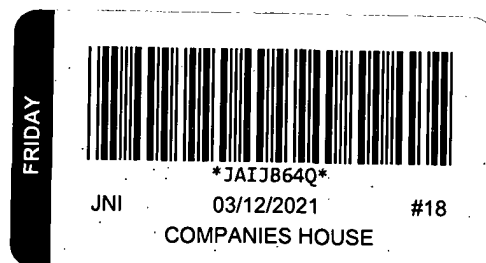
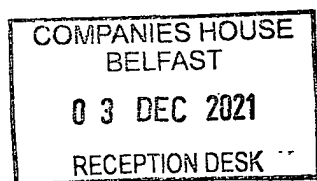


ATLANTA TOPCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 January 2020

Registered Number: 11394888



ATLANTA TOPCO LIMITED

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ATLANTA TOPCO LIMITED

STATUTORY INFORMATION

Directors

Jeffrey McFarlane	(appointed 19 th September 2019)
Marc Greenspan	(appointed 7 th August 2020, resigned 15 th July 2021)
Christopher Herwig	(appointed 31 st July 2019, resigned 7 th August 2020)
Greg Lindberg	(appointed 31 st July 2019, resigned 19 th September 2019)
Christa Miller	(appointed 31 st July 2019, resigned 2 nd October 2019)
Dave Hersom	(appointed 29 th June 2018, resigned 31 st July 2019)
Joe Bennett	(appointed 29 th June 2018, resigned 21 st June 2019)
David Harrison	(appointed 29 th June 2018, resigned 4 th April 2019)

Registered Office

Aurora House Deltic Avenue
Rooksley
Milton Keynes
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United Kingdom
MK13 8LW

Independent Auditor

Grant Thornton
Chartered Accountants and Statutory Auditors
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Dublin
D02 ED70
Republic of Ireland

Legal Advisers

Addleshaw Goddard LLP
Milton Gate
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London
EC1Y 4AG

Bankers

Barclays Bank plc
1 Churchill Place
London
E14 5HP

ATLANTA TOPCO LIMITED

STRATEGIC REPORT

The director presents the strategic report on the Group for the year ended 31 January 2020.

Principal activities

Atlanta Topco Limited ("ATL" or the "Company") was incorporated on 4th June 2018, as Aghoco 1721 Limited, as a vehicle to purchase the shares in Damoco Holdco Limited's U.K. and European subsidiaries as well as all European intellectual property relating to the Damovo name and branding. This acquisition was completed on 23rd August 2018, at which point ATL became the ultimate parent company of the Damovo Group ("Damovo"). ATL and its subsidiaries form the "Group" for consolidation purposes.

The financial results in this report refer to the year ended 31 January 2020.

Damovo is an established independent provider of Information and Communications Technology ("ICT") solutions and services for enterprises in both the private and public sectors. The ICT market combines information technology and telecommunications. Within the ICT sector, Damovo focuses on enterprise communications solutions including voice networks, data networks, unified communications, as well as applications such as video, collaboration and contact centres. Damovo designs, develops, and installs communications solutions as well as providing support and maintenance and managed services for those solutions.

Damovo's strengths are its ability to deliver resilient communications solutions tailored to customer requirements, using a range of technologies and its ability to support and manage enterprise communications both on-site and remotely.

Damovo's capabilities extend across multiple technology partners in relation to both voice and data. As a result, Damovo can offer customers a vendor-agnostic view of the solution they are seeking.

Damovo's business activities are managed through local operating subsidiaries. The Group's subsidiaries have a local presence in Germany, Belgium, Poland, Switzerland, Ireland, Luxembourg, Austria and U.S.A.; together with Global Services, which promotes the Group's international services. (Global Services is included in the results of Germany on a local company statutory accounts basis).

Business review

The results for the year for the Group show revenues of €134,311K (2019: €51,521K) and a pre-tax loss of €12,763K (2019: €16,032K). The loss has been made as a result of the following areas: exceptional items of €1,245K (2019: €8,576K); preference share dividends accrued €3,825K (2019: €2,018K); external financing costs and amortisation of intangibles. Exceptional items were in relation to the purchase of the shares in Damoco Holdco Limited's U.K. and European subsidiaries and, as such, will not reoccur. Preference share dividends have been accrued in line with the agreement but no dividend payment has yet been made. As such, the dividend charges will recur until the preference shares are settled.

Adjusted earnings before interest, tax, depreciation and amortisation ("adjusted EBITDA"), a Key Performance Indicator for the Group, in the period was €13,660K (2019: €2,252K). Adjusted EBITDA is calculated as per the Group policy on 'Adjusting items' within note 1, 'Significant accounting policies'.

Expected increases in adjusted EBITDA going forward as per management's latest planning will lead to recovery of losses before tax over the coming 5 years.

Cash generated from operations for the year ended 31 January 2020 was €2,681K (2019: €1,948K) and net liabilities as at 31 January 2020 were €31,182K (2019: €16,845K). Net liabilities have partly arisen as a result of classifying €54,099K (2019: €48,469K) of preference shares (including accrued dividends) as debt as opposed to equity. The operating losses in the period, as described above, also contribute to the net liabilities position.

The Group's results are set out on pages 18 to 22 of this report.

The Company made a loss after tax of €2,163K (2019: €0.324K) as a result of accrued dividends on preference shares and foreign exchange losses on these preference shares exceeding the interest receivable on its intercompany loans. The results of the Company are set out on pages 86 to 88 of this report.

ATLANTA TOPCO LIMITED

STRATEGIC REPORT (continued)

Key Performance Indicators

The Board of Directors (the "Board") monitors the Group's progress against its strategic objectives and the financial performance of the Group's operations on a regular basis. Performance is measured against strategy, budgets and forecasts using financial and non-financial targets. The following is a summary of the financial KPI's used:

Adjusted EBITDA

As defined in the Business review above, businesses are targeted on achieving year on year growth in adjusted EBITDA. Current period adjusted EBITDA is €13,660K (2019: €2,252K), which is in line with Board expectations. The adjusted EBITDA excludes exceptional costs on the basis that these are exceptional and will not reoccur. Exceptional costs are defined in note 1. All other costs fall within the course of ordinary business activities.

This reconciles to the Group's operating loss as follows:

		Year ended 31 January 2020 €000	Period ended 31 January 2019 €000
	Notes		
Operating loss		(1,282)	(11,514)
add back:			
Amortisation of intangible assets	5,11	6,836	2,925
Depreciation	5,12	6,777	2,209
Currency translation losses	5,7	84	56
Exceptional - professional fees on acquisitions	4	495	8,232
Exceptional - redundancy & reorganisation costs	4	709	344
Exceptional - connected with financing	4	41	-
Adjusted EBITDA		13,660	2,252

Revenue by line of business and business mix

Management monitors revenue by line of business (professional services, managed services and product) for each entity within the Group with a view to growing all three business lines, in particular managed services revenue, in absolute terms each year. The focus on managed services is due to the greater predictability of this revenue stream as well as ancillary growth opportunities arising from such contracts. Damovo's customers are generally large multi-national enterprises and therefore business is aligned on functional segments in order to best meet customer needs. Details of performance by line of business are disclosed within note 2.

Cash in hand

The Group's cash position is monitored regularly, and the positions shown in the table of KPI's below are in line with Board expectations.

Order intake and sales prospects

Management looks at trends in order intake, forward order book and sales pipeline in each line of business, as lead indicators of forward revenue visibility. In the period, order intake grew materially, whilst maintaining a significant pipeline of future sales opportunities and closing forward order book. Management considers that the combination of these KPI results, as summarised in the table below, are indicative of underlying growth achieved in trading in the year and, also of favourable future trading trends.

ATLANTA TOPCO LIMITED

STRATEGIC REPORT (continued)

Key Performance Indicators (continued)

KPI table

	As at 31 January 2020 € 000	As at 31 January 2019 € 000
Adjusted EBITDA	13,660	2,252
Cash in hand	12,380	15,100
Order intake	118,214	59,522
Forward orderbook	99,998	160,256
Sales pipeline	393,326	462,617

The director considers the above financial KPIs to be appropriate for the business. For example, the overall value for Sales pipeline indicates possible future revenues from new business based on current opportunities identified at the balance sheet date. Order intake relates to booked customer orders in the period, and the calculation of Forward orderbook determines how much future revenue is secured at the balance sheet date. The Group does not actively manage its performance using other non-financial criteria, for example environmental and employee matters.

Business environment

The market continues to be highly competitive, in terms of both price and competitors' technology solution offerings. The main growth areas in the Group's addressable market are in combined voice and data solutions ("Unified Communications" or "UC"), contact centre applications, enterprise networks and security services.

Suppliers

The Group benefits from volume rebates from its key technology partners. These are accounted for as receivables when calculated and agreed each year with the supplier and credited to the profit and loss within cost of sales over the reporting period. The Group also has some short-term financing arrangements in place with a limited number of vendors on specific projects for hardware and software components. The Group's financing arrangements are detailed in note 18.

A significant change in our relationship with key suppliers could have an impact on our future working capital and profitability. However, given our current relationship with these suppliers (relationships and supplier accreditations which have been ongoing for several decades), the level and value of our business with these suppliers and our joint marketing initiatives, management judge the probability of any significant detrimental changes in these relationships to be remote. Details of the impact of Covid-19 on the Group's suppliers is detailed on page 7 within future developments.

Modern Slavery & Human Trafficking Statement

The Group is aware of its responsibilities under the UK Modern Slavery Act 2015 ("the Act"); and has implemented a number of policies to ensure compliance.

On a regular basis, the director, along with other senior management members, considers the potential for breaches of the Act alongside other business risks. Suppliers to the Group are usually equipment suppliers or personnel suppliers. All new suppliers are required to confirm to their relationship manager that they are in compliance with the Act, or with local requirements with at least as stringent requirements. In addition, the local commercial functions conduct checks for adverse media in respect of any such issues. No such instances were noted in the period.

The director considers the likelihood of breaches of the Act to be a relatively low risk, on the basis that most companies in the supply chain are providers of skilled labour in Europe, where extensive labour law protections are in place.

ATLANTA TOPCO LIMITED

STRATEGIC REPORT (continued)

Strategy

The Group's overriding objective is to achieve profitable growth by meeting customer and market needs. The key elements to the Group's strategy for growth are:

- To focus on Unified Communications, Contact Centre solutions, Enterprise Networking and Security Services in the European and North American markets.
- To promote Damovo's fully managed suite of cloud-hosted communication solutions: Unified Communications & Collaboration as a Service ("UCaaS") in key markets.
- To maintain existing relationships with current customers to ensure limited risk of revenue reduction in any given reporting period.
- To build on current recurring revenue base through deployment of large-scale implementation projects together with ongoing support within a long-term Managed Service wrapper.
- To pursue strategic inorganic growth opportunities where growth can be accelerated in key markets by such means; and
- To continue building relationships with key technology partners.

Management team and developing leadership capability

Developing leadership capability is a key to delivering our business strategy. We are clear about the qualities of people that we need to grow the business and have worked to find the best people who have the necessary skills. In 2020, the Group introduced its first Director of Human Resources in an effort to emphasise and improve many initiatives related to the development of our team.

During the period, we have continued to refresh existing management structures, to give greater cross-group responsibilities to our functional experts in order to achieve best practice solutions across the Group and uniform customer experience for our customers regardless of the country we are servicing them in.

Employees

The Group's policies in relation to employees are outlined in the Director's Report.

Future developments

The director believes that revenue and profits of the Group can be grown by following the strategy stated above. As mentioned within the business revenue above, although there have been losses in the current period, these were mainly due to items that were non-recurring in nature, and where this is not the case, steps have been taken to address the situation. In addition, the Group will continue to review strategic acquisition opportunities where it is possible to add expertise or scale in a value-creating manner via inorganic projects.

Principal risks and uncertainties

The director confirms that we have carried out a robust assessment of the principal risks facing the Company and of the Group as a whole, including those that would threaten its business model, future performance, solvency or liquidity.

The key business risks affecting the Group are set out below:

Covid-19

Covid-19 continues to spread and creates insecurity and questions. Damovo's top priority is to ensure the safety and well-being of its staff and to ensure business continuity for its customers. Damovo continues to monitor the ongoing Covid-19 outbreak, accessing the advice by the World Health Organisation and local health authorities to ensure that best-practice precautions are being applied. Clear information and health precautions on how employees should protect themselves and reduce exposure to, and transmission of, a range of illnesses along with general advice has been communicated across the organisation. Wherever possible, employees have been instructed to work from home and the Group is satisfied that it has the technology capabilities to support this on an ongoing basis, for as long as required. The Group has set up an internal Task Force, comprised of senior individuals within the Group, responsible for managing policy and responding to any ongoing impacts on the Groups operations.

ATLANTA TOPCO LIMITED

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

Covid-19 (continued)

The Group reviews the situation regarding impacts on cash flows, supply chain, project implementations on a frequent basis.

Currently there has been no significant decline in customers settling accounts on time and, bearing in mind that a large proportion of customers are government or local government agencies/departments, there is some security over continuing receipts. The Group also has high recurring revenues with these customers. In the near to medium term, the Group is not anticipating any significant problems with current supplier lead times and obtaining relevant supplies but continues to proactively monitor this. There is expected to be some slippage regarding long term project installations however, this will be managed by delaying contractors and capex ordering.

During 2020 and to date, Covid-19 has not had a material impact on activities. It has however contributed to a short-term change in revenue mix as the Group's customers adapt themselves to a more remote working model for their operations, with some professional services work being delayed and being replaced by a higher demand in the short term for more product and an uplift in the managed service provision.

Covid-19 may impact the Group's performance in 2021 however to date, it has not had a material impact on Damovo's activities. At present, it is not possible to predict whether the outbreak will have a material adverse effect on our future earnings, cash flows and financial condition, however, the director remains confident of the medium and long-term prospects of the Group.

Changes in technology

Damovo's success will depend on its ability to develop and implement technology solutions that anticipate and keep pace with rapid and continuing changes in technology, industry standards and client preferences. The Group remains close to its key technology vendors, introducing new technology to our customers each year to ensure we are aware of such changing trends.

Competition

The ICT markets in which the Group operates are highly competitive. Competitors vary in terms of market position, size and resources and include a broad spectrum of ICT solutions and services companies. Success for Damovo will depend on the ability to differentiate from the competition in terms of quality of services provided. This is done through offering fully integrated solutions across technology vendors, which is a key differentiating factor to many of the Group's single-vendor competitors.

Contract pricing

The pricing and other terms of long-term customer agreements require the Group to make estimates and assumptions that could differ from actual results. Increased or unexpected costs or unanticipated delays in connection with these engagements would reduce profitability. The success of the Group will depend on the ability to manage costs, which is achieved wherever possible by ensuring terms offered to customers are consistent with those from suppliers covering such risks.

Key customers and new contract wins

A significant reduction in business with our key customers would impact the growth strategy of the Group. Success will depend on maintaining relationships with key customers.

Many of the Group's customers retain services from Damovo on a non-exclusive basis. A number of existing contracts could be terminated by customers on short notice. Complex, longer contracts generally require a longer notice period (in certain instances, a number of months) for termination by the customer and may include an early termination charge to be paid to the Group.

The Group business strategy depends upon success in renewing existing agreements to perform managed services, maintenance, and IT support services. Contract renewal discussions for significant contracts are usually started a minimum of 6 months prior to expiry.

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

Technology partners

A significant disruption in supply from, or relationship with, key equipment vendors could delay the Group's ability to deliver required customer solutions. Multi-vendor solutions ensure that the Group can always access a substitute technology in the event of such an issue.

Product and software defects

Damovo provides solutions and products that incorporate leading technology, including both hardware and software. If the products installed or the services provided by the Group to customers are defective or inadequate, then the costs of remediation can be significant. Such risks are shared with equipment vendors in agreed supply terms.

Currency exchange rate risks

The financial results are impacted by both translation and transaction currency effects resulting from changes in currency exchange rates.

Translation currency effects occur when the financial results of operations outside the Euro region are translated into Euros using the exchange rates prevailing during the relevant period. The resulting impact of such a translation can affect the results when compared to other years translated at different foreign exchange rates. The countries in which the Group currently operates include the following countries that do not use the Euro currency: U.S.A., Switzerland, and Poland.

Transaction currency effects occur when one of the subsidiaries incur costs or earns revenues in a currency that is different from its functional currency. For example, in countries within the Eurozone, where buying and selling is generally done in Euro, trading also is subject to transaction currency effects when certain supplies are purchased by the Group in U.S. dollars. Group standard terms include provisions for such cost increases to be borne by the customer where appropriate. The most significant currency risk arises on the Group's preference shares, which are denominated in U.S. dollars. The preference shares are not hedged as the parent company of the Group has a U.S. dollar reporting currency, and hedging would create an overall exposure within the wider Global Growth Group. Further information is contained within note 18.

Climate change

The Group recognises and understands the risks to all individual and companies from the changing climate around the world. Therefore, management have undertaken to reduce the Group's carbon footprint by actively reducing international travel to only where it is necessary.

Damovo encourages our employees to partake in car sharing where possible and cycle to work schemes. Eco Vouchers are provided to employees to promote ecologically minded purchases in several of our operating geographies

Management do not consider climate change to be a principal risk to the business.

Impact of the United Kingdom exiting the European Union (Brexit)

The director does not believe there is any material impact, either adverse or favourable to the Company and to the Group's trading performance as a result of the UK exiting the European Union. The Group has no operations in the UK and does not sell or provide any material volume of goods or services either into, or from, the UK market. The Group has no financing arrangement with UK banks or other finance providers. The Group and the Company employ a small number of people in the UK and the contractual relationship with these employees is not affected by the UK exiting the European Union under any conditions.

ATLANTA TOPCO LIMITED

STRATEGIC REPORT (continued)

Director's statement of compliance with duty to promote the success of the company

The director has acted in a way that 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 (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Companies Act 2006) in the decisions taken during the period ended 31 January 2020. The following paragraphs summarise how the director fulfils his duties:

- The director recognises that their employees are fundamental and core to their business and aim to be a responsible employer in their approach to pay and benefits their employees receive and through training. The health, safety and wellbeing of their colleagues are of the highest importance and ensuring these is one of their primary considerations in the way they do business.
- The director also aims to act responsibly and fairly in their engagement with suppliers, customers, regulators, bankers and insurers and are in direct contact on a regular basis. The director responds quickly and fully to queries from regulators, bankers and insurers as required.
- The director always intends to behave responsibly and to ensure that the business operates in a responsible manner, adhering to high standards of business conduct and good governance. The director recognises that the maintenance of their good reputation, founded on responsible behaviour is fundamental to their continuing ability to achieve profitable growth for the benefit of all their stakeholders in the future.

Approval

This Strategic Report was approved by the Board of Directors and is signed on its behalf by:



Jeffrey McFarlane
Director

Date: 02 December 2021

ATLANTA TOPCO LIMITED

DIRECTOR'S REPORT

This report covers the year ended 31 January 2020. ATL is incorporated in the United Kingdom and prepares financial statements that comply with the provisions of UK company law and International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

The UK Companies Act 2006 requires the Company to present consolidated and Company only financial statements together. The Company only financial statements can be found on pages 86 to 96 of this report.

The Group has elected to take the exemption to exclude items in the Director's Report which are included within the Strategic Report under s414C(1). These items relate to employees and future developments.

Directors

The directors who served throughout the period and to the date of this report are:

Jeffrey McFarlane	(appointed 19 th September 2019)
Marc Greenspan	(appointed 7 th August 2020, resigned 15 th July 2021)
Christopher Herwig	(appointed 31 st July 2019, resigned 7 th August 2020)
Greg Lindberg	(appointed 31 st July 2019, resigned 19 th September 2019)
Christa Miller	(appointed 31 st July 2019, resigned 2 nd October 2019)
Dave Hersom	(appointed 29 th June 2018, resigned 31 st July 2019)
Joe Bennett	(appointed 29 th June 2018, resigned 21 st June 2019)
David Harrison	(appointed 29 th June 2018, resigned 4 th April 2019)

Dividend

The director has accrued a preference dividend of €3,825K (2019: €2,018K) in accordance with the preference share terms and conditions. The director does not recommend payment of this dividend until such a time as the Group is able to do so. The director does not recommend payment of an ordinary share dividend in the year ended 31 January 2020 (2019: NIL). The director does not propose any ordinary share dividends to be paid after 31 January 2020 relating to this period (2019: NIL).

Supplier payment policy

The Group does not operate a standard code in respect of payments to suppliers, mainly due to the wide geographical spread of our operations. Group policy is that payments are made in accordance with agreed local terms.

Transactions with connected parties

The director is satisfied that there are arrangements in place to ensure that this requirement is applied to transactions with connected parties, and that transactions with connected parties during the financial year complied with the requirement.

