Landscape Acquisition Holdings Ltd - LAHL Half-year Report
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Landscape Acquisition Holdings Ltd
30 July 2018

Landscape Acquisition Holdings Limited

Interim Condensed Financial Information for the Period from Incorporation on 1 November 2017 to 30 April 2018 (Unaudited)

Interim Management Report and Chairman's Statement

It is with pleasure that I write to you for the first time as Chairman of Landscape Acquisition Holdings Limited (the "Company") and I would like to take this opportunity to welcome you as a shareholder of the Company.

I am pleased to present to the shareholders the Company's first half-yearly unaudited financial report for the period ended 30 April 2018.

The Company
The Company raised gross proceeds of US$484 million in its initial public offering ("IPO"), through the placing of Ordinary Shares (with matching Warrants) at a placing price of $10 per Ordinary Share and a further US$16 million through the subscription of Founder Preferred Shares (with Warrants being issued to subscribers of Founder Preferred Shares on the basis of one Warrant per Founder Preferred Share). The Company was admitted to trading with a standard listing on the main market of the London Stock Exchange on 20 November 2017. As at 30 April 2018, the Company had 48,425,000 Ordinary Shares in issue. The net proceeds from the IPO and the subscription of the Founder Preferred Shares are easily accessible when required.

As set out in the Company's Prospectus dated 15 November 2017 (the "Prospectus"), the Company was formed to undertake an acquisition of a target company ("Acquisition"). There is no specific expected target value for the Acquisition and the Company expects that any funds not used for the Acquisition will be used for future acquisitions, internal or external growth and expansion, purchase of outstanding debt and working capital in relation to the acquired company or business. Following completion of the Acquisition, the objective of the Company is expected to be to operate the acquired business and implement an operating strategy with a view to generating value for shareholders through operational improvements as well as potentially through additional complementary acquisitions following the Acquisition.

Financial Results
During the period commenced 1 November 2017 and ended 30 April 2018, the Company has incurred operating costs of $60.0 million including $3.6 million of administrative expenses, $0.05 million non-cash charge for non-executive Directors' Fees, $55.9 million of non-cash charges related to Founder Preferred Share dividend rights and associated warrants as outlined in the Company's Prospectus and $0.5m related to warrant redemption liability. These expenses were partially offset by finance income totalling $2.6 million and other operating income of $0.2 million. Costs of Admission of $9.7 million were recorded as an offset of the gross proceeds from the IPO in the Company's Statement of Financial Position.

Principal Risks and Uncertainties
The Company set out in the Prospectus the principal risks and uncertainties that could impact its performance; these principal risks and uncertainties remain unchanged since that document was published and are expected to apply in the remaining period to 31 October 2018. Your attention is drawn to that Prospectus for the detailed assessment.

A copy of the Prospectus is available on the Company's website (*www.landscapeacquisitionholdingslimited.com*) and has been submitted to the National Storage Mechanism and is available for inspection at www.morningstar.co.uk/uk/nsm.

Related Parties
Related party disclosures are given in note 14 to these condensed interim financial statements.

Lord Myners of Truro CBE
Chairman
26 July 2018

Statement of Directors' Responsibility

The Directors confirm that, to the best of their knowledge, these condensed interim financial statements for the period have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union. The interim management report includes a fair review of the information required by the Disclosure and Transparency Rules DTR 4.2.7R and DTR 4.2.8R, namely:

(a) an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed financial statements, and a description of the principal risks and uncertainties for the remaining six months of the year; and

(b) material related party transactions that have taken place in the first six months of the current financial year that have materially affected the financial position or performance of the Company during that period.

By order of the Board:

Lord Myners of Truro CBE
Chairman
26 July 2018

Condensed Statement of Comprehensive Loss for the period ended 30 April 2018

	Note	For the period from 1 November 2017 to 30 April 2018 US$
Investment income		2,574,303
Other income		198,260
Expenses	3	(3,590,122)
Non-cash charge related to Founder Preferred Shares and associated warrants	6	(55,889,180)
Non-cash charge related to warrant redemption liability	13	(484,250)
Operating loss		(57,190,989)
Loss and total comprehensive loss for the period		(57,190,989)
Basic and diluted loss per Ordinary and Founder Preferred share	8	US$(1.26)

The notes form an integral part of these financial statements.

