

## **IH Holdings International Limited**

Unaudited Report and Financial Statements

Year Ended

31 December 2019

Company Number 09553031

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# IH Holdings International Limited

## Company Information

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|                          |   |
|--------------------------|---|
| <b>Directors</b>         | T F Darden II<br>J A Mazzarino<br>J T Vaughn<br>A Ritchie<br>G Powell |
| <b>Registered number</b> | 09553031  |
| <b>Registered office</b> | 1 Finsbury Circus<br>London<br>EC2M 7SH                               |

# IH Holdings International Limited

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# IH Holdings International Limited

## Directors' report For the Year Ended 31 December 2019

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The directors present their report and the financial statements for the year ended 31 December 2019.

### Principal activity

The principal activity of the Company in the year is that of an investment holding company.

### Results and dividends

The loss for the year, after taxation, amounted to \$23,958 (2018 - \$5,573K).

The directors do not recommend the payment of a dividend (2018: \$Nil).

### Directors

The directors who served during the year were:

T F Darden II  
J A Mazzarino  
J T Vaughn  
A Ritchie  
G Powell

### Going concern

The Company is reliant on obtaining continuing funding to meet its liabilities as they fall due. There can be no assurance that the Company will be able to obtain additional debt or equity financing on terms acceptable to the Company. Management will continue to explore various financing opportunities which primarily include sales of additional equity securities of the Company.

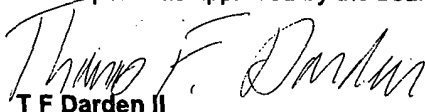
As a result, there is a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. However, while recognising this uncertainty, on the basis of projections, the directors believe that they will be able to obtain sufficient funding and accordingly they consider the going concern basis of preparation to be appropriate.

### Future developments

The Company intends to continue as an investment holding company.

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

This report was approved by the board and signed on its behalf.

  
T F Darden II

Director

Date 09/01/20

# IH Holdings International Limited

## Statement of comprehensive income For the Year Ended 31 December 2019

|  | Note | 2019<br>\$'000 | 2018<br>\$'000 |
|--|------|----------------|----------------|
| Administrative expenses                      |      | (24,133)       | (5,684)        |
| <b>Operating loss</b>                        | 4    | (24,133)       | (5,684)        |
| Interest income                              |      | 175            | 111            |
| <b>Loss for the year</b>                     |      | (23,958)       | (5,573)        |
| Other comprehensive income                   |      | -              | -              |
| <b>Total comprehensive loss for the year</b> |      | (23,958)       | (5,573)        |

All amounts related to continuing activities.

Notes 1 to 15 form part of these financial statements.

# IH Holdings International Limited

## Statement of financial position As at 31 December 2019

| <b>Company number 09512550</b>                        | <b>Note</b> | <b>2019<br/>\$'000</b> | <b>2019<br/>\$'000</b> | <b>2018<br/>\$'000</b> | <b>2018<br/>\$'000</b> |
|---|-------------|------------------------|------------------------|------------------------|------------------------|
| <b>Fixed assets</b>                                   |             |                        |                        |                        |                        |
| Investments   | 6           |                        | 91,620                 |                        | 82,093                 |
| <b>Current assets</b>                                 |             |                        |                        |                        |                        |
| Debtors: amounts falling due within one year          | 7           | 776                    |                        | 2,019                  |                        |
| Cash at bank and in hand                              | 8           | 404                    |                        | 27,380                 |                        |
| Investments   | 10          | 9,958                  |                        | -                      |                        |
|   |             | <u>11,138</u>          |                        | <u>29,399</u>          |                        |
| <b>Creditors: amounts falling due within one year</b> | 9           | <u>(234)</u>           |                        | <u>(576)</u>           |                        |
| <b>Net current assets</b>                             |             |                        | 10,904                 |                        | 28,823                 |
| <b>Net assets</b>                                     |             |                        | <u>102,524</u>         |                        | <u>110,916</u>         |
| <b>Capital and reserves</b>                           |             |                        |                        |                        |                        |
| Called up share capital                               | 11          |                        | 445                    |                        | 422                    |
| Share premium account                                 | 12          |                        | 167,889                |                        | 152,346                |
| Profit and loss account                               | 12          |                        | (65,810)               |                        | (41,852)               |
| <b>Shareholders' funds</b>                            |             |                        | <u>102,524</u>         |                        | <u>110,916</u>         |

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The directors consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and the members have not required the Company to obtain an audit of its accounts for the period in question in accordance with section 476 of the ACT. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved and authorised for issue by the board and were signed on its behalf.

  
T F Darden II

Director  
Date 09/01/20

Notes 1 to 15 form part of these financial statements.

