



Bigblu Broadband plc

('BBB', the 'Company' or the 'Group')

Audited final results for the year ended 30 November 2022

Strong revenue growth, expanded product range and primed for further value realisation

Bigblu Broadband plc (AIM: BBB.L), a leading provider of alternative super-fast and ultra-fast broadband services, announces its audited results for the period ended 30 November 2022 (the "Period"). The Company has operations in Australasia, the Nordics and a residual shareholding in Quickline Communications ("Quickline").

During the Period, BBB delivered positive progress with strong revenue and profit growth in the Australasian region. The trading performance of the Norwegian business was impacted in the year by a cyber-attack to its satellite provider and by delays in the 5G product launch. Quickline, which the Group still has a retained interest of 4.0% in, has undergone significant scaling since BBB sold its majority shareholding in this company in June 21 with the support of its new owner Northleaf Capital Partners, including £70m of additional capital, and can now address around 300,000 premises with its hybrid Fixed Wireless and Full Fibre infrastructure.

Whilst the Company operates in several different geographies, the directors remain confident in the future growth prospects of the business and the Board will continue its focus on ensuring it can maximise the inherent value within the Company and deliver further shareholder returns.

Financial Highlights

- Total revenue increased 15.1% to £31.2m (FY21: £27.1m)
- Like for like revenue growth¹ of 12.3% (FY21: 15.3%)
- Average Revenue per User per Month improved 9.5% to £43.03 (FY21: £39.30) due in the main to an improved product mix
- Adjusted EBITDA² in the period improved by 11.4% to £5.1m (FY21: £4.6m)
- Adjusted PAT³ was £0.2m after increased depreciation of £1.6m, amortisation of £0.7m (FY21: £2.5m) and a tax charge of £1.0m (FY21: tax credit £0.1m)
- Adjusted EPS⁴ profit of 0.3p (FY21: profit 4.3p) with reported EPS loss of 5.0p (FY21: Profit 46.9p)
- Adjusted Operating cash inflow⁵ of £5.8m (FY21: Inflow £5.2m)
- Adjusted Free cash inflow⁶ of £3.7m (FY21: inflow £2.1m)
- Net cash⁷ at 30 November 2022 was £4.2m (FY21: £5.2m) after the payment of £1.2m following the acquisition of the customers and assets of Clear Networks (Pty) in January 2022.

Operational Highlights

- Total customers at the period end were 59.4k (FY21: 58.8k) of which Australasia represents 51.5k customers (87%).
- The acquisition of c.2.2k satellite and fixed wireless customers together with certain business assets of Clear Networks (Pty) Ltd ("Clear") ISP in Australia, was completed post regulatory approval in January 2022.
- The distribution agreement the Norwegian business entered into with Telenor is providing next generation ultrafast broadband via Fixed Wireless Access using 5G technology ("5G FWA"), delivering speeds up to 500 Mbps with unlimited data packages. Although at the start of the year this was running six months behind schedule, due to equipment shortages, it has now reached c.1k customers with month-on-month growth and significantly lower annualised churn rates, reflecting greater customer satisfaction with the products.

- On 21 December 2021 the Company signed a Distribution Partner Agreement with OneWeb, to distribute low Earth Orbit (“LEO”) satellite based broadband services.
- Progress in New Zealand (“NZ”) market with our Asia Pacific broadband satellite partner, Kacific Broadband Satellites Group was initially slow however we are pleased to report that NZ has fully opened its borders after the long pandemic closure, which will allow us to drive activity alongside new products being launched in the market. We have also recruited a local experienced sales executive, in the country, and progress is accelerating.
- Post period end, BBB acquired the Satellite operations of Harbour ISP PTY LTD, a subsidiary of Uniti Group LTD in Australia (the “Acquisition”), with the consideration paid on completion of AUD\$4.72m (£2.7m), paid from existing cash resources. This acquisition, combined with the Clear acquisition, will result in SkyMesh having an enlarged market share of 45% of the NBN Co satellite market across Australia, focused primarily in the rural and suburban market segments.

1 Like for like (LFL) revenue treats acquired businesses as if they were owned for the same period across both the current and prior year whilst business disposed of in the period are excluded from the calculation. Such numbers are adjusted for constant currency and non-recurring items such as government support.

2 Adjusted EBITDA is stated before interest, taxation, depreciation, amortization, share based payments and exceptional items. It also excludes property lease costs which, under IFRS 16, are replaced by depreciation and interest charges.

3 Adjusted PAT represents adjusted EBITDA less interest, taxation, depreciation, and amortisation.

4 Adjusted EPS is adjusted PAT divided by the weighted average number of shares over the period.

5 Adjusted Operating cash flow relates to the amount of cash generated from the Group’s operating activities and is calculated as follows: Profit/(Loss) before Tax adjusted for Depreciation, Amortisation, Share Based Payments and adjusting for changes in Working Capital and non-cash items and excludes items identified as exceptional in nature.

6 Adjusted Free cash flow being cash (used)/generated by the Group after investment in capital expenditure, servicing of debt and payment of taxes and excludes items identified as exceptional in nature.

7 Cash / Net debt excludes lease-related liabilities of £1.4m of under IFRS 16 (FY21 £1.4m).

Key Financials

During the year there was a focus on launching new products in new territories, with Telenor 4G/5G FWA in Norway and Kacific Satellite in NZ as well as significant marketing campaigns to migrate c.9k customers in Australia to more suitable products which the business believe should help to reduce churn in the future.

Total revenue was £31.2m, up 15.1% (FY21: £27.1m) with a strong recurring revenue remaining above 90% of total revenue. Total like-for-like (LFL) revenue for the Continuing Group in the period was £30.4m representing 12.3% growth.

Balancing margin control with continued focus on overheads during the period resulted in an adjusted EBITDA for the period of £5.1m, representing an adjusted EBITDA margin of 16.3% compared to £4.6m in FY21 and an adjusted EBITDA margin of 16.9% despite the challenges of a Cyber Attack and the costs of launching new products in new territories.

Andrew Walwyn, Chief Executive Office of Bigblu Broadband plc, commented

We are very pleased with the overall performance of the Group. We started the year with a couple of setbacks, especially in our Nordic business, but we have continued to focus on customer service and providing our customers with attractive packages. Our Australian business has complemented its organic growth opportunity with two acquisitions and we will continue to target suitable bolt-on opportunities.

The Board remains focused on maximising value and returns for shareholders. The combination of strong underlying operating cashflows, favorable market dynamics and opportunities available to our business units provides a strong backdrop for delivering enhanced shareholder value.”

For further information:

Bigblu Broadband Group PLC

Andrew Walwyn, Chief Executive Officer
Frank Waters, Chief Financial Officer

www.bbb-plc.com

Tel: +44 (0)20 7220 0500

finnCap (Nomad and Broker)

Marc Milmo / Simon Hicks / Charlie Beeson (Corporate Finance)
Tim Redfern / Harriet Ward (ECM)

Tel: +44 (0)20 7220 0500

About Bigblu Broadband plc

Bigblu Broadband plc (AIM: BBB.L), is a leading provider of alternative superfast and ultrafast broadband solutions throughout Australasia and the Nordics. BBB delivers a portfolio of superfast and ultrafast wireless broadband products for consumers and businesses typically unserved or underserved by fibre.

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 ultrafast broadband services increases around the world.

BBB's range of solutions includes satellite, next generation fixed wireless and 4G/5G FWA delivering between 30 Mbps and 500Mbps for consumers, and up to 1 Gbps for businesses. BBB provides customers with a full range of services including hardware supply, installation, pre-and post-sale support, billings, and collections, whilst offering appropriate tariffs depending on each end user's 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 broadband and broadband services. BBB's alternative broadband offerings present a customer experience that is broadly 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

We started the year with a couple of initial setbacks, including a cyber-attack to one of our satellite providers affecting c.3k customers in Norway, as well as a delayed 5G launch in the region due to chip shortages. Despite this we are satisfied with the continued progress shown by the Group in the Period.

