

Registered number: 13167752

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

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THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

COMPANY INFORMATION

DIRECTORS

V L Cooper (appointed 26 April 2022)
W T Dawson (appointed 19 May 2021)
P H Grannum (appointed 19 May 2021)
A J Joseph (appointed 8 February 2021)
S J Motler (appointed 19 May 2021)
N D Patrick (appointed 18 May 2021)
A C Ashton (appointed 19 May 2021, resigned 14 April 2022)
M P Harris (appointed 29 January 2021, resigned 8 February 2021)
S P Maharaj (appointed 8 February 2021, resigned 18 May 2021)
H A Strachan (appointed 7 February 2023)

COMPANY SECRETARY

H L Everitt

REGISTERED NUMBER

13167752

REGISTERED OFFICE

Thetis Topco Limited
Ropemaker Place
28 Ropemaker Street
London
EC2Y 9HD

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
One Chamberlain Square
Birmingham
B3 3AX

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

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THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

GROUP STRATEGIC REPORT FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022

INTRODUCTION

The directors present their strategic report for the period from 29 January 2021 to 31 March 2022 (14 months).

PRINCIPAL ACTIVITIES

The principal activity of the group in the period under review was that of telecommunications and the sale of related products. The group also holds investments in the rest of the group companies which operate in the telecommunications market.

REVIEW OF THE BUSINESS

The Company was incorporated on 29 January 2021 as Herman PIK Holdco Limited and commenced trading in May 2021 with the purpose of acquiring the Wavenet Group (Wavenet Group Holdings Limited and associated subsidiaries) and subsequently Excell Group (Excell Holdings Limited and its associated subsidiaries) together, known as the Wavenet Group. On 14 May 2021 the Company changed its name to Thetis Topco Limited.

On 19 May 2021, Wavenet Group completed a successful private equity buy-out to Macquarie Capital (MPRC Europe Ltd). Wavenet Group Holdings Limited was acquired by Thetis Bidco Limited, and the ultimate parent company became Macquarie Group Limited, a company incorporated in Australia. Following this acquisition, the Group has recapitalised agreeing a new facility, of which £173 million had been utilised as at 31 March 2022.

The Group has a dual strategy of organic and inorganic growth. The Group has seen particular success in expanding its public sector presence with substantial new public sector contract wins. The Group has also completed a further three acquisitions; this financial period includes:

- 6 months of results from the acquisitions of NTS Communications LLP ("NTS"), contributing £1.4 million of revenue and £0.4 million of profit before tax. NTS provide a wide-ranging portfolio of Contact Centre, Unified Communications, Cloud and IT Services to UK and International customers. The acquisition which completed in October 2021, further boosted Wavenet's presence and position in the UK market and added more experienced technical support and knowledge to the wider Wavenet Group;
- 6 months of results from the acquisition of Internal Systems Limited ("ISL"), contributing £2.1 million of revenue and £0.8 million to profit before tax. ISL was acquired in October 2021; as an IT and security provider they help businesses optimise their IT capabilities to gain a competitive advantage by building, deploying, and supporting a comprehensive range of world-class network services, designed to be super-fast, secure, and robust. The additional IT knowledge ISL brings to the group will be invaluable to grow the Group's IT support and security portfolio; and
- 5 months of results from the acquisition of Excell Holdings Limited and its associated subsidiaries ("Excell") contributing £14.8 million of revenue and £2.1 million to profit before tax. This was the largest acquisition in Wavenet's history and will significantly bolster Wavenet Group's market share in the cloud and workspace market and strengthen its place as one of the UK's leading managed service providers to businesses for fully converged data, voice, cloud, and IT. The acquisition of Excell brings the benefits of increased scale, true London presence and a unique business centre infrastructure arm to the already comprehensive portfolio of services and solutions that Wavenet can provide to its customers. As a result of the acquisition, Wavenet now provides services to over 10,000 businesses, and has an turnover climbing to more than £100 million on an annualised basis.

The Group invested to improve systems resiliency and facilitate further growth, whilst also investing in the Group's green agenda. Wavenet Group were pleased to achieve Silver status (74th percentile) in their first independent Ecovadis review in May 2022 and continue to invest and dedicate resource towards improving on these strong foundations, with an aim to achieve Gold status by enhancing areas such as sustainable procurement.

The Group has completed a successful period, with sales achieved of £77.8 million and cash generated from operating activities of £8.3 million.

The recurring revenue proportion of total sales is high at 86% and gross profit margin is 44%.

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

The Group is committed to its Core Values below and sustains market leading Net Promoter Scores of over 80:

- Trust
- Easy to do business with
- A market leader in cloud solutions
- Make your business brilliant

Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA"), as adjusted to exclude one-off expenses relating to acquisitions and share based payments, remains a key financial measure for the Group. EBITDA is £14.0 million for the period from May 2021 to 31 March 2022.

The Group made an operating loss for the period of £16.9 million largely due to goodwill amortisation charged on the acquisitions. The operating loss is stated after charging exceptional items of £3.2 million from acquisition related costs, depreciation of £1.8 million and goodwill amortisation of £25.5 million.

The loss before tax was £32.1 million. The net liabilities of the Group are £25.4 million.

KEY PERFORMANCE INDICATORS

The Group operates a comprehensive weekly and monthly KPI reporting regime to assess the ongoing performance of the business. The scope of such KPIs extends to existing customer bases as well as new customers. In addition to optimising profitability, non-financial metrics are employed to monitor customer satisfaction and operational delivery.

The weekly KPI dashboard monitors statistics relating to growth in net new business and call volumes. Churn remains low at under 1%. The Group has also recently enhanced the KPIs relating to cash collection, following the implementation of new systems enabling more automated processes. Debtor days are consistently in the low 30's.

A variety of other financial and non-financial metrics are monitored on a monthly basis. The Group values customer satisfaction and monitors Net Promoter Score which is consistently high (over 80). The Board also reviews a suite of Cyber Security KPIs on a monthly basis, with staff participation in training campaigns at over 90%.

KPI	Relevant period post acquisition of trading subsidiaries	14 month period ended 31 March 2022
Sales revenue	for the 11 months ending 31 March 2022	£77.8m
EBITDA	for the 11 months ending 31 March 2022	£14.0m
Headcount	average for the 11 months ending 31 March 2022	316
New business monthly recurring revenue	for the 11 months ending 31 March 2022	£1.2m
Churn %	for the 11 months ending 31 March 2022	0.20%
Debtor days	average for the 11 months ending 31 March 2022	28 days
Net Promoter Score (NPS)	as at 31 March 2022	85
Staff participation in Cyber Training Campaigns	average for the 6 months ending 31 March 2022	95%

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

GROUP STRATEGIC REPORT (CONTINUED) FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022

GOING CONCERN

The Directors have considered the going concern basis in the preparation of the financial statements by reviewing detailed business forecasts and scenarios, including cash flow and borrowing facility headroom for the forthcoming years and have concluded that there are no material going concern risks.

The Group is financed at 31 March 2022 by a combination of facilities, including external facilities and preference shares. Senior facilities totalling £173.4 million are repayable on 15 June 2028 (see Note 21 of the financial statements). Subsequently in April 2022 the Group also secured a £10 million Revolving Facility Commitment until November 2027. Amounts owed due to Preference shares are £95.2m (of which £7.3m relates to accrued interest) as at 31 March 2022; the Preference shares are subject to accrued interest at 10% compounded annually and payable immediately prior to an exit or if earlier, by May 2031. Post period end, the Group utilised a further £32.7m of the Acquisition and Capex facility and issued a further £9.4m preference shares and £1.4m of additional equity.

The Group has a well-diversified customer base and a strong recurring revenue stream. The Directors performed a review which included a severe but plausible forecast assuming minimal growth, high cost inflation and flexing Sonia interest rates. They are confident that the business has the ability to generate sufficient cash to meet its needs and consequently are adopting the going concern basis in preparing the financial statements.

FUTURE DEVELOPMENTS

Following the acquisition by Macquarie Capital (MPRC Europe Ltd), the business is well placed to continue its ambitious growth strategy.