# IH Holdings International Limited

## Statement of changes in equity For the Year Ended 31 December 2019

|  | Called up<br>share<br>capital<br>\$'000 | Share<br>premium<br>account<br>\$'000 | Profit<br>and loss<br>account<br>\$'000 | Total<br>equity<br>\$'000 |
|--|---|---------------------------------------|---|---------------------------|
| At 1 January 2019                            | 422                                     | 152,346                               | (41,852)                                | 110,916                   |
| <b>Comprehensive income for the year</b>     |   |                                       |   |                           |
| Loss for the year                            |   |                                       | (23,958)                                | (23,958)                  |
| <b>Total comprehensive loss for the year</b> | 422                                     | 152,346                               | (65,810)                                | 86,958                    |
| <b>Contributions by owners</b>               |   |                                       |   |                           |
| Shares issued during the year                | 23                                      | 15,543                                | -                                       | 15,566                    |
| <b>Total transactions with owners</b>        | 445                                     | 167,889                               | (65,810)                                | 102,524                   |
| <b>At 31 December 2019</b>                   | 445                                     | 167,889                               | (65,810)                                | 102,524                   |

## Statement of changes in equity For the Period Ended 31 December 2018

|  | Called up<br>share<br>capital<br>\$'000 | Share<br>premium<br>account<br>\$'000 | Profit<br>and loss<br>account<br>\$'000 | Total<br>equity<br>\$'000 |
|--|---|---------------------------------------|---|---------------------------|
| At 1 January 2018                            | 364                                     | 74,245                                | (36,279)                                | 38,330                    |
| <b>Comprehensive income for the year</b>     |   |                                       |   |                           |
| Loss for the year                            | -                                       | -                                     | (5,573)                                 | (5,573)                   |
| <b>Total comprehensive loss for the year</b> | 364                                     | 74,245                                | (5,573)                                 | 32,757                    |
| <b>Contributions by owners</b>               |   |                                       |   |                           |
| Shares issued during the year                | 58                                      | 78,101                                | -                                       | 78,159                    |
| <b>Total transactions with owners</b>        | 58                                      | 78,101                                | -                                       | 78,159                    |
| <b>At 31 December 2018</b>                   | 422                                     | 152,346                               | (41,852)                                | 110,916                   |

Notes 1 to 15 form part of these financial statements.

# IH Holdings International Limited

## Notes to the financial statements For the Year Ended 31 December 2019

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### 1. General information

IH Holdings International Limited is a private company limited by shares and incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page and the nature of the Company's operations and its principal activities is stated in the Directors' report.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The functional and presentational currency is US Dollars.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

#### *Consolidation*

The financial statements contain information about IH Holdings International Limited as an individual company and do not contain consolidated financial information. The Company is exempt from the requirement to prepare consolidated financial statements by virtue of the small companies' regime under the Companies Act 2006.

The following principal accounting policies have been applied:

#### 2.2 Going Concern

The directors have prepared the financial statements on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. It should be noted that on 11 March 2020, the World Health Organisation declared a global pandemic due to the COVID-19 virus that has spread across the globe, causing different governments and countries to enforce restrictions on people movements, a stop to international travel, and other precautionary measures.

The Company is reliant on obtaining continuing funding to meet its liabilities as they fall due. There can be no assurance that the Company will be able to obtain additional debt or equity financing on terms acceptable to the Company. Management will continue to explore various financing opportunities which primarily include sales of additional equity securities of the Company.

As a result, there is a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern.

#### 2.3 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Income statement for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.



# IH Holdings International Limited

## Notes to the financial statements For the Year Ended 31 December 2019

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### 2. Accounting policies *(continued)*

#### 2.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### 2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### 2.6 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, current investments, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# IH Holdings International Limited

## Notes to the financial statements For the Year Ended 31 December 2019

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### 2. Accounting policies *(continued)*

#### 2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### 2.8 Finance costs

Finance costs are charged to the income statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### 2.9 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. Any capitalised development costs are amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

#### 2.10 Share – Based Payment

The group scheme, awarding shares in the company, being the parent entity, includes recipients who are contractors and employees in certain subsidiaries. The transaction is treated as an equity-settled share-based payment, however as the subsidiary is receiving services in consideration for the company's equity instruments, an expense is recognised in the subsidiaries income statement for the grant date fair value of the share-based payment over the vesting period.

In these financial statements the benefit provided to the subsidiaries is accounted for as an increase in the Company's investment in subsidiaries (see note 6) and this increase in investment is then assessed for impairment, as per the company's accounting policy (see note 2.3).

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether leases entered into by the Company either as a lessor or a lessee are operating or lease or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Investments (see note 6)  
The most critical estimates, assumptions and judgements relate to the determination of carrying value of investments at fair value. The Company follows the International Private Equity and Venture Capital Valuation Guidelines, applying the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstances of the investment drives the valuation methodology.