Condensed Statement of Financial Position as at 30 April 2018

	Note	2018 US$
Assets		
Current assets		
Cash and cash equivalents		6,548,112
Short-term investments	7	485,460,481
Prepayments and other assets	9	174,481
Total assets		492,183,074
Liabilities		
Current liabilities		
Payables	10	(2,414,123)
Total current liabilities		(2,414,123)

Non-current liabilities		
Warrant redemption liability	13	(484,250)
Total non-current liabilities		(484,250)
Total liabilities		(2,898,373)
Net assets		489,284,701
Equity		
Founder Preferred Share Capital	11	16,000,000
Ordinary Share Capital - nominal value		-
Ordinary Share Capital - share premium	11	474,533,991
Retained losses		(1,249,290)
		489,284,701
Net asset value per share	8	US$9.78

The notes form an integral part of these financial statements.

Condensed Statement of Changes in Equity for the period ended 30 April 2018

	Founder Preferred Share Capital US$	**Ordinary Share Capital - nominal value US$**	**Ordinary Share Capital - share premium US$**	**Retained losses US$**	**Total US$**
At inception	-	-	-	-	-
Issue of shares	16,000,000	-	484,250,000	55,889,180	556,139,180
Issue costs	-	-	(9,716,009)	-	(9,716,009)
Loss and total comprehensive loss for period	-	-	-	(57,190,989)	(57,190,989)
Share based compensation - Directors' options	-	-	-	52,519	52,519
Balance as at 30 April 2018	16,000,000	-	474,533,991	(1,249,290)	489,284,701

The notes form an integral part of these financial statements.

Condensed Statement of Cash Flows for the period ended 30 April 2018

	Note	For the period from 1 November 2017 to 30 April 2018 US$
Cash flows from operating activities		
Loss and total comprehensive loss for the period		(57,190,989)
Adjustments for:		
Gains on short-term investments		(2,574,303)
Charge related to Founder Preferred Shares	6	55,889,180
Charge related to warrant redemption liability	13	484,250
Charge related to director options	12	52,519
Movements in working capital:		
(Increase) in debtors and prepayments		(174,481)
Increase in payables		2,414,123
Net cash used in operating activities		(1,099,701)
Investing activities		
Purchase of short-term investments		(676,807,378)
Disposal of short-term investments		193,921,200
Net cash used in investing activities		(482,886,178)
Financing activities		
Issue of Founder Preferred Shares and warrants	11	16,000,000
Issue of Ordinary Shares and warrants	11	484,250,000
Share issue expenses	11	(9,716,009)
Net cash provided by financing activities		490,533,991
Increase in cash and cash equivalents		6,548,112
Cash and cash equivalents at start of period		-
Cash and cash equivalents at end of period		6,548,112

The notes form an integral part of these financial statements.

Notes to the interim financial statements for the period ended 30 April 2018

1. General information

The Company was incorporated with limited liability under the laws of the British Virgin Islands under the BVI Companies Act on 1 November 2017. The address of the Company's registered office is Ritter House, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. The Company's Ordinary Shares and Warrants were admitted for trading on the Main Market of the London Stock Exchange on 20 November 2017, after raising gross proceeds of US$500,000,000 for a potential acquisition (an "Acquisition") from the placing of Ordinary Shares (with matching Warrants) at a placing price of US$10 per Ordinary Share and the subscription of Founder Preferred Shares (with warrants) being issued to subscribers of Founder Preferred Shares on the basis of one Warrant per Founder Preferred Share).

This condensed interim financial information was approved and authorised for issue in accordance with a resolution of the Directors on 26 July 2018.

2. Summary of significant accounting policies and basis of preparation of half year report

This is the Company's first interim financial report and there is no previous annual report, therefore a complete disclosure has been provided below of all significant accounting policies. Statutory annual accounts of the Company for the period ended 31 October 2018 will in due course be prepared in accordance with the International Accounting Standards Board's (IASB) International Financial Reporting Standards (IFRS) as adopted by the European Union.

2.1 Basis of preparation

The condensed interim financial information for the half year ended 30 April 2018 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with International Accounting Standard (IAS) 34 "Interim Financial Reporting" as adopted by the European Union. This condensed interim financial information has been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss.

The preparation of interim financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Directors to exercise judgement in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The Directors believe that the underlying assumptions are appropriate and that the Company's financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.14.

2.2 Going concern

The Directors have a reasonable expectation and belief that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, the condensed interim financial statements are prepared on a going concern basis.