The acquisition plan is well advanced with 3 significant transactions (NTS, ISL and Excell) completed in the financial period, further acquisitions in August 2022 and February 2023 (OGL & Fidus, see Directors' Report: Post Balance Sheet Events), agreed acquisitions (Adept, see Directors' Report: Post Balance Sheet Events) and further prospects in the pipeline, which remains strong.

Organic growth both from new customer additions and development of existing accounts into new service offerings continues.

OUTLOOK

The Unified Communications market offers attractive growth prospects, both organically and by strategic acquisition as the overall market for these services continue to grow strongly. There is a proliferation of smaller players that encourages an exciting acquisition strategy and is well placed with its products and suppliers to deliver organic growth. The rapid integration into an established platform of the acquisitions made to date demonstrates the ability to leverage existing infrastructure and controls, so as to benefit from added scale from future acquisitions and underpin higher organic growth rates.

The acquisition of IT Solutions and Cyber Security Services providers, "OGL" in August 2022 and "Fidus" in February 2023 helps position Wavenet as one of the UK's most acclaimed telecoms and technology companies with a portfolio of solutions and services, ranging from 24/7, 365 protection against cyber threats, by means of a UK Security Operations Centre (SOC), to Cloud Services, including enterprise cloud-based virtualised infrastructures. The agreed acquisition of "Adept" helps Wavenet expand its client base using similar products and services.

The business model has proved to be resilient with strong recurring revenue streams and whilst mindful of the uncertainty in the general UK economy, the Board remains confident that the strategies adopted will bring success and looks forward to the continued development and growth in the results for the year ahead.

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

PRINCIPAL RISKS AND UNCERTAINTIES

FINANCIAL RISKS

Market and economic trends

Group operations have the potential to be impacted in the longer-term by trends in other markets and the wider economic environment. In order to mitigate the risk of a downturn in one market having a significant impact on the Group, management try to ensure that all the trading companies within the Group have market diversification wherever possible. The Group's customer base is highly diversified across a wide range of sectors, both private and public.

Pricing continues to be a risk to the Group, both in terms of regulatory changes and competition. This risk is mitigated by offering new services that offer additional value and cross selling products supplied via the acquisitions. The future growth strategy provides greater scale and therefore buying economy opportunities.

Liquidity

The Group reviews its funding requirements closely on a regular basis, preparing both short and longer-term Cashflows which apply sensitivities for interest rate fluctuations. Facilities are in place for managing working capital requirements.

OTHER RISKS

Fraud & Cyber-Attacks

Fraudulent use of services is a constant threat and although responsibility falls on the end user this risk is mitigated by pro-active monitoring of customer accounts. Following major investment in a DDoS defence system prior to the Thetis Bidco Limited acquisition, cyber-attacks are intercepted before they leave the host country, which has significantly reduced traffic volumes in proprietary networks and improved the quality of service to customers. Fraud protection is something which is never taken for granted and the Group has systems that can track changes in caller data records, comparing historical usage as well as real-time lookup of black lists, against known suspicious global calling locations; these hourly checks enable us to keep up with the latest threats. Following Macquarie's acquisition, the group has invested heavily in leading edge MDR & EDR solutions from Tier 1 providers as well as weekly and monthly external penetration and vulnerability testing.

Wavenet is committed to data security and has robust systems that are both ISO27001:2013 Cyber Essentials Plus and GDPR compliant with regular audits by external UKAS approved certification auditors. Every care is taken to keep all data secure, all data is kept within secure computer systems that are all ISO27001 certified and the data is all kept in the EU. These computers are housed in secure data centres with heavily restricted access and numerous levels of security to prevent unauthorised access to those servers including firewalls and complex passwords.

In addition the Group have risk assessments in place to assess and manage information security or product risk.

Worldwide events

The impact of recent events in the Ukraine and Brexit have been minimised as the Group operates in the UK. The workforce is located in the UK, as are the vast majority of the customer base. There are a de-minimis amount of goods and services that are purchased from EU countries, hence currency exposure is minimal.

Catastrophic event

The Group is not seeing any long-term impacts as a result of the Covid pandemic and the Group is operating well in a hybrid working environment. The Board are therefore confident that any future pandemic-related events will have minimal impact of the overall performance of the Group.

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

SECTION 172(1) STATEMENT

The directors' overarching duty is to promote the success of the Company for the benefit of its shareholders, with consideration of stakeholders' interests as set out in the Section 172. The board regards a well-governed business as essential for the successful delivery of its principal activity.

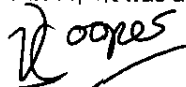
The directors are aware of their duty under Section 172 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- a. the likely consequences of any decision in the long term;
- b. the interest 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 Company's ultimate parent Company and controlling party is Macquarie Group Limited. The board of Thetis Topco Limited (formerly Herman PIK Holdco Limited) manages the Group's operations on country wide basis. From the perspective of the Company board, as a result of the Group governance structure, the matters that it is responsible for considering under Section 172 have been considered to an appropriate extent by the Group board in relation both to the Group and to this entity. The board has also considered relevant matters where appropriate. The Directors of the company uphold the highest standards of integrity, professionalism and conduct and always act in good faith for the continued success of the company and for the benefit of its members as a whole. All stakeholders are treated in a fair and balanced fashion.

There is regular and open consultation with employees to ensure everyone is empowered and supported in their individual roles and regular appraisal and monitoring of employee performance is undertaken. All principal company decisions which potentially impact employee interests in the short and long term are regularly communicated and explained. The Directors actively seek to establish and develop a business partnership approach with customers and suppliers, including a culture of continuous improvement. The impact on the wider community and the environment is taken into consideration during the principal decision making process.

This report was approved by the board on 13 February 2023 and signed on its behalf.



V L Cooper
Director

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

DIRECTORS' REPORT FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022

The directors present their report and the financial statements for the 14 month period ended 31 March 2022.

PRINCIPAL ACTIVITIES

The principal activity of the group in the period under review was that of telecommunications and the sale of related products. The group also holds investments in the rest of the group companies which operate in the telecommunications market.

RESULTS AND DIVIDENDS

The loss for the 14 month period, after taxation, amounted to £32,234,350.

No dividends were proposed or paid.

DIRECTORS

The directors who served during the period were:

W T Dawson (appointed 19 May 2021)
P H Grannum (appointed 19 May 2021)
A J Joseph (appointed 8 February 2021)
S J Motler (appointed 19 May 2021)
N D Patrick (appointed 18 May 2021)
A C Ashton (appointed 19 May 2021, resigned 14 April 2022)
M P Harris (appointed 29 January 2021, resigned 8 February 2021)
S P Maharaj (appointed 8 February 2021, resigned 18 May 2021)

QUALIFYING THIRD-PARTY INDEMNITY INSURANCE

During the period, and up to the date of approval of the financial statements, the Group had in place a third party indemnity provision for the benefit of all the directors of the Group, subject to the conditions set out in Section 234 of the Companies Act 2006.

ENVIRONMENTAL MATTERS

Impact on the environment is a major consideration and policies and procedures for members of the Group have been and continue to be drawn up to minimise our impact on the environment. The Strategic Report contains further detail, including the Group's Silver status gained on commissioning their first review by EcoVadis.

FUTURE DEVELOPMENTS

Details of future developments are included in the Strategic Report.

FINANCIAL RISKS

Details of financial risks are included in the Strategic Report.

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

DIRECTORS' REPORT (CONTINUED) FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022

ENGAGEMENT WITH EMPLOYEES

The Group places considerable value in the involvement of its employees and keeps them informed on matters affecting them as employees and on factors affecting the performance of the Group or specific divisions of the Group. Employees are consulted regularly on a wide range of matters affecting their current and future interests.

Employee engagement groups and events are actively promoted within the Group and a new Human Resources system is currently being implemented with planned 'go-live' early in April 2023 to further enhance communication tools as the Group continues to grow.

The Group also recognises the need to invest in staff training and have launched an online training platform, "Wavenet University". The Group are committed to developing new talent, and continue to develop and invest in an apprenticeship scheme.

DISABLED EMPLOYEES

The Group is committed to giving full and fair consideration to applications for employment by the company made by disabled persons and for continuing support and training of employees of the company who have become disabled persons during their employment, and otherwise for the training, career development and promotion of disabled persons employed by the company. This commitment is reiterated in the Group's Staff Handbook.

