

Bigblu Broadband plc
(‘BBB’ or the ‘Company’)

Trading Update for the six month period to 31 May 2022

Continued strong growth across group

Bigblu Broadband plc (AIM: BBB.L), a leading provider of alternative super-fast and ultra-fast broadband services, is pleased to provide a trading update for the six-month period ending 31 May 2022 (the “Period”).

There was demonstrable progress across all the Company’s geographies and business units in the period. Growth in Australia remains strong, there has been encouraging early progress in New Zealand, and in the Nordics the focus was on the introduction of new products following completion of the upgrade program last financial year. The Company is therefore well positioned for the second half of the year.

Financial Highlights - Continuing Operations

- Total revenue increased 13.8% to £14.9m (1H21: £13.1m).
- Like for like revenue growth¹ on a constant currency basis was 15.1% (1H21: 15.6%).
- Adjusted EBITDA² increased 1.4% to £2.0m (1H21: £2.0m).
- Adjusted Operating cash inflow⁵ of £1.3m (1H21: inflow £1.3m).
- Adjusted Free cash inflow⁵ of £0.4m (1H21: inflow £0.3m).
- Net cash⁶ at 31 May 2022 was £4.5m (1H21: £4.1m) after repayment of debt in full and the return of capital to shareholders in the last financial year

Operational Highlights - Continuing Operations

- Total customers at Period end were 60.4k (1H21: 58.3k). As previously announced, one of our Satellite network partners with customers in Ukraine was targeted by a cyber event. This event impacted c.3k of the Company’s Norwegian satellite customers. With the support of our network partner the cyber event is now materially resolved, although we lost approximately 0.5k customers as a result.
- In February 2021, the Company’s Australian business, SkyMesh, signed a Partner Agreement with leading next-generation Asia Pacific broadband satellite operator, Kacific Broadband Satellites Group to provide a high-speed broadband internet service initially across New Zealand. We are pleased to report we are now live and connecting customers in this important market.
- The acquisition of customers and certain business assets of Clear Networks (Pty) Ltd (“Clear”) in Australia was completed in January 2022. Clear is an Australian ISP based in Melbourne offering a suite of NBNC0 broadband products, as well as a private fixed wireless network serving primarily the greater Melbourne area. This acquisition has helped the company strengthen its presence in this area as SkyMesh looks to grow its presence across Australia bringing with it 2.2k customers (3k connections).
- The distribution agreement Bigblu Norge recently entered with Telenor to provide next generation ultrafast broadband via wireless 5G, delivering speeds up to 500 Mbps with unlimited data packages, although running six months behind due to equipment shortages, is beginning to show real momentum and growing traction in the market with great customer satisfaction being reported.

Quickline deferred consideration and rolled equity update

In June 2021, the Company completed the disposal of its majority holding in Quickline to Northleaf for a total cash consideration of up to £41.2m of which up to £10.1m was deferred contingent consideration subject to certain performance conditions (“PC”) being met by March 22, extended to May 22 under certain circumstances, as follows; PC1, to build 100 gigabit capable 5G masts passing 60,000 homes; and PC2, to secure over £10m of new subsidies.

As previously disclosed, Quickline has faced challenges in securing 5G equipment reflecting the global supply issues affecting microchips and associated delays in the commercial launch of stand-alone 5G services which has impacted the timing of 5G being approved by the DCMS as a gigabit capable service. As a result, in the performance period, Quickline was only able to build 41 new FWA masts and only able to secure £2.6m of additional subsidies. This has resulted in zero deferred consideration being receivable.

More positively, supply issues have started to reduce and both 5G and FTTP build programmes are now accelerating, supported by a headcount of over 100 and Quickline is still targeting to pass 500,000

premises as per the original business plan. Northleaf continues to be a great partner having provided significant additional capital to support the SFBB contracts and accelerate the deployment of hybrid 5G and FTTP infrastructure. The Company retains a 5.08% stake in this rapidly growing and well-financed alternative network operator.

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 and adjusts for constant currency and business disposed of in the period are excluded from the calculation.

2 Adjusted EBITDA is stated before interest, taxation, depreciation, amortisation, 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. Adjusted Free cash flow being cash (used)/generated by the Group after investment in capital expenditure, servicing of debt and payment of taxes. Both excludes exceptional items.

6 Cash / Net debt excludes lease-related liabilities of £0.9m of under IFRS 16 (FY21 £4.2m).

Andrew Walwyn, Chief Executive Officer of Bigblu Broadband plc, commented:

" We are pleased with the continued progress shown by the Group in the Period, and the efforts we have made to improve our offering in the Nordic region provides us with optimism that this region can return to growth. In addition, our Australian business continues to perform strongly.

The Board's focus will be on continuing to ensure it can maximise shareholder value from its continuing operations.

Overall, the Company continues to trade in line with expectations and, with extensive experience in the sector and a proven track record of building attractive businesses to deliver shareholder value, the Board remains confident in its ability to ensure it can continue to deliver attractive returns for shareholders from its operations in Australasia and the Nordics."

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 / Richard Chambers (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 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 delivering between 30 Mbps and 150 Mbps for consumers, and up to 1 Gbps for businesses. BBB provides customers 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 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.

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the company's obligations under Article 17 of MAR.

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