



Thunderbird Holdco Ltd  
Kings House  
174 Hammersmith Road  
Hammersmith  
London W6 7JP

## Thunderbird Holdco Ltd – 2020 Annual Report Addendum

Thunderbird Holdco Ltd is the ultimate UK parent company of Hyperoptic Ltd.

### Key performance indicators (KPIs)

The Group measures its performance through the following financial and non-financial KPIs:

	2020
Revenue <sup>1</sup>	£51.7m
EBITDA <sup>2</sup>	(£12.2)m
Capital Investment <sup>3</sup>	£66.6m
Subscribers <sup>4</sup>	180,397
Average revenue per user (ARPU) <sup>5</sup>	£26.7

### Group Strategy and Business Model

The Group's strategy is to deploy and operate a Fibre to the Premises (FTTP) or "full fibre" network in buildings and geographic areas with a high customer acquisition potential.

The Group's intent is to grow its customer base by providing exceptional customer service and delivering gigabit fibre connectivity whilst extending its national fibre network footprint through increased capital investment.

Hyperoptic has a focus on multiple dwelling units in both existing and new development works with freeholders, developers, property managers and residents to bring award-winning gigabit services to residential and business developments, delivering a future-proof connection that increases the attractiveness and value of each property. Hyperoptic broadband is already available at selected sites in 57 UK towns & cities. The business model will deliver long term value by connecting new sites, towns and cities and increasing penetration rates at existing sites.

The Group uses both internal resource and outsource suppliers to build its fibre network.

<sup>1</sup> Revenue is measured for the year 2020.

<sup>2</sup> EBITDA is defined as operating loss plus depreciation and amortisation for the year 2020.

<sup>3</sup> Capital Investment is made up of Acquisition of fixed assets and Capitalisation of staff costs which together make up the additions in tangible assets for the Group in note 10 of the 2020 Annual Report.

<sup>4</sup> Subscribers is counted at 31 December 2020 and defined as all residential or business premises paying for service under a commercial contract.

<sup>5</sup> ARPU is defined as total revenue from subscribers divided by average subscribers



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## Trends and factors affecting future performance

The UK Government has set a target of 85% premises having access to a gigabit capable internet connection by the end of 2025. In Ofcom's Connected Nations Report 2020, it was estimated that Gigabit-capable broadband was available to 7.9 million premises (27% of national premises) as at September 2020. The Government is focused on the availability of Gigabit-capable services because in addition to offering download speeds of up to 1 Gbit/s, these services also offer faster upload speeds and are more reliable than older broadband technologies.

Hyperoptic was established in 2011 and has targeted buildings and geographic areas that were underserved by fast internet connections. Demand for faster, more reliable internet connectivity is growing rapidly, driven by the increased use of higher bandwidth applications like video communication services, high-definition video streaming and gaming. The Covid-19 pandemic during 2020 has brought customers reliance on broadband services into even sharper view. It is likely that more customers in the UK will seek a more reliable faster fibre connection in the coming years. The Group is one of several companies, both large and small, deploying FTTP networks and it is likely that the pace of network build and level of investment in the sector will continue to grow in the short to medium term. This provides both opportunities and challenges to the Group. Increased awareness of, and demand for, fibre services will increase the potential for the Group to increase its customer base and market share. At the same time there is likely to be a higher level of competition as more operators roll out services as well as increased demands on specialist labour resources.

## Social, community and human rights issues

Please see the Thunderbird Holdco Ltd 2020 Annual Report for an overview of the Group's stakeholder and social responsibilities.

In addition, during the pandemic the Group continued to engage widely across communities to ensure that fibre broadband rollout is of benefit to the widest possible group of people and as such now provides free service to over 400 community centres, libraries and similar establishments through its relationship with over 50 local councils. Hyperoptic also ensured that vulnerable customers access to connectivity was prioritised. Initiatives included making all calls to UK landline numbers free of charge for Broadband and Phone customers, to make it as easy as possible for customers to keep in touch with loved ones, access medical support and work from home. All NHS customers were offered a free speed boost to 1,000Mbps for the duration of the crisis, as a thank you for their amazing work.

Additionally, Hyperoptic partnered with City of Edinburgh Council to provide high-speed broadband to Link Housing, which specialises in providing support to young adults who have recently been homeless.

## Working for Hyperoptic

The Group continued to review its recruitment policy and processes to address any under-representation of men or women in particular areas within the business. Gender neutral role descriptions and job adverts have been enforced and an applicant tracking system implemented to assist.

The Group continues to use a predictive index psychometric tool, which is industry best-practice for measuring suitability against job profiles with the lowest possible gender bias

The Group continued the rollout of unconscious bias training for recruiting managers and additional decision-making training.

Apprenticeships have been expanded across the business with a focus on attracting females in those roles where they are under-represented.

The Group has been creating career pathways, which promote internal movement and development.



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## Gender Diversity Information

	Number			Mix	
	Female	Male	Total	Female %	Male %
Executive Leadership Team	3	5	8	40%	60%
Senior Leadership Team	6	11	17	35%	65%
All Other Employees	289	978	1,267	23%	77%

The directors consider the annual report, financial statements and this addendum to the annual report to comply with the Guidelines for Disclosure and Transparency in Private Equity.

Signed on behalf of Thunderbird Holdco Ltd

*Richard Woodward*

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Richard Woodward (Director)