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS

Our customers are key stakeholders for our business and across the organisation, our team from Account Managers to trained Support Staff and Engineers engage closely with them. Customer satisfaction and trust are incredibly important to us, so we are proud to have excellent NPS scores and Trustpilot reviews.

The Group recognises its commitment to partnership with suppliers and has therefore signed up to the Prompt Payment Code (PPC) administered by the Office of the Small Business Commissioner (OSBC).

Wavenet is a managed service provider and has excellent and long-standing partnerships with top technology providers. Wavenet is a Registered Certified Cisco Partner, Microsoft Gold Partner, has Platinum Partner status with Mitel and Silver Peak and holds authorised partner status with Five9. Mitel have awarded our business the Mitel Public Sector 2022 Partner Award.

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY ACTION

The Group's greenhouse gas emissions and energy consumption for the period are:

Emissions	Total (tCO ₂ e)
Scope 1	Gas heating: 20 tCO ₂ e Company owned vehicles: 14 tCO ₂ e Fugitive emissions 284 tCO ₂ e Total: 318 tCO₂e
Scope 2 (market based)	Electricity: 52 tCO ₂ e
Scope 3 (included sources)	Category 4 – Upstream transportation and distribution: 2 tCO ₂ e Category 5 – Waste generated in operations: 2 tCO ₂ e Category 6 – Business travel: 160 tCO ₂ e Category 7 – Employee commuting: 328 tCO ₂ e Category 9 – Downstream transportation and distribution: 24 tCO ₂ e Total: 516 tCO₂e
Total Emissions	886 tCO₂e

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

DIRECTORS' REPORT (CONTINUED) FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022

The above figures have been compiled on a financial control basis for Thetis Topco Limited (formerly Herman PIK Holdco Limited). They have been calculated using the GHG protocol and calculation tool. The inputs to the tool have been taken from supplier bills and the Group's internal expense system (SAP Concur) which tracks business miles.

The conversion factors for energy consumption and travel are based on the protocols and tools from the UK Government and GHG protocol:

<https://ghgprotocol.org/corporate-standard>

[1]<https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

[1]<https://ghgprotocol.org/standards/scope-3-standard>

The Wavenet Group's carbon reduction targets are set out in the following sections and there is no additional information that can be provided in this reporting period regarding progress against these targets. Progress against the base year will be provided in future reporting years.

The Wavenet Group projects that our combined Scope 1 and Scope 2 carbon emissions will decrease to below 37 tCO₂e by 2050. This is an average of 3.1% per year against our period ending 31st March 2022 baseline. This target is based on the data currently available. When more accurate data is available to replace estimations this target will be updated to reflect the new baseline emissions.

The Wavenet Group are also committed to improving the measurement of Scope 3 emissions and reducing them to achieve Net Zero by 2050.

COMPLETED CARBON REDUCTION INITIATIVES

The following environmental management measures and projects have been completed or implemented prior to or since the baseline period ending 31st March 2022.

No.	Action
1	Wavenet's product catalogue increasingly focuses on solutions that allow businesses to become more environmentally friendly through the use of more energy-efficient technology and the reduction of hardware requirements
2	Recycling facilities and processes are utilised at all large sites
3	Wavenet has completed a project to replace data centre hardware with more efficient and scalable technology
4	Wavenet has adopted a hybrid working policy at all facilities, allowing staff to work from home for at least part of the week to reduce the need to travel
5	A sustainability team with active members across the business meet quarterly to discuss ongoing and new ideas around sustainability at Wavenet
6	Wavenet has achieved the Ecovadis accreditation, assessing controls around our impact on the environment, labour and human rights, ethics and sustainable procurement. The accreditation is currently held at Silver level, and Wavenet scores at the 74th percentile out of all Ecovadis accredited organisations
7	Cycle to Work scheme open to all employees
8	Electric car scheme open to all employees
9	Wavenet is working towards accreditation to the ISO14001 Environmental Management System to improve the business' environmental performance

PLANNED CARBON REDUCTION INITIATIVES

In the future we propose to implement some or all of the following additional measures:

The Group's strategy to reduce greenhouse gas emissions is to transition all company vehicles to electric or hybrid over the next 5 years. The Group has now implemented a salary sacrifice scheme for employee electric vehicles post the period end. The Group is reviewing suppliers, and where economical will migrate to suppliers where the majority of their energy production is renewable. The Group is reviewing its energy efficiency in all of its offices and will implement recommendations to increase their energy efficiency in line with the work they are

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

DIRECTORS' REPORT (CONTINUED) FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022

undertaking with ESG partner, Ecovadis.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Company and Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Company and Group's auditors are aware of that information.

POST BALANCE SHEET EVENTS

Post period end, on 15 August 2022, Thetis Bidco Limited (a subsidiary of Thetis Topco Limited (formerly Herman PIK Holdco Limited)) acquired "OGL", being OGL Computer Support Holdings Limited and its associated subsidiaries Cyberguard Technologies Limited and OGL Computer Support Limited for total consideration of £44.2 million. OGL is an eminent Midlands based IT Solutions and Cyber Security Services provider. As a result of this acquisition, the Group utilised a further £32.7 million of the Acquisition and Capex facility and issued a further £9.4 million preference shares and £1.4 million of additional equity.

On 1 February 2023, Thetis Bidco Limited also acquired Fidus Information Security Limited ("Fidus") for an initial consideration of £4.5 million. Contingent consideration, capped at £13,750,000, is payable based on the EBITDA for the 2 consecutive 12 month periods following the completion date. Fidus provide advanced penetration services and the acquisition will add to the Group's Cybersecurity offerings by strengthening its penetration and security testing capabilities.

On 8 February 2023, Thetis Bidco Limited also announced their intention to acquire the entire issued share capital of Adept Technology Group PLC for a consideration of £50.3 million (201 pence per share). The acquisition will be funded by a combination of Incremental Facility and equity financing. The Group also secured an additional £100 million of Incremental Facility Commitments.

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



V L Cooper
Director

Date: 13 February 2023

Thetis Topco Limited
Ropemaker Place
28 Ropemaker Street
London
EC2Y 9HD

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

The directors are responsible for preparing the Group Strategic report, the Directors' report and consolidated financial statements and the 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 group and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 group and parent company and of the profit or loss of the group 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 102 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 group and parent company will continue in business.

The directors are responsible for safeguarding the assets of the group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the group's and parent company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's and parent company's auditors are aware of that information.

Independent auditors' report to the members of Thetis Topco Limited (formerly Herman PIK Holdco Limited)

Report on the audit of the financial statements

Opinion

In our opinion, Thetis Topco Limited (formerly Herman PIK Holdco Limited)'s group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2022 and of the group's loss and the group's cash flows for the 14 month period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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: Consolidated balance sheet and Company balance sheet as at 31 March 2022; the Consolidated statement of comprehensive income, the Consolidated statement of changes in equity, the Company statement of changes in equity and the Consolidated statement of cash flows for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

We remained independent of the group 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 group's and 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 group's and 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 period ended 31 March 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 group and company and their 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 Directors' responsibilities statement, 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 group's and 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 group or 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 group and industry, we identified that the principal risks of non-compliance with laws and regulations related to Companies Act 2006 and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. 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 of inappropriate journal entries and management bias in accounting estimates, in particular for impairment of investments and goodwill. Audit procedures performed by the engagement team included:

- Inquiries of management and reviewing minutes of meetings of those charged with governance regarding any known or suspected instances of fraud or non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Challenging and testing significant assumptions and judgments made by management in their accounting estimates, in particular in relation to impairment of investments and impairment of goodwill;
- Testing of journals posted to revenue and cash that have unusual account combinations.

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 company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Sarah O'Donnell (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
13 February 2023

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

	Note	14 month period ended 31 March 2022 £
Turnover	4	77,820,873
Cost of sales		(43,420,577)
Gross profit		34,400,296
Administrative expenses		(48,384,034)
Exceptional administrative expenses	5	(3,197,472)
Other operating income	6	251,671
Operating loss	7	(16,929,539)
Interest payable and similar expenses	12	(15,133,484)
Loss before taxation		(32,063,023)
Tax on loss	13	(171,327)
Loss for the financial period		(32,234,350)
 Total comprehensive loss for the period		 (32,234,350)
Loss for the period attributable to:		
Owners of the parent Company		(32,234,350)
		(32,234,350)

The notes on pages 22 to 55 form part of these financial statements.