Research and development activities

The Group has not engaged in any research and development activities throughout the current or preceding year.

Charitable and political donations

The Group operates a policy not to make political contributions. The Group did not make any political donations in the year ended 31 January 2020 and 31 January 2019.

Financial risk management

For details of financial risks, see note 18 'Financing arrangements and risk management'.

ATLANTA TOPCO LIMITED

DIRECTOR'S REPORT (continued)

Employees

The Group employed an average of 522 (2019: 479) people across the Group and in order to achieve the Group's objectives, Damovo believes it is necessary to invest in the people in the business. It is essential that our people have the right skills, and we continue to invest in improving our skill base. The Group is committed to its equal opportunities policies, which include promoting training and career development for all employees. Full and fair consideration for all vacancies and opportunities is given to men and women, people with disabilities and those from ethnic minorities, regardless of marital status, age, religion or sexual orientation. The Group gives full and fair consideration to applications for employment made by disabled people, having regard to their particular aptitudes and abilities. Where an employee becomes disabled in the course of their employment every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged.

The Group operates a company performance related bonus scheme for its employees in most of its geographies. During the period, management have introduced a quarterly business review update to all employees by means of an all-staff conference call with the Group Management team outlining developments concerning the business and its employees. This includes a summary of financial performance each quarter. Employees are invited to take part in sharing of ideas for improvements and collaboration with other employees in different departments using the group-wide "Damovo Digital Home" intranet. Additionally, employees have access to local management, HR and Marketing for regular sources of information concerning them and their local department/business.

Going concern and financing arrangements

The Group has made a loss before tax of €12,763K (2019: €16,032K). The loss has been made as a result of the following areas: exceptional items of €1,245K (2019: €8,576K); preference share dividends accrued €3,825K (2019: €2,018K); external financing costs and amortisation of intangibles. Exceptional items were in relation to the purchase of the shares in Damoco Holdco Limited's U.K. and European subsidiaries and, as such, will not reoccur. Preference share dividends have been accrued in line with the agreement but no dividend payment has yet been made. As such, the dividend charges will recur until the preference shares are settled.

The Group has net current liabilities of €37,599K (2019: €26,646K). Part of this net current liability position has been created by the operating losses as described below. Additionally, €20,000K (2019: €14,500K) of deferred consideration has been recognised on the purchase of the Damovo Group. The Group enjoys the financial backing and support of its sponsor - Global Growth Holdings Inc (GGHI). Global Growth has affirmed its financial support of Damovo and should this deferred consideration become due, GGHI will fund this obligation. Likewise, where opportunities arise where additional capital is required to capitalise on long-term opportunities or address short-term liquidity, the director is confident in Global Growth's ability to provide.

The Group has short-term working capital facilities in place in Germany, Switzerland, and Belgium and these are outlined within note 18. The Group maintains constructive relationships with its lenders and is current on all interest payments.

At incorporation, the shareholders of the Group provided €46,161K of preference share funding to complete the acquisition of the Damovo subsidiaries; and Ares Management Limited ("ARES") provided €50,000K of senior loan notes financing facility to the Group. At the balance sheet date there was €721K (2019: €739K) of interest accrued to ARES and €5,843K (2019: €2,018K) to preference shareholders.

Of the preference share accrued dividends, €3,996K is now rolled up into the preference share principal and repayable in line with the principal redemption date. There are banking covenants in place in relation to the ARES Loan Notes, which include net leverage and cash flow cover requirements to be reported on a quarterly basis. The underlying senior financing agreement defines the Group's ability of other means of borrowings.

The Group is not expected to require any significant additional external borrowings in the next 12 months, other than the current financing of assets purchased under finance leases and/or vendor financing arrangements.

ATLANTA TOPCO LIMITED

DIRECTOR'S REPORT (continued)

Going concern and financing arrangements (continued)

The director has prepared an overall group strategy to create sustainable positive trading results within the Group. Currently, the Group is in an intensive investment and capital expansion phase and has incurred losses during the current and previous years and carried accumulated losses as at the reporting date. The Group has been able to generate positive cash flows from its operations.

Given the industry dynamics that the Group operates in and the expectation of being in an investment and expansion phase for some time, the director and shareholders have prepared forecasts of the Group's performance for the next five years in line with their expectations and are satisfied that the Group's progress to date is in line with their strategy. Expected increases in adjusted EBITDA going forward as per management's latest planning will lead to recovery of losses before tax over the coming 5 years.

The director is also assessing options to secure additional sources of funding to potentially refinance the existing credit arrangement facilities, with better terms and conditions to reduce the effective cost of interest. Discussions are ongoing to this extent and various avenues are actively being evaluated by the director in order to achieve the long-term strategic plan.

The director has also considered the performance of the Group and continues to take actions to ensure that the Group is profitable in the future through an increase in activity and turnover together with managing expenses and overheads. Accordingly, based on historical experience, the Group's performance up to the current date and forecasts for the following twelve months and beyond, coupled with the continued support of the owners and lenders, the director has a reasonable expectation that the Group will have sufficient financial resources available to it to continue in operational existence for the foreseeable future. The Group has sought and obtained confirmation from its parent company that continued support will be made available to it to ensure it is in a position to meet its financial obligations as they fall due including the deferred consideration as discussed above. Based on the above considerations, the director has concluded it is appropriate to prepare the financial statements on the going concern basis.

Future developments

These are discussed in the Strategic Report on page 7. The Group is currently experiencing healthy growth, however, remains focussed on the current macro-environment, especially the evolving Covid-19 outbreak and potential effects thereof, and expects to deliver a resilient performance in 2021. The director remains confident in the medium and long-term prospect for the Group. Post Balance Sheet Events are discussed in note 28 of the accompanying financial statements.

Director's indemnities

There are no director's indemnities provided by the Group or the Company.

Auditor and disclosure of information to auditor

Each of the persons who are a director at the date of approval of this report confirms that:

- So far as the director is aware, there is no relevant audit information of which the Group and Company's auditor is unaware; and
- The director has taken all the steps that he ought to have taken as director in order to be made aware of any relevant audit information and to establish that the Group and Company's auditor is aware of that information.

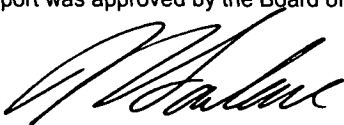
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP resigned as auditors and Grant Thornton Ireland were appointed as auditors of the Company for the year ended 31 January 2020.

Approval

This Director's Report was approved by the Board of Directors and is signed on its behalf by:

Jeffrey McFarlane
Director



Date: 02 December 2021

ATLANTA TOPCO LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires directors to prepare such financial statements for each financial year. Under that law, the director is required to prepare the Group's financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation and have also chosen to prepare the parent Company's financial statements in applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 the Company and of the profit or loss of the Group and the Company for that financial year and otherwise comply with the Companies Act 2006.

In preparing the parent Company's financial statements, the director is required to:

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

In preparing the Group's financial statements, IFRSs requires that directors:

- properly select and apply accounting policies.
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information.
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Group's ability to continue as a going concern.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The director is responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This responsibility statement was approved by the Board of Directors and is signed on its behalf by:



Jeffrey McFarlane
Director

Date: 02 December 2021

ATLANTA TOPCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATLANTA TOPCO LIMITED

Opinion

We have audited the financial statements of Atlanta Topco Limited ("the Company") and its subsidiaries ("the Group"), which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Financial Position, the Consolidated Cash Flow Statement, the Company Income Statement, the Company Statement of Financial Position, and the Company Statement of Changes in Equity for the financial year ended 31 January 2020, and the related notes to the financial statements, including the summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the consolidated financial statements is International Financial Reporting Standards (IFRS) as adopted by the European Union and Article 4 of the IAS Regulation and applicable law and United Kingdom Accounting Standard, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) for Company's standalone financial statements.

In our opinion, Atlanta Topco Limited's financial statements:

- give a true and fair view in accordance with IFRS as adopted by the European Union of the assets, liabilities and financial position of the Group as at 31 January 2020 and of the financial performance of the Group and cash flows of the Group for the financial year then ended;
- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the assets, liabilities and financial position of the Company as at 31 January 2020 and of the financial performance of the Company for the financial year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the FRC's Ethical Standard, and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

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

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

Other Matter

The financial statements of Atlanta Topco Limited for the year ended 31 January 2019, were audited by Deloitte LLP who issued a disclaimer of opinion on those statements on 20 January 2021, as they were unable to obtain sufficient appropriate audit evidence to provide a basis for their audit opinion.

ATLANTA TOPCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATLANTA TOPCO LIMITED (continued)

Other information

Other information comprises information included in the Annual Report, other than the financial statements and the auditor's report thereon, including the Director's Report and the Strategic Report. The director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment we have obtained in the course of the audit, we have not identified material misstatements in the Director's report and the Strategic Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of management and those charged with governance for the financial statements

As explained more fully in the Director's responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with IFRS as adopted by the European Union for Group's consolidated financial statements and United Kingdom Generally Accepted Accounting Practice, including FRS101, for Company's standalone financial statements and for such internal control as they determine 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, management is responsible for assessing the Group and 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 management either intends to liquidate the Group and Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and Company's financial reporting process.

Responsibilities of the auditor for the audit of the financial statements

The objectives of an auditor 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 auditor's report that includes their 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.

ATLANTA TOPCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATLANTA TOPCO LIMITED (continued)

Responsibilities of the auditor for the audit of the financial statements (continued)

As part of an audit in accordance with ISAs (UK), the auditor will exercise professional judgment and maintain professional skepticism throughout the audit. They will also:

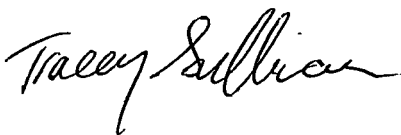
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group and company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and company's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the group or company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.

Where the auditor is reporting on consolidated financial statements, the auditor's responsibilities are to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. The group auditor is responsible for the direction, supervision and performance of the group audit, and the group auditor remains solely responsible for the audit opinion.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tracey Sullivan (Senior Statutory Auditor)
For and on behalf of
Grant Thornton
Chartered Accountants
& Statutory Auditors
Dublin
Republic of Ireland

Date: 02 December 2021

ATLANTA TOPCO LIMITED

CONSOLIDATED INCOME STATEMENT for the year ended 31 January 2020

Group	Notes	Year ended	Period ended
		31 January 2020	31 January 2019
		€000	€000
Revenue	2	134,311	51,521
Cost of sales		(94,753)	(37,269)
Gross profit		39,558	14,252
Administrative expenses		(38,555)	(6,733)
Sales and marketing expenses		(1040)	(457)
Exceptional items	4	(1245)	(8,576)
Operating loss	5	(1,282)	(11,514)
Finance costs	7	(11,485)	(4,519)
Finance income	7	4	1
Net finance costs	7	(11,481)	(4,518)
Loss for the year/ period before taxation		(12,763)	(16,032)
Taxation	10	1,548	597
Loss for the year/ period		(11,215)	(15,435)

The Group's loss is generated entirely from continuing operations.

The accompanying notes on pages 23 to 85 form part of these consolidated financial statements.

ATLANTA TOPCO LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 January 2020

		Year ended 31 January 2020 € 000	Period ended 31 January 2019 € 000
	Notes		
Loss for the year/ period		(1125)	(15,435)
Items that may be reclassified subsequently to profit or loss:			
Actuarial losses on retirement benefits (net of deferred tax)	19	(3,068)	(1277)
Currency translation	22	(54)	(134)
		(3,122)	(1,411)
Other comprehensive loss for the year/ period		(3,122)	(1,411)
Total comprehensive loss for the year/ period		(14,337)	(16,846)

The accompanying notes on pages 23 to 85 form part of these consolidated financial statements.

ATLANTA TOPCO LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31 January 2020

	Notes	Ordinary shares € 000	Translation reserve € 000	Retained loss € 000	Total equity € 000
At 4 June 2018		-	-	-	-
Exchange movements on translation of overseas results and net assets	22	-	(134)	-	(134)
Net loss recognised in the income statement	22	-	-	(15,435)	(15,435)
Actuarial losses on retirement benefits (net of deferred tax)	19	-	-	(1,277)	(1,277)
Total comprehensive loss for the period		-	(134)	(16,712)	(16,846)
 New shares issued		1	-	-	1
At 31 January 2019		1	(134)	(16,712)	(16,845)
Exchange movements on translation of overseas results and net assets	22	-	(54)	-	(54)
Net loss recognised in the income statement	22	-	-	(11,215)	(11,215)
Actuarial losses on retirement benefits (net of deferred tax)	19	-	-	(3,068)	(3,068)
Total comprehensive loss for the year		-	(54)	(14,283)	(14,337)
At 31 January 2020		1	(188)	(30,995)	(31,182)

The accompanying notes on pages 23 to 85 form part of these consolidated financial statements.

ATLANTA TOPCO LIMITED

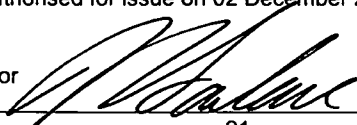
CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 January 2020

	Notes	As at 31 January 2020 € 000	As at 31 January 2019 € 000
Assets			
Non-current assets			
Intangible assets	11	128,057	128,117
Property, plant and equipment	12	39,615	26,777
Other receivables and other debtors	14	144	154
		167,816	155,048
Current assets			
Inventory and work in progress	15	3,194	1,099
Trade receivables and other debtors	14	48,369	37,734
Cash and bank balances		12,380	15,100
		63,943	53,933
Total assets		231,759	208,981
Equity and liabilities			
Capital and reserves			
Ordinary shares	21	1	1
Translation reserve	22	(188)	(134)
Retained loss	22	(30,995)	(16,712)
		(31,182)	(16,845)
Current liabilities			
Trade payables and other creditors	16	61,217	54,414
Other payables	17	20,000	14,500
Current tax liabilities		218	376
Borrowings	18	17,505	8,869
Redeemable cumulative preference shares	18	1,847	2,022
Provisions	20	755	398
		101,542	80,579
Non-current liabilities			
Other payables	17	2,193	2,193
Borrowings	18	67,823	59,410
Redeemable cumulative preference shares	18	52,252	46,447
Deferred tax liabilities	13	8,886	10,976
Provision for retirement obligations	19	30,095	26,071
Provisions	20	150	150
		161,399	145,247
Total liabilities		262,941	225,826
Total equity and liabilities		231,759	208,981

The accompanying notes on pages 23 to 85 form part of these consolidated financial statements.

The financial statements of Atlanta Topco Limited, registered number 11394888, were approved by the Board of Directors and authorised for issue on 02 December 2021. They were signed on its behalf by:

Jeffrey McFarlane, Director



ATLANTA TOPCO LIMITED

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 January 2020

		Year ended 31 January 2020 € 000	Period ended 31 January 2019 € 000
	Notes		
Net cash inflow from operating activities	24	2,681	1948
Cash flows used in investing activities			
Interest received		4	1
Acquisition of subsidiaries, net of cash acquired	9	-	(79,671)
Purchase of tangible assets	12	(15,160)	(7,800)
Purchase of intangible assets	11	(916)	(285)
Net cash used in investing activities		(16,072)	(87,755)
Cash flow from financing activities			
Issue of ordinary shares	21	-	1
Issue of preference shares	21	-	46,160
Receipt of loans	18	-	50,000
Loan issuance costs	18	-	(2,500)
New finance leases	18	13,293	2,433
Repayment of finance leases	18	(6,727)	(2,015)
Other borrowings net	18	8,805	7,635
Repayment of other borrowings	18	(4,646)	(673)
Net cash from financing activities		10,725	10,041
(Decrease) / Increase in cash		(2,666)	15,234
Movement in cash			
Opening cash		15,100	-
Net increase in cash		(2,666)	15,234
Foreign currency translation effect		(54)	(134)
Closing cash position		12,380	15,100

The accompanying notes on pages 23 to 85 form part of these consolidated financial statements.

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

1. General information and significant accounting policies

General information

Atlanta Topco Limited ("ATL" or the "Company") is a private limited company, limited by shares, registered in England and Wales and incorporated in the United Kingdom under the Companies Act 2006, with company number 11394888. The address of the registered office is Aurora House, Deltic Avenue, Rooksley, Milton Keynes, Buckinghamshire, United Kingdom, MK13 8LW. The results of the Company are included in the consolidation of Atlanta Topco Limited and subsidiaries ("the Group").

The nature of the Group's operations and its principal activities are set out in the Strategic Report. The results presented in the financial statements are rounded to the nearest thousand Euros.

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below.

Basis of accounting

The consolidated financial statements of ATL have been prepared in accordance with International Financial Reporting Standards ("IFRS") adopted by the European Union and therefore the Group's financial statements comply with Article 4 of the EU IAS Regulation. The Company was incorporated on 23 August 2018 and as such, the amounts for the year ended 31 January 2020 may not be entirely comparable with the period ended 31 January 2019.

The financial statements have been prepared on the historical cost convention, except for financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historic cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Going concern and financing arrangements

The Group has made a loss before tax of €12,763K (2019: €16,032K). The loss has been made as a result of the following areas: exceptional items of €1,245K (2019: €8,576K); preference share dividends accrued €3,825K (2019: €2,018K); external financing costs and amortisation of intangibles. Exceptional items were in relation to the purchase of the shares in Damoco Holdco Limited's U.K. and European subsidiaries and, as such, will not reoccur. Preference share dividends have been accrued in line with the agreement but no dividend payment has yet been made. As such, the dividend charges will recur until the preference shares are settled.

The Group has net current liabilities of €37,599K (2019: €26,646K). Part of this net current liability position has been created by the operating losses as described below. Additionally, €20,000K (2019: €14,500K) of deferred consideration has been recognised on the purchase of the Damovo Group. The Group enjoys the financial backing and support of its sponsor - Global Growth Holdings Inc (GGHI). Global Growth has affirmed its financial support of Damovo and should this deferred consideration become due, GGHI will fund this obligation. Likewise, where opportunities arise where additional capital is required to capitalise on long-term opportunities or address short-term liquidity, the director is confident in Global Growth's ability to provide.

The Group has short-term working capital facilities in place in Germany, Switzerland, and Belgium and these are outlined within note 18. The Group maintains constructive relationships with its lenders and is current on all interest payments.

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

Going concern and financing arrangements (continued)

At incorporation, the shareholders of the Group provided €46,161K of preference share funding to complete the acquisition of the Damovo subsidiaries; and Ares Management Limited ("ARES") provided €50,000K of senior loan notes financing facility to the Group. At the balance sheet date there was €721K (2019: €739K) of interest accrued to ARES and €5,843K (2019: €2,018K) to preference shareholders.

Of the preference share accrued dividends, €3,996K is now rolled up into the preference share principal and repayable in line with the principal redemption date. There are banking covenants in place in relation to the ARES Loan Notes, which include net leverage and cash flow cover requirements to be reported on a quarterly basis. The underlying senior financing agreement defines the Group's ability of other means of borrowings.

The Group is not expected to require any significant additional external borrowings in the next 12 months, other than the current financing of assets purchased under finance leases and/or vendor financing arrangements.

The director has prepared an overall group strategy to create sustainable positive trading results within the Group. Currently, the Group is in an intensive investment and capital expansion phase and has incurred losses during the current and previous years and carried accumulated losses as at the reporting date. The Group has been able to generate positive cash flows from its operations.

Given the industry dynamics that the Group operates in and the expectation of being in an investment and expansion phase for some time, the director and shareholders have prepared forecasts of the Group's performance for the next five years in line with their expectations and are satisfied that the Group's progress to date is in line with their strategy. Expected increases in adjusted EBITDA going forward as per management's latest planning will lead to recovery of losses before tax over the coming 5 years.

The director is also assessing options to secure additional sources of funding to potentially refinance the existing credit arrangement facilities, with better terms and conditions to reduce the effective cost of interest. Discussions are ongoing to this extent and various avenues are actively being evaluated by the director in order to achieve the long-term strategic plan.

The director has also considered the performance of the Group and continues to take actions to ensure that the Group is profitable in the future through an increase in activity and turnover together with managing expenses and overheads. Accordingly, based on historical experience, the Group's performance up to the current date and forecasts for the following twelve months and beyond, coupled with the continued support of the owners and lenders, the director has a reasonable expectation that the Group will have sufficient financial resources available to it to continue in operational existence for the foreseeable future. The Group has sought and obtained confirmation from its parent company that continued support will be made available to it to ensure it is in a position to meet its financial obligations as they fall due including the deferred consideration as discussed above. Based on the above considerations, the director has concluded it is appropriate to prepare the financial statements on the going concern basis.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 January each year. Specifically, the Group controls an investee if and only if the Group has:

- a. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
 - b. Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. The principal subsidiary undertakings are detailed in note 26.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation. The consolidation ceases when the Group loses control of the subsidiaries. The Group derecognises the related assets (including goodwill), liabilities and other components of equity, while the resulting gain or loss is recognised in statement of profit or loss.