Extensive effort has been made across the business units to switch customers into more attractive packages at the expense of net adds, with c.9k migrations in the period and net adds of 0.6k, of which c.2.2k were associated with the Clear acquisition in Australia. We ended the period with 59.4k customers. The recently completed Uniti transaction has increased our total customer base to c.66k and we remain focused on our strategy in Australia of organic growth combined with targeting suitable bolt-on acquisition opportunities. In addition, we remain focused on creating and realising shareholder value for BBB Shareholders and in this regards we are exploring all options for the Australasian business including a potential ASX listing.

The necessary investment made to improve our offerings in Norway, resulted in c.1k new FWA 5G customers at the period end. Work is still required to improve the performance of the Norwegian business including product offerings, costs and systems. We also remain focused on ensuring our operations are run as efficiently as possible and post period end regrettably we have had to make some headcount reductions in our Norwegian business.

Despite the global economic environment, the Group continues to demonstrate strong year-on-year revenue growth underpinned with a high percentage of recurring revenue. We remain confident in our ability to deliver further attractive returns for shareholders from our operations in Australasia and to realise a return from the Norwegian business together with the 4.0% equity stake in Quickline. As we enter the new financial year, there are opportunities for each business unit to deliver further shareholder value as we continue to support customers unserved and underserved in the digital divide, whilst at the same time improving our product range. Operationally we will remain focused, in conjunction with our network partners, on increasing gross adds and reducing churn as well as ensuring our customers are on the most suitable packages and receive the best customer support. Alongside this, we will continue to seek to deliver against our strategic objective of maximising and realising shareholder value.

Operational Review

The Group has two distinct businesses, in Australasia and the Nordics, with a total of c66k customers post the Unity acquisition and given their respective strengths, each of the business units has potential opportunities to enhance further shareholder value.

Australasia

Our Australian business SkyMesh, is the leading Australian satellite broadband service provider having been named Best Satellite NBN Provider for the fourth year in succession (2019-2022). SkyMesh has continued to be the market leader in the satellite broadband market with a total market share post the recent Uniti transaction of c.40% (FY21: c.36%).

SkyMesh is consolidating its purchase of Clear Networks and expanded into NZ during the year and the recently announced acquisition of the satellite customers of Uniti further strengthens our position in the market.

Our Australasian business performed well during the year. As a result of a growth in customers together with ARPU improvements, SkyMesh revenues increased to £26.5m (PY: £21.8m), up 21.6% (LFL excluding the Clear acquisition is 14.2%) on prior year, with adjusted EBITDA of £5.0m, up 25.1% on prior year (FY21: £4.0m). The Clear acquisition contributed EBITDA of £0.3m. This trading performance supported both a positive adjusted operating cash inflow³ of £5.6m and a positive adjusted underlying free cash flow, before group transfers of £4.4m. Customer numbers closed at 51.5k at year end, an increase of 3.5% on the prior year (FY21: 49.7k), which includes the customers acquired from Clear (2.2k).

Post period end, we completed the acquisition of the Uniti satellite operations with c.6k customers which are now in the process of being transferred to SkyMesh by the Company's half year.

The emergence of 5G and LEO satellite technologies is expected to lead to accelerated uptake of non-fibre broadband internet services in Australasia. Starlink has launched in the region with strong initial promotional offers. This is impacting current churn rates and we are monitoring such marketing activity. We believe we can counter such threats to the business by expanding the product offerings as well as addressable markets. Further acquisitions and new product opportunities are emerging as SkyMesh heads into 2023 with its product offering likely to offer faster speeds / capacity, leading to continued increases in customer numbers.

The Board's focus will be on organic growth with our network partners together with suitable accretive bolt on acquisitions that could accelerate the Company's presence into the wider Australasia region and importantly accelerate the scaling of the Australasian business. In addition, the Board continues to explore all options to realise value for BBB shareholders from SkyMesh, which could include an ASX listing of SkyMesh.

Nordic Region

Reflecting the decrease in customer numbers associated with the impact of the satellite cyber-attack on the satellite provider to our Norwegian business and the demounting of non-profitable sites, BB Norge (rebranded Brdy.AS.no), ended FY22 with customer numbers at 7.9k, down on the previous year (FY21: 9.1k). Consequently, revenues for BB Norge were £4.0m, down 13.0% on the prior year (FY21: £4.6m). After some initial delays, the 4G/5G FWA revenue stream has grown in FY22 and is now contributing to early growth in new customers and revenue. Adjusted EBITDA for the region was £1.0m, down 47.3% on prior year (FY21: £1.9m). Adjusted operating cash was an outflow of £0.1m and adjusted underlying free cash flow was an outflow of £1.0m following capital expenditure of £0.9m and set up costs associated with the 5G FWA of £0.2m. As noted above, post period end further cost saving initiatives were implemented in the region and regrettably we have had to make some headcount reductions in this business.

During the Period the Group invested in refining and enhancing the Company's service proposition in the Nordic market to support the next generation ultrafast broadband via wireless 5G FWA, delivering speeds up to 500 Mbps with unlimited data packages. As reported previously this is beginning to show early momentum with growing traction in the market (c.1k customers) and great customer satisfaction being reported.

The Board continues to evaluate the opportunity to refine and enhance the Group's service proposition in the Nordic market. Initiatives include the launch of new satellite offerings across the region offering speeds of 50Mbps and unlimited capacity. The Directors consider that the Group's ability to offer a combination of services including our own Fixed Wireless network, 5G FWA via Telenor and satellite solutions in the Nordics provides the Group with potentially scope to expand its presence and reach in this region and create shareholder value. At the same time the Board are examining all opportunities to realise shareholder value including full or partial disposal, partnership, or a merger.

Operational Performance

Net customer growth in 2022, was approximately 0.6k (post the 1.8k loss of customers in the Nordics following the cyber-attack event and demounting, and the 2.2k net adds from the Clear acquisition), resulting in a closing continuing customer base of 59.4k (FY21: 58.8k).

Total revenue including recurring airtime and other income (equipment sales and installation sales) covering continuing operations for 12 months shows a solid underlying performance of £31.2m (FY21: £27.1m) with revenue growth of 15.1%.

Revenue in satellite was £24.7m, up on prior year by 14% (FY21: £21.7m) due in the main to customer growth, plan switching in Australasia, and the satellite base acquired from Clear. Revenue in fixed wireless was £4.9m, up on prior year by 7% (FY21: £4.6m) Revenue in 5G was £0.9m in the year (FY21: £nil) due to growth in Norway. PLC added £0.7m (FY21: £0.7m) from services related revenue.

Recurring revenue, defined as revenue generated from the Group's broadband airtime, which is typically linked to contracts at £28.9m represented 93% of total revenue (FY21 £25.6m represented 94% of total revenue).

Average Revenue Per User ("ARPU") increased 9.5% year on year to £43.03 (FY21: £39.30) due in the main to a higher percentage mix of larger packages across the Australian region. Average underlying customer churn increased to 28.4% (FY21: 21.3%), as a result of the removal of COVID Support tariffs in Australia and the continued fibre encroachment in Norway.

Adjusted EBITDA for the period was £5.1m, showing a solid underlying performance, and representing an adjusted EBITDA margin of 16.3% compared to £4.6m in FY21 on a like for like basis and an adjusted EBITDA margin of 16.9%. This continues to demonstrate the progress made in driving the quality of the consumer offering, the margin review work being undertaken and improving cost efficiencies.

Accelerating Technology Evolution

Products

The Nordics have entered the 5G market through an agreement with Telenor allowing the Group to promote a 'white-label' offering of self-install wireless broadband, which is a niche product and, although it has run approximately six months behind schedule, at c 1k customers at the period end it will allow the Group to target a far wider customer audience across Norway.

Thanks to our partnerships on Satellite broadband access, we have also been able to stabilise our customer base allowing us to now have a good foundation for the launch of the next generation satellites over the coming years.

Across Australasia, SkyMesh expects to be able to offer a fibre like service via Satellite from the sky, with 100 Mbps download speeds, <70 milli-second latency and unlimited data allowances across its key territories over the next couple of years with the launch of significant new satellite capacity. With the acquisition of Clear Networks there will also be an increased focus on the business market and new product offerings from NBN Co will allow expansion into the fixed wireless market with a view to combining satellite and fixed wireless technologies to offer high quality services to both the residential and business sectors in regional and remote areas.