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)
REGISTERED NUMBER:13167752

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £
Fixed assets		
Intangible assets	14	232,443,972
Tangible assets	15	4,779,152
		<u>237,223,124</u>
Current assets		
Stocks	17	1,083,213
Debtors: amounts falling due after more than one year	18	382,553
Debtors: amounts falling due within one year	18	19,100,904
Cash at bank and in hand	19	5,237,174
		<u>25,803,844</u>
Creditors: amounts falling due within one year	20	(24,453,131)
Net current assets		<u>1,350,713</u>
Total assets less current liabilities		<u>238,573,837</u>
Creditors: amounts falling due after more than one year	21	(263,638,395)
Provisions for liabilities		
Deferred taxation	25	(292,712)
		<u>(292,712)</u>
Net liabilities		<u>(25,357,270)</u>
Capital and reserves		
Called up share capital	26	177,908
Share premium account	27	6,300,043
Profit and loss account	27	(31,835,221)
Equity attributable to owners of the parent Company		<u>(25,357,270)</u>
Total equity		<u>(25,357,270)</u>

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



V L Cooper
Director

Date: 13 February 2023

The notes on pages 22 to 55 form part of these financial statements.

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)
REGISTERED NUMBER:13167752

COMPANY BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £
Fixed assets		
Investments	16	72,399,215
		<u>72,399,215</u>
Current assets		
Debtors: amounts falling due within one year	18	23,541,759
		<u>23,541,759</u>
Creditors: amounts falling due within one year	20	(74,326)
		<u>(74,326)</u>
Net current assets		<u>23,467,433</u>
Total assets less current liabilities		<u>95,866,648</u>
Creditors: amounts falling due after more than one year	21	(95,154,725)
		<u>(95,154,725)</u>
Net assets		<u><u>711,923</u></u>
Capital and reserves		
Called up share capital	26	177,908
Share premium account	27	6,300,043
Capital contribution reserve	27	399,129
Loss for the period		(6,165,157)
Profit and loss account carried forward		(6,165,157)
		<u>(6,165,157)</u>
Total equity		<u><u>711,923</u></u>

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



V L Cooper
Director

Date: 13 February 2023

The notes on pages 22 to 55 form part of these financial statements.

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

	Called up share capital £	Share premium account £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
COMPREHENSIVE EXPENSE FOR THE 14 MONTH PERIOD					
Loss for the 14 month period	-	-	(32,234,350)	(32,234,350)	(32,234,350)
Credit relating to equity settled share based payments (see note 28)	-	-	399,129	399,129	399,129
OTHER COMPREHENSIVE INCOME FOR THE 14 MONTH PERIOD	-	-	399,129	399,129	399,129
TOTAL COMPREHENSIVE EXPENSE FOR THE 14 MONTH PERIOD	-	-	(31,835,221)	(31,835,221)	(31,835,221)
Shares issued during the 14 month period	177,908	6,300,043	-	6,477,951	6,477,951
TOTAL TRANSACTIONS WITH OWNERS	177,908	6,300,043	-	6,477,951	6,477,951
AT 31 MARCH 2022	177,908	6,300,043	(31,835,221)	(25,357,270)	(25,357,270)

The notes on pages 22 to 55 form part of these financial statements.

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

	Called up share capital £	Share premium account £	Capital contribution reserve £	Profit and loss account £	Total equity £
Comprehensive expense for the period					
Loss for the 14 month period	-	-	-	(6,165,157)	(6,165,157)
Total comprehensive expense for the 14 month period	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,165,157)</u>	<u>(6,165,157)</u>
Contributions by and distributions to owners					
Shares issued during the 14 month period	177,908	6,300,043	-	-	6,477,951
Credit relating to equity settled share based payments (see note 28)	-	-	399,129	-	399,129
Total transactions with owners	<u>177,908</u>	<u>6,300,043</u>	<u>399,129</u>	<u>-</u>	<u>6,877,080</u>
At 31 March 2022	<u>177,908</u>	<u>6,300,043</u>	<u>399,129</u>	<u>(6,165,157)</u>	<u>711,923</u>

The notes on pages 22 to 55 form part of these financial statements.

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

	2022
	£
CASH FLOWS FROM OPERATING ACTIVITIES	
Loss for the financial 14 month period	(32,234,350)
ADJUSTMENTS FOR:	
Amortisation of intangible assets	25,491,015
Depreciation of tangible assets	1,826,854
Interest payable	15,133,484
Taxation charge	171,327
Increase in stocks	(24,450)
Increase in debtors	(1,002,674)
(Decrease)/increase in creditors	(842,426)
Corporation tax paid	(1,120,492)
Profit on disposal of fixed assets	(9,010)
Loss on disposal of intangible assets	8,047
Share based payment expense	399,129
Amortisation of debt cost	459,364
NET CASH GENERATED FROM OPERATING ACTIVITIES	8,255,818
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of intangible fixed assets	(374,675)
Purchase of tangible fixed assets	(1,332,657)
Sale of tangible fixed assets	13,500
Purchase of subsidiaries net of cash acquired	(95,667,446)
NET CASH USED IN INVESTING ACTIVITIES	(97,361,278)

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

	2022 £
CASH FLOWS FROM FINANCING ACTIVITIES	
Issue of ordinary shares	1,478,111
Repayment of loans	(230,979,463)
Other new loans	265,425,000
Repayment of loan fees	(5,668,025)
Repayment of finance leases	(265,260)
Issue of preference shares	72,109,558
Interest paid	(7,730,037)
HP interest paid	(27,250)
NET CASH GENERATED FROM FINANCING ACTIVITIES	94,342,634
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,237,174
CASH AND CASH EQUIVALENTS AT THE END OF 14 MONTH PERIOD	5,237,174
CASH AND CASH EQUIVALENTS AT THE END OF 14 MONTH PERIOD COMPRISE:	
Cash at bank and in hand	5,237,174
	5,237,174

The notes on pages 22 to 55 form part of these financial statements.

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

	Cash flows £	Acquisition and disposal of subsidiaries £	Other non- cash changes £	At 31 March 2022 £
Cash at bank and in hand	(355,249)	5,592,423	-	5,237,174
Other loans	(167,756,963)	-	(459,364)	(168,216,327)
Finance leases	155,471	(530,870)	-	(375,399)
	<u>(167,956,741)</u>	<u>5,061,553</u>	<u>(459,364)</u>	<u>(163,354,552)</u>

The notes on pages 22 to 55 form part of these financial statements.

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022

1. GENERAL INFORMATION

Thetis Topco Limited (formerly Herman PIK Holdco Limited) (the "Company") is a private company, limited by shares, incorporated in the United Kingdom under Companies Act 2006 and is registered in England and Wales. Along with its subsidiaries (the "Group") form the Thetis Topco Group. The address of the company's registered office is Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 GOING CONCERN

The Directors have considered the going concern basis in the preparation of the financial statements by reviewing detailed business forecasts and scenarios, including cash flow and borrowing facility headroom for the forthcoming years and have concluded that there are no material going concern risks.

The Group is financed at 31 March 2022 by a combination of facilities, including external lender facilities and preference shares. Senior facilities totalling £173.4 million as at 31 March 2022 are repayable on 15 June 2028. Subsequently in April 2022 the Group also secured a £10 million Revolving Facility Commitment until November 2027. Amounts owed due to Preference shares are £95.2m as at 31 March 2022; the Preference shares are subject to accrued interest at 10% compounded annually and payable immediately prior to an exit or if earlier, by May 2031. Post period end, the Group utilised a further £32.7m of the Acquisition and Capex facility and issued a further £9.4m preference shares and £1.4m of additional equity.

The Group has a well-diversified customer base and a strong recurring revenue stream. The Directors performed a review which included a severe but plausible forecast assuming minimal growth, high cost inflation and flexing Sonia interest rates. They are confident that the business has the ability to generate sufficient cash to meet its needs and consequently are adopting the going concern basis in preparing the financial statements.