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

1. Significant accounting policies (continued)

Adoption of new and revised Standards

New and revised standards in issue but not yet effective

At the date of authorisation of these financial statements, several new, but not yet effective, Standards, amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards, amendments or Interpretations have been adopted early by the Group.

IFRS 17	Insurance contracts
Amendments to IAS 19	Employee benefits - plan amendment, curtailment or settlement
Amendments to IFRS 10 and IAS 28	Long term interests in associates and joint ventures
Amendments to IFRS 9	Prepayment features with negative compensation
Amendments to IAS 1	Classification of liabilities as current or non-current
Amendments to IAS 1 and IAS 8	Definition of material
Amendments to IFRS 3	Definition of a business
Amendments to IAS 16	Property, plant and equipment: proceeds before intended
Amendments to IAS 37	Onerous contracts - costs of fulfilling a contract
Annual improvements to IFRS Standards 2018-2020 Cycle	IFRS 9 Financial instruments, IFRS 16 Leases
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest rate benchmark reform
Amendment to IFRS 16	Covid-19-related rent concessions

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and interpretations neither adopted nor listed above have not been disclosed as they are not expected to have a material impact on the financial statements.

Adoption of new and revised Standards – amendments to IFRS that are mandatorily effective for the current year

In the current year the Group has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (the Board) that are effective for an annual period that begins on or after January 2019 including:

IFRIC 23 Uncertainty over Income Tax Treatments;
IFRS 16 Leases; and
Annual improvements to IFRS Standards 2015-2017 cycle.

IFRIC 23 – Uncertainty over Income Tax Treatments

The Group has adopted IFRIC 23 for the first time in the current year which had no material impact on the amounts reported, and disclosures included, in the financial statements. IFRIC 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The interpretation requires the Group to:

Determine whether uncertain tax positions are assessed separately or as a group; and assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:

- If yes, the Group should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings; and
- If no, the Group should reflect the effect of uncertainty in determining its accounting tax position using either the most likely amount or the expected value method.

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

1. Significant accounting policies (continued)

IFRS16 – Leases

In the current year, the Group has applied IFRS 16 that is effective for annual periods that begin on or after 1 January 2019. The date of initial application of IFRS 16 for the Group is 1 February 2019. IFRS 16 introduces significant changes to lessee accounting by removing the distinction between operating and finance leases, requiring the recognition of a right-of-use asset and a lease liability at the commencement of all contracts that are, or contain a lease, except for short term leases (defined as leases with a lease term of 12 months or less) and leases of low value (below €5K).

Approach to transition

The Group has applied IFRS 16 using the modified retrospective adoption approach, with no restatement of prior year comparatives, and has recognised leases on the balance sheet as at 1 February 2019. From 1 February 2019, the Group recognises a right-of-use asset and corresponding lease liability on the balance sheet with respect of all lease arrangements in which it is a lessee, except for short term leases and low value leases. At this date, the Group has elected to measure the right-of-use assets to an amount equal to the lease liability.

For contracts in place at the date of transition, the Group has elected to apply the definition of a lease from IAS 17 and IFRIC 4 and has not applied IFRS 16 to arrangements that were previously not identified as leases under IAS17 and IFRIC 4.

Instead of performing an impairment review on the right-of-use assets for operating leases in existence at the date of transition, the Group has relied on historic assessment as to whether leases were onerous immediately before the date of the initial application of IFRS 16.

On transition, for leases previously accounted for as operating leases with a remaining term of less than 12 months or for leases of low value assets, the Group has applied the optimal exemptions to not recognise the right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

On transition to IFRS 16, the incremental borrowing rates were used, determined by the type of lease and countries of origin to lease liabilities. The incremental borrowing rates ranged from 1.43% to 5.78%. Where applicable, the Group has taken advantage of the practical expedient allowing the application of a single discount rate to a portfolio of leases with reasonably similar characteristics.

The difference between the lease obligation disclosed as of 31 January 2019 under IAS 17 and the value of the lease liabilities as of 1 February 2019 is primarily on account of measuring lease liability and discounting the lease liabilities to the present value in accordance with IFRS 16.

	Total
	€ 000
Operating lease commitments disclosed as at 31 January 2019	8,388
(Less): Adjustments for short leases, small value leases, service charge element of leases	(3,366)
(Less): Impact of discounting rental	(275)
Total	4,747

Full details of lease liabilities are set out in note 18.

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

1. Significant accounting policies (continued)

Leases (continued)

For any new contracts entered into on or after 1 February 2019, the Group will consider whether a contract is, or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use of an asset (the underlying asset) for a period of time in exchange for consideration. Up until 31 January 2021, rentals payable under operating leases were charged to the Consolidated Income Statement on a straight-line basis over the term of the relevant lease.

To apply this definition the Group assesses whether the contract meets three key evaluations which are whether the contract contains an identifiable asset, which is either explicitly identified in the contract or implicitly specified as being identified at the time the asset is made available to the Company; the Company has the right to obtain substantially all of the economic benefits from the use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and the Company has the right to direct the use of the identified asset throughout the period of use.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability measured at the present value of future lease payments, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date.

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset, or the end of the lease term.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the rate implicit in the lease, or if this rate cannot be determined, the incremental borrowing rate. The lease liability is subsequently measured by increasing the carrying value amount to reflect the interest on the lease liability and by reducing the liability by any repayments made. The Group re-measures the lease liability (and adjusts the related right-of-use asset) whenever the lease contract has been modified or the term changed. The modification is not accounted for as a separate lease.

Under IFRS 16, the Group recognises depreciation of the right-of-use asset and interest on the lease liability within the income statement. On the balance sheet, right-of-use assets have been included within property, plant and equipment and lease liabilities have been included within current and non-current borrowings.

The Group has elected to account for short-term leases and leases of low value assets using the practical expedients, whereby these leases remain being expenses to the profit and loss account on a straight-line basis over the life of the lease.

Business combinations and goodwill

Acquisitions are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date, except that deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income taxes and IAS 19 Employee Benefits respectively as appropriate.

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is determined by comparing the amounts paid for the subsidiaries acquired and the fair value of the underlying assets and liabilities of the acquired businesses. Costs related to acquisitions have not been included in goodwill but have been recognised in the Consolidated Income Statement as incurred. These are identified as exceptional items in note 4 'Exceptional items'.

The remaining value of goodwill, as shown on the Consolidated Statement of Financial Position at the year-end, is not amortised but reviewed annually for impairment or when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated "value in use", goodwill is written down to value in use.

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

1. Significant accounting policies (continued)

Business combinations and goodwill (continued)

For the purpose of impairment testing, goodwill is allocated to groups of cash generating units, i.e., the Group's management reporting segments, or, where this is not possible, the lowest cash generating unit ('CGU'), i.e., the country level business. These groupings of CGU's are expected to benefit from the synergies of the combination, irrespective of whether assets or liabilities of the acquiree are assigned to those CGU groups. This is a change in approach from the prior year where goodwill was provisionally allocated only to CGU's as opposed to, where possible, allocating to the CGU groups, i.e., the Group's management reporting segments representing the lowest level in which goodwill is monitored internally post acquisition and is not higher than an operating segment. This is done considering initial accounting for Damovo's business combination was incomplete as at the 31 January 2019.

Value in use is determined by estimating the future cash inflows and outflows to be derived from the continuing use of the asset and from its ultimate disposal and discounting these at an appropriate discount rate. The discount rate applied reflects the current market assessment of the time value of money and the risks specific to each Group management reporting segment.

If the initial accounting for a business combination is incomplete as at the reporting date in which the combination occurs, the identifiable assets and liabilities acquired in a business combination are measured at their provisional fair values at the date of acquisition. Subsequently, adjustments to the provisional values are made within the measurement period, if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date; otherwise the adjustments are recorded in the period in which they occur. Contingent consideration that may be payable on a business combination is calculated using the agreed formula as per the Sale and Purchase agreement. In the case of the acquisition of the Damovo Group, contingent consideration (described in the Sale and Purchase Agreement as deferred consideration), if any, is only to be calculated using known actual audited adjusted EBITDA numbers available after the audit of these financial statements. The current best estimate of the director is that a total of €20,000K (2019: €14,500K) of contingent consideration is due. This is covered in more detail in note 9.

The following assets are valued upon acquisition and amortised to administrative expenses in the consolidated income statement on a straight-line basis over the estimated useful life of the assets:

Customer relationships

Customer relationships are valued using a variation of the income approach known as the multi-period excess earnings methodology ("MPEEM") to estimate the value of the intangible asset. The income approach generally focuses on the income-producing capability of the asset. Income approach methods to value intangible assets are generally focused on discounting or capitalising some measure of economic income accruing to the owner of the intangible asset. The fundamental components of an income approach to valuation are: 1) the projection of economic income; 2) the estimation of the time period over which the economic income will be received; and 3) the estimation of the appropriate risk-adjusted capitalisation or discount rate for the economic income stream.

The MPEEM is a variation of the discounted cash flow method that quantifies value based on after-tax residual cash flows generated by the intangible asset. The MPEEM isolates and quantifies the economic income attributable solely to the intangible asset being valued. The starting point for this analysis is a projection of after-tax operating income associated with the intangible asset. To eliminate the contribution to income provided by other assets employed in generation of the cash flows, a charge or return for the use of those contributory assets is deducted from after-tax operating income.

The residual after-tax cash flows attributable to the intangible asset are then discounted to their present value at an appropriate rate of return for the intangible asset. The present value is then adjusted for the associated tax amortisation benefit to arrive at the indication of the asset's fair value. These are amortised on a straight-line basis over the estimated useful life of the asset using the following rates:

Customer relationships	14 – 17%
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The amortisation is charged to administration expenses within the Consolidated Income Statement. The carrying value of customer relationships are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If the recoverable amount of an asset is estimated to be less than its carrying amount, the impairment loss is recognised immediately within administrative expenses in the Consolidated Income Statement.

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

1. Significant accounting policies (continued)

Business combinations and goodwill (continued)

Other intangible assets

Other intangible assets as per note 11 of the consolidated financial statements comprise of; and are amortised on a straight-line basis over the estimated useful life of the asset using the following rates:

Supplier relationships and accreditations	14%
Marketing related intangibles	20%
Non-competition agreements	33%
Computer software *	20%

* Computer software assets noted above consist of the purchase cost of software licenses. These are stated at cost less accumulated amortisation.

The amortisation is charged to administration expenses within the Consolidated Income Statement. The carrying value of the other intangible assets noted above are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If the recoverable amount of an asset is estimated to be less than its carrying amount, the impairment loss is recognised immediately within administration expenses in the Consolidated Income Statement. Intangibles under construction, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost and other direct expenditure. No amortisation is charged whilst assets are under construction, and when the asset comes into use, amortisation is applied from that date onwards.

Property, plant and equipment

Property, plant and equipment (PPE) are stated at cost less accumulated depreciation. Depreciation is charged on a straight-line basis over the estimated useful life of the assets based on the following rates:

Land, buildings and leasehold improvements	4 – 20%
IT infrastructure and computer equipment	20 – 33%
UCaaS assets *	10%
Other equipment	20 – 25%

*UCaaS relates to 'Unified communications as a service'.

Assets acquired under leases are depreciated over the shorter of the useful life of the asset or the lease term. PPE under construction, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost and other direct expenditure. No depreciation is charged whilst assets are under construction, and when the asset comes into use, depreciation is applied from that date onwards.

The book values and estimated useful lives of these assets are reviewed for impairment whenever changes in circumstances indicate those values may not be recoverable. If the book values exceed the estimated recoverable amount, the assets are written down to their recoverable amount. The recoverable amount is the greater of the estimated net sales price and the value in use. Value in use is calculated by discounting the estimated future cash flows arising from the asset's use to their present value.

Impairment of other non-financial assets

The Group performs impairment testing on other non-financial assets (including intangible assets and property, plant and equipment) where there are indicators of impairment. If such an indicator exists, the recoverable amount of the asset is estimated in order to determine the impairment loss (if any). Where the asset does not generate future cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of the asset (or cash-generating unit) is less than its carrying amount, the asset (or cash-generating unit) is reduced to its recoverable amount. The impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Any impairment is recognised immediately in the Consolidated Income Statement. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of the recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately as a credit to the Consolidated Income Statement.

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

1. Significant accounting policies (continued)

Foreign currency translation

The functional currency of the Group's foreign operations are the currencies of the primary economic environments in which they operate. For the purpose of the consolidated financial statements, the Euro is the presentational currency of the Group and its consolidated financial statements. The Euro is used by the Group for conducting the majority of its business, its financing and for reporting its results. This affects the Group results in two main ways: through transactions in the individual subsidiary financial statements and in the Group consolidation.

Where a Group company carries out transactions in a different currency to its local one, the foreign currency amounts are translated at the prevailing exchange rate at the date of the transaction. Assets and liabilities denominated in foreign currencies, such as trade receivables, trade payables and foreign currency bank financial statements, are retranslated at the rate of exchange ruling at the balance sheet date.

All differences arising on translating these amounts are taken to the Consolidated Income Statement in the period in which they occur.

In the consolidated financial statements, the assets and liabilities on the balance sheets of subsidiaries are translated into Euros at the exchange rates prevailing at the balance sheet date. Their income and expenditure and cash flows are translated at average exchange rates for the period. The exchange differences arising on these translations are shown in the Consolidated Statement of Changes in Equity and taken directly to reserves on the Consolidated Statement of Financial Position. On disposal of a group company, accumulated exchange differences are recognised in the Consolidated Income Statement as a component of the gain or loss on disposal. Long-term intercompany loans are treated as if they are additional investments in the respective Group companies. Translation differences on these long-term intercompany loans are transferred directly to reserves.

Inventory

Inventory and work in progress are valued at the lower of cost or net realisable value. Inventory comprises equipment and spare parts held for resale or use in warranty repair ("swap and repair").

The cost of equipment inventory is calculated using the first in first out ("FIFO") method and average weighted cost is used for swap and repair inventory.

Work in progress comprises the costs of materials, direct labour, other direct costs and related overheads. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Work in progress on customer contracts is valued using the percentage of completion method as described in note 1 'Revenue Recognition; Main Projects'. Costs incurred in a contract, which relate to future physical activity are accumulated in the Consolidated Statement of Financial Position as work in progress.

Financial instruments

Financial assets and financial liabilities are recognised in the Consolidated Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument. See note 18 for details on how financial instruments are valued.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires

Classification and initial measurement of financial asset

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

1. Significant accounting policies (continued)

Financial instruments (continued)

Classification and initial measurement of financial asset (continued)

In the periods presented the Group does not have any financial assets categorised as FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

Subsequent measurement of financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below). Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists

Impairment of financial assets

Provision against trade and other receivables is made where there is objective evidence that the Group will not be able to collect all amounts due to it in accordance with the original terms of those receivables (either due to a dispute over the work undertaken or due to potential credit problems with the customer). The amount of the write down is determined as the difference between the assets carrying amount and the present value of future cash flows. An assessment for impairment is undertaken at least at each reporting date.

In addition to this IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss ("ECL") model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. The Group recognises an allowance for expected credit losses for all debt instruments not held at fair value through the profit or loss ("FVTPL"). The main financial assets that are subject to the new expected credit loss model are trade receivables, which consist of billed receivables arising from contracts.

Whilst cash and cash equivalents, contractual assets and other receivables held at amortised cost are also subject to the impairment requirements of IFRS 9, there was no identifiable impairment.

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

1. Significant accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets (continued)

The Group has applied the IFRS simplified approach to measuring forward-looking expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The ECL model reflects a probability weighted amount derived from a range of probable outcomes. To measure the ECL, trade receivables have been grouped based on days past due. The receivables grouped exclude balances that have already been identified as subject to impairment as to do otherwise would be to double count the impact. The historical loss rates, which exclude amounts specifically impaired, are adjusted to reflect current and forward looking information that might affect the ability of customers to settle the receivables, including macroeconomic factors such as relevant. For more details, see note 14.

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Financial assets and liabilities

Financial assets and liabilities principally consist of trade and other receivables, contractual assets, cash, trade and other payables and borrowings.

Derivative financial instruments

IFRS 1 sets out requirements for the recognition and measurement of financial instruments, including derivatives and monetary assets and liabilities. The Group, from time to time, will enter into derivative financial instruments to manage its exposure to foreign exchange rate risk.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance sheet date.

The resulting gain or loss is recognised in the Consolidated Income Statement immediately. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

Cash and bank balances

Cash and bank balances comprises cash on hand and on demand deposits. Bank overdrafts are presented as a financing activity in the Cash Flow Statement and as a financial liability under 'other borrowings'.

Trade receivables and other debtors

Trade receivables are carried at net invoiced amount less any bad debt provision. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables.

Trade payables

Trade payables are recognised in full as the net invoiced amount.

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

1. Significant accounting policies (continued)

Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred tax arises due to temporary differences between the inclusion of income and expenses in the financial statements and their effect on the underlying tax calculations of Group companies. Deferred tax is provided for using the liability method. The main factors affecting deferred tax are differences between the accounting and tax treatment on goodwill, depreciation on fixed assets, provisions, pensions and tax losses carried forward.

Where the effect of such temporary differences is to create a deferred tax asset, this is only recognised in the financial statements to the extent that it is probable that future taxable profit will be available against which the temporary differences can be offset and is measured at the tax rates that are expected to apply when the asset is realised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date in the jurisdiction in which the asset is held.

Deferred tax is charged or credited to the Consolidated Income Statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income. Deferred tax assets and deferred tax liabilities are only offset to the extent that they relate to income taxes levied by the same taxation authority in the same taxable entity.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Details of provisions in existence at the balance sheet date are provided in note 20.

Exceptional items

Items are classified as exceptional where they are considered by the Group to be material and are different from events or transactions which fall within the ordinary activities of the Group and which individually, or if of a similar type, in aggregate, need to be disclosed by virtue of their size or incidence if the financial statements are to be properly understood. Details of the exceptional items are provided in note 4.

Adjusting items

Earnings before interest, tax, depreciation and amortisation, ("adjusted EBITDA"), is calculated by adjusting Operating profit to arrive at an adjusted profit ("adjusted EBITDA") figure. As is stated in the Strategic Report, this is a Key Performance indicator for the Group. The adjusting items are:

- exceptional items as described above (see note 4, 'Exceptional items').
- currency translation movements (see note 7, 'Net finance costs').
- finance costs and finance income (see note 7, 'Net finance costs'); and
- depreciation and amortisation (see note 5, 'Operating loss').

Financial risk management

A discussion of the Group's financial risk management objectives and policies and the exposure of the Group to liquidity, market and credit risk is included within note 18 to the consolidated financial statements.

Borrowings

Borrowings are recognised as the proceeds are received, less any repayments made up to, and including the balance sheet date. See note 18, 'Financing arrangements and risk management', for more details.

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

1. Significant accounting policies (continued)

Preference shares

The Group's policy is to treat redeemable preference shares as debt and recognise these as a financial liability. Preference shares recognised are proceeds received less any redemptions and including dividends accrued but unpaid. See note 16, 'Financing arrangements and risk management', for more details.

Revenue recognition

Revenue arises mainly from the design, development, and installation of enterprise communications solutions and the provision of support and maintenance and managed services for those solutions.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

At contract inception, the Group assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Group determines whether each product or service promised to a customer are capable of being distinct, and are distinct in the context of the contract. If not, the promised product or services are combined and accounted as a single performance obligation.

Transaction price is determined at the outset of the project by detailed costings of component elements i.e., hardware, software, man-time costs. A margin is applied and a cost to the customer is calculated. There is no non-cash consideration and generally professional services are sold at a fixed price with any contract variations being subject to chargeable Change controls. The Change control process is agreed with the customer on a case-by-case basis. Transaction price can be allocated to different elements of a particular contract, for example, one contract may contain both professional services and managed services elements. In this case, the project implementation phase is carefully costed from the ongoing costs of provision of a managed service.

Any change in scope or price is considered as a contract modification. The Group accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers. The Group recognises contract liabilities for 'consideration received in respect of unsatisfied performance obligations and reports these amounts as part of 'Trade and other payables' in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Professional Services - Supply and Installation of equipment

Project accounting is used for any customer order for supply and installation, which involves an element of labour (whether the labour is provided directly or indirectly by Damovo). Projects are defined as follows:

Professional Services - Supply and Installation of equipment (continued)

- a) **Main Project**
any labour based order or contract for supply and installation with an expected duration of more than 2 months, any labour based order or contract for supply and installation involving multiple customer sites regardless of duration, any significant supply and installation activity which is part of a services or managed service contract or any project with sales value greater than €100,000.

