Bigblu Broadband plc
('BBB' or the 'Company')

Half year results for the six months ended 31 May 2019

Bigblu Broadband plc (AIM: BBB.L), a leading provider of alternative super-fast broadband solutions, announces its unaudited half year results for the six months ended 31 May 2019.

Financial Highlights

- Total revenue increased 21.9% to £30.5m (1H18: £25.1m)
    - Like-for-like organic revenue growth[1] on a constant currency basis of 12.8% (1H18: 6.8%)
    - Average revenue per user (ARPU) increased 5.8% to £43.70 (1H18: £41.32)
- Adjusted EBITDA[2] increased 56.4% to £4.3m (1H18: £2.8m)
- Adjusted EPS[3] increased to 2.7p (1H18: 0.5p)
- Operating Profit improved £5.4m to £0.7m (1H18: loss £4.7m)
- Loss Per Share improved to 1.2p (1H18: 12.1p)
- Net debt increased to £16.9m (FY18: £11.9m), in-line with management expectations and expected to reduce significantly to less than 1.5x EBITDA by the year end

Operational Highlights

- Total number of customers increased 5% during the 6 month period to 119k (FY18: 113k)
- Improved product suite with increased download speed and extended data allowances
- Accelerated product roll-out via government funded schemes with subsidised hardware and installation programmes
- Strong organic growth across key regions:
    - Euro Broadband Infrastructure S.à.r.l. ("EBI") agreement underpinned strong organic European growth – adding 10,000 satellite customers during the period
    - Leading position in Australia maintained - SkyMesh named best NBN satellite provider
- Average annualised customer churn in 1H19 reduced to 18.0% (1H18: 19.2%)

Post Period Events

- Transformational £12m equity and debt funding package secured for Quickline, a BBB subsidiary, to support accelerated roll-out of fixed wireless networks in the UK:
    - Now targeting an enlarged customer base of 30,000 subscribers, which significantly increases estimated revenue, EBITDA and profit contribution over the next three years
- Continued support from main banking partner, HSBC with an increased RCF facility to £10m, due to the strong underlying EBITDA performance
- Extension of existing support agreement with EBI to target 25,000 customers across Europe over the next 12 months

[1]Like-for-like organic revenue growth compares current and prior period revenue treating acquired businesses as if they had been owned for all of both periods on a constant currency basis
[2]Adjusted EBITDA is before share based payments and exceptional items relating to M&A, integration costs and investment in network partnerships
[3] Adjusted EPS is EPS before share based payments and exceptional items relating to M&A, integration costs and investment in network partnerships and amortisation charges, divided by the weighted average number of shares over the period

Andrew Walwyn, CEO of BBB, commented:

"This was another period of expansion for the Company as we successfully developed our routes to market and customer base. The combination of our technology agnostic product portfolio and strong distribution partnerships ensured that we remained at the forefront of the rapidly growing global alternative super-fast broadband industry. Importantly, given the relationships and product sets we now have in place, we are clearly demonstrating strong organic growth. As such, we are extremely excited by the recent extension of our agreement with EBI, which has performed strongly to date, and the funding now in place to accelerate Quickline's fixed wireless network roll-out.

This means that we are well placed to grow our customer bases across our products and territories and benefit from increasing margins due to the improved infrastructure and proven partnerships already in place.

We therefore expect strong organic growth to continue for the remainder of the current financial year following the EBI extension and believe the Quickline funding will result in a significant increase in our UK fixed wireless customer base.

We are extremely excited by the growth opportunities ahead and expect the strong demand for our solutions to increase further as we adopt new products with faster broadband speeds and unlimited download limits whilst driving down the cost of customer acquisitions and churn during the second half of the current financial year."

For further information:

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About Bigblu Broadband plc

Bigblu Broadband plc (AIM: BBB), is a leading provider of alternative superfast broadband solutions throughout Europe and Australia. BBB delivers a portfolio of super-fast wireless broadband products for consumers and businesses unserved or underserved by fibre.

The Company has a significant target market with 27m customers in Europe with speeds of under 4 Mb, and a further 1m in Australia who have been identified as only suitable for either satellite or fixed wireless broadband.