2.3 EXEMPTIONS FOR QUALIFYING ENTITIES UNDER FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to conditions.

The Company has taken advantage of the following exemptions in its individual financial statements:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows; and
- from disclosing the Company key management personnel compensation, as required from FRS 102 paragraph 33.7.

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

2. ACCOUNTING POLICIES (continued)

2.4 BASIS OF CONSOLIDATION/BUSINESS COMBINATIONS

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Company and Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained.

2.5 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is GBP.

2.6 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Data, Hosted, Calls & Lines, Mobile, Other Revenue

We recognise revenue from the provision of Fixed line voice and PBX solutions, Data services including Ethernet and Broadband internet, IP telephony and hosted voice over our network to our customers in the period that the services are provided. Installation fees are recognised at the time that the service is installed.

Maintenance Revenue

We recognise revenue for the support contracts for our customers for their IT infrastructure and PBX infrastructure in the period that the service is provided to our customers.

Systems Revenue

We recognise revenue from the installation of communications solutions and engineering services once the solution or project has been completed for our customers.

2.7 OPERATING LEASES: THE COMPANY AND GROUP AS LESSEE

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

2. ACCOUNTING POLICIES (continued)

2.8 LEASED ASSETS: THE COMPANY AND GROUP AS LESSEE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.9 GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

2.10 FINANCE COSTS

Finance costs are charged to profit or loss 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.

2.11 BORROWING COSTS

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.12 EMPLOYEE BENEFITS

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

SHORT TERM BENEFITS

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is rendered.

DEFINED CONTRIBUTION PENSION PLAN

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

2. ACCOUNTING POLICIES (continued)

2.13 SHARE BASED PAYMENTS

The group provides share-based payment arrangements to certain employees.

Equity-settled arrangements are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of the grant. The fair value is expensed on a straight-line basis over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number of shares or options that will vest.

Where equity-settled arrangements are modified, and are of benefit to the employee, the incremental fair value is recognised over the period from the date of modification to date of vesting. Where a modification is not beneficial to the employee there is no change to the charge for share-based payment. Settlements and cancellations are treated as an acceleration of vesting and the unvested amount is recognised immediately in the income statement.

The group and company has no cash-settled arrangements.

2.14 CURRENT AND DEFERRED TAXATION

The tax expense for the 14 month period comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Company and Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.15 EXCEPTIONAL ITEMS

Exceptional items are material transactions relating to restructuring activities (e.g. office closures, redundancies and re branding) and integration costs for acquired entities (e.g integration headcount and novation costs for integrating suppliers).

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the company. They are items that are material either because of their size or nature and are considered to be non-recurring.

These items are presented within the line items to which they relate best and are reported separately as exceptional items.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES (continued)

2.16 INTANGIBLE ASSETS

GOODWILL

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated statement of comprehensive income over its useful economic life.

OTHER INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Software development	-	3	years
Goodwill	-	7	years
Customer database	-	7	years

Assets are reviewed for impairment for impairment if factors indicate the carrying amount may be impaired.

2.17 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

2. ACCOUNTING POLICIES (continued)

2.17 TANGIBLE FIXED ASSETS (CONTINUED)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	-	33%	straight line
Plant and machinery	-	20%	straight line
Motor vehicles	-	25%	reducing balance
Fixtures and fittings	-	20%	25%, and 33% straight line
Computer equipment	-	20%	25%, and 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.18 INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

2.19 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.20 DEBTORS

Short-term debtors are measured at transaction price, less any impairment.

2.21 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.

2.22 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.

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

2. ACCOUNTING POLICIES (continued)

2.23 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company and Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the period that the Company and Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

2. ACCOUNTING POLICIES (continued)

2.24 FINANCIAL INSTRUMENTS

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

The Company and Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in 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 debtors and creditors, 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows 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 Consolidated 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 and Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet 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.

Preference shares which result in fixed returns to the holder, or are mandatorily redeemable, are classified as liabilities. These dividends on preference shares are recognised in the profit and loss as an interest expense.

The group discloses transactions with related parties which are not wholly owned within the same group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the group financial statements.

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

**3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION
UNCERTAINTY**

Preparation of the financial statements requires management to make significant judgments and estimates. The items in the financial statements where these judgments and estimates have been made include:

Impairment of Debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 18 for the net carrying amount of the debtors and associated impairment provision.

Useful Economic Lives of Computer Equipment, Office Equipment, Fixtures and Fittings, and Motor Vehicles

The annual depreciation charge for computer equipment, office equipment, fixture and fittings, and motor vehicles are sensitive to changes in the useful economic lives and residual values of the assets. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

There are no other significant judgments applied in the preparation of these financial statements.

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

4. TURNOVER

An analysis of turnover by class of business is as follows:

	14 month period ended 31 March 2022 £
Data	21,896,130
Hosted	20,033,949
Calls & Lines	11,518,627
Mobile	4,369,784
Systems, maintenance and other	20,002,383
	<u>77,820,873</u>

Analysis of turnover by country of destination:

	14 month period ended 31 March 2022 £
United Kingdom	77,820,873
	<u>77,820,873</u>

5. EXCEPTIONAL ADMINISTRATIVE EXPENSES

	14 month period ended 31 March 2022 £
Redundancy costs	734,718
Professional and arrangement fees	1,517,171
Restructuring costs	945,583
	<u>3,197,472</u>

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

6. OTHER OPERATING INCOME

	14 month period ended 31 March 2022 £
Coronavirus Job Retention Scheme income	251,671
	<u>251,671</u>

7. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	14 month period ended 31 March 2022 £
Exchange differences	37,715
Other operating lease rentals	1,087,263
Profit on disposal of tangible fixed assets	(9,010)
Loss on disposal of intangible fixed assets	8,047
Depreciation	1,826,854
Amortisation	<u>25,491,015</u>

8. AUDITORS' REMUNERATION

	14 month period ended 31 March 2022 £
Fees payable to the Company and Group's auditors and its associates for the audit of the Company and Group's annual financial statements	<u>320,000</u>

**FEES PAYABLE TO THE COMPANY AND GROUP'S AUDITORS AND ITS
ASSOCIATES IN RESPECT OF:**

Paid by this group	240,000
Paid by Macquarie	80,000
	<u>320,000</u>

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

9. EMPLOYEES

The Company has no employees.

The average monthly number of group employees, including the directors, during the period was as follows:

	14 month period ended 31 March 2022
Directors	3
Management and Administration	130
Technical and Customer Services	183
	316

10. WAGES AND SALARIES

Staff costs, including directors' remuneration, were as follows:

	14 month period ended 31 March 2022
	£
Wages and salaries	14,451,865
Social security costs	1,842,019
Other pension costs	785,009
	17,078,893

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

11. DIRECTORS' REMUNERATION

	14 month period ended 31 March 2022 £
Directors' emoluments	960,950
Group contributions to defined contribution pension schemes	2,422
	963,372

During the 14 month period retirement benefits were accruing to 2 directors in respect of defined contribution pension schemes.

The highest paid director received remuneration of £315,826.

The value of the Company and Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL.

The directors have also received share options in the period. See note 28 for further details.

12. INTEREST PAYABLE AND SIMILAR EXPENSES

	14 month period ended 31 March 2022 £
Loan interest payable	7,730,076
Interest payable on preference shares	7,376,158
Finance leases and hire purchase contracts	27,250
	15,133,484

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

13. TAX ON LOSS

	14 month period ended 31 March 2022 £
CORPORATION TAX	
Current tax on profits for the period	431,968
Adjustments in respect of previous periods	(609,416)
	<u>(177,448)</u>
TOTAL CURRENT TAX CREDIT	<u>(177,448)</u>
DEFERRED TAX	
Origination and reversal of timing differences	36,888
Changes to prior period	311,887
TOTAL DEFERRED TAX	<u>348,775</u>
TAXATION ON LOSS ON ORDINARY ACTIVITIES	<u>171,327</u>

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

13. TAX ON LOSS (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE 14 MONTH PERIOD

The tax assessed for the 14 month period is higher than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	14 month period ended 31 March 2022 £
Loss before tax	(32,063,023)
Loss multiplied by standard rate of corporation tax in the UK of 19%	(6,091,974)
EFFECTS OF:	
Non-tax deductible amortisation of goodwill and impairment	2,596,804
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,839,678
Adjustments to tax charge in respect of prior periods	(297,529)
Tax rate changes	12,209
Unrecognised deferred tax	112,139
TOTAL TAX CHARGE FOR THE 14 MONTH PERIOD	171,327

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

As enacted by the Government on 24 May 2021, the corporation tax rate will be increased from 19% to 25% with effect from 1 April 2023. Accordingly, this rate will be used to measure any deferred tax assets and liabilities.