2.3 Foreign currency translation

Functional and presentation currency

The Company is listed on the main market of the London Stock Exchange, the capital raised in the IPO and the subscription of Founder Preferred Shares is denominated in US dollars and it is intended that any dividends and distributions to be paid to shareholders are to be denominated in US dollars. The performance of the Company is measured and reported to the shareholders in US dollars, which is the Company's functional currency. The Directors consider the US dollar as the currency of the primary economic environment in which the Company operates and the one that most faithfully represents the economic effects of the underlying transactions, events and conditions.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the balance sheet date.

Foreign exchange gains and losses arising from translation are included in the condensed statement of comprehensive loss.

2.4 Financial assets at fair value through profit or loss

Classification
The Company classifies its investment in U.S. Treasury Bills as a financial asset at fair value through profit or loss. This financial asset is designated by the Directors at fair value through profit or loss at inception.

Financial assets designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Company's documented investment strategy.

The Company's policy requires the Directors to evaluate the information about these financial assets on a fair value basis together with other related financial information. Assets in this category are classified as current assets if they are expected to be realised within 12 months of the balance sheet date. Those not expected to be realised within 12 months of the balance sheet date will be classified as non-current.

Recognition, derecognition and measurement
Regular purchases and sales of investments are recognised on the trade date - the date on which the Company commits to purchase or sell the investment. Financial assets at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the condensed statement of comprehensive loss within net changes in fair value of financial assets at fair value through profit or loss in the period in which they arise.

Dividend income or distributions of a revenue nature from financial assets at fair value through profit or loss are recognised in the condensed statement of comprehensive loss within dividend income when the Company's right to receive payments is established.

2.5 Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are recognised initially at fair value. They are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts to be received. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount to be received is impaired. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the effective interest rate used to discount the future cash flows for the purpose of measuring the impairment loss.

The effective interest rate method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts throughout the expected life of the financial instrument − or, when appropriate, a shorter period − to the net carrying amount of the financial asset. When calculating the effective interest rate, the Directors estimate cash flows considering all contractual terms of the financial instrument but do not consider future credit losses. The calculation includes all fees and amounts paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

2.6 Offsetting financial instruments

Financial instruments are offset and the net amount reported in the balance sheet only when there is legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

2.8 Payables and accrued expenses

Payables and accrued expenses are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.9 Share-based payments

The Founder Preferred Shares represent equity-settled share based arrangements under which the Company receives services as a consideration for the additional rights attached to these equity shares, over and above their nominal price. The fair value of the grant of Founder Preferred Shares in excess of any purchase price received is recognised as an expense. In addition, the Company has granted options to the Non-Founder Directors. The fair value of the Founder Preferred Shares and the options is determined using a valuation model.

The total amount to be expensed as a respective share-based payment charge is determined by reference to the fair value of the awards granted:

- including any market performance condition;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions. Non-market performance and service conditions are included in

assumptions about the number of awards that are expected to vest.

2.10 Fair Value of Warrants

Warrants not subject to IFRS 2 are valued at redemption value of $0.01 as financial instruments. The Warrants are compound financial instruments with a liability recognised and the remainder in equity.

The total expense is recognised in the income statement with a corresponding credit to equity over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. The Company does not begin to recognise expense associated with share-based awards with performance conditions until it is probable that the performance condition will be achieved.

2.11 New accounting standards

This is the first set of condensed financial statements prepared by the Company. The Company applied all applicable standards and applicable interpretations published by the IASB and as endorsed by the European Union for the period ended 30 April 2018. The Company did not adopt any standard or interpretation published by the IASB and endorsed by the European Union for which the mandatory application date is on or after 1 January 2018.

Based on the Company's existing activity, there are no new interpretations, amendments or full standards that have been issued but not effective or adopted for the period ended 30 April 2018 that will have a material impact on the Company.

2.12 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors as it is the body that makes strategic decisions. The Directors are of the opinion that there is only a single operational segment being the investment in US Treasury Bills as disclosed in note 7. As a result no segment information has been provided as the Company only accumulates its funds raised for investment in US Treasury Bills.

2.13 Share capital

Founder Preferred Shares, Ordinary Shares, and Warrants are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

2.14 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the historical financial information requires the use of certain critical estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies. The only area involving a higher degree of judgement or complexity, and where assumptions and estimates are significant is the valuation of the Founder Preferred Shares.