Marketing

Whilst we use a digital-first strategy to both acquire and retain new and existing customers we also promote our Refer-a-friend programmes in country. For customer acquisition, we target in-market prospects based on geography, broadband speed and purchase intent. Channels used vary depending on in-country results, blending Facebook, Google, Bing and lead-generation partners in order to achieve our internal KPI's in terms of cost per lead and cost per activation. We deploy a suite of engaging content from ad copy, through to static display ads and customer testimonial videos. Most important of all is word of mouth or customer referral, hence the importance of looking after our existing customers by proactively migrating them to more appropriate tariffs in our Australasian business.

Continued Government Support

We remain focused on helping governments in our current markets to achieve their targets of delivering ultrafast and gigabit capable broadband connections nationwide. We remain convinced that it will be difficult for governments to meet these challenging targets without the use of alternative technologies such as fixed wireless and satellite broadband. Indeed, many governments have already launched 'intervention schemes'. These are aimed at stimulating the market and educating consumers about the options available to them - given that full fibre broadband to the premises is unlikely to become a reality for many customers.

In Australia, SkyMesh commanded a 55% market share of net new adds under the Government funded NBNCo scheme during the last financial year. This performance has continued into Q1 FY23.

Post Balance Sheet Events

We highlight the following post balance sheet events:

SkyMesh, Australia

The Company announced that its fully owned Australian business, SkyMesh PTY LTD had completed the acquisition of the Satellite operations of Harbour ISP PTY LTD, a subsidiary of Uniti Group LTD in Australia (the "Acquisition"). The total cash consideration paid on completion was AUD\$4.72m (£2.7m) with a retention of AUD\$0.2m (£0.1m), to be paid in March 2023 post reconciliation of customer numbers. The cash consideration paid on completion was satisfied from existing cash resources including our revolving credit facilities with Santander. The satellite operations acquired consisted of c.6k customers. The customer base is being transferred to SkyMesh who will provide full ongoing support services from its Australian Customer Engagement Centre. Pursuant to the terms of the acquisition agreement, Uniti will continue to provide services for up to three months post completion to ensure a smooth transition of the customer base. As previously announced, the Directors anticipate that the acquired operations are expected to generate annualised revenues of c.£2.5m and EBITDA of c.£0.7m with positive cash generation, enabling the Group to continue to reinvest and grow the business in the Australian market. The Directors believe that the profitability of operations acquired should improve under Bigblu Broadband's ownership due to the Group's better operational gearing, economies of scale and SkyMesh's dedicated focus on customers in this sector.

Post Period redundancies / reorganisations

Since the year end the Group has gone through a reorganisation of our Norwegian business and also reflected on our reduced UK scale. This has resulted in redundancies in our Norway business and our UK head office.

In Norway we are examining splitting the business into two legal entities, recognising the different attributes of each being our Satellite and 5G technology business, typically lower CAPEX, and our infrastructure business, typically higher CAPEX. This has resulted in making approximately 30% of the workforce in our Nordic business redundant in the first quarter of 2023, with an annualised cost saving of c.£0.4m.

Due to the size of the Group, after the recent disposals in FY20 and FY21, the Group has sought to reduce head office costs to a level sustainable for the current continuing operations. This will result in approximately 75% of the central team being made redundant, with annualised savings in the region of £0.5m. The internal process has commenced with all planned redundancies expected to be complete by May 2023.

Strategy

Within the business units, we have worked continuously with our network partners in the regions to offer our customers a selection of products that best suits their needs. We continue to see the demand for our products increasing with an element of home working in the Nordics and Australasia now being the norm, and the consequential need for faster broadband solutions to the home. Whilst recognising the pressure on individuals and companies' disposal income and profits, we firmly believe that the updated solution set that the Group offers to its customers is becoming more important and a very necessary utility cost. The opportunity in the super-fast broadband market remains exciting across the businesses as it is changing significantly and accelerating at pace. Where in the past a service of 30Mbps was seen as an appropriate solution to a typical customer, nowadays this is upward of 50Mbps and our satellite, fixed wireless and FWA 5G solutions will ensure that all unserved and underserved customers can receive an appropriate solution. We are pleased that our network partners are continuously developing products to meet customer needs.

Specifically, following the recent acquisitions for the SkyMesh business in Australia, the Board believes that its strategy of organic growth complemented by further bolt-on acquisitions should accelerate the Company's presence into the wider Australasia region as it considers all options to realise value for shareholders, including a potential spin out ASX listing, as previously announced. The Board continues to believe the business has the potential to achieve 100,000 customers in the region over the next three years through organic and acquisitive growth.

In Norway, following the launch of new FWA 5G products and the new Satellite offerings, we are showing early signs of stabilizing, although the business remains cash consumptive.

The Board will continue to look at all opportunities to maximise shareholder value from its operations in Australasia, Norway and its retained 4.0% stake in Quickline.

Outlook

The Group has positioned itself at the forefront of the alternative super-fast and ultrafast broadband industry in its chosen markets. Similar to many businesses, there are current headwinds which require addressing and consideration in how we operate and deliver services, including existing and new customers disposable incomes, inflationary pressures together with competition from other providers such as Starlink. We continue taken the actions necessary in carefully extending our product offerings, upgrading our systems and reducing our cost base to address such challenges head on.

Since the period end, the Group is growing customers, revenues and profitability, supported by the Harbour acquisition. The Group has continued its objectives of widening the product offerings in each territory with our Network Partners while still benefiting from the strong visibility afforded by the high percentage of recurring revenues. Across our operations, work continues to improve the performance by upgrading the systems and reducing the cost base.

We continue to develop products and solutions with our network partners that will enable customers to operate as effectively as possible, particularly at a time where increasing numbers of customers are likely to be working from home, whether full time or part time.

The Board believes that the Group has valuable assets that have established important strategic positions in in their respective territories and the Board therefore believes that it is well positioned to ensure it can continue to focus on maximising and delivering enhanced shareholder value.

Andrew Walwyn
CEO
20 March 2023

FINANCIAL REVIEW

2022 was another important year for the Group having demonstrated strong progress against its internal and market expectations for Revenue, EBITDA and cash targets as well as identify and complete important acquisitions in Australia in the period and just after. We reviewed and increased our Revolving Credit Facilities (“RCF”) with continued support from Santander and the Group generated adjusted operating cash in excess of 100% of EBITDA.

The focus of the Board now turns to creating additional shareholder value from the remaining business units being our Australasian operations (SkyMesh Australia, Brdy New Zealand) and, our Nordics business (Brdy). In addition, the Company also continues to hold a valuable minority interest in Quickline.

The Board remains focused on delivering further increases in shareholder value from its remaining business units through organic growth whilst considering selective accretive acquisitions in the territories we operate in.

Financial Review

Total revenue including recurring airtime and other income (equipment sales and installation sales) in the period was £31.2m (FY21: £27.1m).

Adjusted EBITDA was £5.1m (FY21: £4.6m), representing an adjusted EBITDA margin of 16.3% (FY21: 16.9%).

Depreciation, including ‘right of use assets’, increased to £3.0m in FY21 from £1.4m in FY21, an increase of £1.6m analysed as follows; depreciation associated with the tower upgrade program investment in Norway in FY21 (£0.5m), an impairment write down of old assets in the Norwegian region (£1.0m), and the assets acquired through the Clear acquisition (£0.1m)

Amortisation increased to £0.7m in FY22 from £21k in FY21 due to the amortisation on the customer base acquired from Clear Networks in the year (£1.4m), which will be written off over a 2-year period from acquisition.

Finance costs were £0.1m in FY22 relating to the undrawn RCF facility in the period compared with £0.8m in FY21 where there were drawn RCF facilities.

Key Performance Indicators

The Group utilises several Key Performance Indicators ('KPI's') to measure performance against our strategy. A description of these KPI's and performance against them is set out below.

