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The Directors
Bytes Technology Group plc
Bytes House,
Randalls Way,
Leatherhead,
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1 December 2020

Dear Sirs

Bytes Technology Group plc (the "Company")

We report on the pro forma financial information (the "Bytes Pro Forma Financial Information") set out in Section B of Part 13 of the Prospectus dated 1 December 2020 (the "Prospectus"), which has been prepared on the basis described in the notes to the Bytes Pro Forma Financial Information, for illustrative purposes only, to provide information about how the Demerger and the Dividend might have affected the financial information presented on the basis of the accounting policies to be adopted by the Company in its next financial statements, being those adopted in preparing the historical financial information of Bytes Technology Limited.

This report is required by Section 3 of Annex 20 of Commission Delegated Regulation (EU) 2019/980 and is given for the purpose of complying with that section and for no other purpose.

Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 1.3 of Annex 1 to Commission Delegated Regulation (EU) 2019/980, consenting to its inclusion in the Prospectus.

Responsibilities

It is the responsibility of the directors of the Company to prepare the Bytes Pro Forma Financial Information in accordance with Sections 1 and 2 of Annex 20 of Commission Delegated Regulation (EU) 2019/980.

It is our responsibility to form an opinion, as required by Section 3 of Annex 20 of the Commission Delegated Regulation (EU) 2019/980, as to the proper compilation of the Bytes Pro Forma Financial Information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Bytes Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Bytes Pro Forma Financial Information with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Bytes Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

- the Bytes Pro Forma Financial Information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Prospectus Regulation Rule 5.3.2R (2)(f) we are responsible for this report as part of the Prospectus and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and that the report contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex 1 to Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129.

Yours faithfully

Ernst & Young LLP

Ernst & Young LLP

PRO FORMA FINANCIAL INFORMATION

The unaudited pro forma financial information has been prepared for illustrative purposes only and because of its nature, addresses a hypothetical situation and therefore does not represent the actual financial position or results of operations of the Company. It has been prepared to show the effect of the Demerger and the Dividend on (a) the balance sheet of the Company as if the Demerger and the Dividend had been implemented on 31 August 2020 and (b) the statement of profit or loss, earnings per share and headline earnings per share for the year ended 29 February 2020 and the six months ended 31 August 2020 as if the Demerger and the Dividend had been implemented on 1 March 2019 and 1 March 2020, respectively.

The unaudited pro forma financial information has been prepared in accordance with section 1 and 2 of Annex 20 of the Commission Delegated Regulation (EU) 2019/980 and in accordance with the Company's accounting policies that will be adopted by the Company in its next financial statements, which are consistent with those accounting policies adopted in preparing the audited historical financial information of Bytes UK.

The unaudited pro forma financial information of the Company is the responsibility of the Company's Board.

PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 29 FEBRUARY 2020

£'000	Bytes UK for the year ended 29 February 2020	Proceeds from share issue net of transaction costs	Unaudited pro forma of the Company
	(1,3)	(5,6)	29 February 2020 (7)
Revenue	373,103	-	373,103
Cost of sales	(293,886)	-	(293,886)
Gross profit	79,217	-	79,217
Administrative expenses	(49,373)	(8,274)	(57,647)
Operating profit	29,844	(8,274)	21,570
Finance income	158	-	158
Finance costs	(82)	-	(82)
Profit before taxation	29,920	(8,274)	21,646
Income tax expense	(5,762)	-	(5,762)
Profit for the year	24,158	(8,274)	15,884
Profit attributable to owners of the company	24,158	(8,274)	15,884
Reconciliation of headline earnings			
Profit attributable to owners of the company	24,158	(8,274)	15,884
Adjusted for loss on disposal of property, plant and equipment	10	-	10
Headline earnings	24,168	(8,274)	15,894
Basic earnings per Ordinary Share (pence)	241,580.00		6.65
Diluted earnings per Ordinary Share (pence)	217,424.17		6.61
Headline earnings per share (pence)	241,680.00		6.65
Diluted headline earnings per share (pence)	217,514.18		6.61
Number of shares in issue	10,000		238,913,494
Weighted average number of shares in issue	10,000		238,913,494
Diluted number of shares in issue	11,111		240,422,928
Diluted weighted average number of shares in issue	11,111		240,422,928

PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS ENDED 31 AUGUST 2020

	Bytes UK for the six months ended 31 August 2020	Proceeds from share issue net of transaction costs	Unaudited pro forma of the Company 31 August 2020
£'000	(1,3)	(5,6)	(7)
Revenue	221,222	-	221,222
Cost of sales	(174,843)	-	(174,843)
Gross profit	46,379	-	46,379
Administrative expenses	(26,849)	(8,274)	(35,123)
Operating profit	19,530	(8,274)	11,256
Finance income	24	-	24
Finance costs	(40)	-	(40)
Profit before taxation	19,514	(8,274)	11,240
Income tax expense	(3,757)	-	(3,757)
Profit for the year	15,757	(8,274)	7,483
Profit attributable to owners of the company	15,757	(8,274)	7,483
Reconciliation of headline earnings			
Profit attributable to owners of the company	15,757	(8,274)	7,483
Adjusted for loss on disposal of property, plant and equipment	18	-	18
Headline earnings	15,775	(8,274)	7,501
Basic earnings per Ordinary Share (pence)	157,570.00		3.13
Diluted earnings per Ordinary Share (pence)	141,814.42		3.11
Headline earnings per share (pence)	157,750.00		3.14
Diluted headline earnings per share (pence)	141,976.42		3.12
Number of shares in issue	10,000		238,913,494
Weighted average number of shares in issue	10,000		238,913,494
Diluted number of shares in issue	11,111		240,422,928
Diluted weighted average number of shares	11,111		240,422,928

PRO FORMA CONSOLIDATED BALANCE SHEET AT 31 AUGUST 2020

	Incorporation Accounts 31 August 2020	Issue of preference shares	Bytes UK at 31 August 2020	Payment of the Dividend	Purchase of Bytes UK and redemption of preference shares	Proceeds from share issue net of transaction costs	Unaudited pro forma of the Company 31 August 2020
£'000	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Assets							
Non-current assets	-	-	55,329	-	-	-	55,329
Property, plant and equipment	-	-	8,420	-	-	-	8,420
Right-of-use assets	-	-	1,202	-	-	-	1,202
Intangible assets	-	-	45,248	-	-	-	45,248
Contract assets	-	-	459	-	-	-	459
Current assets	-	50	139,951	(30,000)	(50)	-	109,951
Inventories	-	-	746	-	-	-	746
Contract assets	-	-	8,009	-	-	-	8,009
Trade and other receivables	-	50	99,268	-	(50)	-	99,268
Cash and cash equivalents	*	-	31,928	(30,000)	-	-	1,928
Total assets	*	50	195,280	(30,000)	(50)	-	165,280
Liabilities							
Non-current liabilities	-	-	(4,481)	-	-	-	(4,481)
Lease liabilities	-	-	(1,252)	-	-	-	(1,252)
Contract liabilities	-	-	(1,475)	-	-	-	(1,475)
Deferred tax liabilities	-	-	(1,754)	-	-	-	(1,754)
Current liabilities	-	-	(140,706)	-	(14,300)	-	(155,006)
Trade and other payables	-	-	(130,619)	-	-	-	(130,619)
Contract liabilities	-	-	(9,186)	-	-	-	(9,186)
Current loan	-	-	-	-	(14,300)	-	(14,300)
Current tax liabilities	-	-	(645)	-	-	-	(645)
Lease liabilities	-	-	(256)	-	-	-	(256)
Total liabilities	-	-	(145,187)	-	(14,300)	-	(159,487)
Net assets	*	50	50,093	(30,000)	(14,300)	-	5,793
Equity							
Issued share capital	*	-	*	-	2,325	64	2,389
Preference share capital	-	50	-	-	(50)	-	-
Share premium	*	-	*	-	613,674	8,210	621,884
Other reserves	-	-	1,324	-	-	-	1,324
Merger reserve	-	-	-	-	(630,298)	-	(630,298)
Retained earnings	-	-	48,769	(30,000)	-	(8,274)	10,495
Total equity	*	50	50,093	(30,000)	(14,350)	-	5,793

* less than £1,000

Notes and assumptions

(1) The pro forma financial information has been prepared in accordance with the Company's accounting policies to be adopted in its next financial statements, which are consistent with those accounting policies adopted in preparing the historical information of Bytes UK. The financial information for the Company has been extracted, without material adjustment, from the incorporation accounts of the Company and reflects the £0.02 issue of share capital at incorporation. The audited historical financial information of the Company can be found in Part 12 "Financial Information of the Company". For the purposes of the pro forma financial information it has been assumed that the Company was incorporated on 31 August 2020.

(2) Subsequent to incorporation the Company's initial shareholders subscribed for 50,000 redeemable voting preference shares of £1 each to satisfy the minimum share capital requirements for UK public companies as described in paragraph 2 of Part 15 "Additional Information". A pro forma adjustment has been recorded to reflect the £50,000 preference share capital and related receivable. These preference shares are to be redeemed on Admission through the issuance of New Shares.

