of journals posted to cash; and

- Evaluation of our testing of management's accounting estimates and judgements made in the financial statements for any evidence of bias.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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. This description forms part of our auditors' report.

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 obtained 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
5 December 2023

Longitude Holding III Limited
Annual Report and Financial Statements
For the year ended 31 December 2022
(All figures stated in thousands of Canadian dollars, except share and per share amounts or as otherwise stated)

Statement of comprehensive income

	Note	Year ended 31 December	
		2022	2021
Income from shares in group undertakings	6	16,329	89,112
Administrative expenses	4	(1,798)	(1,449)
Operating profit		14,531	87,663
Profit before tax		14,531	87,663
Income tax expense	5	(24)	(10)
Profit for the financial year		14,507	87,653
Total comprehensive income for the financial year		14,507	87,653

The notes on pages 11 to 17 form an integral part of these financial statements. The above results were derived from continuing operations.

Longitude Holding III Limited
Registered number 11804037
Annual Report and Financial Statements
For the year ended 31 December 2022
(All figures stated in thousands of Canadian dollars, except share and per share amounts or as otherwise stated)

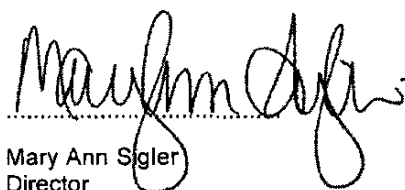
Statement of financial position

	Note	As at 31 December 2022	As at 31 December 2021
Assets			
Fixed assets			
Investment	6	202,398	186,784
Current assets			
Amounts owing from group undertakings	8	9	4,729
Deferred tax assets	5	-	24
Cash and cash equivalents		283	-
Creditors: amounts falling due within one year			
Amounts owed to group undertakings	8	-	3,354
Net current assets		292	1,399
Total assets less current liabilities		202,690	188,183
Net assets		202,690	188,183
Equity			
Called up share capital	7	-	-
Share premium account	7	91,535	91,535
Retained earnings		111,155	96,648
Total shareholders' funds		202,690	188,183

The notes on pages 11 to 17 form an integral part of these financial statements.

The financial statements on pages 8 to 10 were approved by the Board of Directors on 4 December 2023 and signed on their behalf by:

WRB



Mary Ann Sigler
Director
4 December 2023

Longitude Holding III Limited
Annual Report and Financial Statements
For the year ended 31 December 2022
(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	Called up share capital	(Accumulated losses)/ Retained earnings	Total
Balance as at 1 January 2021		186,166	-	(8,366)	177,800
Proceeds from share issued	7	469	-	-	469
Capital reduction	7	(95,100)	-	95,100	-
Total comprehensive income for the year		-	-	87,653	87,653
Dividend paid		-	-	(77,739)	(77,739)
Balance as at 31 December 2021		91,535	-	96,648	188,183
Total comprehensive income for the year		-	-	14,507	14,507
Balance as at 31 December 2022		91,535	-	111,155	202,690

The notes on pages 11 to 17 form an integral part of these financial statements.

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, registered and domiciled in England and Wales, United Kingdom. The address of its registered office is 280 Bishopsgate, London, United Kingdom, EC2M 4RB.

The Directors initially intended to obtain an exemption from audit for the current year under section 479A of the Companies Act 2006, but subsequently have elected to have these financial statements audited.

2. Basis of preparation and significant accounting policies

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ("FRS 101") and the Companies Act 2006 as applicable to companies using FRS 101. The financial statements have been prepared under the historical cost convention 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 International Financial Reporting Standards ("IFRS") have been applied in the preparation of these financial statements, in accordance with FRS 101:

- 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 paragraph 79(a)(iv) of IAS 1.
- 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.

A list of standards, amendments and interpretations effective for the year ended 31 December 2022 is included in the UK Parent financial statements. There are no new standards, amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2022 that have a material impact on the Company's financial statements.

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 severe but plausible changes in trading performance, show that the Company should be able to operate within the level of its current cash reserves and borrowings. Based on the assessment performed, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months from the date of this report as disclosed in the Going Concern section of the *Directors' Report* and that there is no material uncertainty in respect of going concern. 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 ("the UK Parent"), 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 UK Parent's registered office at 280 Bishopsgate, London, United Kingdom, EC2M 4RB.

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 the controlled undertakings and the primary denomination of cash flows these derive, which is considered to be Canadian Dollars. The financial statements are therefore 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 Statement of comprehensive income within "Administrative expenses".

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 in the next twelve months.

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.

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 year 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 indicator assessment, and in the case any impairment indicators are identified, an impairment test is performed. There are no impairment indicators noted as at 31 December 2022 (2021: None).

Share capital and share premium

Ordinary shares and share premium are classified as equity.

Administrative expenses

Administrative expenses include fees related to transfer pricing, tax services, Director's fees, and unrealised foreign-exchange gains and losses. These expenses are recognised as they are incurred.

Current and deferred tax

The tax expense for the year 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 realised 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.

Notes to the financial statements (continued)

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

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.

Transfer pricing

Transfer pricing charges are invoiced to the Company when costs incurred by its subsidiaries are for the benefit of the Company. The charges are billed quarterly and settled annually.

3. Employees and Directors

The Company had no employees during the year (2021: None).