KPI	2022	2021	Description	2022 performance
Customer Base	59,385	58,832	Represents total gross organic connections plus acquisitions, less disposals, less lost customers (churn) and base management, including demounting	1% increase despite cyber-attack and delayed 4G / 5G launch
Customer Net Connections	2,336	6,024	Represents gross connections in the period less lost customers (churn) in the period. Includes M&A and excludes exceptional churn.	Net connections split c.1.8k Australia and c.0.5k Norway. Focus during period was on switchers with c 9k during the period. Switchers arise where we proactively migrate a customer to a more
Gross Underlying Churn	28.4%	21.3%	Gross underlying churn defined as the number of subscribers who discontinue their service as a percentage of the average total number of subscribers within the period and excludes exceptional churn in association with the demounting program in Norway	Underlying churn rate of 30.3% (FY21: 28.6%) in Australia following removal of COVID support and 22.4% (FY21: 15.2%) in Norway. (35.1% (FY21: 39%) in Norway Including demounting churn)
ARPU	£43.03	£39.30	Calculated by dividing total revenues from all sources by the average customer base	Higher by 9.5% due in the main to improved product mix.
Revenue	£31.2m	£27.1m	Revenue includes sales from all operations. Like for like (LFL) revenue treats acquired businesses as if they were owned for the same period across both the current and prior year and adjusts for constant currency, omitting any distinct differences that skew the numbers. Business disposed of in the period are	Total Revenue increased by 15.1%. LFL revenues in 2022 were £30.4m, resulting in a 12.3% increase on a constant currency basis and adjusting for such items as M&A activity in periods.
Adjusted EBITDA	£5.1m	£4.6m	Earnings before share based payments, depreciation, intangible amortisation, impairment costs, acquisition costs, one-off employee related costs, deal related costs and start-up costs is the measure of the Group's operating performance. It evaluates performance without factoring in financing decisions, accounting decisions or tax environments or provisions for potential legal costs, share based	Adjusted EBITDA increase of 11.4% (£0.5m) driven by revenue growth and the acquisition of customers from Clear Networks, which contributed £0.2m of EBITDA in FY22. EBITDA Margin of 16.3% (FY21: 16.9%) following increased marketing spend of £0.2m and £0.2m increased Australian Headcount costs.
KPI	2022	2021	Description	2022 performance

Adjusted Operating Cash Flow - Continuing Operations	£5.8m	£5.2m	Adjusted Operating cash flow relates to the amount of cash generated from the Group's operating activities and is calculated as follows: Profit/(Loss) before Tax adjusted for Depreciation, Amortisation, Share Based Payments and adjusting for	Adjusted operating cash inflow was £5.8m (FY21: £5.2m), an improvement of £0.6m YOY, due to increased EBITDA (£0.5m), lower forex and non-cash charge (£0.9m), and lower working capital improvement year on year £0.9m.
Adjusted Free Cash Flow – Continuing Operations	£3.7m	£2.1m	Adjusted Free cash flow being cash (used)/generated by the Group after investment in capital expenditure, servicing of debt and payment of taxes and excludes items identified as exceptional in nature.	Adjusted free cash inflow in the year was £3.7m (FY21: £2.1m), an improvement of £1.6m YOY. Operating cash inflow improved £0.6m, lower capital expenditure of £0.8m at £1.4m (FY21: £2.2m) and lower interest by £0.3m at £0.1m (FY21: £0.4m), offset by increased tax charge of £0.1m at
Basic EPS	(5.0p)	46.9p	Basic Earnings per share (EPS) is the portion of the Continued and discontinued business's loss of £2.9m (FY21: Profit £27.0m) divided by the weighted average number of shares.	Represents increased loss in the year. Prior year reflected the gain on disposal of majority interest in Quickline to Northleaf
Adjusted EPS	0.3p	4.3p	Adjusted Earnings per share (EPS) is the Continued business's profit/(loss) after tax before exceptional costs divided by the weighted average	Reduced due to increased depreciation and amortisation and higher tax charges

Total customers at the period end including in-flight customers for continuing operations were 59.4k (FY21: 58.8k). During the year we delivered underlying 0.9k net adds (FY21: 6k). This is summarised as follows:

	FY22	FY21
	000	000
Organic		
Opening base	58.8	57.2
Switched out customers	(9.0)	(3.0)
Switched in customers	9.0	3.0
Gross Adds	16.7	20.4
Acquisition	2.2	-
Churn	(16.5)	(14.4)
Net Growth	2.4	6.0

Exceptional churn	(1.8)	(4.4)
-------------------	-------	-------

Closing Base	59.4	58.8
---------------------	-------------	-------------

Underlying churn rates (defined as the number of subscribers who discontinue their service as a percentage of the average total number of subscribers within the period) increased to an average annualised churn rate of 28.4% in FY22 (FY21: 21.3%), before exceptional churn of 1.8k, relating to the cyber-attack in Norway during the year (1.6k) and the final elements of the demounting project commenced in FY21 (0.2k).

In our Nordics business underlying churn was 22.4% (35.1% including exceptional demounted customers). (FY21: 15.2%).

In our Australian business underlying churn was 30.3% (FY21: 28.6%) due to the removal of COVID Support packages and continued technical challenges on the Skymuster plus product, which will be updated in FY23 to an improved product which would be more attractive in terms of speed and data packages, which should reduce churn. Competitors, such as Starlink, have also contributed to the churn with aggressive marketing, and we continue to work with NBNCo to counter this.

In the first three months of FY23, underlying churn has slightly reduced, and importantly we are starting to roll out next generation products in Australia, New Zealand and Norway.

Revenue

Total revenue including recurring airtime and other income (equipment sales and installation sales) for the period increased by £4.1m (15.1%) to £31.2m (FY21: £27.1m). Total revenue on a like-for-like and constant currency basis increased in the year by 12.3%, (FY21: increase 15.3%) as the Group continued to add customers during the year but importantly improved ARPU by 9.5%.

ARPU, calculated by dividing total revenues from all sources by the average customer base, in 2022 was £43.03 per month (FY21: £39.30) due to higher revenues, specific to the Skymuster Plus products in Australia as well as switching customers to more appropriate packages.

Revenue in the period from satellite was £24.7m (FY21: £21.7m) which reflected continued growth in our Australian business as well as ARPU improvements, and revenue from fixed wireless increased to £6.5m (FY21: £4.6m).

Recurring revenue, defined as revenue generated from the Group's broadband airtime, which is typically linked to contracts and monthly subscriptions, was £28.9m in the period, representing 93% of total continuing revenue (FY21: 94%).

Margins and profitability

Gross profit margin was c.43%. (FY21: c.45%) due in the main to the planned product mix changes. In Norway increased 5G revenue at lower margins resulted in a 10.6% decrease in margins from 79.7% to 71.2%. In Australia gross profit improved 2.5% from 35.8% to 36.7% due to product mix.

Distribution and Administrative Expenses, pre-exceptional costs, increased to £11.7m (FY21: £9.0m) due to increased headcount costs, marketing costs, depreciation and amortisation on the customer acquisition from Clear. Post items identified as exceptional in nature, these expenses increased to £14.3m (FY21: £13.1m) representing 47.3% of revenue (FY21: 48.2%) due to specific deal related and operational exceptional costs.

Adjusted EBITDA increased 11.4% for the period at £5.1m representing an adjusted EBITDA margin of 16.3% compared to £4.6m in FY21 and an adjusted EBITDA margin of 16.9%.

Continuing Operations analysis

A reconciliation of the adjusted EBITDA to adjusted PAT of £0.2m (FY21: £2.5m profit) is shown below:

		2022	2021
		£000	£000
Adjusted EBITDA	1	5,101	4,577
Depreciation	2	(3,042)	(1,390)
Amortisation	3	(702)	-
Adjusted EBIT		1,357	3,187
Share based payments		(309)	(163)
Continuing Operations operating profit – pre-exceptional items		1,048	3,024
Exceptional items relating to M&A and restructuring activities	4	(2,707)	(3,922)
Continuing Operations Statutory operating loss – post exceptional items		(1,659)	(898)
Adjusted EBIT		1,357	3,187
Interest charge	5	(124)	(798)
Tax (charge) / credit	6	(1,031)	76
Adjusted PAT		202	2,465

Group Statutory Results and EBITDA Reconciliation

- Adjusted EBITDA (before share based payments, depreciation, intangible amortisation, impairment of goodwill, refinancing, fundraising, acquisition, employee related costs, deal related costs and start-up costs) improved 11.4% to £5.1m (FY21: £4.6m).
- Depreciation increased to £3.0m in FY22 from £1.4m in FY21 due to the capitalisation of costs associated with the upgrading project in Norway last financial year now being depreciated (£0.5m), an impairment depreciation charge of £1.0m due to old infrastructure assets written down in Norway following the demounting exercise, and depreciation of assets acquired with Clear (£0.1m).
- Amortisation increased to £0.7m from Nil in FY21 following the acquisition of the Clear customer base. During the year we undertook a full review of the carrying value of Goodwill, with the review resulting in no requirement for an impairment.