High levels of recurring revenue, increasing economies of scale and Government stimulation of the alternative broadband market in many countries provide a solid foundation for significant organic growth as demand for alternative super-fast broadband services increases around the world.

Acquisitive and organic growth have enabled BBB to grow rapidly since inception in 2008 during which time the Company has completed 21 acquisitions across nine different countries. It is extremely well positioned to continue growing as it targets customers that are trapped in the 'digital divide' with limited fibre broadband options.

BBB's range of solutions includes satellite, next generation fixed wireless and 4G/5G delivering between 30 Mbps and 150 Mbps for consumers, and up to 1 Gbps for businesses. BBB provides customers ongoing services including hardware supply, installation, pre and post-sale support billings and collections, whilst offering appropriate tariffs depending on each end user requirements.

Importantly, as its core technologies evolve, and more affordable capacity is made available, BBB continues to offer ever-increasing speeds and higher data throughputs to satisfy market demands for 'video-on-demand'. Its alternative broadband offerings present a customer experience that is similar to that offered by wired broadband and the connection can be shared in the normal way with PCs, tablets and smart-phones via a normal wired or wireless router.

CHIEF EXECUTIVE'S REPORT

When we came to the market in 2015, we had an acquisition-focused strategy with a view to establishing a market leading position within our key target territories. As such, the initial focus was on creating critical mass and providing an infrastructure to fully integrate acquisitions while ensuring we could provide a range of solutions to the large number of consumers and businesses that were suffering due to poor super-fast broadband alternatives with download speeds of less than 30 Mbps.

We have since established a strong product suite with core hubs and systems that have grown significantly both organically and through acquisition. We are now focused on maximising the benefits from our past acquisition-led activities to deliver continued organic growth, which is now our core expansion model.

Driven by a combination of government legislation and subsidies, as well as strong and fruitful partnerships with satellite operators, we are benefiting from ever increasing demand for our growing range of products, which now provide download and upload speeds and data throughput rates that that can exceed the requirements of even our most demanding customers across our target territories.

Our organic growth across the UK and Europe during the period under review was underpinned by our Preferred Partner Program (PPP) agreement with Euro Broadband Infrastructure ("EBI"), a subsidiary of Eutelsat (NYSE Euronext: ETL), which was announced in December 2018 and further extended in July 2019.

Under this commercial arrangement, EBI is providing satellite network capacity, as well as assisting with subscriber premises equipment, installation and marketing to support the 'Konnect' brand. In return, BBB is promoting and selling satellite broadband services while managing all activities related to subscriber management including installation, billing and support. Given the addition of 10,000 new customers via the agreement to date, this relationship, which was recently extended, is expected to further underpin low cost, high margin customer acquisition, enabling us to target a further 25,000 customers across Europe and assist us in achieving our pre-stated target of 150,000 customers by December 2020.

Importantly, government legislation and subsidies continue to support our organic growth model – as highlighted by the receipt of certification to participate in France's first national subvention scheme whereby the French Government is offering a contribution of up to €150/household to assist activation fees, kit purchase and installation costs. According to the Agence du Numérique, two million households, which are unable to access a minimum of 8MB/s broadband through ADSL/Fibre by 2020 will be able to benefit from the scheme.

Another important factor, which continues to underpin our growth trajectory, is that we have established nine regional hubs in UK, Ireland, France, Australia, Norway, Poland, Spain, Italy and Germany. Importantly, the structure and scale of our global operations means that the momentum achieved during the first half of 2019 will continue into the second half and beyond.

The Company also maintained its dominant position in Australia during the period. Since entering the satellite broadband market in 2016 following the acquisition of Skymesh, we have strengthened our presence there and continue to command 50% market share of net new adds under the Government funded NBNCo scheme. We continue to have ambitious growth targets in Australia and were delighted that our subsidiary SkyMesh was recently named Best Satellite NBN™ Provider 2019.

Total Revenue

Total revenue increased by 21.9% to £30.5m (1H18: £25.1m) with recurring revenue, defined as revenue generated from the Company's broadband airtime, which is typically linked to contracts representing approximately 83% of total revenue.