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

1. Significant accounting policies (continued)

Revenue recognition (continued)

b) **Bucket Project**

any labour based order or contract which does not meet the definition of a Main Project.

Main Projects

Revenue and costs from Main Projects are recognised using the percentage of completion method.

The percentage of completion method:

- a) is based on management's judgement of actual activity on the project and achievement of milestones;
- b) incorporates management's judgement of the latest estimate of the project's final profit;
- c) is not based simply on percentage of actual costs incurred to date compared to total expected costs; and
- d) is not based simply on percentage of actual cash amounts received from customer to date compared to total expected revenues from customer.

Costs incurred in a contract, which relate to future physical activity are accumulated in the Consolidated Statement of Financial Position as work in progress.

If the total estimated costs to completion indicate that total contract costs will exceed expected total contract revenue, the expected loss must be recognised immediately.

The amount and timing of invoicing is usually governed by a set of milestone targets agreed with clients. Due to the timing of the milestone targets, the sales value of invoices will not always be an accurate measure of the level of activity on the contract.

Bucket Projects

There is no revenue or profit recognition until completion of a Bucket Project.

Managed service contracts

Managed service contracts broadly cover the maintenance and/or management of voice and/or data networks. Managed service contracts may also include user training, network planning and traffic co-ordination, remote alarm monitoring, voicemail management and other similar contracts. Broadly, these services are provided under contracts over specific periods of time with pre-agreed levels of service. Revenue under these contracts is recognised in the Consolidated Income Statement over the life of the contract.

Revenue for the supply and installation of equipment including design, consultancy and systems integration under a Managed Service contract is recognised in accordance with the policy for Main or Bucket Projects described above as appropriate. Similarly, costs incurred on the services element of a Managed service contract are recognised in accordance with the methods described above for service contracts or Main or Bucket Projects, whichever is appropriate.

Where it becomes apparent that a service contract is loss making or will become loss making in the future, a provision in the Consolidated Statement of Financial Position is created as a "Provision for loss making contracts".

Unified Communications as a Service 'UCaaS'

This type of contract is offered as a combined professional and managed service to often large public sector clients who require a complete communications infrastructure and ongoing technical support/maintenance solution which can cover multiple departments within their authority.

Typically, the initial phase of the contract is an implementation and installation of software and hardware components with added services, exactly as the professional services provided on other contracts. However, in the UCaaS contract, Damovo owns the asset that is created from the implementation, i.e., the communications infrastructure. The client pays for the right to use the asset as service over the duration of the contract.

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

1. Significant accounting policies (continued)

Revenue recognition (continued)

Therefore, the accounting treatment is as follows:

Professional service phase – costs are capitalised until the asset is in a position to be able to provide economic benefit to the customer and the customer can therefore use it as a service. No revenue is recognised until the point where the customer accepts the right to use the asset and begins to pay their monthly fee. Depreciation on the asset commences at the same point. The useful economic life of the asset is generally 10 years, and this reflects the fact that the asset belongs to Damovo and could be used for other purposes, e.g., another customer after the initial contract expires.

Managed service phase – once the solution is implemented, i.e., at the end of the professional service phase, a managed service starts where the client pays a monthly fee. This monthly fee essentially covers the charge for both phases of the contract and represents consideration for the right to use the asset as served over time. Revenue is recognised over the duration of the contract on both elements of the contract. Internal costs associated with the provision of support to the customer are recognised exactly as per the managed service policy outlined above.

Product - Equipment only business

Revenue and costs from the supply of equipment, where there is little or no installation or other services provided, is recognised when the equipment has been delivered to and been accepted by the customer.

The supply and installation of voice and data equipment (professional service) includes the provision of design and consultancy services together with systems integration activities.

Finance income

The Group receives an amount of interest income each year from cash deposits held with financial institutions. The interest is recognised as income when received.

Employee benefits

Pensions and other post-employment benefits

The Group operates a number of defined benefit and defined contribution pension plans throughout the world, the assets of which are generally held in separate trustee administered funds. The plans are mainly funded by payments from employees and by the relevant Group companies, taking account of the recommendations of independent qualified actuaries.

Defined benefit plans provide retirement benefits mainly based on the salary of members in their final years of service with the Group and their number of years' service. Defined contribution plans provide retirement benefits based on the value of the plan assets attributable to the member on retirement.

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

1. Significant accounting policies (continued)

Employee benefits (continued)

Pensions and other post-employment benefits (continued)

For defined benefit plans, the determination of the Group's pension benefit obligation and expense is dependent on the selection of the directors of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in note 19 to the consolidated financial statements and include among others, the discount rate and annual rate of increase in future salary levels. Assets are measured at fair value and obligations are measured by an actuary using the projected unit credit method and discount rates determined by market yields on high quality corporate bonds of a term and currency consistent with the obligations.

Actuarial gains and losses are taken to the Consolidated Statement of Comprehensive Income as incurred. Other movements in the net surplus or deficit are recognised in the Consolidated Income Statement, including the current service cost, any past service cost and the effect of any curtailments or settlements. The net interest cost on the plan assets over the period is charged to finance costs. A proportion of the plan assets are invested in equity securities. Equity markets have experienced volatility, which has affected the value of the pension plan assets. This volatility may make it difficult to estimate the long-term rate of return on plan assets. The director's assumptions are based on actual historical experience and external data.

While the director believes that the assumptions are appropriate, significant differences in actual experience or significant changes in assumptions may materially affect the pension obligation and future expense.

Contributions to defined contribution pension plans are charged to the Consolidated Income Statement in the year ended which the contributions relate.

Critical accounting estimates and judgements

In the application of the Group's accounting policies, which are outlined above, the director is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors, such as expectations of future events that are considered relevant. Actual results may differ from these estimates.

The judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty, significant judgements and assumptions that may have material effect on the carrying amounts of assets and liabilities in the consolidated financial statements in the next financial year are as follows:

- *Revenue recognition*
For the Group's professional services contracts described as Main Projects which the Group has assessed to satisfy performance obligation over time, significant judgement is required to assess when performance obligation had been satisfied. The application of this judgment also allows for the costs incurred to be properly allocated and matched to the revenue over the duration of the contract. The Group recognises revenue from these contracts based on percentage of completion method. The Group has assessed that control passes to the customer when the project implementation phases go live and the customer signs acceptance of a system.
- *Depreciation of property, plant and equipment and intangible assets (excluding goodwill)*
Fixed assets are depreciated on a straight-line basis over their estimated useful lives. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

1. Significant accounting policies (continued)

Critical accounting estimates and judgements (continued)

- **Defined benefit obligation (DBO)**
Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may impact the DBO amount and the annual defined benefit expenses amount.
- **Leases - Estimating the incremental borrowing rate**
The lease payments are discounted using the interest rate implicit in the lease. The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating). In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extensive option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).
- **Expected Credit Losses**
The Group measures ECL of a financial instrument in a way that reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and information about past events, current conditions and forecasts of future economic conditions. When measuring ECL the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Allowance for expected credit losses as at balance sheet date for accounts receivable amounted to €997K (2019: €687K). See note 14 'Trade receivables and other debtors'.
- **Impairment of inventory**
The Group estimates the net realisable value of inventories, taking into account the most reliable evidence available at each reporting date. Allowance for inventory obsolescence as at balance sheet date amounted to €1,554K (2019: €1,560K). See note 15 'Inventory and work in progress'.
- **Impairment of goodwill**
Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash generating unit which are based on assumptions and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at the balance sheet date is €96,521K (2019: €91,021K). Details of the goodwill impairment review calculations are provided in note 11 'Intangible assets'.
- **Impairment of non-financial assets other than goodwill**
Determining whether non-financial assets require impairment requires an assessment of the carrying amount of these assets at the reporting date. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. The combined carrying amount of customer relationships and other intangible assets at the balance sheet date is €31,563K (2019: €37,096K). See note 11 'Intangible assets'. The value of customer relationships for example would change by approximately €2,500K (2019: €2,800K) if the discount rate used moved by 2 percentage points either way.
- **Going concern**
The financial statements have been prepared by the Board of directors on a going concern basis. See 'Going concern and financing arrangements' in Note 1 for further details.

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

2. Revenue from contracts with customers

All of the Group's revenues are derived from contracts with customers.

Disaggregation of revenue

The Group has disaggregated revenue into various categories in the following table, which is intended to depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic data:

	Year ended 31 January 2020 € 000	Period ended 31 January 2019 € 000
Line of business		
Managed services contracts	71,967	28,187
Professional services - supply and installation of equipment	44,898	16,215
Product - equipment only business	17,446	7,119
	134,311	51,521

	Year ended 31 January 2020 € 000	Period ended 31 January 2019 € 000
Primary geographic markets		
Germany	92,990	26,143
Rest of World	7,283	11,999
Belgium	14,423	5,012
Switzerland	7,346	3,502
Poland	6,733	2,548
Ireland	3,433	1,337
Luxembourg	2,103	980
	134,311	51,521

	Year ended 31 January 2020 € 000	Period ended 31 January 2019 € 000
Timing of transfer of goods and services		
Point in time (delivery to customer)	17,446	7,119
Over time	116,865	44,402
	134,311	51,521

Contract balances

Contract assets and contract liabilities are included within "trade and other receivables" and "trade and other payables" respectively on the face of the Consolidated Statement of Financial Position. They arise because the cumulative payments received from customers at each balance sheet date do not necessarily equal the amount of revenue recognised on the contracts. The Group's professional service contracts with customers can take in some cases more than one year to complete. The Group's managed services contracts with customers can typically last for 3 to 5 years.

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

2. Revenue from contracts with customers (continued)

Contract balances (continued)

See the table below for the make-up of the contract balances:

	Contract assets	Contract liabilities
Contract balances	€ 000	€ 000
As at 4 June 2018	-	-
Acquired on acquisition of subsidiaries	11,359	(14,887)
Excess of revenue recognised over cash received/ invoicing in the period	10,857	-
Cash received/ invoices raised in advance of performance not recognised as revenue in the period	-	(16,194)
Transfers in the period from contract assets to trade receivables	(13,382)	-
Amounts from contract liabilities that were recognised as revenue during the period	-	13,360
Foreign exchange differences	(12)	8
As at 31 January 2019	8,822	(17,713)
Excess of revenue recognised over cash received/ invoicing in the year	23,091	-
Cash received/ invoices raised in advance of performance not recognised as revenue in the year	-	(39,576)
Transfers in the year from contract assets to trade receivables	(23,774)	-
Amounts from contract liabilities that were recognised as revenue during the year	-	37,773
Foreign exchange differences	265	(102)
As at 31 January 2020	8,404	(19,618)

Remaining performance obligations

As noted above, the Group's contracts for delivery of professional services and managed services to customers can be longer than 12 months and in some cases a few years.

These contracts have been entered into for which both:

- the original contractual period was greater than 12 months; and
- the Group's right to consideration does not correspond directly with the performance.

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

2. Revenue from contracts with customers (continued)

Remaining performance obligations (continued)

The amount of revenue that will be recognised in future periods on these contracts when those remaining performance obligations will be satisfied is analysed as follows:

As at 31 January 2020

	Year ended 31 January 2020 € 000	Year ended 31 January 2021 € 000	Year ended 31 January 2022 - 2028 € 000
Line of business			
Managed services contracts	71,967	41,603	41,867
Professional services - supply and installation of equipment	44,898	5,886	-
Product - equipment only business	17,446	642	-
	134,311	58,131	41,867

As at 31 January 2019

	Period ended 31 January 2019 €'000	Year ended 31 January 2020 €'000	Year ended 31 January 2021 - 2027 €'000
Line of business			
Managed services contracts	28,187	21,541	-
Professional services - supply and installation of equipment	16,215	38,521	88,975
Product - equipment only business	7,119	1,219	-
	51,521	61,281	88,975

Significant judgements

The revenue recognition policies of the Group are set out in note 1 'Significant accounting policies'.

Professional services are the most judgemental area of revenue recognition and the Group policy here reflects an input method (the percentage of completion method) that satisfies the performance obligation over time. This also allows for the costs incurred to be properly allocated and matched to the revenue over the duration of the contract.

Control passes to the customer when the project implementation phases go live and the customer signs acceptance of a system.

Transaction price is determined at the outset of the project by detailed costings of component elements i.e., hardware, software, man time costs. A margin is applied and a cost to the customer is calculated. There is never any non-cash consideration and generally professional services are sold at a fixed price with any contract variations being subject to chargeable Change controls. The Change control process is agreed with the customer on a case-by-case basis.

Transaction price can be allocated to different elements of a particular contract, for example, one contract may contain both professional services and managed services elements. In this case, the project implementation phase is carefully costed from the ongoing costs of provision of a managed service.

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

3. Analysis of expenses by nature

		Year ended 31 January 2020	Period ended 31 January 2019
	Notes	€000	€000
Depreciation	12	6,777	2,209
Amortisation	11	6,836	2,925
Staff costs	8	4133	17,673
Currency translation losses	7	84	56
Cost of inventories included in cost of sales		67,610	25,055
Loss on disposal of tangible assets	5	1	-
Exceptional items	4	1,245	8,576
All other operating expenses		11,727	6,541
		135,593	63,035

Other operating expenses in the table above includes occupancy costs; professional fees; equipment costs; marketing and promotional expenses etc.

4. Exceptional items

Items are classified as exceptional where they are considered by the director to be material and are different from events or transactions which fall within the ordinary activities of the Group and which individually, or if of a similar type, in aggregate, need to be disclosed by virtue of their size or incidence if the financial statements are to be properly understood.

Exceptional items have been paid in cash during the period and are charged to the Consolidated Income Statement, forming part of the loss before tax.

The exceptional items are comprised of the following:

	Year ended 31 January 2020	Period ended 31 January 2019
	€000	€000
Redundancy & reorganisation costs	709	344
Professional fees on acquisitions & integration	495	8,232
Exceptional items connected with financing	41	-
Exceptional items included in loss for the year / period	1,245	8,576

Due to the nature of these expenses and the availability of brought forward trading losses, no tax charge or credit is anticipated to arise on these items.

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

5. Operating loss

Operating loss is stated after charging exceptional items but before finance income and finance costs. It is stated after the following charges, which are required to be disclosed:

		Year ended 31 January 2020 € 000	Period ended 31 January 2019 € 000
	Notes		
Depreciation on assets			
- owned by the group	12	2,967	1,746
- held under leases	12	3,810	463
Loss on disposal of tangible assets	24	1	-
Amortisation on intangibles			
- owned by the group	11	6,790	2,851
- held under leases	11	46	74
Operating lease rentals payable (under IAS 17)			
- equipment and fittings		-	784
- property		-	631
Currency translation losses	7	84	56
Cost of inventories included in cost of sales		67,610	25,055
Charge for bad and doubtful debts		378	179

6. Auditor's remuneration

Services provided by the Company's auditor and its associates

During the period, the Group (including its overseas subsidiaries) obtained the following services from the Company's auditor and its associates:

	Year ended 31 January 2020 € 000	Period ended 31 January 2019 € 000
Fees payable to the company's auditor and its associates for the audit of the parent company and consolidated financial statements	150	137
Fees payable to the company's auditor and its associates for other services		
- The audit of company's subsidiaries pursuant to legislation	85	230
- Non-audit services - taxation compliance services	-	69
	235	436

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

7. Net Finance Costs

		Year ended 31 January 2020	Period ended 31 January 2019
	Note	€ 000	€ 000
Interest expense			
- External financing interest		3,953	1,724
- Leases		578	140
- Other interest expense		264	104
- Net interest expense on pension obligations	19	452	205
- Dividend on redeemable cumulative preference shares		3,825	2,018
Currency translation losses		1,808	293
Loan arrangement fees		605	35
Finance costs		11,485	4,519
Interest income		(4)	(1)
Finance income		(4)	(1)
Net finance costs		11,481	4,518

External interest represents interest arising on the Group's loan notes and interest on other borrowings, details of which are disclosed in note 18.

The above finance income and expense entirely pertains towards assets/(liabilities) that are not at fair value through profit and loss and are measured at amortised cost:

Currency translation losses

	Year ended 31 January 2020	Period ended 31 January 2019
	€ 000	€ 000
Currency translation losses included in:		
- Operating loss	84	56
- Finance costs	1,808	293
Total currency translation losses	1,892	349

Currency translation losses relate to the translation of transactions that are not denominated in the local reporting currencies.

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

8. Staff costs

		Year ended 31 January 2020	Period ended 31 January 2019
	Note	€ 000	€ 000
Wages and salaries		37,669	14,565
Termination benefits/redundancy costs		709	344
Social security costs		2,132	1,748
Pension costs – defined contribution plans	19	350	705
Pension costs – service costs in defined benefit plans	19	162	655
Less included within Exceptional items		(709)	(344)
		41,313	17,673

There are no contributions made by the Group towards either type of pension plan for any director.

Key management are deemed to be the Chief Executive Officer and Chief Financial Officer.

Key management compensation

	Year ended 31 January 2020	Period ended 31 January 2019
	€ 000	€ 000
Aggregate emoluments (including benefits in kind)	761	272
Company pension contributions	40	14
	801	286

The above key management compensation payments were to the former CEO and CFO of the Damovo Group, who are not Directors of the Group, and to directors.

Highest paid director

	Year ended 31 January 2020	Period ended 31 January 2019
	€ 000	€ 000
Aggregate emoluments (including benefits in kind)	387	-
	387	-

The directors in the year are employed by other companies related to the Group.

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

8. Staff costs (continued)

Monthly average number of people employed including director

	Year ended 31 January 2020 Number	Period ended 31 January 2019 Number
Direct	343	312
Indirect	179	167
	522	479

Direct employees provide trading support and indirect employees consist of general and administration departments.

9. Business combinations

There have been no business combinations impacting the year ended 31 January 2020, however, in the prior period, ATL purchased 100% of the shares and voting rights of Damoco Holdco Limited and subsidiaries for an initial cash consideration of €84,184K plus deferred consideration as defined in the Sale and Purchase Agreement, ("SPA"). This note pertains solely to the business combination arising in the prior period.

Damoco Holdco Limited together with its subsidiaries, more commonly known as the Damovo Group, are an established independent provider of Information and Communications Technology ("ICT") solutions and services for enterprises in both the private and public sectors. The ICT market combines information technology and telecommunications. Within the ICT sector, Damovo focuses on enterprise communications solutions including voice networks, data networks, unified communications, as well as applications such as video, collaboration and contact centres. Damovo designs, develops, and installs communications solutions as well as providing support and maintenance and managed services for those solutions.

Damovo's business activities are managed through local operating subsidiaries. The Group's subsidiaries have a local presence in Germany, Belgium, Poland, Switzerland, Ireland, Luxembourg, Austria and U.S.A. The Group has an accounting period end date of 31 January.

The shareholders of ATL made the acquisition in order to broaden their European portfolio of technology companies and realise growth opportunities and the associated cash flows within this industry.

The deferred consideration calculation is defined within the Sale and Purchase Agreement, 'SPA', as at the date of the acquisition. The calculation uses pro-forma audited 12 month adjusted EBITDA determined by aggregating the company components to derive a pro-forma Group result for a 12 month year ended 31 January 2019.

The deferred consideration payable is limited to a range of outcomes, from no deferred consideration at all to a capped higher amount of €25,000K. The payment due according to the SPA is €20,000K. In the prior period, a negotiated discount was offered (which is now not applicable), and deferred consideration at that stage was estimated to be €14,500K. The uplift of €5,500K has been incorporated within the allowable period to adjust goodwill.

The fair value of the deferred consideration has been measured using level 3 of the fair value hierarchy, i.e., the valuation technique described above uses observable direct inputs other than level 1 or 2 inputs. Information regarding the valuation technique and key model inputs used to measure the contingent consideration are contained within note 18.

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

9. Business combinations (continued)

The carrying values of the assets and liabilities in the books of the acquired were:

	Damoco Holdco Limited
	€ 000
Other intangible assets	6,858
Property, plant and equipment	21,390
Inventories and work in progress	2,229
Trade and other receivables	35,372
Cash	4,513
Trade and other payables	(44,167)
Borrowings	(7,410)
Finance leases	(5,091)
Provisions	(23,635)
Deferred tax liability	(2,279)
Corporation tax payable	(265)
Total carrying amount	(12,475)

The following fair value adjustments were made:

	Damoco Holdco Limited
	€ 000
Other intangible assets	32,878
Provisions	(3,169)
Deferred tax liability	(9,571)
Total carrying amount	20,138

The intangible assets and the deferred tax liability in the table above are both related to fair value adjustments made on acquisition related to valuation of customer relationships, supplier relationships and accreditations, non-compete agreements with former management of the Group; and marketing related and branding.