4. The Group incurred expenses in the period that are considered exceptional in nature and therefore appropriate to identify. These comprise:
 - a. £1.3m (FY21: £2.0m) of acquisition, deal, legal and other costs relating to M&A and restructuring activities during the period. These costs comprise mainly professional and legal fees.
 - b. £0.3m (FY21: £0.4m) employee restructuring costs primarily in the Nordics.
 - c. £0.5m (FY20: £0.6m) associated with the cost of the demounting program in Norway
 - d. £0.1m (FY20: £nil) associated with the new RCF facility with Santander
 - e. £0.3m (FY20: £nil) development costs for the new Pathfinder system in Australia
 - f. £0.1m setup costs for the New Zealand operations

5. The interest charge in the year of £0.1m related to the RCF facility with Santander (FY21: £0.7m).

6. The tax charge of £1.0m (FY20: £0.2m) relates to our Australia business on taxable profits (£0.3m) and a deferred tax asset adjustment relating to our Norway business (£0.7m). Prior year also included a deferred tax credit adjustment in our Norwegian business of £0.3m

Customer Base, Revenue, Adjusted EBITDA in FY22 and the comparative period for Continuing Group is segmented by the following categories as follows:

	Customer Base				Revenue			Adjusted EBITDA		
	2022		2021		2022	2021		2022	2021	
	Num ber 000's	%	Numb er 000's	%	£m	£m	%	£m	£m	%
Australia	51.5	87%	49.7	84%	26.5	21.8	22%	5.0	4.0	25%
Norway	7.9	13%	9.1	16%	4.0	4.6	(13%)	1.0	1.9	(47%)
Pre-Central	59.4	100%	58.8	100%	30.5	26.4	15%	6.0	5.9	2%
Central Revenue and Costs ¹	-		-		0.7	0.7	0%	(0.9)	(1.3)	31%
Total	59.4	100%	58.8	100%	31.2	27.1	15%	5.1	4.6	11%

¹ Central revenue includes recharges for post-sale services and central costs include finance, IT, HR and plc costs.

	Customer Base by Technology and Region							
	2022	2022	2022		2021	2021	2021	
	Satellit e	F i x e d Wireless/	Total	%	Satellite	F i x e d Wireless/	Total	%
	000's	000's	000's	%	000's	000's	000's	%
Australia	44.0	7.5	51.5	87%	42.4	7.3	49.7	84%
Norway	2.9	5.0	7.9	13%	1.6	7.5	9.1	16%

Total	46.9	12.5	59.4	100%	44.0	14.8	58.8	100%
--------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------

From the above analysis for Continuing Operations year on year movements from a Customer Base, Revenue, Adjusted EBITDA and product mix perspective are analysed as follows:

1. Australasia

- a. There was customer net growth of 1.8k over the course of the year, including the c2.2k from the Clear acquisition.
- b. During the year there were a number of customers switching contracts (c.9k)
- c. The increase in revenue of £4.7m was a result of the continued growth in customer numbers, the acquisition of customers from Clear, and an improved APRU from £37.83 to £43.65.
- d. Importantly, EBITDA improved by 25% following continued cost efficiencies across the company.

2. Norway

- a. Net underlying customers growth was 0.6k before exceptional churn of 1.8k relating to customers associated with the demounting (0.2k) and the cyber-attack (1.6k).
- b. Revenue in the year reduced £0.6m due to the loss of these customers, although ARPU increased from £35.81 to £39.32 due to price increases in the year
- c. Adjusted EBITDA reduced by £0.9m, to £1.0m during the year, reflecting the lower revenue and fixed costs associated with operating leases.

3. PLC

- a. Revenue was in line with prior year at £0.7m relating to invoiced support services to a third party.
- b. With lower costs this resulted in EBITDA losses improving by 31% at £0.9m.

Cashflow performance

Adjusted Free Cash Flow in the year, before exceptional and M&A activities undertaken by the Group, was an inflow of £3.7m (FY21: inflow £2.1m). This reflects the improved operating cashflow of £0.6m, lower capital expenditure of £0.8m at £1.4m (FY21: £2.2m) and lower interest by £0.3m, at £0.1m (FY21: £0.4m), offset by increased tax charge of £0.1m at £0.6m (FY21: £0.5m). The underlying cash flow performance analysis seeks to clearly identify underlying cash generation within the Continuing Group, and separately identify the cash impact of identified exceptional items including refinancing, fundraising M&A activity cash costs and is presented as follows:

		2022	2021
		£000	£000
Adjusted EBITDA		5,101	4,577
Underlying movement of working capital	1	777	1,742
Forex and other non-cash items	2	(113)	(1,085)
Adjusted operating cash inflow before interest, tax Capex and exceptional items	3	5,765	5,234
Tax and interest paid	4	(663)	(906)

Purchase of Assets	5	(1,432)	(2,208)
Adjusted free cash inflow before exceptional and M&A items		3,670	2,120
Exceptional items relating to refinancing, fundraising, M&A, integration and the establishment of network partnerships	6	(2,707)	(3,922)
Free cash inflow/(outflow) after exceptional items		963	(1,802)
Investing activities	7	(1,154)	31,041
Movement in cash from Discontinued operations	8	(120)	(2,209)
Movement in working capital from discontinued	9	-	(2,339)
Financing activities	10	(695)	(34,796)
Decrease in cash balances		(1,006)	(10,105)

1. Underlying movement in working capital was an inflow of £0.8m (FY21: inflow £1.7m). This reflects the inflow of receipts from accrued income (£2.8m), lower receipts in Trade Debtors (£0.2m), the outflow of investment in 5G stock (£0.4m) and increased Creditors payments (£1.4m).
2. Forex and non-cash represent an improvement on FY21 of a lower outflow in the year £0.1m (FY21: outflow £1.1m). This reflects the currency revaluation of key balance sheet accounts using the closing rate as at 30 November of a charge £0.2m (FY21: £0.9m) and non-cash movements relating in a credit of £0.1m (FY21: Charge £0.2m).
3. This resulted in an adjusted operating cash flow before Interest, Tax, Capital expenditure and Exceptional items of £5.8m inflow (FY21: £5.2m inflow), and an adjusted operating cash flow to EBITDA conversion of 113% (FY21: positive 114%).
4. Tax and interest paid was £0.7m (FY21: £0.9m) on a like-for-like basis. This covers interest on the RCF facility and leases (£0.1m) and monthly taxation paid by our Australian business (£0.5m). Final corporation tax calculations for the financial year show year-on-year tax savings in excess of £0.4m.
5. Purchases of assets in FY22 were £1.4m (FY21: £2.2m). These purchases included the fixed wireless investment in Norway of £0.7m, installations and IT costs of £0.3m and other £0.4m.
6. Exceptional items relating to M&A, finance raising and restructuring costs of £2.7m (FY21: £3.9m).
7. In FY22 investing activities includes the acquisition of customers and assets of Clear Networks (£1.2m). In FY21 sales proceeds from the disposal of subsidiaries were £31.1m cash (excluding consideration satisfied by equity investments) less the purchase of intangibles (£0.1m).
8. Relates to costs associated with the discontinued operations (£2.2m in FY21 retained by the entities disposed of in the year).
9. Represents the movement in the Group's working capital due to the deconsolidation of the disposed businesses in FY21.

10. The outflow in the year of £0.7m relates to lease principal payments. In FY21 the major financing activities included the return of capital to shareholders of £26.1m outflow, the repayment of the Santander RCF facility £8.4m together with £0.8m lease principal payments, offset by the issuance of shares from the exercise of options generating an inflow of £34.8m.