Customer numbers increased by 5% from 113k at the end of the FY18 to 119k at the end of 1H19.

Adjusted EBITDA for the period was £4.3m compared to £2.8m in 1H18, demonstrating the good progress made in driving top line organic revenue alongside the benefits of 2018's acquisitions.

Post Balance Sheet Events

As announced on 6 August 2019, BBB's subsidiary Quickline secured £12m of new equity and debt funding to aid its accelerated fixed wireless network roll-out, which will mean many more homes and businesses will get connected to next generation super-fast broadband sooner and cheaper than before.

This £12m funding allows Quickline to significantly increase the size and scale of its fixed wireless business to target a customer base of approximately 30,000 subscribers over the next three years, with significantly increased revenue, EBITDA and profitability anticipated as new capital is deployed and the business increases in scale.

In line with continued underlying EBITDA performance improvement, BBB received additional support from our main banking partner HSBC via an extension of the RCF facility, increasing to £10m, an increase of £1.75m from previous levels.

Also, we were delighted to announce the extension of our agreement with EBI announced recently. This is a key cornerstone of our organic growth strategy. Importantly, this partnership means that we can offer unlimited packages currently reaching broadband speeds of up to 50 Mbps and set to grow to 100 Mbps.

The broadband services being offered to new customers under the programme are complemented by an attractive pricing structure that presents a genuine alternative to comparable broadband offerings. This combination will enable BBB to continue to improve customer churn rates, which are already decreasing as satellite broadband speeds and service performance increase.

Outlook

The Company is extremely well placed to continue driving organic growth through the partnerships and product suites in place whilst new products with faster broadband speeds and unlimited download limits are also set to underpin growth. There continues to be strong demand for alternative super-fast broadband solutions and, as such, the Company is strategically well placed to continue growing its customer base with both churn rates decreasing and gross margins improving throughout the remainder of the financial year.

We also expect strong cash generation from the business in the second half of the financial year, which together with secured funding for Quickline, will significantly decrease net debt by the period end. We anticipate net debt to fall to less than 1.5x EBITDA by the year end.

Andrew Walwyn

CEO
28 August 2019

FINANCIAL REVIEW

In the half year to 31 May 2019, total revenue increased by 21.9% to £30.5m (1H18: £25.1m), driven by an increase in organic new connections, improving ARPU's and the impact of the acquisitions made in 2018.

Gross profit increased to £13.3m (1H18: £9.4m) representing an improved gross profit margin of 43.7% (1H18: 37.4%). Distribution and administrative expenses increased to £9.0m (29.5% of revenue) (1H18: £6.6m – 26.3% of revenue) primarily as a result of increased investment in central overheads to support scaling up of the European partnership agreements across both existing and new hubs.

Company statutory results

Adjusted EBITDA (before share based payments and specific items relating to M&A, integration and the establishment of the network partnerships) for the half year increased 56.4% to £4.3m (1H18: £2.8m).

The Company incurred net acquisition, deal, legal and employee costs relating to M&A activities of £0.1m in the period (1H18: £1.0m). These costs comprise mainly professional and legal fees. Such identifiable costs will increase in the second half of the year following the successful fundraise for Quickline.

A reconciliation of the adjusted EBITDA to statutory operating profit for 1H19 of £0.7m (1H18: £4.7m loss) is shown below:

	Unaudited	**Unaudited**	**Audited**
	6 months to 31 May 2019 £000	**6 months to 31 May 2018 £000**	**12 months to 30 November 2018 £000**
Adjusted EBITDA	4,335	2,773	6,806
Depreciation	(1,439)	(1,593)	(6,629)
Amortisation	(1,892)	(4,560)	(7,491)
Adjusted EBIT	1,004	(3,380)	(7,314)
Share based payments	(204)	(250)	(395)
Exceptional items relating to M&A, integration and the establishment of the network partnerships.	(101)	(1,047)	(5,290)
Statutory operating profit / (loss)	**699**	**(4,677)**	**(12,999)**

Revenue and adjusted EBITDA in 1H19 and the comparative period is segmented by geography as follows:

	Revenue			Adjusted EBITDA		
	Unaudited	**Unaudited**	**Audited**	**Unaudited**	**Unaudited**	**Audited**
	6 months to 31 May 2019	**6 months to 31 May 2018**	**12 months to 30 November 2018**	**6 months to 31 May 2019**	**6 months to 31 May 2018**	**12 months to 30 November 2018**
Segment	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
UK	9,667	8,530	16,405	3,031	2,026	2,462
Europe [1]	13,790	8,090	23,780	1,870	1,732	6,524
Australia	7,069	8,431	15,166	1,022	435	1,505
Central and PLC costs [2]	-	-	-	(1,588)	(1,420)	(3,685)
Total	**30,526**	**25,051**	**55,351**	**4,335**	**2,773**	**6,806**

[1] Europe includes Norway, France, Ireland, Poland, Italy and Germany, Sweden, Finland, Poland and Spain
[2] Central costs include finance, IT, marketing and plc costs

The Company has continued to make good progress in expanding its customer base, driven by the impact of organic new adds and the impact of 2018 acquisitions. As a result, total customers increased from 112,720 at the end of the FY18 financial year to 119,188 at the end of the current period.

The Company's total customer base of 119,118 as at 31 May 2019 was split as follows:

- UK: 23% (1H18: 23%)
- Europe: 49% (1H18 44%)
- Australia: 28% (1H18: 33%)

Average revenue per user ("ARPU") increased by 5.8% between 1H18 and 1H19 to £43.70 per month (1H18: £41.32).

Customer average annualised churn was 18% (1H18: 19.2%) in the period. Whilst customer churn is in line with management expectations at this stage, we are confident churn will reduce in the second half of the year as we continue to invest in our customer engagement programmes, our network suppliers offering more compelling services and significant improvements in our customer support platforms come on-stream as planned. Churn has reduced in part due to the migration of certain customers to better network packages, plus we are seeing lower churn in Quickline and Skymesh due to improvement in services provided and faster networks.

Interest costs during the half year to 31 May 2019 remained constant at £1.1m (1H18: £1.1m). The difference between the charge in the income statement and the interest paid in the cash flow statement relates to the accrued redemption premium on the BGF debt.

Cash flow Analysis

Underlying operating cash flows improved to £2.3m in 1H19 from outflows of (£1.0m) in 1H18. This reflects an uplift in adjusted EBITDA of £1.6m as well as a £1.8m improvement in underlying working capital. This underlying operating cash flow improvement results in an EBITDA conversion of 54% 1H19 versus (37%) in 1H18.

As highlighted at the year-end, we have had great support from our main airtime suppliers, and we will continue to work with them to ensure that trading and payment terms are appropriate alongside marketing and product support to ultimately ensure that the customer continues to get better product offerings.

Tax and interest paid increased slightly to £0.7m in 1H19 from £0.6m in 1H18.

Purchase of assets of £3.4m in 1H19 compares to £0.9m in 1H18 as the Group continues to invest in its fixed wireless infrastructure in addition to investing in providing PPP customers with equipment for the services provided, previously supplied direct by networks.

The net summary of the above is an improvement in Equity free cash flow to (£1.8m) in 1H19 from (£2.6m) in 1H18 as follows:

	Unaudited 6 months to 31 May 2019	**Unaudited 6 months to 31 May 2018**	**Audited 12 months to 30 November 2018**
Underlying Operating cash flows[1]	2,327	(1,016)	7,402
Interest and Tax	(731)	(640)	(1,496)
Purchase of assets	(3,386)	(934)	(2,282)
Equity free cash flow (outflow)/inflow	**(1,790)**	**(2,590)**	**3,624**

[1]Underlying Operating Cash flows is before interest, tax, forex, non-cash items and exceptional items relating to M&A, integration costs and investment in network partnerships

Net debt increased by £5m in the period from £11.9m to £16.9m, as anticipated by management. This increase reflects the equity free cash outflow of £1.8m detailed above together with an outflow of £0.9m due to exceptional costs relating to M&A and integration costs in addition to the investments in network partnerships. In addition, Quickline's successful post acquisition performance resulted in a £2.0m earnout payment. Following the post balance sheet event refinancing of Quickline, there will be no further earn outs payable.