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

9. Business combinations (continued)

At the date of the acquisition, the provisional fair values of the assets and liabilities and the associated goodwill arising from the acquisition are as follows:

	Damoco Holdco As at 31 August 2018	
	Revised	Original
	€ 000	€ 000
Goodwill	-	-
Other intangible assets	39,736	39,736
Property, plant and equipment	21,390	21,390
Inventories and work in progress	2,229	2,229
Trade and other receivables	35,372	35,372
Cash	4,513	4,513
Trade and other payables	(44,157)	(44,157)
Borrowings	(7,410)	(7,410)
Finance leases	(5,091)	(5,091)
Provisions	(26,804)	(26,804)
Deferred tax liability	(11,850)	(11,850)
Corporation tax payable	(265)	(265)
Total carrying amount	7,663	7,663
Goodwill*	96,521	91,021
Purchase consideration*	104,184	98,684

The goodwill is attributable to the cost synergies and cross-selling opportunities that are expected to be achieved from combining the acquired businesses and future growth in trade.

*The initial accounting for the business combination including determination of the fair values of net assets acquired and consideration transferred had yet to be completed as management was in the process of verifying the accuracy of assumptions used hence the amounts had only been determined provisionally and would be adjusted within the measurement period. In 2020, the Group finalised the purchase price allocation with no changes to the provisional values except for the additional €5,500K additional deferred consideration incorporated as goodwill as described above.

Goodwill is not deductible for tax purposes.

Cash flows arising from the acquisitions were:

	Damoco Holdco Limited
	€ 000
Purchase consideration settled in cash	84,184
Direct acquisition costs	8,232
Cash acquired	(4,513)
	87,903

The direct acquisition costs have been recognised in exceptional items (note 4).

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

9. Business combinations (continued)

The gross contractual amounts receivable and the best estimate as to the contractual receivables not expected to be collected at the acquisition date were as follows:

	Damoco Holdco Limited
	€ 000
Gross contractual trade receivables	15,561
Provision for non-collection	(508)
	15,053

All other receivables are expected to be collected. The fair value of acquired "trade and other receivables" was €35,372K. This includes contractual receivables.

From the date of acquisition to 31 January 2019, the wholly owned acquired business contributed 100% of the following revenue, adjusted EBITDA and loss before tax:

	Damoco Holdco Limited
	€ 000
Revenue	51,521
Adjusted EBITDA	1,752
Loss before tax	(16,532)

The wholly owned acquired business would have contributed 100% of the following revenue, adjusted EBITDA and loss before tax in the period ended 31 January 2019 if it had been part of the Group for the full 12 months:

	Damoco Holdco Limited
	€ 000
Revenue	116,127
Adjusted EBITDA	3,454
Loss before tax	(17,425)

10. Taxation

The tax credit in the Consolidated Income Statement comprises:

		Year ended 31 January 2020	Period ended 31 January 2019
	Note	€ 000	€ 000
Current tax charge on taxable profits:			
- current foreign tax		481	208
- adjustment in respect of prior periods		64	68
Deferred tax credit:			
- origination and reversal of timing differences	13	(2,093)	(873)
Tax credit		(1,548)	(597)

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

10. Taxation (continued)

The Group has no uncertain tax positions and no ongoing tax enquiries whereby the tax position/liability is unclear.

Reconciliation of taxation

The tax credit on the Group's loss before tax differs from the theoretical amount that would arise using a tax rate that the director considers would be the most meaningful to the users of the consolidated financial statements.

The standard rate of UK Corporation Tax is to remain at 19% until 31 March 2023. The Finance Act 2021, which was published on 11 March 2021 states that this rate is to be increased from 19% to 25% from 1 April 2023. In summary, the rate of corporation tax from 1 April 2023 will increase to 25% for companies generating taxable profits of more than £250,000. The current 19% tax rate will continue to apply to 'small' companies with profits less than £50,000, with a 'taper relief rate' for those companies with profits between the new thresholds. A deferred tax asset will only be recognised where, in the opinion of the Director, the Company is expected to make sufficient profits against which these tax assets can be set-off on the future. As at 31 January 2020, no deferred tax asset has been recognised.

	Year ended 31 January 2020	Period ended 31 January 2019
	€ 000	€ 000
Loss before tax	(12,763)	(16,032)
Tax calculated at 19%	(2,425)	(3,046)
Expenses not deductible for tax purposes	1,641	1,982
Movement on unprovided deferred tax	37	759
Difference between current tax rate and deferred tax rate	(865)	(360)
Adjustments in relation to prior years	64	68
Tax credit	(1,548)	(597)

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

11. Intangible assets

	Goodwill € 000	Customer relationships € 000	Other intangible assets € 000	Total € 000
Cost				
Acquired on acquisition of subsidiaries - note 9	91,021	29,375	10,361	130,757
Additions	-	-	76	76
Reclassification	-	-	209	209
As at 31 January 2019	91,021	29,375	10,646	131,042
				-
Acquired on acquisition of subsidiaries - note 9	5,500	-	-	5,500
Additions	-	-	96	96
Reclassification	-	-	358	358
Exchange adjustment	-	-	4	4
As at 31 January 2020	96,521	29,375	11,924	137,820
Amortisation				
Amortisation for the period	-	2,020	905	2,925
As at 31 January 2019	-	2,020	905	2,925
Amortisation for the year	-	4,849	1,987	6,836
Exchange adjustment	-	-	2	2
As at 31 January 2020	-	6,869	2,894	9,763
Net book value				
As at 4 June 2018	-	-	-	-
As at 31 January 2019	91,021	27,355	9,741	128,117
As at 31 January 2020	96,521	22,506	9,030	128,057

The intangible assets above are unsecured, other than assets on finance leases.

In the year, the amount of deferred consideration payable on the acquisition of the Damovo Group was increased from €14,500K to €20,000K. Goodwill on the purchase has been adjusted accordingly. The purchase accounting allocation has been revised within the 1-year adjustment period permitted by IFRSs.

Included within other equipment is assets under construction of €1,155k (2019: €Nil).

Other intangible assets in the above table as at 31 January 2020, comprise the following:

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

11. Intangible assets (continued)

	As at 31 January 2020 € 000	As at 31 January 2019 € 000
Other intangible assets		
Supplier relationships and accreditations	4,960	5,847
Marketing related intangibles	2,308	2,951
Non-competition agreements	127	207
Computer software	1635	736
Net book value	9,030	9,741

The material individual intangible assets from the above tables are Customer relationships, Supplier relationships & accreditations and Marketing related intangibles. The remaining amortisation period of these are 67 months; 67 months and 43 months respectively.

Included within other intangible assets are assets held under leases, as follows:

	Other intangible assets € 000
Cost	
Acquired on acquisition of subsidiaries	245
As at 31 January 2019	245
Additions	-
As at 31 January 2020	245
Amortisation	
Amortisation for the period	74
As at 31 January 2019	74
Amortisation for the year	46
As at 31 January 2020	120
Net book value	
As at 4 June 2018	-
As at 31 January 2019	171
As at 31 January 2020	125

The intangible assets above are unsecured, other than assets on finance leases.

The purchase accounting allocation has been revised within the 1-year period permitted by IFRSs.

As a result, goodwill has been re-allocated to groups of cash generating units ('CGUs') i.e., the Group's management reporting segments, that are expected to benefit from the synergies of the combination as opposed to individual CGUs, as was the case in prior years.

The goodwill allocated to each group of CGUs or where not possible, a CGU, is as follows:

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

11. Intangible assets (continued)

	As at 31 January 2020 € 000	As at 31 January 2019 € 000
Management reporting segments / CGU groupings:		
Northern (Belgium & Luxembourg)	1,024	6,484
DGSI (Damovo Global Services & Ireland)	14,195	-
CGU's:		
Germany	73,980	77,205
Poland	6,955	5,496
Switzerland	367	1,836
Total	96,521	91,021

* Goodwill has been allocated to groups of cash generating units i.e. management reporting segments, where possible.

There are no cash generating units deemed to be not significant for this purpose.

In accordance with IAS 36, Impairment of Assets, goodwill has been subject to an impairment test as at 31 January 2020. The key assumptions used in the test were as follows:

- The recoverable amount for each cash-generating unit was determined using a value in use calculation, and where synergies were applicable, goodwill was allocated to groups of CGUs.
- The value in use calculations were based on the draft results for the 12 months to 31 January 2021.
- For the 4 years beyond this date, results are as per Damovo's 5 year detailed forecast model and using a terminal growth rate of 0% applicable for periods beyond this point. The director believes that for the overall Group, this represents a very conservative long-term growth rate, which does not exceed any long-term average growth rate applicable to the markets and geographies that the Group operates in. It is used only in calculating value in use and is not intended to be indicative of the Group's anticipated future performance.

The key assumptions underpinning the model are those in summarised in the table:

			2021	2022*	2023	2024	2025
Revenue % increase	Central	Unaudited results		7%	9%	8%	8%
	Northern	Unaudited results		12%	10%	10%	8%
	DGS&I	Unaudited results		15%	4%	9%	8%
Margin	Central	Unaudited results		29%	31%	31%	31%
	Northern	Unaudited results		33%	30%	31%	31%
	DGS&I	Unaudited results		33%	25%	24%	25%
SG&A % increase		Unaudited results		0%	8%	4%	3%
EBITDA		Unaudited results		11%	12%	12%	13%

* FY22 results are a split between actuals and budgeted results using the above estimates

A reasonably lower than expected EBITDA decrease of 5% would not indicate an impairment in any group of cash generating units.

The pre-tax discount rates used in the value in use calculations are shown below. Theoretically the discount rate used would normally be the weighted average cost of capital, however, since there is no simple way of calculating the cost of equity, the director considers the cost of debt to be more appropriate.

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

11. Intangible assets (continued)

This reflects the overall cost of financing to the Group on the ARES loan notes. A 10% change in the discount rate applied would not indicate any significant impairment in any of the CGU's/ groups of CGUs. In the prior year the value of an impairment arising in Germany was estimated to be approximately €2,600K.

- e) The director deems this business environment scenario to be unlikely, however will continue to monitor performance during 2021. As at 31 January 2020, The director considers that the current carrying value of goodwill would appear reasonable.

The pre-tax discount rates used in the value in use calculations were as set out below:

Geography	CGU grouping/ CGU	As at	As at
		31 January 2020	31 January 2019
Belgium	included in Northern segment	6.27%	6.62%
Luxembourg	included in Northern segment	6.26%	6.45%
USA	included in DGSi segment	6.42%	N/A
Ireland	included in DGSi segment	5.60%	5.60%
Germany	Germany CGU	6.57%	6.57%
Poland	Poland CGU	8.15%	8.15%
Switzerland	Switzerland CGU	5.41%	5.61%

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

12. Property, plant and equipment

	Land, buildings & leasehold improvements	Computer equipment & IT infrastructure	UCaaS assets	Other equipment	Total
	€ 000	€ 000	€ 000	€ 000	€ 000
Cost					
Acquired on acquisition of subsidiaries	362	766	17,171	3,091	21,390
Additions	139	82	7,219	360	7,800
Reclassification	-	(209)	-	-	(209)
As at 31 January 2019	501	639	24,390	3,451	28,981
Transitional adjustments regarding IFRS 16	2,977	-	-	1,770	4,747
Additions	3,319	136	10,170	1,535	15,160
Disposals	(1)	-	-	-	(1)
Reclassification	-	(70)	(87)	(201)	(358)
Exchange adjustment	14	14	1	229	258
As at 31 January 2020	6,810	719	34,474	6,784	48,787
Accumulated depreciation					
Acquired on acquisition of subsidiaries	-	-	-	-	-
Depreciation charge for the period	65	242	995	907	2,209
Exchange adjustment	-	-	-	(5)	(5)
As at 31 January 2019	65	242	995	902	2,204
Acquired on acquisition of subsidiaries	-	-	-	-	-
Depreciation charge for the year	1,258	227	3,268	2,024	6,777
Exchange adjustment	2	16	3	170	191
As at 31 January 2020	1,325	485	4,266	3,096	9,172
Net book value					
As at 4 June 2018	-	-	-	-	-
As at 31 January 2019	436	397	23,395	2,549	26,777
As at 31 January 2020	5,485	234	30,208	3,688	39,615

Lease liabilities are secured by the assets leased. All other property, plant and equipment noted above is unsecured. Included within Property, plant and equipment are labour costs capitalised of € 3k (2019 €5k). Sale and leaseback disclosures are shown in note 18.

Included within other equipment is assets under construction of €384k (2019: €514k).

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

12. Property, plant and equipment (continued)

Included within the table above are assets held under leases, as follows:

	Land, buildings & leasehold improvements	UCaaS assets	Other equipment	Total
	€ 000	€ 000	€ 000	€ 000
Cost				
Acquired on acquisition of subsidiaries	102	5,361	-	5,463
Additions	-	6,418	-	6,418
As at 31 January 2019	102	11,779	-	11,881
Transitional adjustments regarding IFRS 16	2,977	-	1,770	4,747
Additions	3,039	9,315	939	13,293
Exchange adjustment	10	-	7	17
As at 31 January 2020	6,128	21,094	2,716	29,938
Accumulated depreciation				
Depreciation charge for the period	10	453	-	463
As at 31 January 2019	10	453	-	463
Depreciation charge for the year	1,097	1,650	1,063	3,810
As at 31 January 2020	1,107	2,103	1,063	4,273
Net book value				
As at 4 June 2018	-	-	-	-
As at 31 January 2019	92	11,326	-	11,418
As at 31 January 2020	5,021	18,991	1,653	25,665

13. Deferred tax

Deferred tax assets

Deferred tax assets are not recognised. Unrecognised deferred tax assets at 31 January 2020 were €9.2m (2019: €9.5m). The unrecognised deferred tax asset primarily relates to available trading losses to offset future profits. These trading losses have no expiration date.

Deferred tax liabilities in relation to intangibles

Deferred tax liabilities are calculated in full on temporary differences, under the liability method. The movement in deferred tax liabilities is as follows:

	Intangibles
	€ 000
Acquired	11,850
Credit for the period	(873)
Exchange adjustment	(1)
As at 31 January 2019	10,976
Credit for the year	(2,093)
Exchange adjustment	3
As at 31 January 2020	8,886

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

14. Trade receivables and other debtors

Current:

	As at 31 January 2020 € 000	As at 31 January 2019 € 000
Amounts falling due within one year		
Trade receivables	27,044	18,059
Expected credit losses	(997)	(687)
Trade receivables – net	26,047	17,372
Prepayments	12,621	10,371
Contract assets	8,404	8,822
Sales taxes	399	280
Other debtors	898	889
	48,369	37,734

Non-current:

	As at 31 January 2020 € 000	As at 31 January 2019 € 000
Amounts falling due after more than one year		
Pension insurance asset	144	154

The director considers that the carrying amount of trade and other receivables is approximately equal to their fair value.

An impairment provision against trade and other receivables is made where there is objective evidence that the Group will not be able to collect all amounts due to it in accordance with the original terms of those receivables (mainly either due to a dispute over the work undertaken or due to potential credit problems with the customer). The amount of the write down is determined as the difference between the assets carrying amount and the present value of future cash flows. An assessment for impairment is undertaken at least at each reporting date.

In determining the recoverability of a receivable for credit risk purposes, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. Management, based on historical experience, considers this along with reviewing the aging of receivables that are past due, customer knowledge, the geographic location and business segments the customers operate in as the best method for calculating the impairment provision.

To consider the total exposure to credit risks, the Group uses figures net of VAT.

The Group also considers if any expected credit loss provision will be required in addition to the above impairment provision. IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss ("ECL") model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. The main financial assets that are subject to the new expected credit loss model are trade receivables, which consist of billed receivables arising from contracts. Whilst cash and cash equivalents, contractual assets and other receivables held at amortised cost are also subject to the impairment requirements of IFRS 9, there is no identifiable impairment.

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

14. Trade receivables and other debtors (continued)

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables.

To measure expected credit losses on a collective basis, non-impaired trade receivables are grouped based on similar credit risk, and the aging of any receivables.

The expected loss rates are calculated based on the Group's historical credit losses experience of non-impaired receivable balances. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers.

No expected credit loss provision was required for the year, given the Group's track record of adequately identifying and impairing assets. The provision solely relates to customer balances specifically subject to impairment. The other classes within receivables do not contain impaired assets.

Amounts charged to the impairment account are written off when there is no expectation of recovering additional cash. This is determined by reference to a number of factors, examples being when the customer is in liquidation and the age of debt in default with reference to the customer type, geographic region and business segments. Enforcement activity will however continue on certain accounts where there is no indication of liquidity issues in those customers.

Movements on the provision for impairment of trade receivables are as follows, some of which receivables are subject to enforcement action:

	Total € 000
As at 4 June 2018	-
Acquired on acquisition of subsidiaries	508
Impairment provision recognised	289
Amounts written off during the period as uncollectable	(10)
As at 31 January 2019	687
Impairment provision recognised	458
Amounts written off during the year as uncollectable	(148)
As at 31 January 2020	997

As at 31 January 2020, trade receivables of €8,152K (2019: €5,475K) were overdue but not impaired. The ageing analysis of these trade receivables is as follows:

	As at 31 January 2020 € 000	As at 31 January 2019 € 000
Less than 121days	7,527	4,650
Over 121days	625	825
	8,152	5,475

The provision for, and release of impaired receivables has been included in selling and marketing costs in the Consolidated Income Statement.

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

14. Trade receivables and other debtors (continued)

The carrying amount of the Group's trade receivables and other debtors are denominated in the following currencies:

	As at 31 January 2020 € 000	As at 31 January 2019 € 000
Euro	41,506	27,738
British Pounds Sterling	496	366
United States Dollar	2,879	2,619
Swiss Franc	2,112	5,948
Polish Zloty	1,520	1,217
	48,513	37,888

Trade receivables are spread internationally over a broad range of customers thus limiting credit risk. The credit quality of financial assets that are neither past due or impaired can be assessed by reference to the customer type. Trade receivables consist of a large number of customers in various industries and geographical locations. The Group is not exposed to any significant credit risk exposure to any single counterparty or group of counterparties having similar characteristics.

All non-current receivables are due within 3 years of the balance sheet date. None of those receivables has been subject to a significant increase in credit risk since initial recognition.

The Group does not hold any collateral as security.

15. Inventory and work in progress

	As at 31 January 2020 € 000	As at 31 January 2019 € 000
Inventory	924	706
Work in progress	2,270	393
	3,194	1,099

All inventory and work in progress are held at cost less any provision for obsolescence. The costs of inventories and work in progress recognised as an expense includes €68K (2019: €583K) in respect of write downs of inventory to net realisable value. The inventory and work in progress are not held as security.

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

16. Trade payables and other creditors

	As at 31 January 2020 € 000	As at 31 January 2019 € 000
Current		
Trade payables	25,021	21,626
Accruals	11,922	11,076
Contractual liabilities	19,618	17,713
Sales taxes	2,215	1,159
Social security and other taxes	942	947
Other creditors	1,499	1,893
	61,217	54,414

Trade payables are unsecured and are usually paid within 0-60 days of recognition.

The director considers that the carrying amount of trade payables and other creditors is approximately equal to their fair value.

17. Other payables

	As at 31 January 2020 € 000	As at 31 January 2019 € 000
Current		
Contingent consideration	20,000	14,500
Non current		
Contingent consideration	2,193	2,193
	22,193	16,693

Where a business acquisition involves a potential payment of contingent consideration, the Group is required to make an assessment as to whether any contingent consideration payment is likely. If it is, then an estimate of any such payment is based on its fair value. To estimate the fair value, an assessment is made as to the amount of contingent consideration which is likely to be paid having regard to forecasts, the criteria on which any sum due will be calculated and its probability based to reflect the likelihood of the different amounts being paid.

Contingent (deferred) consideration relates to the following acquisitions:

Acquisition	Year	As at 31 January 2020 € 000	As at 31 January 2019 € 000
Netfarmers GmbH	2016	570	570
Voice & Data Network A.G.	2017	1,623	1,623
Damoco Holdco Limited	2019	20,000	14,500
Total contingent consideration		22,193	16,693

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

17. Other payables (continued)

The contingent consideration due on the past acquisitions per the table above has been reviewed in relation to business performance of the acquired businesses against pre-defined targets and agreed as being reasonable by the director. The director is currently engaged in discussions with the sellers of Damoco Holdco Limited to agree a payment structure agreeable to both parties. The sellers of Netfarmers GmbH have commenced receiving instalments which began mid-2021 through to mid-2022 and the sellers of Voice and Data Network A.G. will receive earn-out payments dependant on conditions being met within their agreement. As at the date of signing this report there are no payment dates agreed.