THETIS TOPCO LIMITED (FORMERLY HERMAN
PIK HOLDCO LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022

14. INTANGIBLE ASSETS

Group

	Software development £	Registrations £	Customer database £	Goodwill £	Total £
COST					
Additions	374,675	-	-	255,052,034	255,426,709
Disposals	-	(8,047)	-	-	(8,047)
On acquisition of subsidiaries	3,729,834	8,047	786,681	-	4,524,562
At 31 March 2022	4,104,509	-	786,681	255,052,034	259,943,224
AMORTISATION					
Charge for the period on owned assets	365,307	-	63,907	25,061,801	25,491,015
On acquisition of subsidiaries	1,427,959	-	580,278	-	2,008,237
At 31 March 2022	1,793,266	-	644,185	25,061,801	27,499,252
NET BOOK VALUE					
At 31 March 2022	2,311,243	-	142,496	229,990,233	232,443,972

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

14. INTANGIBLE ASSETS (CONTINUED)

Software Development is made up of individually immaterial items.

Goodwill of £161.9 million relating to the acquisition of Wavenet has a remaining amortisation period of 6 years.

Goodwill of £93.2 million relating to the acquisition of Excell, NTS and ISL has a remaining amortisation period of 6.5 years.

**THETIS TOPCO LIMITED (FORMERLY HERMAN
PIK HOLDCO LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

15. TANGIBLE FIXED ASSETS

Group

	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
COST OR VALUATION						
Additions	-	248,182	-	37,378	1,047,097	1,332,657
Acquisition of subsidiary	373,481	10,598,318	180,048	2,119,080	5,562,060	18,832,987
Disposals	-	-	(34,100)	-	-	(34,100)
At 31 March 2022	373,481	10,846,500	145,948	2,156,458	6,609,157	20,131,544
DEPRECIATION						
Charge for the period	35,867	725,521	7,248	252,758	805,460	1,826,854
Acquisition of subsidiary	275,729	7,866,904	150,883	1,557,756	3,703,875	13,555,147
Disposals	-	-	(29,609)	-	-	(29,609)
At 31 March 2022	311,596	8,592,425	128,522	1,810,514	4,509,335	15,352,392
NET BOOK VALUE						
At 31 March 2022	61,885	2,254,075	17,426	345,944	2,099,822	4,779,152

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

16. INVESTMENTS

Company

	Investments in subsidiary companies £
COST	
Additions	72,399,215
At 31 March 2022	<u>72,399,215</u>

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

16. INVESTMENTS (CONTINUED)

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company and are included in the consolidation:

Name	Company number	Principal activity	Class of shares	Holding
Thetis Midco Limited*	13169124	Intermediate holding company	Ordinary	100%
Thetis Parentco Limited*	13150629	Intermediate holding company	Ordinary	100%
Thetis Bidco Limited	13152295	Intermediate holding company	Ordinary	100%
Wavenet Group Holdings Limited*	11486047	Intermediate holding company	Ordinary	100%
Robin Topco Limited*	10289095	Intermediate holding company	Ordinary	100%
Robin Midco Limited*	10289677	Intermediate holding company	Ordinary	100%
Robin Bidco Limited*	10290340	Intermediate holding company	Ordinary	100%
Wavenet (Holdings) Limited*	09056366	Intermediate holding company	Ordinary	100%
Wavenet Limited	03919664	Telecommunications	Ordinary	100%
Qubic Group Limited*	04010368	Telecommunications	Ordinary	100%
APR Telecoms (Maintenance) Limited*	03250247	Telecommunications	Ordinary	100%
NTS Communications LLP*	OC370637	Telecommunications	Voting	100%
Internal Systems Limited*	02988533	Telecommunications	Ordinary	100%
Smart Hosted Solutions Limited*	07949577	Dormant company	Ordinary	100%
Townley Network Solutions Limited*	05318259	Dormant company	Ordinary	100%
Townley Network Solutions (UK) LLP*	OC332571	Dormant company	Voting	100%
Comms Management Ltd*	05445964	Dormant company	Ordinary	100%
Farrington Business Group Ltd*	08714175	Dormant company	Ordinary	100%
Pyranet UK Limited*	05329567	Dormant company	Ordinary	100%
Excell Holdings Limited*	10834331	Intermediate holding company	Ordinary	100%
Excell Midco Limited*	12277694	Intermediate holding company	Ordinary	100%
The Excell Group Limited*	03678027	Telecommunications	Ordinary	100%
Macseven Consultants Limited*	06740557	Telecommunications	Ordinary	100%
Excell Network Solutions Limited*	03757024	Telecommunications	Ordinary	100%
TTG (Southern) Limited*	05061907	Telecommunications	Ordinary	100%
Excell (South East) Limited*	06313441	Telecommunications	Ordinary	100%
Excell UT Limited*	07550125	Telecommunications	Ordinary	100%
Resource Utilities Limited*	08812523	Telecommunications	Ordinary	100%
Excell Business Systems Limited*	03554106	Telecommunications	Ordinary	100%
Excell Business Systems (Midlands) Limited*	05820367	Telecommunications	Ordinary	100%
Real Leasing Solutions Limited*	06334248	Telecommunications	Ordinary	100%
City Voice and Data Limited*	07082857	Telecommunications	Ordinary	100%
City AVS Limited*	09127639	Telecommunications	Ordinary	100%
Taylor Brown Recruitment Limited*	06287736	Telecommunications	Ordinary	100%

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

16. INVESTMENTS (CONTINUED)

SUBSIDIARY UNDERTAKINGS (CONTINUED)

Name	Company number	Principal activity	Class of shares	Holding
EBS Technical Ltd*	03554105	Telecommunications	Ordinary	100%
Excell Business Systems (Mid) Ltd*	04297226	Telecommunications	Ordinary	100%
Excell Converged Solutions Limited*	04589520	Telecommunications	Ordinary	100%
Excell IP Solutions Ltd*	04096546	Telecommunications	Ordinary	100%
Excell Managed Services Ltd*	07065873	Telecommunications	Ordinary	100%
Excell South West Ltd*	06828619	Telecommunications	Ordinary	100%
UT Networks Ltd*	06353168	Telecommunications	Ordinary	100%

The registered address for Wavenet Group Holdings Limited and its subsidiaries is Second Floor One Central Boulevard, Central Boulevard, Blythe Valley Park, Shirley, Solihull, United Kingdom, B90 8BG.

The registered address for Excell Holdings Limited and its subsidiaries is Second Floor One Central Boulevard, Central Boulevard, Blythe Valley Park, Shirley, Solihull, United Kingdom, B90 8BG.

The registered address for Thetis Midco Limited, Thetis Parentco Limited and Thetis Bidco Limited is Ropemaker Place, 28 Ropemaker Street, London, United Kingdom, EC2Y 9HD.

The following companies have been struck off post period end:

Taylor Brown Recruitment Limited - dissolved 7 June 2022
EBS Technical Ltd - dissolved 7 June 2022
Excell Business Systems (Mid) Ltd - dissolved 7 June 2022
Excell Converged Solutions Limited - dissolved 7 June 2022
Excell IP Solutions Ltd - dissolved 7 June 2022
Excell Managed Services Ltd - dissolved 7 June 2022
Excell South West Ltd - dissolved 7 June 2022
Smart Hosted Solutions Ltd - dissolved 5 July 2022
Comms Management Limited - dissolved 5 July 2022
Farrington Business Group Ltd - dissolved 5 July 2022
Pyranet UK Limited - dissolved 5 July 2022
Qubic Group Limited - dissolved 5 July 2022
UT Networks Ltd - dissolved 5 July 2022
Townley Network Solutions (UK) LLP - dissolved 9 August 2022
City AVS Ltd - dissolved 9 August 2022
Townley Network Solutions Limited - dissolved 27 December 2022
Robin Midco Limited - dissolved 27 December 2022
Robin Topco Limited - dissolved 27 December 2022
Wavenet Holdings Limited - dissolved 27 December 2022
Wavenet Group Holdings Limited - dissolved 27 December 2022
NTS Communications LLP - dissolved 7 February 2023
Internal Systems Limited - dissolved 7 February 2023
APR Telecoms (Maintenance) Limited - dissolved 7 February 2023

All UK registered subsidiaries labelled with a "*" are exempt from audit and have taken advantage of the audit exemption set out within section 479A of the Companies Act 2006 for the period ended 31 March 2022. These companies are subsidiary undertakings and are 100% owned by Thetis Topco Limited (formerly Herman PIK Holdco Limited). Wavenet Limited will guarantee the debts and liabilities of this subsidiary listed at the balance sheet date in accordance with section 479C of the Companies Act 2006. The Company has assessed the probability of loss under the guarantee as remote.