Management expects net debt to reduce in 2H19, following the Quickline transaction and further improvements in underlying cash flow. We expect the net debt/EBITDA ratio to reduce to less than 1.5x by the end of the current financial year, notwithstanding ongoing investment to support growth.

Net debt comprises:

	Unaudited 6 months to 31 May 2019 £000	**Unaudited 6 months to 31 May 2018 £000**	**Audited 12 months to 30 November 2018 £000**
Cash	3,363	7,445	5,067
Debt	(20,256)	(16,889)	(16,979)
Net Debt	(16,893)	(9,444)	(11,912)

Bigblu Broadband plc
Condensed consolidated statement of comprehensive income
6 months ended 31 May 2019

	Unaudited 6 months to 31 May 2019 £000	Unaudited 6 months to 31 May 2018 £000	Audited 12 months to 30 November 2018 £000
Continuing Operations			
Revenue	**30,526**	**25,051**	**55,351**
Cost of goods sold	(17,198)	(15,685)	(32,859)
Gross Profit	**13,328**	**9,366**	**22,492**
Distribution and administration expenses	(8,993)	(6,593)	(15,686)
Depreciation and amortisation	(3,331)	(6,153)	(14,120)
M&A, integration and the establishment of the network partnerships costs	(101)	(1,047)	(5,290)
Share based payments	(204)	(250)	(395)
Operating Profit / (Loss)	**699**	**(4,677)**	**(12,999)**
Interest Payable	(1,096)	(1,060)	(2,167)
Loss before Tax	**(397)**	**(5,737)**	**(15,166)**
Tax on continuing operations	(280)	133	1,870
Loss for the period	**(677)**	**(5,604)**	**(13,296)**
Other comprehensive income			
Foreign currency translation difference	221	(84)	(394)
Total comprehensive Income	**(456)**	**(5,688)**	**(13,690)**
Loss per share			
from continuing operations			
Basic (pence)	**(1.2)**	**(12.1)**	**(25.8)**

Bigblu Broadband plc

Condensed consolidated statement of financial position

As at 31 May 2019

	Unaudited As at 31 May 2019 £000	Unaudited As at 31 May 2018 £000	Audited As at 30 Nov 2018 £000
Non-Current Assets			
Property Plant and Equipment	7,067	7,097	5,517
Intangible assets	34,610	35,571	36,087
Investments	26	345	53
Total Fixed Assets	**41,703**	**43,013**	**41,657**
Current Assets			
Inventory	2,818	1,512	1,950
Trade & Other Debtors	13,999	7,338	9,893
Deferred Tax asset	882	622	882
Cash and Cash Equivalents	3,363	7,445	5,067
Total Current Assets	**21,062**	**16,917**	**17,792**
Current Liabilities			
Trade Payables	(10,274)	(8,051)	(9,677)
Other Creditors and Accruals	(19,194)	(14,052)	(18,682)
Payroll taxes	(830)	(843)	(936)
VAT	(2,101)	(1,987)	(2,018)
Total Current Liabilities	**(32,399)**	**(24,933)**	**(31,313)**
Non-Current Liabilities			
Loans and debt facilities	(20,256)	(16,889)	(16,979)
Other payables	-	-	(409)
Deferred taxation	(657)	(1,292)	(657)
Total Non-Current Liabilities	**(20,913)**	**(18,181)**	**(18,045)**
Total Liabilities	**(53,312)**	**(43,114)**	**(49,358)**
Net Assets	**9,453**	**16,816**	**10,091**
Equity			
Share Capital	8,522	8,446	8,506
Share Premium	23,900	23,900	23,900
Other Reserves	12,074	11,055	12,272
Revenue Reserves	(35,043)	(26,585)	(34,587)
Total Equity	**9,453**	**16,816**	**10,091**