18. Financing arrangements and risk management

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern whilst maximising the return to its shareholders through the optimisation of the debt and equity balance and sustaining the future development of the business.

The capital structure of the Group consists of net debt (borrowings after deducting cash and bank balances) and equity of the Group (comprising issued share capital, reserves and retained earnings). The Group has two banking covenants in relation to the loan notes, as discussed within the liquidity risk disclosure, however, has no externally imposed capital requirements.

The Board can manage the Group's capital structure by diversifying the debt portfolio, recycling capital through sale and leaseback transactions and flexing capital expenditure. Part of the Group's capital risk management is to monitor a broad range of financial metrics and ensure compliance with the covenants included in the Group's borrowing facilities.

The Group's capital structure falls into three categories:

- (1) Equity share capital, which is described in note 21;
- (2) Senior loan notes, together with other borrowings and finance leases; and
- (3) Redeemable cumulative preference shares

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

18. Financing arrangements and risk management (continued)

Borrowings

The amounts involved as at 31 January 2020 under (2) are as follows:

	Loan notes	Capitalised loan issuance costs	Lease liability	Other borrowings	Total
	€ 000	€ 000	€ 000	€ 000	€ 000
Non-current borrowings					
Acquired	-	-	5,091	-	5,091
Drawn	50,000	(2,500)	2,433	4,800	54,733
Interest costs	1705	-	140	-	1845
Repaid	(966)	-	(2,015)	-	(2,981)
Transfer to / (from) current	(739)	-	(2,887)	4,348	722
Reclassified between categories	-	-	5,446	(5,446)	-
As at 31 January 2019	50,000	(2,500)	8,208	3,702	59,410
Transitional adjustments regarding IFRS 16	-	-	4,747	-	4,747
Drawn	-	-	13,293	-	13,293
Interest costs	3,805	-	578	-	4,383
Amortised	-	590	-	-	590
Repaid	(3,823)	-	(6,727)	-	(10,550)
Transfer to / (from) current	18	-	(4,250)	65	(4,167)
Exchange rate movements	-	-	117	-	117
Reclassified between categories	-	-	-	-	-
As at 31 January 2020	50,000	(1,910)	15,966	3,767	67,823

	Loan notes	Capitalised loan issuance costs	Lease liability	Other borrowings	Total
	€ 000	€ 000	€ 000	€ 000	€ 000
Current borrowings					
Acquired	-	-	-	7,410	7,410
Drawn	-	-	-	2,835	2,835
Interest costs	-	-	-	19	19
Repaid	-	-	-	(673)	(673)
Transfer (to) / from non current	739	-	2,887	(4,348)	(722)
As at 31 January 2019	739	-	2,887	5,243	8,869
Drawn	-	-	-	8,805	8,805
Interest costs	-	-	-	310	310
Repaid	-	-	-	(4,646)	(4,646)
Transfer (to) / from non current	(18)	-	4,250	(65)	4,167
As at 31 January 2020	721	-	7,137	9,647	17,505

Senior loan notes represent the majority of the Group's borrowings, with short-term working capital credit facilities and finance leases contributing to a lesser extent. The loan notes were issued in August 2018 and are repayable six years after the issuance date. The loan note interest rate is 7.5% and this is payable on a quarterly basis. Loan notes were used solely for the purpose of funding the acquisition of the Group. Atlanta Midco Limited and its subsidiaries are guarantors in respect of the payment of the loan notes. All future obligations and liabilities associated with the loan notes are secured.

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

18. Financing arrangements and risk management (continued)

Borrowings (continued)

The maturity of the financing instruments is as follows:

	Loan notes	Capitalised loan issuance costs	Lease liability	Other borrowings	Total
As at 31 January 2019	€ 000	€ 000	€ 000	€ 000	€ 000
Within 1 year	739	-	2,887	5,243	8,869
1 - 2 years	-	-	2,955	1,582	4,537
2 - 5 years	-	-	5,253	2,120	7,373
Over 5 years	50,000	(2,500)	-	-	47,500
	50,739	(2,500)	11,095	8,945	68,279
As at 31 January 2020					
Within 1 year	721	-	7,137	9,647	17,505
1 - 2 years	-	-	6,274	2,673	8,947
2 - 5 years	50,000	(1910)	9,643	1,094	58,827
Over 5 years	-	-	49	-	49
	50,721	(1,910)	23,103	13,414	85,328

Other borrowings relate to short-term working capital credit facilities taken out from third party finance providers to support business growth in Germany, Switzerland and Belgium. The interest rates of these facilities are disclosed on page 70 and the facility renewal dates are listed below. Details of the Group borrowings and overdraft facilities are shown in the table below.

	As at 31 January 2020	As at 31 January 2019	Facility Limit	Expiry Date
Other borrowings	€ 000	€ 000	€ 000	
Belgium working capital facilities 1	476	478	500	31/05/2021
Switzerland working capital facilities	372	343	350	On demand
Germany working capital facilities	4,510	1,036	5,000	On demand
	5,358	1,857	5,850	

The Group in its ordinary course of business enters into hire purchase and finance lease agreements to fund or refinance the purchase of computer equipment and software. The lease agreements are typically for periods of 2 to 3 years and do not have contingent rents or escalation clauses. The agreements have industry standard terms and do not contain any restrictions on dividends, additional debt or further leasing. Lease payments are made on a monthly and quarterly basis. Finance lease liabilities are secured by the assets leased.

Leases

The Group leases assets including buildings, equipment, cars and software. Information about leases for which the Group is a lessee is presented below:

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

18. Financing arrangements and risk management (continued)

Borrowings (continued)

Right-of-use assets

The right-of-use assets in relation to leasehold property and equipment are disclosed as non-current assets and are disclosed within property, plant and equipment (note 12). The right-of-use assets in relation to software are disclosed as non-current assets and are disclosed within intangible assets (note 11). Details of the movements within the balances are as follows:

	Land, buildings & leasehold improvements	UCaaS assets	Other equipment	Intangible assets (software)	Total
	€ 000	€ 000	€ 000	€ 000	€ 000
Balance as at 31 January 2019*	92	11,326		171	11,589
Transitional adjustments regarding IFRS 16	2,977	-	1,770	-	4,747
Balance as at 1 February 2019 after adoption of IFRS 16	3,069	11,326	1,770	171	16,336
Additions	3,039	9,315	939	-	13,293
Depreciation	(1,097)	(1,650)	(1,063)	-	(3,810)
Amortisation	-	-	-	(46)	(46)
Exchange gains/losses	10	-	7	-	17
As at 31 January 2020	5,021	18,991	1,653	125	25,790

During the years ending January 2017 and 2018, the Group entered into sale and leaseback transactions in respect of communications systems for 2 major UCaaS contracts. As a result of these transactions the Group has earned total gains of €1.6m, amortised over the life of the leases within cost of goods sold. The residual gains of €563k will be released over the remaining periods to December 2021.

Lease liabilities

Lease liabilities are presented in the Consolidated Statement of Financial Position within borrowings as follows:

	As at 31 January 2020	As at 31 January 2019*
	€ 000	€ 000
Current		
Lease liabilities	7,137	2,887
Non- Current		
Lease liabilities	15,966	8,208
Total lease liabilities	23,103	11,095

*lease liabilities under IAS 17

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

18. Financing arrangements and risk management (continued)

Leases (continued)

Lease liabilities (continued)

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities as at 31 January 2020, is as follows:

	As at 31 January 2020						Total €000
	Within 1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	5-10 Years	
	€000	€000	€000	€000	€000	€000	
Gross lease payments	7,714	6,637	7,224	1,989	645	49	24,258
Less: Finance charges	(577)	(363)	(166)	(39)	(10)	-	(1,155)
Net present values	7,137	6,274	7,058	1,950	635	49	23,103

	As at 31 January 2019						Total €000
	Within 1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	5-10 Years	
	€000	€000	€000	€000	€000	€000	
Net present values	2,887	2,955	2,517	2,265	471	-	11,095

*2019 represents lease liabilities under IAS 17

The Group has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. Under these leases, the Group is committed to future payments of €80K.

The main categories of leases held by the Group are UCaaS assets, ranging from 5 to 7 years; car leases generally 3-4 years and property leases up to 10 years.

During the year ended 31 January 2020, in relation to leases under IFRS 16, the Group recognised the following amounts in the Consolidated Statement of Comprehensive Income:

	Year ended 31 January 2020 €000
Short term and low value lease expenses together with servicing components on leases	(1302)
Depreciation charge	(3,810)
Amortisation charge	(46)
Interest expense	(181)
Exchange rate	(1)
	(5,340)

Amounts recognised in the Consolidated Cash Flow Statement:

	Year ended 31 January 2020 €000
Short term and low value lease expenses together with servicing components on leases	(1302)
Repayment of lease liabilities within cash flows from financing activities	(6,727)
	(8,029)

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

18. Financing arrangements and risk management (continued)

Redeemable cumulative preference shares

The amounts involved as at 31 January 2020 under (3) are as follows:

	Total
Non-current	€ 000
Acquired	-
Issued in the period	46,461
Dividends earned	2,018
Foreign currency exchange adjustment	290
Transfer to current	(2,022)
As at 31 January 2019	46,447
Dividends earned	3,825
Foreign currency exchange adjustment	1805
Transfer from current	175
As at 31 January 2020	52,252
	Total
Current	€ 000
Acquired	-
Transfer from non current	2,022
As at 31 January 2019	2,022
Transfer to non current	(175)
As at 31 January 2020	1,847

On 23 August 2018, 5,308,411,615 redeemable cumulative preference share of USD \$0.01 were issued at par and fully paid.

Previously preference shares were entitled to quarterly dividends based on an annual rate of 9.75%. Unpaid preference shares compounded on a quarterly calendar basis. However, from 27th June 2019 revised terms resulted in a dividend rate of 6% and the preferred return being accrued rather than compounded on an annual basis. The preference shares do not carry voting rights.

The preference shares do not carry any equity component and are classified as financial liabilities in their entirety. The preference shares previously had a contractual repayment date of August 2025, however as a result of the revised terms from the 27th June 2019, the shares are now redeemable on the 10 year anniversary in 2029 with dividends payable as, when and if declared by the issuer. However, in the event of a number of triggering events, such as the sale of the Group, early redemption can be triggered.

No dividends have been paid to date.

The maturity of the financing instruments is as follows:

	As at 31 January 2020 €'000	As at 31 January 2019 €'000
Current	1,581	1,624
Within 1 year	266	398
Over 5 years	52,252	46,447
	54,099	48,469

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

18. Financing arrangements and risk management (continued)

Fair value measurements

In determining fair value, the Group uses various valuation approaches and establishes a hierarchy for inputs used in measuring fair value that maximises the use of relevant observable inputs and minimises the use of unobservable inputs by requiring that the most observable outputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent to the Group. Unobservable inputs are inputs that reflect the Group's assumptions about the assumptions other market participants would use in pricing the asset or liability, developed based on the best information available in the circumstances.

The hierarchy is broken down into three levels based on the observability of inputs as follows:

- Level 1 – Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable).

Financial liabilities

The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Group's accounting policy for each category is as follows:

Fair value through profit or loss

The Group has the following liabilities designated as financial liabilities at fair value through profit or loss.

		As at 31 January 2020	As at 31 January 2019
Fair value through profit and loss	Maturity	€ 000	€ 000
Current:			
Contingent consideration on acquisitions	Within 1 year	20,000	14,500
Non-current:			
Contingent consideration on acquisitions	2 to 5 Years	2,193	2,193
		22,193	16,693

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

18. Financing arrangements and risk management (continued)

Financial liabilities (continued)

Fair value through profit or loss (continued)

The Group's financial liabilities per the fair value hierarchy classifications under IFRS 13 'Financial Instrument Disclosures are detailed below:

Category of financial liability	Fair Value as at 31 January 2020 € 000	Fair Value as at 31 January 2019 € 000	Level in hierarchy	Description of valuation technique	Inputs used for valuation model	Total loss recognised in profit or loss € 000
Contingent consideration - past owners of Netfarmers GmbH and Voice & Data Network	2,193	2,193	3	Based on the level of future revenue and the profitability and probability that vendors will comply with obligations under the sale	Management estimate on probability and the time scale of vendors meeting revenue and profitability targets and complying with	-
Contingent consideration - past owners of Damoco Holdco Limited	20,000	14,500	3	Based on the level of actual 'adjusted EBITDA' generated within the 12 months pro forma period ended 31 January 2019 against a target as specified within the Sale and Purchase agreement. This value is currently subject to negotiations with the Seller and most probable outcome is disclosed here.	Based on the level of actual 'adjusted EBITDA' generated within the 12 months pro forma period ended 31 January 2019 against a target as specified within the sale and purchase agreement.	-
Total fair value	22,193	16,693			Total net loss	-

There have been no changes to the valuation techniques, or any amounts recognised through 'Other Comprehensive Income'.

The reconciliation of the carrying amounts of financial instruments classified within Level 3 is as follows:

	Total € 000
As at 4 June 2018	-
Acquired on acquisition of subsidiaries	16,693
As at 31 January 2019	16,693
Consideration adjustment	5,500
As at 31 January 2020	22,193
Total amounts included in profit and loss on Level 3 instruments	-

The consideration adjustment has been recognised as a remeasurement of goodwill as disclosed in note 9.

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

18. Financing arrangements and risk management (continued)

Financial liabilities (continued)

Other financial liabilities

Other financial liabilities include the following items:

	As at 31 January 2020 € 000	As at 31 January 2019 € 000
Amortised cost		
Trade and other payables	57,588	54,414
Loans, finance leases and other borrowings	85,328	68,279
Redeemable cumulative preference shares	54,099	48,469
	197,015	171,162

Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the Consolidated Statement of Financial Position.

For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

The value of interest-bearing financial liabilities and their interest rate profile are as follows:

	As at 31 January 2020 € 000	As at 31 January 2019 € 000
Fixed		
Lease liability	23,103	11,095
Other borrowings	13,414	8,695
Total Fixed	36,517	19,790
Variable		
Other borrowings	-	250
Total Variable	-	250
	36,517	20,040

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	As at 31 January 2020 € 000	As at 31 January 2019 € 000
Euro	33,559	19,247
Swiss Franc	2,580	793
Poland Zloty	235	-
United States Dollar	130	-
British Pound Sterling	13	-
	36,517	20,040

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

18. Financing arrangements and risk management (continued)

Financial liabilities (continued)

Other financial liabilities (continued)

The carrying amounts of; and interest rates applicable to the Group's borrowings are as follows:

	Carrying amount	Fair value	Carrying amount	Fair value	Interest rate
Other borrowings	As at 31 January 2020		As at 31 January 2019		
Belgium working capital facilities 1	476	476	478	478	188%
Belgium working capital facilities 2	-	-	250	250	EURIBOR+2.3%
Switzerland working capital facilities	372	372	343	343	7.25%
Germany working capital facilities	4,510	4,510	1,036	1,036	3.25%
Germany financing 1	829	829	967	967	150%
Germany financing 2	688	688	654	654	0.00%
Germany financing 3	22	22	66	66	3.5%
Germany financing 4	63	63	127	127	3.8%
Germany financing 5	220	220	72	72	5.40%
Germany financing 6	131	131	152	152	3.85%
Germany financing 7	440	440	-	-	2.66%
Germany financing 8	1,545	1,545	-	-	5.48%
Germany fixed rate loan	2,384	2,384	3,300	3,300	2.33%
Germany bridging loan	-	-	1,500	1,500	3.25%
Germany fixed rate loan 2	1,734	1,734	-	-	2.8%
	13,414	13,414	8,945	8,945	

The director considers that the carrying amounts of the borrowings represent the fair value as at the balance sheet date. German financing includes short-term financing arrangements in place with key suppliers on specific projects for hardware and software components.

Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows:

Fair value through profit or loss

The Group does not have any financial assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g., trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment which includes expected credit losses.

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

18. Financing arrangements and risk management (continued)

Financial assets (continued)

Amortised cost (continued)

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net; such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the Consolidated Income Statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised.

From time to time, the Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the Consolidated Income Statement (operating profit).

Financial assets are comprised as follows:

	As at 31 January 2020 € 000	As at 31 January 2019 € 000
Amortised cost		
Cash	12,380	15,100
Trade and other receivables	35,891	27,518
	48,271	42,618

This approximates to fair market value due to the short period ended maturity. In the prior year cash of €576K earned interest at an effective fixed interest rate of 0.72%. Due to Bank policy and interest rates, interest is not now being earned bank deposits as at 31 January 2020.

Financial risk management

The Group's activities expose it to a variety of financial risks, including market risk (currency risk, interest rate risk), credit risk and liquidity risk. The overall risk management programme seeks to minimise potential adverse effects on the financial performance of the Group. The Group does not undertake any speculative treasury activities.

Liquidity risk

The Group is financed through a mix of preference share capital; fixed rate secured notes, other borrowings and finance leases. The Group's liquidity risk management policy requires that sufficient cash be maintained to meet short term funding requirements.

Ares Bank hold the senior secured loan notes of €50,000K. There are banking covenants in place in relation to this, which include net leverage and cash flow cover requirements to be reported on a quarterly basis. In addition, other borrowings "baskets" are defined within the banking agreement, which limit the Group's borrowings. During the reporting period and to the date of signing of these financial statements, the Group has been in compliance with all covenant requirements and there have been zero breaches reported to Ares.

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

18. Financing arrangements and risk management (continued)

Financial risk management (Continued)

Liquidity risk (continued)

Redeemable cumulative preference shares and accrued dividends totalling €54,099K (2019: €48,469K) are owned by Global Growth Holdings Inc. affiliated companies.

The Group has also a revolving credit facility with Commerzbank in Germany for a total of €5,000K (2019: €5,000K). The total amount drawn at the balance sheet date was €4,510K (2019: €1,036K) and this is included within other borrowings. There are some additional short-term working capital and vendor financing in place for certain projects in Germany, Switzerland and Belgium. These are included within other borrowings.

Management reviews the Group's actual and forecast cash balances on a weekly basis. The following table summarises the maturity of the Group's liquidity risk.

	Trade payables € 000	Other creditors € 000	Finance lease liability € 000	Total € 000
Less than 3 months	17,547	3,999	933	22,479
Between 3 months and 1 year	4,079	-	4,370	8,449
Between 1 and 5 years	-	-	1,592	1,592
Due as at 31 January 2019	21,626	3,999	15,895	41,520
Less than 3 months	22,668	4,656	7,137	34,461
Between 3 months and 1 year	2,353	-	6,274	8,627
Between 1 and 5 years	-	-	9,643	9,643
Over 5 years	-	-	49	49
Due as at 31 January 2020	25,021	4,656	23,103	52,780

Market risk

Interest rate management

Management reviewed the Group's exposure to interest rate risk by considering all sources of funding, whether the interest rates on these borrowings are fixed or variable and whether funds could be sourced elsewhere should there be a change in interest rates. As at 31 January 2020, ATL has €50,721K (2019: €50,739K) guaranteed fixed rate secured loan notes including capitalised interest. Redeemable cumulative preference shares also have a fixed rate.

The director does not consider there is any material sensitivity to interest rates as the majority of interest cost is at a fixed interest rate.

Foreign exchange management

The Group operates across 9 countries and is exposed to limited foreign exchange risk on translation, arising with respect to the Euro's value against Polish Zloty; Swiss Franc and US Dollar, but giving rise to an immaterial risk given Poland and Switzerland and USA each account for less than 5% of the Group's revenue and net assets. This translation risk is unhedged. Currency translation also gives rise to a movement in reserves resulting from movements in the exchange rates. For every 10% movement in the Polish Zloty, Swiss Franc and US Dollar there is an approximate movement in consolidated equity of €56k (2019: €9K) calculated based on the net assets of each of these entities (including related party balances) as at 31 January 2020 less any impacts arising from re-averaging the current period results of these entities. The key assumptions used when calculating the sensitivity analysis is that the current period earnings are also impacted by a 10% change in rates throughout the period.

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

18. Financing arrangements and risk management (continued)

Financial risk management (continued)

Foreign exchange management (continued)

The risks arising from operational activities are generally short term in nature, and the Group's policy is to manage this through matching of cash flows in the relevant currencies where possible and via spot or forward transactions where required. Gains and losses on these activities are fully reflected in the Consolidated Income Statement of the period in which they arise.

Exposures to foreign exchange rates vary during the year depending on the volume of transactions denominated in currencies other than the Euro.

Currency risk

The Group has foreign currency exposure arising from preference shares and trading activities in different jurisdictions. The foreign currency risk has not been hedged.