Mr. Ian Downie received \$13 (2021: \$13) to serve as non-executive Director of the UK Parent, PE Longitude Holding II Limited, PE Longitude Holding III Limited, Longitude Holding Limited, Longitude Holding II Limited and Longitude Holding III Limited (together "UK Group companies") in 2022. These fees were borne by Longitude Holding Limited and paid by Livingston International Inc. Longitude Holding Limited makes no recharge of these fees to these companies. Accordingly, the above details include no fee and remuneration in respect of Mr. Downie. Fees paid to him are disclosed in the consolidated financial statements of the UK Parent.

4. Administrative expenses

The administrative expenses for 2022 consist of \$2,050 of management fees (2021: 2,036), \$21 of other administrative expenses (2021: \$39), net of \$273 of foreign exchange gains (2021: \$626). Audit fees are borne by Longitude Holding Limited.

5. Income tax expense

Total tax expense recognised in the Statement of comprehensive income.

	2022	2021
Adjustment in respect of prior years	24	10
Total deferred tax	24	10
Total tax expense	24	10

Reconciliation of effective tax rate

	2022	2021
Profit before taxation	14,531	87,663
Total tax expense	24	10
Tax using the UK corporation tax rate of 19%	2,761	16,656
Non-taxable dividend income	(3,103)	(16,931)
Non-deductible expenses	(52)	(119)
UK group tax relief	394	394
Non-taxable income	24	10
Total tax expense (see above)	24	10

Notes to the financial statements (continued)

5. Income tax expense (continued)

The Company and its related UK undertakings are part of a UK tax group where group tax relief may be sought. For 2021, the Company surrendered its net operating loss ("NOL") of \$2,076 to other members of the UK tax group. For 2022, the Company anticipates that it will surrender its NOL of \$2,071 to other members of the UK tax group and will carry forward an NOL of \$nil to future tax years.

The standard rate of corporation tax in the UK remained at 19% in 2021 and 2022. Accordingly, the Company's profit for this accounting year is taxed at a rate of 19%.

In the Autumn Statement in November 2022, the government confirmed, the rate of corporation tax will be increased from 19% to 25% from 1 April 2023. Accordingly, profits earned in future periods will be taxed at 25% rather than 19%. Accordingly deferred tax which is expected to be reversed subsequent to 2022 has been measured at 25% as at 31 December 2022.

6. 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.

The Company owns 100% of the common shares of Livingston International Inc, L.I.I. Holdings U.S. Parent Corp. and Livingston Luxco Sarl (2021: 100%). During the year ended 31 December 2022, the Company made a capital contribution of \$15,614 (2021: \$4,692) to Livingston International Inc.

During the year ended 31 December 2022, the Company received dividend in the amount of \$16,329 (2021: \$89,112) from its subsidiary.

7. Called up share capital and share premium account (to nearest \$ or US\$)

Shares issued and outstanding

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). On 31 December 2021, 1 ordinary share was issued for US\$369,387 (\$468,309).

Class of shares	Number of shares allotted	Nominal value per share	Shares allocated and fully paid
As at 31 December 2022 and 31 December 2021			
Ordinary	3	US\$0.0001	US\$0.0003

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.

Capital Reduction (amounts in thousands of Canadian dollars)

On 29 September 2021, Longitude Holding II Limited, the shareholder of the Company and its Directors approved a special resolution as permitted under section 641 of the Companies Act 2006 to reduce the Company's Share premium by \$95,100 (US\$75,000) with an offset to Retained earnings/Accumulated losses in order to provide sufficient distributable reserves for the Company to pay the shareholder a dividend of \$77,739 (US\$61,634).

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Notes to the financial statements (continued)

8. Related party transactions

As at 31 December 2022, the Company has no non-interest bearing intercompany payables with parties in the Group (2021: \$3,354 with various parties in the Group).

As at 31 December 2022, the Company has a non-interest bearing intercompany receivable with Livingston International Inc. totaling \$9 (2021: \$4,729) which is expected to be settled within twelve 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 all indirectly owned subsidiaries of the Company, where ownership is 100%.

Subsidiary	Registered office address	Type of share capital held	Direct / 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	Indirect
Livingston Transportation Inc.	405 The West Mall, Suite 400 Toronto, ON M9C 5K7 Canada	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
South Ranch, Inc.	150 Pierce Road, Suite 500 Itasca, IL 60143-1222 USA	Common shares	Indirect
Livingston Poland Sp. Z.o.o.	1 Kraszewkiego Street 2 nd Floor 85-240 Bydgoszcz Poland	Shares (Ordinary equivalent)	Indirect
Livingston International Europe Limited	12 th 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")	4/F, Lee Garden Three 1 Sunning Road, Causeway Bay, 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 India Private Limited	1102 Tower B, Peninsula Business Park, S.B. Road, Lower Parel, Mumbai 400013 India	Equity shares (Ordinary equivalent)	Indirect

8. Related party transactions (continued)

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Notes to the financial statements (continued)

Subsidiary	Registered office address	Type of share capital held	Direct / Indirect
Livingston International Netherlands B.V.	Prins Bernhardplein 200 1097 JB Amsterdam The Netherlands	Shares (Ordinary equivalent)	Indirect
Livingston Commercial Consulting (Shanghai) Co., Ltd.	Hang Seng Bank Tower Center, Room 981 No. 1000 Lujiazui Ring Road Pudong New District, Shanghai 200120 China	Equity interests	Indirect
Livingston Ecommerce LLC*	150 Pierce Road, Suite 500 Itasca, IL 60143-1222 USA	Common shares	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

9. 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 the UK Parent. Copies of the UK Parent consolidated financial statements can be obtained at 280 Bishopsgate, London, United Kingdom, EC2M 4RB.

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

10. Events after the end of the reporting year

There are no additional subsequent events impacting the Company.