Net Cash reconciliation

	2022	2021
	£000	£000
Opening Net Cash	5,201	7,419
Loss after tax from Continuing operations	(2,814)	(1,620)
Interest charge	124	798
Depreciation	3,042	1,390
Amortisation	702	-
Tax charge / (Credit)	1,031	(76)
Share Based payments	309	163
Exceptional costs	2,707	3,922
Adjusted EBITDA	5,101	4,577
Forex movement and other non-cash	(118)	(1,085)
Movement in Working Capital	782	1,742
Cash inflow from Continuing operations	5,765	5,234
Interest paid	(124)	(411)
Tax paid	(539)	(495)
Underlying inflow from Continuing operations	5,102	4,328

Purchase of Assets	(1,432)	(2,208)
Adjusted inflow Continuing operations Free Cash Flow	3,670	2,120
Exceptional items relating to refinancing, fundraising, M&A, integration and the establishment of network partnerships	(2,707)	(3,922)
Adjusted free cash inflow/(outflow) after exceptional and M&A items	963	(1,802)
Investment activities	(1,154)	31,041
Movement in working capital from discontinued operations	-	(2,339)
Financing activities	(695)	(34,796)
Movement in Cash from Continuing operations	(886)	(7,896)
Outflow in cash from Discontinued operations	(120)	(2,209)
Movement in Net Cash	(1,006)	(10,105)
Decrease in Debt	-	7,887
Closing Net Cash	4,195	5,201

Cash and net debt for the overall Group is summarised as follows:

	2022	2021
	£000	£000
Opening Net Cash	5,201	7,419
Decrease in loans: offset in financing activities		
Facilities Repaid	-	7,887
Cash outflow from operating activities	(567)	(1,640)
Cash generated in investing activities	256	22,591
Cash outflow from financing activities	(695)	(31,056)
Movement in Net Cash	(1,006)	(2,218)
Closing Net Cash	4,195	5,201

Composition of closing net debt

Net cash and cash equivalents	4,195	5,201
Bank loans	-	-
Net Cash	4,195	5,201

Net Cash

Net cash and cash equivalents	4,195	5,201
Discontinued operations cash	-	-
Adjusted net cash	4,195	5,201

Adjusted Net Cash (Debt) / Adjusted EBITDA **0.82x** **1.13x**

Adjusted Net Cash (Debt) inc IFRS16 / Adjusted EBITDA **0.54x** **0.82x**

Net cash reduced from £5.2m in 2021 to a net cash position of £4.2m, a reduction of £1.0m in the year, as detailed in the net cash reconciliation above. 2021 includes the repayment of the debt (£8.4m) and the return of Capital (£26.1m)

The table above excludes the lease liabilities of £1.4m (FY21: £1.4m). Including this amount would give a total adjusted net cash of £2.8m (FY21: Adjusted net cash £3.8m) and a ratio of adjusted net cash to adjusted Group EBITDA before IFRS 16 of 0.54x (FY21: Adjusted net cash 0.82x).

Consolidated Statement of Financial Position

There was a step change in the balance sheet following the performance in the year with increased Revenue (£31.2m) and EBITDA (£5.1m).

Fixed Assets reduced in the year to £2.9m (FY21: £4.1m), following the purchase of new fixed assets (£1.4m), less disposals (£0.1m), and adjusted for depreciation provided in the year (£3.0m) and positive foreign exchange movements £0.2m.

Intangible Assets increased to £7.4m (FY21: £5.6m) due to the IP addresses and contracts relating to the Clear acquisition £2.3m plus software development of £0.2m less amortization of £0.7m. Software development costs of £0.4m were reclassified from PP&E. Following a review in FY22 there was no requirement for an impairment of the carrying value of the Company's goodwill.

Working Capital

Inventory days increased to 24 days (FY21: 13 days) as we purposefully increased stock holdings in Norway by £0.4m, to £1.1m (FY21: 0.7m) to support the 5G offering given global shortages during the financial year.

Trade Debtor days slightly increased to 9 days (FY21: 7 days) with £0.2m increase in the closing Trade Debtors year on year.

Trade Creditor days increased to 77 days (FY21: 81 days) due to agreed revised extended payment terms with suppliers to support our 5G growth in Norway.

Earnings per share

	2022	2021
Basic earnings per share	(5.0p)	46.9p
Diluted earnings per share	(5.0p)	45.6p
Basic adjusted earnings per share	0.3p	4.3p

The Group delivered a basic loss per share of 5.0p (2021: basic profit per share of 46.9p as a result of the material exceptional profit) and fully diluted loss per share of 5.0p (2021: fully diluted profit per share of 45.6p). Adjusted earnings per share (before exceptional items) was a profit per share of 0.3p (2021: profit per share of 4.3p).

Basic EPS

Basic EPS was a loss of 5.0p per share in 2022, down from a profit of 46.9p in 2021, largely due to the sale of the discontinued businesses in FY21.

Diluted EPS

Diluted EPS is a calculation used to gauge the quality of a company's earnings per share (EPS) if all share options are exercised. Diluted EPS was a loss of 5.0p per share in 2022 from a profit of 45.6p in 2021.

Basic adjusted earnings per share

Basic EPS was a reduced profit of 0.3p per share in FY22 from a profit of 4.3p in FY21, largely due to the increased depreciation and amortisation, as well as the increased tax charge in the year.

Streamlined Energy and Carbon Reporting

Large UK companies are required to report their levels of greenhouse gases (GHG) emissions in their annual report and accounts. This obligation is for Scope 1 (direct) and Scope 2 (indirect) emissions, only to the extent that emissions are the responsibility of the Company. Direct emissions originate from combustion of natural gas and fleet vehicles, whilst indirect emissions are based on purchased electricity. Scope 3 emissions are included below only to the extent that the Company is responsible for purchasing the fuel.

Emissions are calculated following the UK Government GHG Conversion Factors for Group Reporting 2020 and UK Government Environmental Reporting Guidelines. Emissions are based on the Group's UK sales and operations. An intensity ratio of carbon dioxide equivalent (CO2e) per £1m of revenue has been selected which will allow a comparison of performance over the time and with other similar types of businesses. The data below represents the GHG emissions from the UK disposal of Quickline for the period up to the 10 June 2021. Continuing UK operations comprising only central and head office functions emit less than 40MWh and are regarded as a low energy user. Accordingly, no emission or energy consumption figures for the Company are included in the following table.

	2022	2021
	Tonnes CO2e	Tonnes CO2e
Source of Emissions		
Direct Emissions – Scope 1 – Gas and Vehicle fleet	-	113
Indirect Emissions – Scope 2 – Electricity	-	3
Indirect emissions – Scope 3 – Employee cars	-	-

Gross Emissions	-	116
Turnover – UK discontinued operations £m	-	3.2
Tonnes CO2e per £1m of revenue	-	35.6
Energy consumption used to calculate emissions – MWh	-	846

Accounting standards

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as endorsed and adopted for use in the EU. There have been no changes to IFRS standards this year that have a material impact on the Group's results. No forthcoming new IFRS standards are expected to have a material impact on the financial statements of the Group.

Dividend

The directors do not recommend the payment of a dividend (2021: £Nil)

Going Concern

The Directors have prepared and reviewed projected cash flows for the Group, reflecting its current level of activity and anticipated future plan for the next 12 months, from the date of signing. The Group is currently loss-making, mainly as a result of depreciation, amortisation and exceptional charges. The business continues to grow customer numbers and revenue in key target markets and continues to monitor the short-term business model of the Group.

The Board have identified the key risks, and these include:

- Slower revenue growth, EBITDA and cash generation if sales activities, installations or activations decrease over the period
- Reduced ARPU if market pressures result in discounting customer products to support them
- Increased churn could be experienced if services levels are not as expected due to volumes of traffic, personnel shortages, and capacity constraints
- Increased bad debt as customers suffer income loss
- Increased CAPEX costs to support growth targets or shipping delays

The Board also recognises a number of significant mitigating factors that could protect the future going concern of the business. These include:

- Super-fast Broadband is already an essential utility for many and even more so now, it is likely to be one of the last services that customers will stop paying for
- Increased self-install / tripods to offset any installation delays
- Reduced CAPEX / discretionary spend
- Support from Network Partners for the business and customers
- Strong support from banking partners with an increased RCF facility of £10m

The Board has conducted stress tests against our business performance metrics to ensure that we can manage any continuing risks. We recognise that a number of our business activities could be impacted, and we have reflected these in this analysis including supply chain disruptions, delays in sales or installations, earnings, or cash generation. By modelling sensitivities in specific KPIs such as volume of activations, churn, ARPU, margin, overhead and FOREX, management is satisfied that it can manage these risks over the going concern period.