The analysis below details the foreign currency exposure for the Group by foreign currency and calculates the impact on total comprehensive income of a reasonably possible parallel shift of the foreign currency against the Euro, with all other variables held constant.

Sensitivity to applied percentage change in currency (+/-)	31 January 2020	
	Foreign currency exposure € 000	Profit or loss € 000
Percentage change applied %		
Sterling	(151)	(2)
US Dollar	(57,421)	(3,872)
Swiss Franc	(8,650)	(147)
Polish Zloty	(1208)	(12)
	(67,430)	

The reasonably possible change in the respective foreign currency rate against euro for the year ended 31 January 2020 has been calculated based on the greatest percentage change over 21 months period, from 1 February 2020 to 31 October 2021.

The most significant currency risk arises on the Group's preference shares, which are denominated in U.S. dollars. The preference shares are not hedged as the parent company of the Group has a U.S. dollar reporting currency, and hedging would create an overall exposure within the wider Global Growth Group.

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

18. Financing arrangements and risk management (continued)

Financial risk management (continued)

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is Group policy, implemented locally, to assess the credit risk of new customers before entering contracts. Such credit ratings are taken into account by local business practices.

The Group trades only with recognised creditworthy third parties. There are policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis to limit the Group's exposure to bad debts. The Group has policies that limit the amount of credit exposure to any one financial institution. There are no significant concentrations of credit risk within the Group.

Average debtor days are 45 days (2019: 31 days) (using a simple countback method of calculation). Concentrations of credit risk with respect to trade receivables are limited due to the Group's customer base being large and unrelated.

Each of the country management teams are responsible for managing their own credit risk and this is done in many ways e.g., credit checks, payment history review, management judgement, regular reviews and the creation of bad debt provisions when deemed appropriate. Due to this, management believes there is no further credit risk provision required in excess of the normal provision for impairment of receivables (note 14).

The Group applies the expected credit loss model when calculating impairment losses on its financial assets measured at amortised costs (such as trade and other receivables (both current and non-current)).

In applying IFRS 9, the Group considered the probability of a default occurring over the contractual life of its trade receivables and contracts asset balances on initial recognition of those assets and this is reflected in the carrying amounts on the Consolidated Statement of Financial Position.

19. Employee benefits

The Group operates seven independent defined benefit pension plans, four for employees in Belgium, two for employees in Germany and one for employees in Switzerland.

The defined benefit schemes are administered by funds that are legally separated from the Group. The trustees of the pension funds are required by law to act in the interest of the fund and of all relevant stakeholders in the scheme. The trustees of the pension funds are responsible for the investment policy with regard to the assets of the fund.

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

19. Employee benefits (continued)

Defined benefit plans

The following defined benefits are provided to members in each of the countries:

- Belgium – The defined benefit plans are subject to the Belgian law with three of the plans being insured by AG Insurance and the remaining one plan being insured by Delta Lloyd. The plans provide employees with a lump sum benefit based on final pensionable salary at retirement including pre-retirement death and disability benefits. By law in Belgium, the employer has to guarantee a minimum return on its pension plans.
- Germany – The defined benefit plans are subject to the German law and are insured by PSV AG. The plans provide employees with a pension based on final pensionable salary at retirement.
- Switzerland – The defined benefit plan is subject to the Swiss law and is insured by Swiss Life. The plan provides employees with a pension based on retirement savings multiplied by conversion rates, spouse's / partner's benefit and retired person's children's benefit.

The Group's policy is to fund at least the amounts sufficient to meet minimum funding requirements under applicable employee benefit and tax regulations within these countries, however there is currently no minimum funding requirements nor an asset ceiling to consider for any of the plans noted above. There are no other funding arrangements that would impact future contributions

The principal risks to the financial performance of the Group arising from the defined benefit plans are in respect of:

- Changes in bond yields: a decrease in the yield on high quality corporate bonds (or government bonds if there is no deep corporate bond market) will increase scheme defined benefit obligations.
- Inflation risk: tranches of benefit obligations that are linked to inflation, and higher inflation will lead to higher liabilities.
- Life expectancy (mortality): the benefits that are provided to members depend on their life expectancy, so an increase in life expectancy will result in an increase in the defined benefit obligations.
- Asset volatility: for accounting purposes, scheme liabilities are determined using a discount rate set by reference to high quality corporate bond yields. If scheme assets under-perform relative to this yield, this will create a deficit.

Actuarial assumptions are used to determine the valuation of the plan assets and present values of the defined benefit obligations. The principal actuarial assumptions vary depending on the country to which the plan relates. The ranges used are as follows:

	As at 31 January 2020 Range %	As at 31 January 2020 Weighted average %	As at 31 January 2019 Range %	As at 31 January 2019 Weighted average %
Discount rate	0.27 - 11	0.9%	0.9 - 19	16%
Expected rate of future salary increases	0 - 2.3	17%	15 - 2.3	17%
Future pension increases	0.0 - 125	0.9%	0.0 - 15	12%
Inflation	10 - 18	13%	10 - 18	14%

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

19. Employee benefits (continued)

Defined benefit plans (continued)

Assumptions regarding future mortality experience were set based on advice in accordance with published statistics and experience in each country as outlined in the table below:

	Statistical assumptions used	Normal retirement age as at 31 January 2020	Normal retirement age as at 31 January 2020
		Years	Years
Germany	Heubeck Richttafeln 2018 G	65-67	65-67
Belgium	MRFR-3	65	65
Switzerland	BVG 2016 GT	64-65	64-65

The amounts recognised in the Consolidated Income Statement are as follows:

	Year ended 31 January 2020	Period ended 31 January 2019
	€ 000	€ 000
Current service cost (included in staff costs, note 8)	1,327	511
Past service cost (included in staff costs, note 8)	(165)	144
Administrative expenses for running the scheme	16	6
Net interest expense (included in net finance costs, note 7)	452	205
Components of defined benefit costs recognised in profit and loss	1,630	866

The amounts recognised in the Consolidated Statement of Comprehensive Income are as follows:

	Year ended 31 January 2020	Period ended 31 January 2019
	€ 000	€ 000
Remeasurement on the defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	937	-
Actuarial losses arising from changes in financial assumptions	(3,696)	(1,058)
Actuarial losses arising from experience adjustments in respect of liabilities	(58)	(39)
Exchange differences on foreign plans	(251)	(180)
Components of defined benefit costs recognised in other comprehensive income, before tax	(3,068)	(1,277)
Deferred tax on defined benefit plans	-	-
Components of defined benefit costs recognised in other comprehensive income, after tax	(3,068)	(1,277)

The current service cost of €1,327K for the year (2019: €511K) is included in the employee benefits expense in profit and loss. Of this expense for the period, an amount of €751K (2019: €270K) has been included in profit and loss as cost of sales and €576K (2019: €241K) has been included in administration expenses. The net interest expense of €452K (2019: €205K) has been included in profit and loss in finance costs.

The re-measurement of the net defined benefit liability is included in the Consolidated Statement of Comprehensive Income.

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

19. Employee benefits (continued)

Defined benefit plans (continued)

The amounts recognised in the Consolidated Statement of Financial Position are determined as follows:

	As at 31 January 2020 € 000	As at 31 Jan 2019 € 000
Present value of defined benefit obligations	(40,746)	(35,901)
Fair value of plan assets	10,651	9,830
Net pension liability	(30,095)	(26,071)

The movement in the defined benefit obligation is set out on below, with 'Current service cost' being the increase in the present value of the defined benefit obligation resulting from employee service in the current period and 'Interest cost' being the increase in the present value of the defined benefit obligation due to the unwinding of the discount as the liabilities move closer to settlement.

The movement in the defined benefit obligation is as follows:

	As at 31 January 2020 € 000	As at 31 January 2019 € 000
Present value of pension obligations		
Opening defined benefit obligations	35,901	33,342
Current service cost	1,327	511
Past service cost	(165)	144
Administrative expenses for running the scheme	16	6
Interest cost	530	256
Remeasurement losses:		
Actuarial losses arising from changes in financial assumptions	3,696	1,058
Actuarial losses arising from experience adjustments	58	39
Contributions by plan participants	677	524
Exchange differences on plans denominated in foreign currencies	553	166
Benefits paid	(1,847)	(135)
	40,746	35,901

The movement in the fair value of the plan assets is as follows:

	As at 31 January 2020 € 000	As at 31 January 2019 € 000
Fair value of plan assets		
Opening fair value of plan assets	9,830	9,168
Interest income	78	51
Gain on the plan assets	937	-
Exchange differences on plans denominated in foreign currencies	302	(24)
Employer contributions to the plan	674	246
Employee contributions to the plan	677	524
Payments from the plan assets	(1,847)	(135)
	10,651	9,830

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

19. Employee benefits (continued)

Defined benefit plans (continued)

The fair value of the plan assets at the end of the reporting period for each category, are as follows:

	As at 31 January 2020 € 000	As at 31 January 2019 € 000
Insurance contracts	10,651	9,830

The schemes' assets do not include any of the Group's own financial instruments, nor any property occupied, or other assets used by the Group. All equity and debt instruments have quoted prices in active markets.

'Actuarial gains and losses' comprise of experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions.

The actual return on the plan assets was a gain of €1,015K (2019: €51K). The actual return on plan assets is the aggregate of actuarial gains and the interest income on plan assets.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant:

	As at 31 January 2020 € 000	As at 31 January 2019 € 000
Discount rate		
increase by 50 basis points	(3,895)	(3,366)
decrease by 50 basis points	4,502	3,876
Rate of compensation increase		
increase by 25 basis points	324	324
decrease by 25 basis points	(316)	(314)
Life expectancy		
increase in longevity by one additional year	(1,758)	(1,284)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the liability recognised on the Consolidated Statement of Financial Position.

The duration of the defined benefit obligation in years at 31 January 2020 is analysed by country as follows:

	As at 31 January 2020 Years	As at 31 January 2019 Years
Germany	22	22
Belgium	10	11
Switzerland	10	19

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

19. Employee benefits (continued)

Defined benefit plans (continued)

The expected employer contributions to defined benefit schemes across the Group for the year ended 31 January 2021 are €693K (2020: €1,876K). The Group intends to continue funding these schemes over the maturity profile highlighted in the above table.

Defined contribution pension plans

The Group operates defined contribution pension plans for eligible employees in certain countries. Contributions are paid by the employee and/or the employer at fixed rates. The benefits secured at retirement or death reflects each employee's accumulated fund and the cost of purchasing benefits at that time.

The charge for the period represents the employer's contribution, including accrued contributions at the balance sheet date. The charge to the Consolidated Income Statement for defined contribution plans was €350K (2019: €705K). The expected contributions for the Group for the year ended 31 January 2021 are €487K (2020: €731K).

20. Provisions

In common with most businesses, the Group is required to make estimates for certain liabilities and the table below sets out the content of these provisions:

	Warranty provision € 000	Loss making contract provision € 000	Other provisions € 000	Total € 000
As at 4 June 2018	-	-	-	-
Acquired on acquisition of subsidiaries	108	36	293	437
Additional provision in the period	34	95	10	239
Utilisation of provision during the period	(26)	(102)	-	(128)
As at 31 January 2019	116	29	403	548
Additional provision in the year	15	57	441	513
Utilisation of provision during the year	(89)	(67)	-	(156)
As at 31 January 2020	42	19	844	905

Warranty provision

Provisions for warranty claims are uncertain because management cannot accurately predict the future reality of how many customers will utilise any warranty, or an element of warranty for whatever reason, and when exactly that would be. Warranty provisions have been calculated based on management's past experience of the likely costs associated with product warranties provided. The utilisation depends on the year of the warranties provided. All of the provisions are expected to be utilised between one and five years.

Loss making contract provision

Future losses on projects in general are not predictable as all project delivery to customers at the outset are always expected to be profitable. It is only as the project progresses that any need for additional resources are required and/or performance issues affecting the project would become apparent, and that would mean a re-estimate of project profitability would show a loss in future. Under the Group's revenue recognition policy for main projects, as described in note 1, any losses foreseen on projects are recognised immediately in the profit and loss. These provisions are utilised against the additional project costs over the period until completion of the project.

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

20. Provisions (continued)

Other provisions

Other provisions include employee related liabilities, provisions for future property repairs, and other legal claims. Provisions are recognised, in accordance with IAS 37, when there is a probable obligation, however, changes in future circumstances may give rise to revisions of those provisions. The non-current provision noted above relates to future repairs to a rented property, with the provision expected to be used in 2021-2022. Management have no knowledge of material future events that would at this stage influence the timing and/or amount of any of the provisions booked in the consolidated financial statements.

21. Ordinary shares

Class of shares:	Currency	Nominal value	Number of shares authorised	Number of shares allotted & fully paid	EUR €000
As at 4 June 2018		-	-	-	-
Shares issued in the period:					
Ordinary	GBP	100	898	898	1
Total as at 31 January 2019:					
Ordinary shares	GBP	1.00	898	898	1
Total as at 31 January 2020:					
Ordinary shares	GBP	1.00	898	898	1

The Company has one class of ordinary share, which carries no right to fixed income.

22. Reserves

The reserves of the Group are shown below and reflect the transactions shown in the Consolidated Income Statement and Consolidated Statement of Changes in Equity.

	Translation reserve €000	Retained loss €000	Total €000
On incorporation	-	-	-
Exchange movements on translation of overseas results and net assets	(134)	-	(134)
Net loss for the period	-	(5,435)	(5,435)
Actuarial gains on retirement benefits (net of deferred tax)	-	(1,277)	(1,277)
As at 31 January 2019	(134)	(16,712)	(16,846)
Exchange movements on translation of overseas results and net assets	(54)	-	(54)
Net loss for the year	-	(11,215)	(11,215)
Actuarial gains on retirement benefits (net of deferred tax)	-	(3,068)	(3,068)
As at 31 January 2020	(188)	(30,995)	(31,183)

Exchange movements relate to the translation of the net assets of the Group's subsidiaries that are not denominated in the functional currency of the Group, the Euro, and are recognised in the translation reserve.

23. Commitments and contingencies

Capital commitments.

Capital expenditure contracted for at 31 January 2020, but not yet incurred, is €Nil (2019: €nil).

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

23. Commitments and contingencies (continued)

Contingencies

There are no material contingent assets or liabilities at the balance sheet date.

24. Notes to the cash flow statement

Cash generated from operations

		Year ended 31 January 2020	Year ended 31 January 2019
	Notes	€ 000	€ 000
Loss after tax		(1125)	(15,435)
Adjustments for non-cash amounts, or cash movements not shown elsewhere in the cash flow statement:			
- Depreciation	3	6,777	2,209
- Amortisation	3	6,836	2,925
- Loss on disposal of tangible assets	5	1	-
- Currency translation loss	7	1892	349
- Interest income	7	(4)	(1)
- Interest expense	7	8,620	3,986
- Loan arrangement fee	7	605	35
- Defined benefit scheme adjustments		1207	620
- Taxation	10	(1548)	(597)
		13,171	(5,909)
Movements in working capital			
- (increase) / decrease in inventory and work in progress		(2,095)	1,130
- increase in trade receivables and other debtors		(10,825)	(2,516)
- increase in trade payables and other creditors		6,803	10,257
- increase in provisions		357	111
		(5,560)	8,982
Cash flows from operations		7,611	3,073
Interest paid		(4,235)	(962)
Tax paid		(695)	(163)
Net cash inflow from operating activities		2,681	1,948

Movements in working capital' shown above are the Consolidated Statement of Financial Position changes from for the period and are net of the effects of currency movements.

The Group had blocked cash of €190K at 31 January 2020 (2019: €384K), which is not available for general use by the parent or subsidiary companies. This blocked cash relates to various letters of credit, performance/bid bonds and rental guarantees taken out in the ordinary course of business. This cash will become due to the Group again as and when the relevant expiry dates for each instrument are reached.

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

24. Notes to the cash flow statement (continued)

Analysis of changes in net debt

Analysis of net debt	At 4 June 2018 € 000	Acquisition of subsidiaries € 000	Cash flows for financing activities			Capitalised interest less interest paid € 000	Reclassified within categories € 000	At 31 January 2019 € 000
			New Financing € 000	Financing repaid € 000	Total financing € 000			
Loan notes(i)	-	-	47,500	-	47,500	739	-	48,239
Finance Leases	-	5,091	2,433	(2,015)	418	140	5,446	11,095
Borrowings	-	7,410	7,635	(673)	6,962	19	(5,446)	8,945
Cumulative redeemable preference shares	-	-	46,161	-	46,161	2,308	-	48,469
Total	-	12,501	103,729	(2,688)	101,041	3,206	-	116,748

(i) Loan notes includes capitalised loan issuance costs

Analysis of net debt	At 31 January 2019 € 000	Adoption of IFRS 16	Cash flows for financing activities			Capitalised interest less interest paid € 000	Other Movements	At 31 January 2020 € 000
			New Financing € 000	Financing repaid € 000	Total financing € 000			
Loan notes(i)	48,239	-	-	(3,823)	(3,823)	3,805	590	48,811
Leases	11,095	4,747	13,293	(6,727)	6,566	578	117	23,103
Borrowings	8,945	-	8,805	(4,646)	4,159	310	-	13,414
Cumulative redeemable preference shares	48,469	-	-	-	-	3,825	1,805	54,099
Total	116,748	4,747	22,098	(15,196)	6,902	8,518	2,512	139,427

(i) Loan notes includes capitalised loan issuance costs

The majority of the Group's funding transactions are denominated in Euros.

Cash and cash equivalents

		As at 31 January 2019 € 000	As at 31 January 2019 € 000
	Note		
Cash and bank balances	24	12,380	15,100

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less, net of outstanding bank overdrafts. The carrying amount of these assets is approximately equal to their fair value. Cash and cash equivalents at the end of the reporting period as shown in the Consolidated Cash Flow Statement can be reconciled to the related items in the Consolidated Statement of Financial Position as shown above.

25. Domicile

Atlanta Topco Limited, the Group's holding company, is domiciled in the United Kingdom.

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

26. Subsidiary undertakings

Name of undertaking	Principal activity	Registered office and principal place of business
DAMOVO Deutschland GmbH & Co. KG	Trading company	Fritz-Vomfelde-Straße 26, 40547 Düsseldorf, Germany
DAMOVO Deutschland TopCo GmbH	Holding company	Fritz-Vomfelde-Straße 26, 40547 Düsseldorf, Germany
DAMOVO Holdings Deutschland GmbH	Holding company	Fritz-Vomfelde-Straße 26, 40547 Düsseldorf, Germany
DAMOVO Deutschland Verwaltungs GmbH	Holding company	Fritz-Vomfelde-Straße 26, 40547 Düsseldorf, Germany
Netfarmers GmbH	Trading company	Muskatellerweg 25, 55232 Alzey, Germany
DAMOVO Österreich GmbH	Trading company	Teinfaltstrasse 8/4, Vienna, A-1010, Austria
DAMOVO Belgium NV / SA	Trading company	Lenneke Marelaan 8, 1932 St Stevens Woluwe, Belgium
DAMOVO Nederland NV	Trading company	Papandorpseweg 100, 3528 BJ Utrecht, Netherlands
DAMOVO Luxembourg S.à.r.l	Trading company	Rue Du Père Raphaël 43, L - 2413, Luxembourg
DAMOVO Polska Sp. z o.o.	Trading company	Postepu 21 Warsaw 02-676, Poland
DAMOVO Schweiz AG	Trading company	Zunstrasse 11, CH - 8152 Glattbrugg, Switzerland
DAMOVO Ireland Limited	Trading company	Block A, Citylink Business Park, Dublin 12, Ireland
DAMOVO Costa Rica SRL	Trading company	Avenida Escazu, floor 4 Torre Lexus, San Jose, Costa Rica
DAMOVO USA, Inc.	Trading company	Atrium Two, 221 East Fourth Street, Suite 2500, Cincinnati, OH 45202, USA
ATLANTA Midco Limited *	Holding company	Aurora House Deltic Avenue, Rooksley, Milton Keynes, Buckinghamshire, United Kingdom, MK13 8LW
ATLANTA Bidco Limited	Holding company	Aurora House Deltic Avenue, Rooksley, Milton Keynes, Buckinghamshire, United Kingdom, MK13 8LW
DAMOCO Holdco Limited	Holding company	Aurora House Deltic Avenue, Rooksley, Milton Keynes, Buckinghamshire, United Kingdom, MK13 8LW
DAMOCO Midco Limited	Holding company	Aurora House Deltic Avenue, Rooksley, Milton Keynes, Buckinghamshire, United Kingdom, MK13 8LW
DAMOCO Bidco Limited	Holding company	Aurora House Deltic Avenue, Rooksley, Milton Keynes, Buckinghamshire, United Kingdom, MK13 8LW

*Directly owned

The Group owns 100% of the ordinary shares and voting rights of all the subsidiaries in the table above. The principal activity of all of the trading companies noted above is the provision of ICT solutions and services, as described in the Strategic Report on page 4. All of the subsidiary undertakings listed are consolidated in the Group's financial statements.