The terms of the Founder Preferred Shares are summarised in the Prospectus and in note 11.

Management has also considered, at the grant date, the probability of an Acquisition being completed, and the potential range of values for the Founder Preferred Shares, based on the circumstances on the grant date.

The fair value of the Founder Preferred Shares with attached warrants and related share based payments were calculated using a Monte Carlo valuation model. The share based payment related to the Founder Preferred Shares with warrants in excess of the amount paid for such shares has been charged immediately in full to the income statement with a corresponding credit to equity as such shares vested immediately on the grant date.

3. Expenses

	2018 US$
Listing expenses	958,205
Legal and professional fees	2,310,277
Directors' fees	177,519
Administration fees	82,865
General expenses	61,256
	3,590,122

4. Taxation

The Company is not subject to income tax or corporation tax in the British Virgin Islands.

5. Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Company may use various methods including market, income and cost approaches.

Based on these approaches, the Company often utilises certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Company utilises valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques the Company is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values.

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 - Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.

Level 2 - Observable inputs other than Level 1 including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data. Level 2 also includes derivative contracts whose value is determined using a pricing model with observable market inputs or can be derived principally from or corroborated by observable market data.

Level 3 - Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation; also includes observable inputs for nonbinding single dealer quotes not corroborated by observable market data.

5. Fair value (continued)

The Company has various processes and controls in place to ensure that fair value is reasonably estimated. A model validation policy governs the use and control of valuation models used to estimate fair value. The Company performs due diligence procedures over third-party pricing service providers in order to support their use in the valuation process. Where market information is not available to support internal valuations, independent reviews of the valuations are performed and any material exposures are escalated through a management review process.

While the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

As of 30 April 2018, financial assets at fair value through profit or loss of US$485,460,481 were categorized as Level 2 securities. There were no transfers between Levels during the period.

6. Charge Related to Founder Preferred Shares

The total charge related to Founder Preferred Shares and warrants for the period ended 30 April 2018 was US$55,889,180.

Founder Preferred Shares
The Company has outstanding Founder Preferred Shares issued to entities connected to its Founders, which have been accounted for in accordance with IFRS 2 "Share-based payment" as equity-settled share-based payment awards. The fair value of the Founder Preferred Shares over and above their purchase price was determined as US$55,402,429 at the grant date. The preferred share awards do not have any vesting or service conditions and vested immediately on the dates of the grant. Accordingly, the aggregate non-cash charge relating to the Founder Preferred Shares for the period ended 30 April 2018 was US$55,402,429. The fair value of the awards were determined using a Monte Carlo valuation model and was based on the following assumptions:

	15-Nov-2017
Number of securities issued	1,600,000
Vesting period	Immediate
Ordinary share price upon initial public offering ("IPO")	US$10.00
Founder Preferred Share price	US$10.00
Probability of IPO	100.0%
Probability of Acquisition	65.5%
Time to Acquisition	1.5 years
Volatility (post-Acquisition)	38.68%
Risk free interest rate	2.26%

Expected volatility was estimated with reference to a representative set of listed companies taking into account the circumstances of the Company.

The probability and timing of an Acquisition has been estimated only for the purposes of valuing the Founder Preferred Shares issued as at 15 November 2017 and no assurance can be given that the Acquisition will occur at all or in any particular timeframe.

Warrants
The Company has outstanding warrants issued to entities connected to its Founders. The warrants do not have any vesting or service conditions and vested immediately on the date of the grant. Accordingly, the aggregate non-cash charge relating to the warrants for the period ended

30 April 2018 was US$486,751. The fair value of the awards was determined using a Monte Carlo valuation model and was based on the following assumptions:

Share price	US$10.00
Exercise price	US$11.50
Redemption price	US$18.00
Risk free rate	2.26%
Probability of Acquisition	65.5%
Volatility (post-Acquisition)	38.68%

Expected volatility was estimated with reference to a representative set of listed companies taking into account the circumstances of the Company.

The probability and timing of an Acquisition has been estimated only for the purposes of valuing the Warrants issued as at 15 November 2017 and no assurance can be given that the Acquisition will occur at all or in any particular timeframe.

7. Financial assets at fair value through profit or loss

The Company holds zero coupon U.S. Treasury Bills which at 30 April 2018 had a cost of US$483,657,707, a market value of US$485,460,481 and a maturity value of US$486,609,200. All mature within three months of the period end.