(3) In order to give effect to the Demerger, Altron, Bytes SA, Bytes UK Management, the Company and Bytes Technology Holdco entered into the Demerger SPA on 2 November 2020. Pursuant to the Demerger SPA, on Admission Bytes UK will become a subsidiary of the Company. The details of the Demerger are set out more fully in Part 5 "Details of the Demerger". To illustrate the effect of the acquisition of Bytes UK by the Company a pro forma adjustment has been recorded to reflect the consolidation of Bytes UK as at and for the relevant period, using the relevant financial information extracted from the audited historical information contained in Part 11 "Financial Information of Bytes UK". As the Company was only incorporated on 7 October 2020, the Company did not incur any revenue or expenses in the year ended 29 February 2020 or the six months ended 31 August 2020. Consequently, there is not a statement of profit or loss for the Company reflected in the pro forma financial information.

(4) An adjustment has been recorded in the pro forma balance sheet to reflect the Dividend.

(5) As more fully set out in Part 5 "Details of the Demerger", Altron, Bytes SA, Bytes UK Management, the Company and Bytes Technology Holdco have entered into the Demerger SPA for (i) Altron, through Bytes SA, to dispose of its A ordinary shares in Bytes UK to Bytes Technology Holdco and (ii) Bytes UK Management to sell their B ordinary shares in Bytes UK to the Company. The Company will settle the purchase consideration for the ordinary shares in Bytes UK through (i) the issue of Convertible Notes to Bytes SA, (ii) the payment to Bytes UK Management of £14.3 million, and (iii) the issue of Bytes UK Management Consideration Shares equal to 5 per cent. of the issued share capital of the Company at Admission (as enlarged by the issue of such shares). The Company entered into the Convertible Notes Instrument and issued a single Certificate in respect of all the Convertible Notes to Bytes SA on 3 November 2020. Redemption or conversion of the Convertible Notes is conditional on fulfilment of the Suspensive Conditions and the Convertible Notes will lapse and be cancelled for no value if the Suspensive Conditions are not fulfilled or waived by the Long Stop Date. On Admission, the Company will have, through Bytes Technology Holdco, acquired the A ordinary shares in Bytes UK from Bytes SA and the B ordinary shares in Bytes UK from Bytes UK Management and the Convertible Notes will have been redeemed for cash or converted into New Shares. The total value of the consideration for the disposal of Bytes UK at the Offer Price, based on the assumptions set out below, is £630.3 million. This is comprised of:

- £306.5 million being the number of Converted Shares issued multiplied by the Offer Price assuming the Base Offer Assumptions;
- £277.8 million being the number of Convertible Notes redeemed for cash multiplied by the Offer Price;
- £31.7 million being the number of Bytes UK Management Consideration Shares issued multiplied by the Offer Price; plus
- the amount of £14.3 million paid as cash consideration to holders of B ordinary shares.

For the purposes of this pro forma financial information, the Offer Price is assumed to be 265p, with 232.4 million Shares issued in aggregate to redeem or convert the Convertible Notes, settle the purchase consideration other than the £14.3 million to be paid to holders of B ordinary shares. Pro forma adjustments have been made to reflect this issuance of Shares resulting in increases in share capital of £2.3 million and, share premium of £613.7 million and a debit to merger reserve of £630.3 million. Immediately following Admission, the Company intends (to the extent that it does not have available cash on hand) to borrow £14.3 million under the HSBC Facility Agreement to settle the £14.3 million to be paid as cash consideration to holders of B ordinary shares. Accordingly, a £14.3 million pro forma adjustment has been recorded to current loans to reflect this borrowing.

On Admission, the Company will have redeemed the preference shares issued to the Company's initial shareholders. Consequently, a pro forma adjustment has been recorded to reflect the redemption of the preference shares and elimination of the related receivable of £50,000.

Other than in relation to the £14.3 million cash consideration described above, the impact of the transactions described within this note 5 is cash neutral. The impact of these transactions on the investments line of the consolidated balance sheet is extinguished on consolidation.

(6) An assumption has been made that on Admission the Company will issue 6.5 million Shares of £0.01 each at the Offer Price in order to fund the payment of the IPO Expenses and Demerger Stamp Duty. Consequently, pro forma adjustments have been recorded to show the £17.1 million cash proceeds to the Company from the issuance of equity, £64,000 of issued share capital and the related £17.1 million share premium. The IPO Expenses and Demerger Stamp Duty are expected to amount to £17.1 million, based on the assumptions made. These costs are not expected to be continuing. A pro forma adjustment has been made to reflect the cash outflow for these costs offsetting the cash proceeds to the Company. £8.8 million relates to direct share issue expenses and has been assumed therefore to be capital in nature and a pro forma adjustment is shown to offset this against share premium. The remaining £8.3 million is an estimate of the Demerger Stamp Duty and IPO Expenses. A pro forma adjustment has been recorded to reflect this amount in administrative expenses in the pro forma statement of profit and loss and in retained earnings in the pro forma balance sheet.

(7) Except for the adjustment described in note 3 above, which reflects the historical financial information of Bytes UK, all other transactions above are in relation to Admission and are one off in nature. No adjustment has been made to reflect the results of the Company or Bytes UK since 31 August 2020.