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

27. Related party transactions

Transactions between the Group and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Redeemable cumulative preference shares

During the year, the majority of the redeemable cumulative preference shares previously 100% held by Northstar Financial Services (Bermuda) Limited, a company under common control, were sold to 14 other companies residing within the wider Global Growth Holdings Inc. group. Preference share dividends of €3,825K (2019: €2,018K) and an exchange rate loss of €1,805K (2019: €290K) have been charged to the profit and loss account in the year. Preference share dividends are unpaid as at the period end.

Loans from related parties

Preference share dividends of €3,825K (period ended 31 January 2019: €2,018K) and an exchange rate loss of €1,805K (period ended 31 January 2019: €290K) have been charged to the profit and loss account in the year. Preference share dividends are unpaid as at the period end.

In the prior period, Northstar Financial Services (Bermuda) Limited, a company under common control and the then holder of 100% of the Company's preference shares, provided a short-term working capital loan of \$1.2m to the Group. This loan and the associated interest were repaid in full prior to 31 January 2019. Interest of \$8,285 was incurred on this loan and was charged to the profit and loss account in the period ended 31 January 2019. There are no balances owing or interest accruing/paid in relation to the current year.

There are no other loans from related parties.

Directors and key management personnel

In the current and prior year, the Group had a number of transactions with Zero Touch IT Limited. Paul Comerford, who acted as Chief Executive Officer of the Damovo Group during part of the year, is also the sole director of Zero Touch IT Limited. As at the year end, Paul Comerford was no longer considered to be a related party and, as such, there are no outstanding balances required to be disclosed.

The Group made no sales of services to related parties during the year (period ended 31 January 2019: €nil).

The remuneration of the directors and key management personnel of the Group is set out at note 8 ("Staff costs") to the financial statements. Directors' remuneration is paid to Xchange Technology Rentals LLC, the director's personal service company based in USA.

28. Post balance sheet events

The director has carried out a post balance sheet review for events that may give rise to adjusting items to be recorded and/or items that may need to be disclosed. The director has concluded that there are no material events of this nature that have occurred after the balance sheet date.

Covid - 19

The Group is exposed to macro-economic risks, including pandemic diseases that could have a material adverse effect on its operations. The Group continues to actively monitor the recent Coronavirus outbreak, and to mitigate the challenges it creates in servicing its clients, maintaining the safety of its employees, managing its supply chains and implementing significant projects. Further detail regarding the risks and anticipated outcomes is provided on pages 4 to 10 of the strategic report.

The outbreak is causing global social and economic disruption and the Group has adapted strongly to the new global conditions. During 2020 and to date, the Coronavirus has not had a material impact on activities. It has however contributed to a short-term change in revenue mix as the Group's customers adapt themselves to a more home-working model for their operations, with some professional services work being delayed and being replaced by a higher demand in the short term for more product and an uplift in the managed service provision.

ATLANTA TOPCO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

28. Post balance sheet events (continued)

Covid-19 may impact the Group's performance in 2021 however to date, it has not had a material impact on Damovo's activities. At present, it is not possible to predict whether the outbreak will have a material adverse effect on our future earnings, cash flows and financial condition, however, the director remains confident of the medium and long-term prospect of the Group.

Purchase of Atos "UNIFY" Technology business

In July 2020, as part of a wider deal involving different companies residing with the Global Growth Holding Inc. group, part of Atos's UNIFY businesses and customer lists in Finland, Sweden and Luxembourg were sold to companies within the Damovo Group.

The purchase was seen as mutually beneficial to both parties with Damovo gaining access to a new customer base in previously untapped geographical regions, and Atos being able to focus on larger scale customers. The management is currently in the process of finalizing the accounting treatment of the above business combination.

Refinancing

In August 2020, a loan was granted by KfW Bankengruppe, a German state-owned German bank. The value of the loan is €2,400K and it carries an interest rate of 2% p.a. Repayment is on a straight-line basis until September 2025. Repayment will be paid quarterly starting from December 2021. There are no securities on this loan.

In August 2020, the business introduced a form of funding to the German business of forfeiting with Commerzfactoring. This involves a weekly decision whether to sell our accounts receivable or not. There is also the option to sell only certain accounts receivable positions. The maximum balance on the account is €4,000K (€3,750K and \$290K). Interest is charged of 1.25% p.a for EURO and 1.4875% p.a. for USD. credit margin based on LIBOR/EURIBOR and a factoring fee of 0.16% is applied for every balance acquired. The pay-out is 90% of the acquired accounts receivable balances, with true-up payment made upon receipt of customer payment. The facility is available until July 2022. Collateral is a bank account and a Commerzbank AG guarantee of approximately €800K.

Set up of "Trust"

In June 2021, the Damovo Group was transferred from Global Growth Holdings, Inc. to a newly constituted English law governed trust which ring-fences the Damovo Group and its operations from GGHI (the "Trust"). See note 29 'Controlling party' for more details.

29. Controlling party

The Company's immediate parent company is UK Atlanta Holdings, LLC, a company incorporated in the U.S.A, with registered office at 2626 Glenwood Avenue, Suite 550, Raleigh, North Carolina 27608, U.S.A.

As at 31 January 2020, ATL's ultimate parent undertaking was Global Growth Holdings Inc. (GGHI), a company incorporated in the U.S.A., with a registered office at 251 Little Falls Drive, Wilmington, New Castle County, Delaware 19808, U.S.A..

In June 2021, the Damovo Group was transferred from Global Growth Holdings, Inc. to a newly constituted English law governed trust which ring-fences the Damovo Group and its operations from GGHI (the "Trust"). The trustee of the Trust is Hugh Steven Wilson (the "Trustee"), a US resident who is independent from GGHI. The beneficiary of the Trust is Robert Gaddy (the "Beneficiary"), also a US resident. The Beneficiary has no control or influence over the Trust, its operations or underlying assets. To implement the Trust, all interests in UK Atlanta Holdings, LLC ("UK Atlanta"), the ultimate holding company of the Damovo Group, were transferred from Damovo Financial Services, LLC (the "Settlor") to the Trustee in exchange for a promissory note issued to the Settlor by the Trustee.

The Company is head of the smallest and largest group for which consolidated financial statements are prepared and are publicly available. The registered office of the Company is disclosed on page 3.

ATLANTA TOPCO LIMITED

COMPANY INCOME STATEMENT for the year ended 31 January 2020

		Year ended 31 January 2020	Period ended 31 January 2019
	Notes	€000	€000
Interest income	3	3,467	1,985
Interest expense	3	(5,630)	(2,309)
Net interest income		(2,163)	(324)
Loss for the year/ period before taxation		(2,163)	(324)
Taxation	5	-	-
Loss and total comprehensive loss for the year/ period		(2,163)	(324)

All the activities of the Company are classed as continuing.

The accompanying notes on pages 89 to 96 form part of these financial statements.

ATLANTA TOPCO LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION as at 31 January 2020

		As at 31 January 2020	As at 31 January 2019
	Notes	€000	€000
Assets			
Non-current assets			
Investments in subsidiary undertakings	6	-	-
Trade receivables and other debtors	7	51,613	48,146
		51,613	48,146
Current assets		-	-
Total assets		51,613	48,146
Equity and liabilities			
Capital and reserves			
Ordinary shares	8	1	1
Retained profit	9	(2,487)	(324)
		(2,486)	(323)
Current liabilities			
Cumulative redeemable preference shares	10	1,847	2,022
		1,847	2,022
Non-current liabilities			
Cumulative redeemable preference shares	10	52,252	46,447
		52,252	46,447
Total liabilities		54,099	48,469
Total equity and liabilities		51,613	48,146

The accompanying notes on pages 89 to 96 form part of these company financial statements.

The financial statements on pages 86 to 96 of Atlanta Topco Limited, registered number 11394888, were approved by the Board of Directors and authorised for issue on 02 December 2021. They were signed on its behalf by:



Jeffrey McFarlane
Director

ATLANTA TOPCO LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY for year ended 31 January 2020

	Ordinary shares € 000	Retained profit € 000	Total equity € 000
At Incorporation	-	-	-
Net profit for the period	-	(324)	(324)
Total comprehensive loss for the period	-	(324)	(324)
New shares issued	1	-	1
At 31 January 2019	1	(324)	(323)
Net loss for the year	-	(2,163)	(2,163)
Total comprehensive loss for the year	-	(2,163)	(2,163)
At 31 January 2020	1	(2,487)	(2,486)

The accompanying notes on pages 89 to 96 form part of these company financial statements.

ATLANTA TOPCO LIMITED

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1. Significant accounting policies

General information

Atlanta Topco Limited is a private limited company, limited by shares, registered in England and Wales and incorporated in the United Kingdom under the Companies Act 2006, with company number 11394888. The address of the registered office is Aurora House, Deltic Avenue, Rooksley, Milton Keynes, Buckinghamshire, United Kingdom, MK13 8LW.

The Company's principal activities are as an investment holding company, providing financing and management services to its wholly owned subsidiaries within the Damovo Group.

Basis of preparation

The separate financial statements of the Company have been prepared on the historical cost basis and are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under Financial Reporting Standard ('FRS') 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements are prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

The Company meets the definition of a qualifying entity and has taken advantage of the following disclosure exemptions under FRS 101:

- a) The requirements of IFRS 7 *Financial Instruments: Disclosures*
- b) The requirements of paragraphs 91-99 of IFRS 13 *Fair value measurements* ("IFRS 13")
- c) The requirements of paragraph 38 of International Accounting Standard ("IAS") 1 *Presentation of Financial Statements* ("IAS 1") to present comparative information in respect of paragraph 79(a)(iv) of IAS 1.
- d) The requirements of paragraph 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1
- e) The requirements of IAS 7 *Statement of Cash Flows*
- f) The requirements of paragraphs 30 and 31 of IAS 8 *Accounting policies, Changes in Accounting Estimates and Errors*
- g) The requirements of paragraphs 17 and 18A of IAS 24 *Related Party Disclosures* ("IAS 24")
- h) The requirements in IAS 24 to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- i) The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 *Impairment of Assets*.

Where required, equivalent disclosures are given in the consolidated financial statements.

The Company's financial statements are presented in Euro, as this is the primary economic environment in which the Company operates. The results presented in the Company's financial statements are rounded to the nearest thousand Euros.

Basis of accounting

The principal accounting policies adopted are the same as those of the Group in note 1 to the consolidated financial statements except as noted below.

ATLANTA TOPCO LIMITED

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

1. Significant accounting policies (continued)

Going concern

The director is satisfied that the Company has adequate resources to continue to operate for the foreseeable future and therefore the financial statements have been prepared on a going concern basis. Further details relating to the Group's going concern are disclosed in the Director's report on page 11 and within note 1 to the consolidated financial statements.

Foreign currency translation

The Euro is the presentational currency of the Company's financial statements. The Euro is used by the Company for conducting the majority of its business, its financing and for reporting its results.

Where the Company carries out transactions in a different currency to its reporting currency, the foreign currency amounts are translated at the exchange rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences arising on translating these amounts are taken to the Income Statement in the period in which they occur.

Investments

Subsidiaries are entities over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investments in subsidiaries are stated at cost, less provision for any impairment. Dividends, impairment losses and reversals of impairment losses are recognised in the Income Statement in 'net gains on investments in subsidiaries'.

Impairment losses on investment in subsidiaries are measured as the difference between cost and the current estimated recoverable amount. When the recoverable amount is less than the cost, an impairment is recognised in the Income statement in 'net losses on investments in subsidiaries' and is reflected against the carrying amount of the impaired asset on the Balance Sheet.

Financial Instruments

Financial assets and liabilities primarily comprise loans and advances, and redeemable cumulative preference shares.

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Loans and advances, other receivables and payables, debt and other borrowings and redeemable preference shares are recognised when the Company becomes a party to the contractual provisions of the instrument and are initially measured at fair value and subsequently measured at amortised cost (less allowance for impairment on financial assets). Interest is recognised in the Income Statement using the effective interest rate ("EIR") method.

The Company derecognises a financial asset when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset. The Company derecognises financial liabilities when the Company's obligations are discharged, cancelled or they expire.

ATLANTA TOPCO LIMITED

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

2. Significant accounting policies (continued)

Fair value

Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, assumptions are set to reflect those that the Company believes market participants would use in pricing the asset at the measurement date.

Impairment of financial assets

A provision against other receivables is made where there is objective evidence that the Company will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write down is determined as the difference between the assets carrying amount and the present value of future cash flows. An assessment for impairment is undertaken at least at each reporting date.

In addition to this, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss ("ECL") model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through the profit or loss ("FVTPL"). The main financial assets that are subject to the new expected credit loss model are other receivables.

Financial risk management

A discussion of the Company's financial risk management objectives and policies and the exposure of the Group to liquidity, market and credit risk is included within the Group Consolidated Financial Statements note 18 'Financial risk management'.

Critical accounting judgements

In the application of the Company's accounting policies, which are described above, the director may be required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are expected to be based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The following are significant management judgments in applying the accounting policies of the Company that have the most significant effect on the financial statements.

- *Going concern*

The financial statements have been prepared by the Board of directors on a going concern basis. See 'Going concern and financing arrangements' in Note 1 within Group Consolidated Financial Statements for further details.

ATLANTA TOPCO LIMITED

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

2. Analysis of expense by nature

Company audit fees are included in the Group audit fee of €150,000 (2019: €185,000). This cost is borne by Damoco Bidco Limited on behalf of the UK-domiciled entities within the Group. The Company did not incur any costs in relation to non-audit services.

3. Net interest income

	Year ended 31 January 2020 € 000	Period ended 31 January 2019 € 000
Group		
Interest expense		
- Dividend on redeemable cumulative preference shares	3,825	2,018
Currency translation losses	1,805	291
Finance costs	5,630	2,309
Interest income	(3,467)	(1,985)
Finance income	(3,467)	(1,985)
Net finance costs	2,163	324

'Interest income' and 'Interest expense' represent total interest income and total interest expense for financial assets and financial liabilities that are not carried at fair value.

4. Staff costs and director remuneration

The Company has no employees. Key management and directors of the Company are the same as those for the Group. For more information on the key management remuneration, please refer to note 8 of the consolidated financial statements.

ATLANTA TOPCO LIMITED

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

5. Taxation

The tax charge in the income statement comprises:

	Year ended 31 January 2020 €000	Period ended 31 January 2019 €000
Current tax charge on taxable profits:		
- UK tax	-	-
Deferred tax charge:		
- origination and reversal of timing differences	-	-
Income tax expense	-	-

There is no corporation tax credit in the period, which is lower than that resulting from applying the average rate of corporation tax in the UK for the period of 19%. The main differences are explained below:

	Year ended 31 January 2020 €000	Period ended 31 January 2019 €000
Loss before tax	(2,163)	(324)
Tax calculated at 19%	(411)	(62)
Expenses not deductible for tax purposes	1070	383
Group relief available for nil consideration	(659)	(321)
Total income tax expense in the income statement	-	-

The standard rate of UK Corporation Tax is to remain at 19% until 31 March 2023. The Finance Act 2021, which was published on 11 March 2021 states that this rate is to be increased from 19% to 25% from 1 April 2023. In summary, the rate of corporation tax from 1 April 2023 will increase to 25% for companies generating taxable profits of more than £250,000. The current 19% tax rate will continue to apply to 'small' companies with profits less than £50,000, with a 'taper relief rate' for those companies with profits between the new thresholds.

6. Investments in subsidiary undertakings

	As at 31 January 2020 €000	As at 31 January 2019 €000
Cost and net book value	-	-

The Company directly holds 100% of the ordinary share capital and voting rights of Atlanta Midco Limited, registered at Aurora House, Deltic Avenue, Rooksley, Milton Keynes, Buckinghamshire, United Kingdom, MK13 8LW. The carrying value of the investment is €1. The principal activity of Atlanta Midco Limited is that of a holding company. The list of the Company's indirectly held subsidiary undertakings is provided in note 26 to the consolidated financial statements.

ATLANTA TOPCO LIMITED

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

7. Trade receivables

Non-current assets:

	As at 31 January 2020 € 000	As at 31 January 2019 € 000
Amounts falling due within one year		
Amounts due from subsidiary undertakings	51,613	48,146

Amounts due from subsidiary undertakings are charged interest at a rate of 9.75% per annum, adjusted to 6% as of 27th June 2019. Repayment of the principal can be made at any time after August 2025. All loans are unsecured.

8. Ordinary shares

Class of shares:	Nominal value GBP	Number of shares Alloted & fully paid	Value € 000
Ordinary	£100	898	1
Total as at 31 January 2019 and 31 January 2020		898	1

On 23 August 2018, 898 ordinary shares of GBP £1 each were issued at par and fully paid. The Company has one class of ordinary share, which carries no right to fixed income. All shares are recorded at the rates of exchange ruling at the date the shares were paid up.

9. Reserves

The reserves of the Company are shown below:

	Retained profit € 000
On incorporation	-
Profit for the period	(324)
As at 31 January 2019	(324)
Profit for the year	(2,63)
As at 31 January 2020	(2,487)

ATLANTA TOPCO LIMITED

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

10. Redeemable cumulative preference shares

Current:

	As at 31 January 2020 € 000	As at 31 January 2019 € 000
Cumulative redeemable preference shares dividends	1847	2,022
	1,847	2,022

Non-current:

	As at 31 January 2020 € 000	As at 31 January 2019 € 000
Cumulative redeemable preference shares	48,131	46,447
Cumulative redeemable preference shares dividends	4,121	-
	52,252	46,447

On 23 August 2018, 5,308,411,615 preference shares of USD \$0.01 were issued at par and fully paid.

Previously preference shares were entitled to quarterly dividends based on an annual rate of 9.75%. Unpaid preference shares compounded on a quarterly calendar basis. The preference shares do not carry voting rights. The preference shares do not carry any equity component and are classified as financial liabilities in their entirety. The preference shares had a contractual repayment date of August 2025. However, in the event of a number of triggering events, such as the sale of the Group, early redemption could be triggered. From 27 June 2019 revised terms resulted in a dividend rate of 6% and the preferred return being accrued rather than compounded on an annual basis. The shares are now redeemable on the 10-year anniversary in 2029 with dividends payable as, when and if declared by the issuer. Disclosures required under IFRS 7 are reflected within note 18 to the consolidated financial statements.

11. Provisions and other liabilities

The Company had no other current or long-term liabilities as at 31 January 2020. The Company had neither provisions nor contingent liabilities recognised at the balance sheet date. Further detail of contingent liabilities are disclosed in note 23 to the consolidated financial statements.

12. Related party transactions

As permitted by FRS 101, related party disclosures with wholly owned members of the Group have not been disclosed.

13. Post balance sheet events

The director has carried out a post balance sheet review for events that may give rise to adjusting items to be recorded and have concluded that there are none. This includes an updated assessment of Brexit and Covid-19, the details of which are provided in note 28 of the consolidated financial statements.

In June 2021, the Damovo Group was transferred from Global Growth Holdings, Inc. to a newly constituted English law governed trust which ring-fences the Damovo Group and its operations from GGHI (the "Trust"). See note 14 'Controlling party' for more details.

ATLANTA TOPCO LIMITED

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

14. Controlling party

The Company's immediate parent company is UK Atlanta Holdings, LLC, a company incorporated in the U.S.A., with registered office at 2626 Glenwood Avenue, Suite 550, Raleigh, North Carolina 27608, U.S.A.

As at 31 January 2020, ATL's ultimate parent undertaking was Global Growth Holdings Inc. (GGHI), a company incorporated in the U.S.A., with a registered office at 251 Little Falls Drive, Wilmington, New Castle County, Delaware 19808, U.S.A..

In June 2021, the Damovo Group was transferred from Global Growth Holdings, Inc. to a newly constituted English law governed trust which ring-fences the Damovo Group and its operations from GGHI (the "Trust"). The trustee of the Trust is Hugh Steven Wilson (the "Trustee"), a US resident who is independent from GGHI. The beneficiary of the Trust is Robert Gaddy (the "Beneficiary"), also a US resident. The Beneficiary has no control or influence over the Trust, its operations or underlying assets. To implement the Trust, all interests in UK Atlanta Holdings, LLC ("UK Atlanta"), the ultimate holding company of the Damovo Group, were transferred from Damovo Financial Services, LLC (the "Settlor") to the Trustee in exchange for a promissory note issued to the Settlor by the Trustee.

The Company is head of the smallest and largest group for which consolidated financial statements are prepared and are publicly available. The registered office of the Company is disclosed on page 3.