8. Loss per share and net asset value per share

The loss per share calculation for the period from 1 November 2017 through 30 April 2018 is based on loss for the period of US$(57,190,989) and the weighted average number of Ordinary Shares and Founder Preferred Shares of 45,247,332.

Net asset value per share is based on net assets of US$489,284,701 divided by the 48,425,000 Ordinary Shares and 1,600,000 Founder Preferred Shares in issue at 30 April 2018.

The Warrants and Options are considered non-dilutive at 30 April 2018.

9. Prepayments

	2018 US$
Prepaid Directors' fees	125,000
Other prepayments	36,280
Accrued interest receivable	13,201
	174,481

10. Payables

	2018 US$
Accruals	2,131,220
Other payables	282,903
	2,414,123

11. Share capital

The authorised shares of the Company are as follows:

The authorised shares of the Company are as follows:

	2018 US$
Authorised	
Unlimited number of Ordinary Shares of no par value	-

Founder Preferred Shares	**Number**
Balance at beginning of period	-
Issued during the period	1,600,000
Balance at end of period	1,600,000

Founder Preferred Share Capital	**US$**
Balance at beginning of period	-
On shares issued during the period	16,000,000
Balance at end of period	16,000,000

Ordinary Shares	**Number**
Balance at beginning of period	-
Issued during the period	48,425,000
Balance at end of period	48,425,000

Ordinary Share Capital	**US$**
Balance at beginning of period	-
On shares issued during the period	484,250,000
Balance at end of period	484,250,000

2 Founder Preferred Shares were issued on 3 November 2017 at US$10.00 per share and a further 1,599,998 issued on 20 November 2017, also at US$10.00 per share. There are no Founder Preferred Shares held in Treasury. Each Founder Preferred Share was issued with a Warrant as described below.

48,425,000 Ordinary Shares were issued on 20 November 2017 (48,400,000 were issued in the IPO at US$10.00 per share and 25,000 were issued to the Non-Founder Directors in conjunction with the IPO). There are no Ordinary Shares held in Treasury. Each Ordinary Share was issued with a Warrant as described below.

Issue costs of US$9,716,009 were deducted from the proceeds of issue.

Ordinary Shares

Ordinary Shares confer upon the holders (in accordance with the Articles):

(a) Subject to the BVI Companies Act, on a winding-up of the Company the assets of the Company available for distribution shall be distributed, provided there are sufficient assets available, to the holders of Ordinary Shares and Founder Preferred Shares pro rata to the number of such fully paid up shares held by each holder relative to the total number of issued and fully paid up Ordinary Shares as if such fully paid up

Founder Preferred Shares had been converted into Ordinary Shares immediately prior to the winding-up;

(b) the right, together with any holder of the Founder Preferred Shares, to receive all amounts available for distribution and from time to time to be distributed by way of dividend or otherwise at such time as the Directors shall determine (and in each case distributed in respect of the fully paid up Founder Preferred Shares pro rata to the number of fully paid up Ordinary Shares held by any holder of Founder Preferred Shares, as if for such purpose the Founder Preferred Shares had been converted into Ordinary Shares immediately prior to such distribution plus, commencing from consummation of the Acquisition, an amount equal to 20 per cent. of the dividend which would be distributable on such number of Ordinary Shares equal to the Preferred Share Dividend Equivalent (as defined in the Prospectus)); and

(c) the right to receive notice of, attend and vote as a member at any meeting of members except in relation to any Resolution of Members that the Directors, in their absolute discretion (acting in good faith) determine is: (i) necessary or desirable in connection with a merger or consolidation in relation to, in connection with or resulting from the Acquisition (including at any time after the Acquisition has been made); or (ii) to approve matters in relation to, in connection with or resulting from the Acquisition (whether before or after the Acquisition has been made).

Founder Preferred Shares

The Founder Preferred Shares have US$nil par value.