Furthermore, management has in place and continues to develop robust plans to protect EBITDA and cash during this period of uncertainty and disruption. Under this plan identified items include reducing discretionary spend, postponing discretionary Capex, reducing marketing, freezing all headcount increases, working with suppliers on terms particularly our network partners and ultimately seeking relief, as appropriate, from the various forms of Government support being put into place.

The Board believes that the Group is well placed to manage its business risks and longer-term strategic objectives, successfully. The latest management information shows a strong net cash position, and in terms of volumes, ARPU and churn, we are in fact showing a strong position compared to prior year and budget and indeed the business is seeing a significant increase in demand across all main territories. Accordingly, we continue to adopt the going concern basis in preparing these results.

On behalf of the Board

Frank Waters

Chief Financial Officer

20 March 2023

Bigblu Broadband plc

Condensed consolidated statement of comprehensive income

12 months ended 30 November 2022

		2022	2021
Continuing Operations	Notes	£'000	£'000
Revenue from contracts with customers		31,220	27,067
Cost of sales		(18,121)	(14,899)
Gross profit		13,099	12,168
Distribution expenses	2	(7,480)	(8,734)
Administrative expenses	2	(7,278)	(4,332)

Operating profit		(1,659)	(898)
Finance costs	3	(124)	(798)
(Loss) before tax		(1,783)	(1,696)
Taxation (Charge)/Credit on operations		(1,031)	76
(Loss) from continuing operations		(2,814)	(1,620)
Profit from discontinued operations	4	(120)	28,373
(Loss)/Profit for the year		(2,934)	26,753
Other comprehensive expense			
Foreign currency translation difference		206	(355)
Total comprehensive (loss)/income for the year		(2,728)	26,398

Total comprehensive (loss)/income for the year is attributable to:

Owners of Bigblu Broadband Plc	(2,728)	26,682
Non-controlling interests	-	(284)

Earnings per share from profit attributable to the ordinary equity holders of the company

Total – Basic EPS	5	(5.0p)	46.9p
Total – Diluted EPS	5	(5.0p)	45.6p
Continuing operations – Basic EPS		(4.8p)	(2.8p)
Continuing operations – Diluted EPS		(4.8p)	(2.7p)
Discontinued operations – Basic EPS		(0.2p)	49.7p
Discontinued operations – Diluted EPS		(0.2p)	48.3p

Adjusted earnings per share from continuing operations attributable to the ordinary equity holders of the company

Continuing operations – Adjusted Basic EPS	5	0.3p	4.3p
Continuing operations – Adjusted Diluted EPS	5	0.3p	4.2p

Bigblu Broadband plc**Condensed consolidated statement of financial position****As at 30 November 2022**

		2022	2021
	Notes	£'000	£'000
Assets			
Non-current assets			
Property, plant and equipment		2,881	4,090
Intangible assets		7,433	5,576
Investments		5,830	5,672
Deferred tax asset		303	709
Total non-current assets		16,447	16,047
Current assets			
Cash and cash equivalents		4,195	5,201
Inventory		1,142	699
Trade and other receivables		2,335	4,917
Total current assets		7,672	10,817
Total assets		24,119	26,864
Current liabilities			
Trade and other payables		(8,839)	(9,420)
Provisions for liabilities and charges		(685)	(685)
Total current liabilities		(9,524)	(10,105)
Non-current liabilities			
Other payables		(559)	(835)
Loans		-	-
Deferred tax liability		(646)	(13)
Total non-current liabilities		(902)	(848)
Total liabilities		(10,729)	(10,953)

Net assets		13,390	15,911
<hr/>			
Equity			
Share capital		8,763	8,749
Share premium		8,589	8,589
Share option reserve	6	309	-
Capital redemption reserve	6	26,120	26,120
Other equity reserve	6	-	-
Foreign exchange translation reserve	6	(2,546)	(2,430)
Reverse acquisition reserve	6	(3,317)	(3,317)
Listing cost reserve	6	(219)	(219)
Merger relief reserve	6	-	-
Retained losses	6	(23,309)	(21,581)
<hr/>			
Capital and reserves attributable to owners of Bigblu Broadband Plc		13,390	15,911
Non-controlling interests		-	-
<hr/>			
Total equity		13,390	15,911

Bigblu Broadband plc

Condensed consolidated Cash Flow Statement

12 Months Ended 30 November 2022

	2022	2021
	£'000	£'000
Loss after tax from Continuing operations	(2,814)	(1,620)
Profit after tax from Discontinued operations	(120)	28,373
Profit for the year including discontinued operations	(2,934)	26,753
<hr/>		
Adjustments for:		
Interest charge	124	852
Gain on disposal of subsidiaries	-	(28,942)
Amortisation of intangible assets	702	21
Release of grant payables	-	(285)
Depreciation of property, plant and equipment – owned assets	2,281	1,834
Depreciation of property, plant and equipment – ROU assets	761	836
Tax (credit) / charge	1,031	(76)
Share based payments	309	163

Foreign exchange variance and other non-cash items	(102)	(332)
(Increase) / Decrease in inventories	(440)	39
(Increase) / Decrease in trade and other receivables	(212)	(2,418)
Increase / (Decrease) in trade and other payables	(1,353)	829
(Gain) / loss on disposals of fixed assets	(16)	(8)
Cash (used in) / generated from operations	151	(734)
Interest paid	(124)	(411)
Tax paid	(539)	(495)
Net cash outflow from operating activities	(512)	(1,640)
Investing activities		
Purchase of property, plant and equipment	(1,191)	(6,009)
Purchase of business	(1,211)	-
Purchase of intangibles	(241)	(53)
Cash transferred out of group in disposed of subsidiaries	-	(2,533)
Proceeds from sale of property, plant and equipment	-	92
Proceeds from sale of subsidiary	2,843	31,094
Net cash generated/(used) in investing activities	200	22,591
Financing activities		
Proceeds from issue of ordinary share capital	14	435
Return of capital to shareholders	-	(26,120)
Proceeds from bank revolving credit facility	-	2,000
Loans (paid)	-	(8,400)
Investment by non-controlling interest	-	2,000
Principal elements of lease payments	(708)	(971)
Net cash (outflow) generated from financing activities	(694)	(31,056)
Net (decrease)/increase in cash and cash equivalents	(1,006)	(10,105)
Cash and cash equivalents at beginning of year	5,201	15,306
Cash and cash equivalents at end of year	4,195	5,201

Note that the presentation of the cashflow for 2021 takes into consideration the combined Continued and Discontinued movements in cash

Bigblu Broadband plc
Condensed consolidated Reserves Movement
12 Months Ended 30 November 2022

	Share Capital	Share Premium	Other Reserves	Revenue Reserve	Total
	£000	£000	£000	£000	£000
	Note 6				
At 30 November 2020	8,638	34,180	3,775	(32,403)	14,190
Acquisition of shares in subsidiary by non-controlling interest				422	422
Issue of shares	111	324		27,037	27,037
Share option reserve			163		163
Foreign Exchange Translation			139		139
Return of Capital		(25,915)	16,077	(16,282)	(26,120)
Other comprehensive expense				(355)	(355)
At 30 November 2021	8,749	8,589	20,154	(21,581)	15,911
Loss for the period				(2,934)	(2,934)
Issue of shares	14				14
Share option reserve			309		309
Foreign Exchange Translation			(116)		(116)
Other comprehensive expense				206	206
At 30 November 2022	8,763	8,589	20,347	(24,309)	13,390

1. Presentation of financial information and accounting policies

Basis of preparation

The condensed consolidated financial statements are for the full year to 30 November 2022.

The nature of the Group'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 Group 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 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 Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chief Executive report. The financial position of the Group, its cash flows and liquidity position are described in the Finance Review. In addition, the financial statement includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and its exposures to credit risk and liquidity risk.