# IH Holdings International Limited

## Notes to the financial statements For the Year Ended 31 December 2019

### 4 Operating loss

|   | 2019<br>\$'000 | 2018<br>\$'000 |
|---|----------------|----------------|
| The operating loss is stated after charging:    |                |                |
| Impairment loss related to investments (note 6) | 20,307         | 4,946          |
|   | <u>20,307</u>  | <u>4,946</u>   |

### 5 Employees

The Company has no employees other than the directors, who do not receive any remuneration.

### 6 Fixed asset investments

|                          | Investments<br>in subsidiary<br>companies<br>\$'000 |
|--------------------------|---|
| <i>Cost of valuation</i> |   |
| At 1 January 2019        | 82,093  |
| Additions                | 29,834  |
| Impairment               | (20,307)  |
|                          | <u>91,620</u>                                       |
| At 31 December 2019      | 91,620  |
| <i>Net book value</i>    |   |
| 31 December 2019         | 91,620  |
|                          | <u>91,620</u>                                       |
| At 31 December 2018      | 82,093  |
|                          | <u>82,093</u>                                       |

# IH Holdings International Limited

## Notes to the financial statements For the Year Ended 31 December 2019

### 7 Debtors

|                                    | 2019<br>\$'000 | 2018<br>\$'000 |
|------------------------------------|----------------|----------------|
| Amounts owed by group undertakings | 193            | 1,911          |
| Other debtors                      | 583            | 108            |
|                                    | <u>776</u>     | <u>2,019</u>   |

### 8 Cash and cash equivalents

|      | 2019<br>\$'000 | 2018<br>\$'000 |
|------|----------------|----------------|
| Cash | 404            | 27,380         |
|      | <u>404</u>     | <u>27,380</u>  |

### 9 Creditors: amounts falling due within one year

|                                    | 2019<br>\$'000 | 2018<br>\$'000 |
|------------------------------------|----------------|----------------|
| Amounts owed to group undertakings | 203            | 259            |
| Other creditors                    | 31             | 317            |
|                                    | <u>234</u>     | <u>576</u>     |

# IH Holdings International Limited

## Notes to the financial statements For the Year Ended 31 December 2019

### 10 Financial instruments

|   | 2019<br>\$'000 | 2018<br>\$'000 |
|---|----------------|----------------|
| <b>Financial assets</b>   |                |                |
| Financial assets that are debt instruments measured at amortised cost | 11,138         | 29,398         |
| <b>Financial liabilities</b>  |                |                |
| Financial liabilities measured at amortised cost                      | (234)          | (576)          |

Financial assets measured at amortised cost comprise cash and cash equivalents, other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise other creditors and amounts owed to group undertakings.

| Description                                       | Classification   | 2019<br>Value<br>(\$'000) |
|---|------------------|---------------------------|
| First Citizens Bank N.A.                          | Money Market     | 517,313                   |
| First Citizens Bank N.A., Trading debt securities | Non-Governmental | 9,367,646                 |
|   |                  | <b>9,958</b>              |

The company limits its investments to instruments with maturities of less than a year having a rating at or exceeding investment grade in order to limit credit and liquidity risk. These investments are managed by an investment adviser and the portfolio's performance is reviewed by key management personnel. The aim of the portfolio includes both capital preservation and a rate of return that exceeds the rate available through the purchase of money market securities.

### 11 Share capital

| Number     | Class            | Nominal<br>value | 2019<br>\$'000 | 2018<br>\$'000 |
|------------|------------------|------------------|----------------|----------------|
| 17,667,284 | Ordinary         | \$0.01           | 177            | 154            |
| 355,770    | 'A' Shares       | \$0.01           | 3              | 3              |
| 10,688,279 | 'A1' Shares      | \$0.01           | 107            | 107            |
| 2,648,601  | 'B' Preference   | \$0.01           | 26             | 26             |
| 867,609    | 'B1' Preference  | \$0.01           | 9              | 9              |
| 9,673,195  | 'F' Ordinary     | \$0.01           | 97             | 97             |
| 2,596,627  | Incentive Shares | \$0.01           | 26             | 26             |
|            |                  |                  | <b>445</b>     | <b>422</b>     |

# IH Holdings International Limited

## Notes to the financial statements For the Year Ended 31 December 2019

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### 11 Share capital (continued)

Shares issued, redesignated or forfeited during the year were as follows:

**Ordinary Shares:** 2,297,104 ordinary shares of \$0.01 each were issued for a premium of \$15,482,481.

**'A' Shares:** No new 'A' shares were issued in the year.

**'A1' Shares:** No new 'A1' shares were issued in the year.

**'B' Preference:** No new 'B' Preference shares were issued in the year.

**'B1' Preference:** No new 'B1' Preference shares were issued in the year.

**Incentive Shares:** 10,000 Incentive Shares of \$0.01 each were issued as part of a company share incentive scheme

Particulars of rights attached to each class of share are as follows:

#### Ordinary Shares

- Shares rank equally for voting purposes and for any dividend declared;
- The shares rank equally for any distribution made on a winding up; and
- The shares are non-redeemable.