Founder Preferred Shares confer upon the holder the following:

• the right to a share in the Annual Dividend Amount (as defined in the Prospectus);
• the right to receive notice of, attend and vote as a Member at any meeting of Members;
• subject to the right of the holders of Founder Preferred Shares to receive any Annual Dividend Amount from time to time, the right, together with the holders of Ordinary Shares, to receive such portion of all amounts available for distribution and from time to time distributed by way of dividend or otherwise at such time determined by the Directors;
• in addition, commencing on and after an Acquisition, where the Company pays a dividend on its Ordinary Shares, the holders of the Founder Preferred Shares will receive an amount equal to 20 per cent. of the dividend which would be distributable on such number of Ordinary Shares equal to the Preferred Share Dividend Equivalent. All such dividends on the Founder Preferred Shares will be paid contemporaneously with the dividends on the Ordinary Shares;
• the right to an equal share (with the holders of Ordinary Shares) in the distribution of the surplus assets of the Company on its liquidation as are attributable to the Founder Preferred Shares; and
• the ability to convert into Ordinary Shares on a 1-for-1 basis subject to certain adjustments (mandatorily upon the last day of the seventh full financial year after an Acquisition).

The Founder Preferred Shares are structured to provide a dividend based on the future appreciation of the market value of the Ordinary Shares thus aligning the interests of the Founders (as defined in the Prospectus) with those of the investors on a long term basis. Annual Dividend Amounts will be paid, at the discretion of the Company, in either 1) Ordinary Shares and will be dilutive to existing holders of Ordinary Shares, or 2) cash.

After an Acquisition, once the average price per Ordinary Share is at least $11.50 for ten consecutive Trading Days, the holders of Founder Preferred Shares will be entitled to receive "Annual Dividend Amounts". In the first year in which such dividend becomes payable, such dividend will be equal in value to 20 per cent. of the increase in the market value of one Ordinary Share, being the difference between

US$10.00 and the Dividend Price (the average closing price of the last ten trading days of the Company's financial year), multiplied by such number of Ordinary Shares equal to the Preferred Share Dividend Equivalent.

Thereafter, the Annual Dividend Amount will only become payable if the Dividend Price during any subsequent year is greater than the highest Dividend Price in any preceding year in which a dividend was paid in respect of the Founder Preferred Shares. An Annual Dividend Amount will be 20 per cent. of the increase in the Dividend Price over the highest prior Dividend Price in any preceding year multiplied by the Preferred Share Dividend Equivalent.

The amounts used for the purposes of calculating an Annual Dividend Amount and the relevant Preferred Share Dividend Equivalent are subject to such adjustments as the Directors in their absolute discretion determine to be fair and reasonable in the event of a consolidation or sub-division of the Ordinary Shares in issue after the date of admission to trading or otherwise as determined in accordance with the Company's Memorandum and Articles of Association.

Warrants

The Company has issued an aggregate of 50,025,000 Warrants to the purchasers of both Ordinary Shares and Founder Preferred Shares (including the 25,000 Warrants that were issued to Non-Founder Directors in connection with their appointment). Each Warrant has a term of 3 years following an Acquisition and entitles a Warrant holder to subscribe for one-third of an Ordinary Share upon exercise. Warrants will be exercisable in multiples of three for one Ordinary Share at a price of US$11.50 per whole Ordinary Share.

The Warrants are also subject to mandatory redemption at US$0.01 per Warrant if at any time the Average Price per Ordinary Share equals or exceeds US$18.00 for a period of ten consecutive trading days (subject to any prior adjustment in accordance with the terms of the Warrant Instrument).

12. Share-based compensation

On 15 November 2017, the Company issued 125,000 options to purchase its Ordinary Shares to its Non-Founder Directors that vest upon an Acquisition; continued service until that time is required for vesting. The options expire on the 5th anniversary following an Acquisition and have an exercise price of US$11.50 per share (subject to such adjustment as the Directors consider appropriate in accordance with the terms of the Option Deeds).

The Company estimated the grant date fair value of each option at US$1.61 using a Monte Carlo simulation model with the following assumptions:

Share price	US$10.00
Exercise price	US$11.50
Risk free rate	2.26%
Probability of Acquisition	65.5%
Volatility (post-Acquisition)	38.68%

Share-based compensation expense of US$52,519 has been recognised for these options in the accompanying condensed financial statements for the period ended 30 April 2018. Unamortized share-based compensation expense of US$120,223 will be recognised over the remaining estimated vesting period of approximately 1 year.

13. Warrant redemption liability

As a contingent obligation to redeem for cash, a separate liability of US$484,250 was recognised.