In the year to 30 November 2022 the Group generated an adjusted EBITDA from continuing operations before a number of non-cash and start-up costs expenses as shown on page 16, of £5.1m (2021: £4.6m), and with cash inflow from operations before interest, tax and capital expenditure, of £3.6m (2021: inflow of £5.2m) and a net reduction in cash and cash equivalents of £1.0m in the year (2021: decrease £10.1m). The Group balance sheet showed net cash and cash equivalents at 30 November 2022 of £4.2m (2021: £5.2m).

Having reviewed the Group's budgets, projections, prospective covenant compliance, and funding requirements, and taking account of reasonable possible changes in trading performance over the next twelve months, the Directors believe they have reasonable grounds for stating that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the Annual Report and Accounts.

The Board has concluded that no matters have come to its attention which suggest that the Group will not be able to maintain its current terms of trade with customers and suppliers or indeed that it could not adopt relevant measures as outlined in the Strategic report to reduce costs and free cash flow. The latest management information in terms of volumes, debt position, ARPU and Churn are in fact showing a positive position compared to prior year and budget. The forecasts for the combined Group projections, taking account of reasonably possible changes in trading performance, indicate that the Group has sufficient cash available to continue in operational existence throughout the forecast year and beyond. The Board has considered various alternative operating strategies should these be necessary and are satisfied that revised

operating strategies could be adopted if and when necessary. As a consequence, the Board believes that the Group is well placed to manage its business risks, and longer-term strategic objectives, successfully.

Estimates and judgements

The preparation of a condensed set of financial statements requires management to make judgements, 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 underlying assumptions are reviewed on an ongoing basis.

In preparing these condensed set of consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimating uncertainty were principally the same as those applied to the Group's and Individual company's financial statements for the year ended 30 November 2022.

Basis of consolidation The condensed consolidated financial statements comprise the financial statements of Bigblu Broadband 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 intercompany balances and transactions have been eliminated in full.

2. Distribution and Administration Expenditure

Distribution and administration costs for the continued operations are analysed below. This is non-GAAP information, in which the allocation is unaudited.

	2022	2021
	£000	£000
Employee related costs	5,164	5,103
Marketing and communication costs	1,339	1,119
Logistics, Finance, IT, banking, insurance AIM and Other costs	1,495	1,369
Underlying costs	7,998	7,591
% of Revenue	25.7%	28.0%
Depreciation	3,042	1,390
Amortisation	702	-
Underlying Depreciation and Amortisation	3,744	1,390
% of Revenue	12.0%	5.1%
Share based payments	309	163
Professional, legal and related costs associated with corporate activity	2,707	3,922
Identified Exceptional Costs	3,016	4,085

% of Revenue	9.6%	15.1%
Total	14,758	13,066
% of Revenue	47.3%	48.2%

3. Interest Payable and Finance Costs

	2022	2021
	£'000	£'000
Revolving Credit Facility interest payable	38	747
Other interest	6	-
Lease interest expense	78	105
Other finance costs	2	-
Total finance costs	124	852
Finance costs include the following amounts charged to the discontinued operations:		
Bank loan interest payable	-	38
Lease interest expense	-	16
Total interest payable	-	54
Interest split as follows:		
Continued business	124	798
Discontinued business	-	54
Total interest payable	124	852

Interest in the Condensed consolidated statement of comprehensive income is total finance costs less the element associated with the discontinued business.

The Revolving Credit Facility interest payable is in respect of the Santander facility.

4. Profit and loss on Discontinued Operations

There were no business disposals in 2022. Prior year 2021 relates to the sale of QCL Holdings Ltd together with its subsidiaries to Northleaf and is reported in the prior year financials below as a discontinued operation.

Group financial information for 2021 set out below is thus a combination of these two discontinued operations.

Financial performance and cash flow information

	2022	2021
	£'000	£'000
Revenue	-	3,091
Expenses	(120)	(3,896)
Loss before tax	(120)	(805)
Taxation on operations	-	(53)
Loss after tax of discontinued operations	(120)	(858)
Gain on sale of the subsidiary after tax (see below)	-	25,925
Adjustment to fair value of deferred consideration	-	3,306
(Loss) / Profit from discontinued operations	(120)	28,373
Exchange differences on translation of discontinued operations	-	-
Other comprehensive income from discontinued operations	-	-
Net cash inflow/(outflow) from operating activities	-	(3,133)
Net cash inflow from investing activities	-	25,531
Net cash (outflow) from financing activities	-	1,666
Net increase in cash generated by the subsidiaries	-	24,064

Details of sale of subsidiary

Consideration received or receivable:

Cash	-	31,094
Investments	-	5,600
Fair value of contingent consideration	-	-
Total disposal consideration	-	36,694
Carrying amount of net assets sold	-	(13,660)
Elimination of non-controlling interest	-	5,865
Expenses of sale	-	(2,974)
Other Provisions	-	-
Gain on sale before tax	-	25,925
Corporation tax expense on gain	-	-
Gain on sale after tax	-	25,925

5. Profit / (Loss) per share

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

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

30 November 2022			
	Profit/(Loss)	Weighted Average Number of Shares	Per Share Amount Pence
	£'000		
Basic and diluted EPS			
Basic EPS - Loss attributable to shareholders	(2,934)	58,376,211	(5.0)
Adjusted EPS – Adjusted Profit attributable to shareholders from continuing operations	202*	58,376,211	0.3
Basic Diluted EPS – Loss attributable to shareholders	(2,934)	58,376,211	(5.0)
Adjusted Diluted EPS – Adjusted Profit attributable to shareholders from continuing operations	202*	58,376,211	0.3

30 November 2021			
	Profit/(Loss)	Weighted Average Number of Shares	Per Share Amount Pence
	£'000		
Basic and diluted EPS			
Profit for the financial year	26,753		
Add: adjustment for non-controlling interest share of losses	(284)		
Basic EPS - Profit attributable to shareholders	27,037	57,697,017	46.9
Adjusted EPS – Adjusted Profit attributable to shareholders from continuing operations	2,465*	57,697,017	4.3
Basic Diluted EPS – Profit attributable to shareholders	27,037	59,251,343	45.6
Adjusted Diluted EPS – Adjusted Profit attributable to shareholders from continuing operations	2,465*	59,251,343	4.2

The loss attributable to shareholders of £2.9m (2021: £27.0m profit) is the loss for the financial year of £2.9m (2021: £26.8m profit) after adjusting for the add back of the loss attributable to non-controlling interests of £Nil (2021: £0.3m loss).

* Non-GAAP measure, the profit attributable to shareholders from continuing operations is £0.2m (2021: £2.5m profit) after adjusting for the loss related to the sale of the discontinued operations in FY21 and adding back exceptional costs.

6. Other capital reserves

					Foreign			
	Listing	Merger	Reverse	Other	Exchange	Capital	Share	Total
	Cost	Relief	Acquisitio	Equity	Translatio	Redemptio	Option	Capital
	Reserve	Reserve	Reserve	Reserve	Reserve	Reserve	Reserve	Reserve
	£000	£000	£000	£000	£000	£000	£000	£000
At 30 November	(219)	5,972	(3,317)	1,294	(2,569)	-	2,614	3,775
Foreign Exchange Translation					139			139
Credit to equity for equity settled Share based payments							163	163
Return of Capital		(5,972)		(1,294)		26,120	(2,777)	16,077
At 30 November	(219)	-	(3,317)	-	(2,430)	26,120	-	20,154
Foreign Exchange Translation					(116)			(116)
Credit to equity for equity settled Share based payments							309	309
At 30 November	(219)	-	(3,317)	-	(2,546)	26,120	309	20,347

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

- Other equity reserve
 - Other Equity related 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 Bigblu Operations Limited (Formerly Satellite Solutions Worldwide Limited) by Bigblu plc (Formerly Satellite Solutions Worldwide 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.
- Capital Redemption reserve
 - The capital redemption reserve relates to the cash redemption of the bonus B shares issued in order to return c.£26m to ordinary shareholders.
- 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 (Formerly Satellite Solutions Worldwide Limited)

7. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed within the financial statements or related notes.

8. Availability of the Full Year 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 6th Floor, 60 Gracechurch Street, London, EC3V 0HR. The Company is registered in England No. 9223439.

A copy of the full year report will be available in May and can also be downloaded from the Company's website at <https://www.bbb-plc.com>.