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

17. STOCKS

	Group 2022 £
Work in progress (goods to be sold)	521,012
Finished goods and goods for resale	562,201
	<u>1,083,213</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

18. DEBTORS

	Group 2022 £	Company 2022 £
DUE AFTER MORE THAN ONE YEAR		
Prepayments and accrued income	382,553	-
	<u>382,553</u>	<u>-</u>
DUE WITHIN ONE YEAR		
Trade debtors	10,537,965	-
Amounts owed by group undertakings	-	23,501,730
Other debtors	607,450	-
Prepayments and accrued income	7,955,489	-
Deferred taxation	-	40,029
	<u>19,100,904</u>	<u>23,541,759</u>

Trade debtors are stated after provisions for impairment of £382,294.

Amounts owed by group undertakings are unsecured, interest free, and carry no fixed terms of repayment therefore are repayable on demand.

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

19. CASH AT BANK AND IN HAND

	Group 2022 £
Cash at bank and in hand	5,237,174
	<u>5,237,174</u>

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022 £	Company 2022 £
Trade creditors	8,129,607	-
Corporation tax	-	11,826
Other taxation and social security	2,397,230	-
Obligations under finance lease and hire purchase contracts	108,056	-
Other creditors	1,599,181	-
Accruals and deferred income	12,219,057	62,500
	<u>24,453,131</u>	<u>74,326</u>

21. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2022 £	Company 2022 £
Other loans	168,216,327	-
Obligations under finance leases and hire purchase contracts	267,343	-
Preference shares	95,154,725	95,154,725
	<u>263,638,395</u>	<u>95,154,725</u>

Interest on other loans is accrued at a margin of 6.25% (at 31 March 2022) plus SONIA per annum. Interest is payable periodically and upon redemption of the loans. The loans are repayable in full on the earlier of an exit event or on 15 June 2028. The loans are secured by way of a first fixed and floating charge over the assets of the group. The loans held in creditors are net of fees.

Original preference shares of £87,778,567 are subject to accrued interest at 10% compounded annually and payable immediately prior to an exit or if earlier, by May 2031. The shares have no redemption entitlement. On a winding-up, the holders are entitled to in specie the whole or any part of the assets of the Company and the liquidator may, for that purpose, value any assets and determine how the division shall be carried out between the holders. The holders have no voting rights.

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022

22. LOANS

Analysis of the maturity of loans is given below:

	Group 2022 £
AMOUNTS FALLING DUE AFTER MORE THAN 5 YEARS	
Other loans	168,216,327
	<u>168,216,327</u>

Interest on other loans is accrued at a margin of 6.25% (at 31 March 2022) plus SONIA per annum. Interest is payable periodically and upon redemption of the loans. The loans are repayable in full on the earlier of an exit event or on 15 June 2028. The loans are secured by way of a first fixed and floating charge over the assets of the group.

23. HIRE PURCHASE AND FINANCE LEASES

Minimum lease payments under hire purchase fall due as follows:

	Group 2022 £
Within one year	108,056
Between 1-5 years	267,343
	<u>375,399</u>

24. FINANCIAL INSTRUMENTS

	Group 2022 £	Company 2022 £
FINANCIAL ASSETS		
Financial assets measured at amortised cost	<u>11,145,415</u>	<u>23,501,730</u>
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	<u>(275,872,469)</u>	<u>(95,166,551)</u>

Financial assets measured at amortised cost include trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost include bank loans, trade creditors, amounts owed to group undertakings, other creditors, finance leases, preference shares and other loans.

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

25. DEFERRED TAXATION

Group

	2022 £
Charged to profit or loss	(348,775)
Arising on business combinations	56,063
AT END OF YEAR	(292,712)

Company

	2022 £
Credited to profit or loss	40,029
AT END OF YEAR	40,029

	Group 2022 £	Company 2022 £
Accelerated capital allowances	(859,735)	39,966
Tax losses carried forward	523,639	-
Short term temporary differences	43,384	63
	(292,712)	40,029

26. CALLED UP SHARE CAPITAL

	2022 £
ALLOTTED, CALLED UP AND FULLY PAID	
1,516,429 A Ordinary shares of £0.10 each	151,643
242,647 B Ordinary shares of £0.10 each	24,265
19,996 Deferred shares of £0.10 each	2,000
	177,908

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

26. CALLED UP SHARE CAPITAL (CONTINUED)

During the period the company issued 1,516,429 A Ordinary shares at a nominal value of £0.10 and 242,647 B Ordinary shares at a nominal value of £0.10.

The A Ordinary share carries one voting right whereas the B Ordinary share and deferred shares carry no voting right.

Both A Ordinary and B Ordinary rank pari passu with regards to dividend payments. Deferred shares do not carry any dividend rights.

27. RESERVES

Share premium account

The share premium account includes any premiums received on issue of share capital.

Capital contribution reserve

The capital contribution reserve contains the accrued costs incurred relating to share based payments detailed in note 28.

Profit and loss account

The profit and loss account includes all current profit and losses.

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

28. SHARE BASED PAYMENTS

The Group operates a Key-employee share scheme.

Certain Senior Managers are invited to participate in the "Sweet Equity" incentive which is a pool of a limited number of shares, set aside by Macquarie and the other shareholders, as a long-term incentive for key individuals in the business. The Sweet Equity shares issued to the Senior Managers are held in an employee benefit trust ("EBT") whereby the EBT is the registered holder of the Sweet Equity shares but the Managers remain the beneficial owners. The Sweet Equity shares are subject to leaver provisions and vesting.

Scheme details:

The participation of the B shares in the overall equity performance of the company is subject to an economic ratchet ("ratchet") which works in two stages. The initial stage was subject to an "initial refinancing" which triggered the issue of the B shares on 16 June 2021, following the refinancing the issue of 242,647 B shares was authorised and could not represent more than 15.0% of the ordinary shares. The average price per B share at grant date is £1.56, generating an overall equity-settled share based option valuation of £1,603,334. The vesting period for the share scheme is based on an assumed 4 years from the grant date.

	Weighted average exercise price (pence) 2022	Number 2022
Outstanding at the beginning of the period	-	-
Granted during the period	156	242,647
Forfeited during the period	-	-
Exercised during the period	-	-
Expired during the period	-	-
OUTSTANDING AT THE END OF THE PERIOD	156	242,647

	2022 £
Equity-settled schemes	399,129
	399,129

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

29. BUSINESS COMBINATIONS

On 19 May 2021, the group acquired 100% of the Wavenet Group (Wavenet Group Holdings Limited and associated subsidiaries) for consideration of £31,673,517, of which £7,668,861 relates to a rollover investment to existing shareholders.

On 10 October 2021, the Wavenet group acquired 100% of NTS Communications LLP for consideration of £7,285,359.

On 6 October 2021, the Wavenet group acquired 100% of Internal Systems Limited for consideration of £9,194,903.

On 10 November 2021, the group acquired 100% of the Excell Group for consideration of £74,599,808.

The principal activity of the entities acquired is telecommunications.