14. Related party and material transactions

During the period the Company issued the following shares and options to Directors of the Company:

	Ordinary Shares	Founder Preferred Shares	Warrants	Options
	2018 Number	2018 Number	2018 Number	2018 Number
Noam Gottesman	1,200,000	800,000	2,000,000	-
Michael Fascitelli	1,200,000	800,000	2,000,000	-
Lord Myners	10,000	-	10,000	50,000
Jeremy Isaacs	7,500	-	7,500	37,500
Guy Yamen	7,500	-	7,500	37,500

The fees to directors during the period to 30 April 2018 were as follows:

	2018 US$
Lord Myners	50,000
Jeremy Isaacs	37,500
Guy Yamen	37,500

The Non-Founder Directors opted to have their first year's annual remuneration settled by the issue of Ordinary Shares at US$10 per Ordinary Share. Lord Myners received 10,000 Ordinary Shares and Jeremy Isaacs and Guy Yamen received 7,500 Ordinary Shares each.

The Founder Entities, Toms Acquisition LLC and Imperial Landscape Sponsor LLC or their affiliates, have received reimbursements of expenses of US$124,589 of which US$35,000 is outstanding at the period end. Noam Gottesman is the Founder and Managing Partner of Toms Capital LLC and Michael Fascitelli is the Founder and Managing General Partner of Imperial Companies LLC.

The Company incurred total issuance costs of US$9.7 million. The details of these costs are as follows:

	2018 US$
Placement fees	9,200,000
Legal fees	450,000
Other expenses	66,009
	9,716,009

15. Financial risk management

The Company's policies with regard to financial risk management are clearly defined and consistently applied. They are a fundamental part of the Company's long term strategy covering areas such as foreign exchange risk, interest rate risk, credit risk, liquidity risk and capital management.

Financial risk management is under the direct supervision of the Board of Directors which follows policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non derivative financial instruments and investment of excess liquidity.

The Company does not intend to acquire or issue derivative financial instruments for trading or speculative purposes and has yet to enter into a derivative transaction.

Currency risk
The majority of the Company's financial cash flows are denominated in Pounds Sterling and United States Dollars. Currently the Company does not carry out any significant operations in currencies outside the above. Foreign exchange risk arises from recognised monetary assets and liabilities. The Company does not hedge systematically its foreign exchange risk.

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its financing activities, including deposits with banks and financial institutions. Credit risk from balances with banks and financial institutions is managed by the Board. Surplus funds are invested in U.S. treasury bills or such money market fund instruments as approved by the Non-Founder Directors.

Liquidity risk
The Company monitors liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom. Such forecasting takes into consideration the Company's debt financing plans (when applicable), compliance with internal balance sheet ratio targets and external regulatory or legal requirements if appropriate.

Cash flow interest rate risk
The Company has no long term borrowings and as such is not currently exposed to interest rate risk. To mitigate against the risk of default by one or more of its counterparties, the Company currently holds its assets in U.S. treasuries. As of 30 April 2018, US$485.5 million was held in U.S. treasury bills. The Company anticipates that it will continue to hold the bulk of its assets in U.S. treasury bills until an Acquisition is consummated. The Board regularly monitors interest rates offered by, and the credit ratings of, current and potential counterparties, to ensure that the Company remains in compliance with its stated investment policy for its cash balances. The Company does not currently use financial instruments to hedge its interest rate exposure.

Capital risk management
The Company's objectives when managing capital (currently consisting of share capital and share premium) are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Corporate information

Directors
Lord Myners of Truro CBE (Chairman)
Michael Fascitelli
Noam Gottesman
Jeremy Isaacs CBE
Guy Yamen

Registered office
Ritter House
Wickhams Cay II
Road Town
Tortola
VG1110
British Virgin Islands

Administrator and secretary
International Administration Group (Guernsey) Limited
Regency Court
Glategny Esplanade
St Peter Port
Guernsey
GY1 1WW

Registrar
Computershare Investor Services (BVI) Limited
Woodbourne Hall
PO Box 3162
Road Town
Tortola
British Virgin Islands

Auditors
PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Legal advisers to the Company (English and US Law)
Greenberg Traurig, LLP
8th Floor
The Shard
32 London Bridge Street
London
SE1 9SG

Legal advisers to the Company (BVI Law)
Carey Olsen
Carey House
Les Banques
St Peter Port
Guernsey
GY1 4BZ

Depositary
Computershare Investor Services PLC
The Pavilions
Bridgewater Road
Bristol
BS 13 8AE

Principal bankers
Barclays Bank Plc
PO Box 8
Library Place
St Helier
Jersey JE4 8NE

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