Bigblu Broadband plc

Condensed consolidated Cash Flow Statement

	Unaudited 6 months to 31 May 2019 £000	Unaudited 6 months to 31 May 2018 £000	Audited 12 months to 30 November 2018 £000
Loss after tax for the year	**(677)**	**(5,604)**	**(13,296)**
Interest	1,096	1,060	2,167
Taxation	280	(133)	(1,870)
Amortisation and impairment of intangible assets	1,892	4,559	7,491
Depreciation charge	1,439	1,594	6,629
Share based payments	204	250	395
Foreign exchange variance and other non-cash items	163	(365)	(130)
Release of grant creditors	(615)	(391)	(2,556)
Movement in working capital[1]	(4,318)	1,887	6,040
Operating cash flows generated / (used) in operating activities	**(536)**	**2,857**	**4,870**
Investing activities			
Interest paid	(782)	(640)	(1,478)
Tax refund / (paid)	51	-	(18)
Purchase of assets	(3,386)	(934)	(2,282)
Purchase of intangibles	(308)	(4,739)	(5,498)
Purchase of investments	(333)	(6,433)	(8,169)
Net cash used in investing activities	**(4,758)**	**(12,746)**	**(17,445)**
Financing activities			
Proceeds from issue of ordinary share capital net	310	11,542	11,948
Cash within subsidiaries acquired	-	1,742	1,491
Loans received subsidiaries acquired	-	400	459
Loan repayments	(70)	(52)	(108)
Proceeds from Loans	3,350	250	400
Cash generated from financing activities	**3,590**	**13,882**	**14,190**
Net increase / (decrease) in cash and cash equivalents	(1,704)	3,993	1,615
Cash and cash equivalents at beginning of period	5,067	3,452	3,452
Cash and cash equivalents at end of period	**3,363**	**7,445**	**5,067**

[1] See page 8 for narrative on working capital

Bigblu Broadband plc

Condensed consolidated Reserves Movement

6 months ended 31 May 2019

	Share Capital	Share Premium	Other Reserves	Revenue Reserve	Total
	£000	£000	£000 Note 4	£000	£000
At 31 May 2018	**8,446**	**23,900**	**11,055**	**(26,585)**	**16,816**
Profit / (Loss) for the period	-	-	-	(8,002)	(8,002)
Issue of shares	60	-	-	-	60
Share option reserve	-	-	393	-	393
Foreign Exchange Translation	-	-	824	-	824
At 30 November 2018	**8,506**	**23,900**	**12,272**	**(34,587)**	**10,091**
Profit / (Loss) for the period	-	-	-	(456)	(456)
Issue of shares	16	-	89	-	105
Share option reserve	-	-	204	-	204
Foreign Exchange Translation	-	-	(491)	-	(491)
At 31 May 2019	**8,522**	**23,900**	**12,074**	**(35,043)**	**9,453**

1. Presentation of financial information and accounting policies

Basis of preparation

The condensed consolidated financial statements are for the half year to 31 May 2019.

The nature of the company's operations and its principal activities is the provision of last mile (incorporating Satellite and Wireless) broadband telecommunications and associated / related services and products.

The company prepares its consolidated financial statements in accordance with International Accounting Standards ("IAS") and International Financial Reporting Standards ("IFRS") as adopted by the EU. The financial statements have been prepared on the historical cost basis, except for the revaluation of financial instruments.

The company has adopted IFRS 15 'Revenue Recognition' in the current year with no impact on the way that the company report revenue.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements are disclosed further. The principal accounting policies set out below have been consistently applied to all the periods presented in these financial statements, except as stated below.

Going concern

The Directors have prepared and reviewed projected cash flows for the Company reflecting its current level of activity and anticipated future plan for the next 12 months. The Company is currently posted an operating profit after amortisation charges, and a loss before tax after interest, and will continue to be so for the foreseeable future, as the Company continues to invest in the business growth strategy of acquiring similar businesses. The business continues to grow the number of users in a number of key target markets and continues to review the short-term business model of the company by which the company becomes profitable and delivers a return on the investments.

The Board has concluded that no matters have come to their attention which suggest that the Company will not be able to maintain its current terms of trade with customers and suppliers. The Company's forecasts for the newly combined Company, and taking into consideration the expected operating profit forecast for the current year to continue, as well as taking account of possible changes in trading performance, indicate that the Company has sufficient cash available to continue in operational existence throughout the forecast period and beyond. As a consequence, the Board believes that the Company is well placed to manage its business risks and longer-term strategic objectives, successfully. Accordingly, they continue to adopt the going concern basis in preparing these results.