ACQUISITION OF THE EXCELL GROUP

RECOGNISED AMOUNTS OF IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED

	Book value £	Fair value adjustments £	Fair value £
FIXED ASSETS			
Tangible	2,782,420	-	2,782,420
Intangible	1,787,222	-	1,787,222
	<u>4,569,642</u>	<u>-</u>	<u>4,569,642</u>
CURRENT ASSETS			
Stocks	259,010	-	259,010
Debtors	7,170,846	-	7,170,846
Cash at bank and in hand	1,269,252	-	1,269,252
TOTAL ASSETS	<u>13,268,750</u>	<u>-</u>	<u>13,268,750</u>
CREDITORS			
Due within one year	(12,114,568)	-	(12,114,568)
Due after more than one year	(1,923,685)	-	(1,923,685)
Provisions for liabilities	(259,147)	-	(259,147)
TOTAL IDENTIFIABLE NET LIABILITIES	<u>(1,028,650)</u>	<u>-</u>	<u>(1,028,650)</u>
Goodwill			<u>75,628,458</u>
TOTAL PURCHASE CONSIDERATION			<u>74,599,808</u>

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

29. BUSINESS COMBINATIONS (CONTINUED)

CONSIDERATION

	£
Cash	48,730,545
Equity instruments	12,999,989
Debt instruments	9,130,000
Options exercise	519,241
Directly attributable costs	3,220,033
TOTAL PURCHASE CONSIDERATION	74,599,808

ACQUISITION OF THE WAVENET GROUP

RECOGNISED AMOUNTS OF IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED

	Book value £	Fair value adjustments £	Fair value £
FIXED ASSETS			
Tangible	2,531,536	-	2,531,536
Intangible	694,741	-	694,741
	<u>3,226,277</u>	<u>-</u>	<u>3,226,277</u>
CURRENT ASSETS			
Stocks	796,345	-	796,345
Debtors	11,155,476	-	11,155,476
Cash at bank and in hand	4,138,874	-	4,138,874
TOTAL ASSETS	<u>19,316,972</u>	<u>-</u>	<u>19,316,972</u>
CREDITORS			
Due within one year	(148,443,394)	-	(148,443,394)
Due after more than one year	(858,048)	-	(858,048)
Deferred taxation	(213,019)	-	(213,019)
TOTAL IDENTIFIABLE NET LIABILITIES	<u>(130,197,489)</u>	<u>-</u>	<u>(130,197,489)</u>
Goodwill			161,871,006
TOTAL PURCHASE CONSIDERATION			<u><u>31,673,517</u></u>

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

29. BUSINESS COMBINATIONS (CONTINUED)

CONSIDERATION

	£
Cash	20,751,790
Equity instruments	7,668,861
Directly attributable costs	3,252,866
TOTAL PURCHASE CONSIDERATION	31,673,517

ACQUISITION OF NTS COMMUNICATIONS LLP

RECOGNISED AMOUNTS OF IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED

	Book value £	Fair value adjustments £	Fair value £
FIXED ASSETS			
Tangible	27,561	-	27,561
	<u>27,561</u>	<u>-</u>	<u>27,561</u>
CURRENT ASSETS			
Debtors	356,115	-	356,115
Cash at bank and in hand	26,600	-	26,600
TOTAL ASSETS	<u>410,276</u>	<u>-</u>	<u>410,276</u>
CREDITORS			
Due within one year	(1,096,711)	-	(1,096,711)
TOTAL IDENTIFIABLE NET LIABILITIES	<u>(686,435)</u>	<u>-</u>	<u>(686,435)</u>
Goodwill			7,971,794
TOTAL PURCHASE CONSIDERATION			7,285,359

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

29. BUSINESS COMBINATIONS (CONTINUED)

CONSIDERATION

	£
Cash	5,700,000
Debt instruments	700,509
Deferred consideration	827,000
Directly attributable costs	57,850
TOTAL PURCHASE CONSIDERATION	7,285,359

ACQUISITION OF INTERNAL SYSTEMS LIMITED

RECOGNISED AMOUNTS OF IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED

	Book value £	Fair value adjustments £	Fair value £
FIXED ASSETS			
Tangible	28,624	-	28,624
	<u>28,624</u>	<u>-</u>	<u>28,624</u>
CURRENT ASSETS			
Stocks	3,409	-	3,409
Debtors	835,808	-	835,808
Cash at bank and in hand	157,697	-	157,697
TOTAL ASSETS	<u>1,025,538</u>	<u>-</u>	<u>1,025,538</u>
CREDITORS			
Due within one year	(1,408,921)	-	(1,408,921)
Deferred taxation	(2,428)	-	(2,428)
TOTAL IDENTIFIABLE NET LIABILITIES	<u>(385,811)</u>	<u>-</u>	<u>(385,811)</u>
Goodwill			9,580,714
TOTAL PURCHASE CONSIDERATION			<u><u>9,194,903</u></u>

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

29. BUSINESS COMBINATIONS (CONTINUED)

CONSIDERATION

	£
Cash	7,864,103
Deferred consideration	1,220,000
Directly attributable costs	110,800
TOTAL PURCHASE CONSIDERATION	9,194,903

30. CAPITAL COMMITMENTS

The Group and Company have no capital or other commitments.

31. PENSION COMMITMENTS

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £785,009. Contributions totalling £56,967 were payable to the fund at the reporting date and are included in creditors.

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022**

32. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2022 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £
Property	
Not later than 1 year	886,913
Later than 1 year and not later than 5 years	1,522,222
Later than 5 years	244,559
	<u>2,653,694</u>
	Group 2022 £
Other	
Not later than 1 year	199,101
Later than 1 year and not later than 5 years	181,873
	<u>380,974</u>

33. RELATED PARTY TRANSACTIONS

The company has taken the advantage of the exemption in FRS 102 from the requirement to disclose transactions and balances with wholly owned group companies and with key management personnel.

During the period Excell Business Systems Limited sold £153,551 of services to and purchased £75,717 of services from Workspace Management Limited, a company with a minority interest in the company. At the period-end £102,274 was outstanding and included within debtors. The receivable is unsecured, due in 30 days and no guarantees have been received. At the period-end £182,509 was owing and included within creditors. The payable is unsecured and due within 30 days.

During the period Excell Network Solutions Limited sold £299,469 of services to and purchased £468,636 of services from Workspace Management Limited, a company with a minority interest in the company. At the period-end £164,029 was outstanding and included within debtors. The receivable is unsecured, due in 30 days and no guarantees have been received. At the period-end £275,601 was owing and included within creditors. The payable is unsecured and due within 30 days.

THETIS TOPCO LIMITED (FORMERLY HERMAN PIK HOLDCO LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE 14 MONTH PERIOD ENDED 31 MARCH 2022

34. POST BALANCE SHEET EVENTS

Post period end, on 15 August 2022 Thetis Bidco Limited (a subsidiary of Thetis Topco Limited (formerly Herman PIK Holdco Limited)) acquired "OGL", being OGL Computer Support Holdings Limited and its associated subsidiaries Cyberguard Technologies Limited and OGL Computer Support Limited for total consideration of £44.2 million. OGL is an eminent Midlands based IT Solutions and Cyber Security Services provider. As a result of this acquisition, the Group utilised a further £32.7 million of the Acquisition and Capex facility and issued a further £9.4 million preference shares and £1.4 million of additional equity.

On 1 February 2023, Thetis Bidco Limited also acquired Fidus Information Security Limited ("Fidus") for an initial consideration of £4.5 million. Contingent consideration, capped at £13,750,000, is payable based on the EBITDA for the 2 consecutive 12 month periods following the completion date. Fidus provide advanced penetration services and the acquisition will add to the Group's Cybersecurity offerings by strengthening its penetration and security testing capabilities.

On 8 February 2023, Thetis Bidco Limited also announced their intention to acquire the entire issued share capital of Adept Technology Group PLC for a consideration of £50.3 million (201 pence per share). The acquisition will be funded by a combination of Incremental Facility and equity financing. The Group also secured an additional £100 million of Incremental Facility Commitments.

35. CONTROLLING PARTY

The ultimate controlling party and ultimate parent company is Macquarie Group Limited, a company incorporated in Australia, the consolidated financial statements are available on their corporate website: www.macquarie.com

The largest parent in which the results of the company are consolidated is that headed by Macquarie Group Limited. The consolidated financial statements are available on their corporate website: www.macquarie.com

The smallest parent in which the results of the company are consolidated is that headed by Thetis Topco Limited (formerly Herman PIK Holdco Limited). The consolidated financial statements are available to the public and may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.