#### Series A/A1 Shares

- The Series A/A1 shares confer on each holder the right to vote. Each member is entitled to one vote, and on a poll, each member shall have one vote per share held;
- The holders of Series A/A1 shares have a right to dividends which is *pari passu* to holders of Series F Ordinary and Ordinary shares;  
In the instance of a winding up, the holders of Series A/A1 shares shall be entitled to an amount per share in priority to the holders of Series F Ordinary and Ordinary shares; and
- The Series A/A1 shares are non-redeemable and do not have the right to a fixed cumulative dividend; as such they are classified as equity, not as a liability.

#### Series B/B1 Preference Shares

- The Series B/B1 Preference shares confer on each holder the right to vote. Each member is entitled to one vote, and on a poll, each member shall have one vote per share held;
- The holders of Series B/B1 Preference shares have a right to dividends which is *pari passu* to holders of Series A/A1, Series F Ordinary and Ordinary shares;
- In the instance of a winding up, the holders of Series B/B1 Preference shares shall be entitled to an amount per share in priority to the holders of Series F Ordinary and Ordinary shares; and
- The holders of Series B/B1 Preference shares are entitled to convert to Ordinary shares upon written notice to the Company;

# IH Holdings International Limited

## Notes to the financial statements For the Year Ended 31 December 2019

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### 11 Share capital (*continued*)

- The Series B/B1 Preference shares are non-redeemable and do not have the right to a fixed cumulative dividend; as such they are classified as equity, not as a liability.

#### Incentive Shares

- The Company redesignated 2,586,627 Series B Ordinary shares as Incentive shares in 2018.
- The holders of Incentive shares are not entitled to receive notice of, to attend, to speak or to vote at any general meeting of the Company, nor to receive or vote on proposed written resolutions of the Company;
- The holders of Incentive shares have a right to dividends which is *pari passu* to holders of Ordinary, Series F Ordinary, and Series A/A1 and B/B1 Preference shares;
- In the instance of a winding up, in the event that there are surplus assets of the Company after payment of the Company's liabilities and payments of preferential distributions to the holders of Series A/A1 and B/B1 Preference shares, Series F Ordinary and Ordinary shares, the holders of Incentive shares shall be entitled to a distribution provided that the surplus assets are in aggregate above a certain amount; and
- The shares are non-redeemable.
- The Incentive shares are issued to individuals as part of a company share incentive scheme.

#### Series F Ordinary Shares

- The Series F Ordinary shares confer on each holder the right to vote. Each member is entitled to one vote, and on a poll, each member shall have one vote per share held;
- The holders of Series F Ordinary shares have a right to dividends which is *pari passu* to holders of ordinary shares;
- In the instance of a winding up, the holders of Series F Ordinary shares shall be entitled to an amount per share in priority to the holders of ordinary shares; and
- The shares are non-redeemable

# IH Holdings International Limited

## Notes to the financial statements For the Year Ended 31 December 2019

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### 12 Capital and reserves

#### Share capital

Share capital represents the nominal value of the shares issued.

#### Share premium

Share premium represents the premium related to or paid on shares issued, net of any issue costs.

#### Profit and loss account

The profit and loss account represents cumulative profits or losses, net of any dividends paid and other adjustments.

### 13 Related party transactions

The Company has taken advantage of the exemption conferred by Section 33.1A of FRS 102 not to disclose transactions and balances with wholly owned subsidiaries.

### 14 Controlling party

In the opinion of the directors there is no single controlling party.

### 15 Share based payments

#### Equity-settled share option scheme

The company has share option schemes for certain employees and non-employees within the group. Options are exercisable at a price equal to the fair value of the company's shares on the date of the grant. The vesting period in relation to shares issued to employees is four years. For shares issued to employees and non-employees in the group, they are recorded in the employing or contracting entity. None of the expense has been recorded within the company. The options are exercisable at the point at which they vest. Unvested options are generally forfeited if the employee leaves the company.

The Black-Scholes option pricing model was used to value the share-based payment awards as it was considered that this approach would result in materially accurate estimate of the fair value of options granted.

The volatility assumption, measured at the standard deviation of expected share price returns, is based on a statistical analysis of similar unlisted technology companies.

The annual share-based remuneration charge is:

|                       | 2019<br>\$'000 | 2018<br>\$'000 |
|-----------------------|----------------|----------------|
| Equity-settled scheme | 60             | 141            |