Estimates and judgments

The preparation of a condensed set of financial statements requires management to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities at each period end. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and adjusted assumptions are reviewed on an ongoing basis.

In preparing these condensed set of consolidated financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimating uncertainty were principally the same as those applied to the Company's and Individual company's financial statements for the year ended 30 November 2018.

Basis of consolidation

The condensed consolidated financial statements comprise the financial statements of Bigblu Broadband Group plc and its controlled entities. The financial statements of controlled entities are included in the consolidated financial statements from the date control commences until the date control ceases.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All inter-company balances and transactions have been eliminated in full.

2. Loss per share

Basic loss per share is calculated by dividing the loss attributable to shareholders by the weighted average number of ordinary shares in issue during the period.

IAS 33 requires presentation of diluted EPS when a company could be called upon to issue shares that would decrease earnings per share or increase the loss per share. For a loss-making company with outstanding share options, net loss per share would be decreased by the exercise of options. Therefore, as per IAS33:36, the antidilutive potential ordinary shares are disregarded in the calculation of diluted EPS.

Reconciliation of the profit and weighted average number of shares used in the calculation are set out below:

At 31 May 2018	Loss	Weighted average number of shares	Per share amount
Basic and Diluted EPS	**£000**	**units**	**Pence**
Loss attributable to shareholders:			
- Continuing operations	(5,604)	46,462,281	(12.06)

At 31 May 2019	Loss	Weighted average Number of Shares	Per share amount
Basic and Diluted EPS	**£000**	**units**	**Pence**
Loss attributable to shareholders:			
- Continuing operations	(677)	56,723,149	(1.19)

Adjusted EPS* for the half year to 31 May 2019 of 2.68p and half year to 31 May 2018 of 0.54p.

* Adjusted EPS is EPS before share based payments and exceptional items relating to M&A, integration costs and investment in network partnerships and amortisation charges, divided by the weighted average number of shares over the period.

3. Other Reserves Movements

	Listing Cost reserve £000	Merger Relief reserve £000	Reverse acquisition reserve £000	Other equity reserve £000	Foreign exchange translation reserve £000	Share option reserve £000	Total capital reserves £000
At 31 May 2018	**(219)**	**16,233**	**(3,317)**	**271**	**(2,980)**	**1,067**	**11,055**
Foreign exchange translation	-	-	-	-	824	-	824
Equity settled share-based payments	-	-	-	-	-	393	393
At 30 November 2018	**(219)**	**16,233**	**(3,317)**	**271**	**(2,156)**	**1,460**	**12,272**
Other equity	-	-	-	-	-	89	89
Foreign exchange translation	-	-	-	-	(491)	-	(491)
Equity settled share-based payments	-	-	-	-	-	204	204
At 31 May 2019	**(219)**	**16,233**	**(3,317)**	**271**	**(2,647)**	**1,753**	**12,074**

4. Other capital reserves continued

Listing cost reserve
The listing cost reserve arose from expenses incurred on AIM listing.

Other equity reserve
Other Equity relates to the element of the BGF Convertible Loan which has been grossed up but may be shown net.

Reverse acquisition reserve
The reverse acquisition reserve relates to the reverse acquisition of Satellite Solutions Worldwide Limited by Bigblu Broadband Group plc on 12 May 2015.

Foreign exchange translation reserve
The foreign exchange translation reserve is used to record exchange difference arising from the translation of the financial statements of foreign operations.

Share option reserve
The share option reserve is used for the issue of share options during the year plus charges relating to previously issued options.

Merger relief reserve
The merger relief reserve relates to the share premium attributable to shares issued in relation to the acquisition of Bigblu Operations Limited (Previously Satellite Solutions Worldwide Limited)

5. Availability of the Interim Report

A copy of these results will be made available for inspection at the Company's registered office during normal business hours on any weekday. The Company's registered office is at Broadband House, 108 Churchill Road, Bicester OX26 4XD. The Company is registered in England No. 9223439.

A copy can also be downloaded from the Company's website at https://bbb-plc.com/