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

Trading Update

Double digit like for like growth, and consideration of potential ASX listing for SkyMesh

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 12-month period ended 30 November 2022 (the "Period"). During the Period, BBB delivered positive progress with double-digit like for like revenue growth achieved with particularly strong growth in the Australasian region. The Norwegian business was impacted by a cyber-attack to its satellite provider and by delays in the 5G product launch, which impacted on performance in the period. Quickline, which the Group still have a retained interest in, has undergone significant scaling with the support of Northleaf and has strategically enhanced its platform for growth from an FWA business to a distinguished hybrid GFWA and FTTP player with ambitious growth plans. 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) with like for like revenue growth¹ on a constant currency basis of 13.3% (FY21: 15.3%).
- Adjusted EBITDA² in the Period was £5.0m (FY21: £4.6m) after investment in New Zealand and new product launches in Norway.
- Adjusted Free cash inflow⁴ of £1.5m (FY21: inflow £2.1m) after investment in stock in Norway of c. £1m following chip shortages earlier in the year.
- Net cash⁵ at 30 November 2022 was £4.2m (FY21: £5.2m) following the purchase of the customers and assets of Clear Networks (Pty) Ltd ("Clear") for up to £1.6m.

Operational Highlights

- The acquisition of c.2.2k satellite and fixed wireless customers together with certain business assets of Clear Networks (Pty) Ltd ("Clear") ISP, serving primarily customers in the greater Melbourne area in Australia was completed post regulatory approval in early 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.
- Total customers at the period end were 59.4k (FY21: 58.8k).
- We are pleased with the progress made in the New Zealand ("NZ") market with our Asia Pacific broadband satellite partner, Kacific Broadband Satellites Group and are delighted to report that NZ has fully opened its borders after the long pandemic closure, which will allow us to drive activity. We have also recruited a local experienced sales executive, in country, and progress is accelerating.
- Post period end, we announced that BBB had conditionally acquired the Satellite operations of Harbour ISP PTY LTD, a subsidiary of Uniti Group LTD in Australia (the "Acquisition"), for a total consideration of up to AUD\$5.2m (£2.9m), to be satisfied from existing cash resources. This acquisition, combined with the Clear acquisition, will result in SkyMesh having an enlarged national presence of 45% of the NBN Co satellite market across Australia especially 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 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, 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 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.

4 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.

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

"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 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 net adds of c.2.2k were associated with the Clear acquisition in Australia. We ended the period with 59.4k customers. The recently announced Uniti transaction, on completion, will result in a customer base of c.58k (out of a total Company base of c66k post completion of the Uniti acquisition) in Australasia 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 c1k 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.

Despite the global economic environment, the Group continues to demonstrate strong year on year revenue growth underpinned with a high percentage (c.90%) 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 remaining equity stake in Quickline. As we enter the new financial year, there are opportunities for each business unit to deliver shareholder value as we continue to support customers unserved and underserved in the digital divide, whilst at the same time improving our product range thereby reducing churn. Whilst operationally we remain focused, working 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, we will continue to consider all options in respect of maximising shareholder value."

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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 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.

Key Financials

We ended the year with a customer base of 59.4k (FY21: 58.8k) despite having had to contend with a cyber-attack to our satellite provider in the Nordics which impacted churn during the period, as well as product shortages which delayed the 4G/5G FWA launch with a combined impact of 1.6k in customers, £0.5m in lost revenue and £0.3m in EBITDA. 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 including recurring airtime, equipment, installation sales, network support and the Clear acquisition was £31.2m, up 15.1% (FY21: £27.1m). This increase in revenue reflected a higher number of customers, ARPU progression and favorable FX rates in the period. Recurring airtime revenue, defined as revenue generated from the Company's broadband airtime, which is typically linked to contracts, was £29.6m representing 95% of total revenue (FY21: 95%). Total like-for-like (LFL) revenue for the Continuing Group in the period was £30.7m representing 13.3% growth.

Gross profit margins reduced to 42.5% in FY22 (FY21: 45.0%), due to planned product mix changes with the increase in 5G FWA customers being at slightly lower margins than existing recurring margins for fixed wireless but carrying a higher lifetime value due to lower churn.

Overheads, before items identified as exceptional in nature, increased to £10.8m (FY21: £9.2m) representing 34.6% of revenue (FY21: 33.9%) mainly due to increased marketing costs of £0.4m associated with new product and market launches as well as communications to customers post the cyber-attack, Australasian headcount costs £0.3m and amortisation of the Clear acquisition of £0.5m in the period. Operationally we moved offices in each geography to less expensive more flexible locations which will impact positively in FY23. Significant effort was directed towards pivoting customers and the businesses to a wider hybrid product suite during the period.

Consequently, adjusted EBITDA for the period was £5.0m representing an adjusted EBITDA margin of 16.0% compared to £4.6m in FY21 and an adjusted EBITDA margin of 16.9%.

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 total market share pre the recent Uniti transaction of c.38.5%, a growth of 2.6% year on year.

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

Our Australasian business performed strongly during the year, with customer numbers at 51.5k, an increase of 3.5% on prior year (FY21: 49.7k), which includes the customers acquired from Clear (2.2k). As a result of this growth plus ARPU improvements, SkyMesh revenues increased to £26.5m (LFL: £21.8m), up 21.6% (LFL: 19.3%) on prior year, with adjusted EBITDA of £5.0m, up 25.1% on prior year (FY21: £4.0m), supporting both a positive adjusted operating cash inflow³ of £5.6m and generating a positive adjusted underlying free cash flow before group transfers of £4.4m.

Post period end, we announced the conditional acquisition of the Uniti satellite operations with c6k customers which the Board will look to transfer to Skymesh post completion.

The emergence of 5G and LEO satellite technologies is expected to lead to accelerated uptake of non-fibre broadband internet services in Australasia. Further acquisitions and new product opportunities are emerging as SkyMesh heads into 2023 with its product offering likely to expand, leading to continued increases in customer numbers.

The Board's focus will be on organic growth with our network partners 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.

Norway

Reflecting the decrease in customer numbers associated with the demounting program on non-profitable sites, as well as the impact of the satellite cyber-attack on the satellite provider to our Norwegian business, BB Norge (rebranded Brdy.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 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.

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 create shareholder value and a transaction with management is being considered as a potential option amongst others.

Strategy

Across the regions in which we operate, we have worked hard with our network partners to be able 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 extremely 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.

The Directors consider that, given their respective strengths, each of the remaining business units in Australasia and the Nordics has potential opportunities to enhance shareholder value and therefore the Board will be focused on ensuring that it can fully capitalise on this opportunity.

Specifically post 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 ASX listing. The Board believes 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, whilst early days we are witnessing increased customers and 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 stake in Quickline.

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