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Bigblu Broadband PLC
30 August 2024

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.

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

Interim Results
Progress in realisation strategy, improvements in Australian Operations and significant Quickline Contract wins

Bigblu Broadband plc (AIM: BBB.L), a leading provider of alternative super-fast and ultra-fast broadband services, announces its unaudited interim results for the six months ending 31st May 2024 (the "Period or 1H24"). The Company's continuing operations comprise Skymesh in Australia, as well as the retained residual stake in Quickline Communications ("Quickline") in the UK.

During the period there was continued progress against the Group's stated realisation strategy with the disposal of the Norwegian operations. Importantly we were delighted with the significant contract wins in Quickline where the Company retains a 2.8% shareholding. Following the disposal of our Norwegian operations and with the sole focus on our trading operations in Australia, we have undertaken a further rationalisation of the central cost base.

Financial Highlights - Continuing Operations (being the Australian business)

- Total revenue £11.2m (1H23: £13.0m) with a like for like[1] revenue reduction of c.8% as we continued to focus on the migration of customers onto more appropriate packages with a higher lifetime value.
- Adjusted EBITDA[2] in the Period of £1.1m (1H23: £1.5m) with like for like[1] adjusted EBITDA in 1H23 of £1.1m, on a constant currency basis following planned customer migrations and consequent realignment of cost base.
- Adjusted Free cash outflow[3] of £4.5m (1H23: inflow £0.1m), before exceptional items. This reflects planned stock investment of £2.1m in the recently announced Starlink contract as well as anticipated one off working capital requirements associated with the transition to the new systems platform. Consequently, net debt as at 1H24 was £4.9m (1H23: Net debt £0.3m)

Operational Highlights

- **Australia -**
  - As highlighted at the year end, the emergence of 5G and LEO satellite technologies is expected to lead to an accelerated uptake of non-fibre broadband internet services in Australia.
  - Starlink has demonstrated the appetite of consumers for alternative broadband solutions and has successfully progressed in our market. Following the Starlink investment, the Group made in December 2023 in conjunction the distribution contracts, the Group is now able to offer Starlink LEO internet solutions to business and small office / home office workers in Australia as well as UK / Europe which has further strengthened our position in the Australian market. We continue to work with our network partners including NBN Co. to ensure that we have a full suite of product offerings to meet all customer needs. New NBN Co. products recently launched at SkyMesh offer faster speeds and greater data packages than previously offered by the Group, which is expected to lead to further potential increases in customer numbers, satisfaction and improving retention.
  - Post implementation of our new fully integrated Cloud Based Microsoft System "Pathfinder" and the migration of legacy bases onto the same single system, Skymesh customers who may have had multiple accounts with distinctly different billable services (i.e Satellite, Fixed Wireless, VOIP, or email) have been merged into one billable SIO (Service in Operation). This exercise resulted in Skymesh having a total of 52.3k (1H23: 51.4k) unique customers as at 1H24. On a like for like basis, Skymesh increased the customer base by 0.7k customers in 1H24 (1H23: Net churn 1.6k customers) to 52.3k.
  - SkyMesh remains the leading Australian satellite broadband service provider with c50% of all new additions, having been named Best Satellite NBN Provider for the sixth year in succession (2019-2024)

- **Quickline -** Continues to be well supported by Northleaf, who acquired majority control in June 2021. Northleaf has provided £130m of additional funding since acquisition with BBB currently retaining a 2.8% stake. In addition, Quickline has secured a £250m debt facility. Quickline can currently address over 200,000 rural premises with its hybrid FTTP and FWA infrastructure and has over 10,000 customers.

  Quickline has recently secured all four contracts it had tendered under the government's £5bn Project Gigabit programme. The contracts will subsidise the rollout of a full fibre network to more than 170k hard-to-reach rural homes and businesses across Yorkshire and Lincolnshire which have been left behind by commercial rollouts. The contracts have been secured by Quickline following competitive public procurement processes and total c£300m of government subsidy. Quickline will make further private investment alongside Project Gigabit to roll out its full fibre network to around 400k premises in addition to its next generation FWA coverage.

- **Norwegian Operations -** As announced on 20 May 2023, following a full market exercise undertaken by independent advisors, the Group completed the Management Buy Out (MBO) of the business by local management, supported by Andrew Walwyn. The Board believed that this disposal was in the best interests of shareholders. In arriving at this decision, the Board recognised the challenges being faced in the turnaround of the Norwegian business as well as the potential need for further cash investment to grow the business and support any further demounting and migration projects as the Norwegian operations sought to continue its transition to an asset light business. In addition, the disposal of the Norwegian business allowed the Board to reduce annualised central costs by c.£0.4m (including the costs associated with Andrew's position as CEO).

- **Director changes.** In conjunction with the Group's disposal of the Norwegian Operations, Andrew Walwyn resigned from his position as Executive CEO within the plc. As announced at the time of his departure, Andrew has undertaken to support the Board as required, whilst it continues to execute its strategy of realising value for shareholders. Frank Waters became CEO of the plc and will be supported by the new CFO in Australia, Ray Vaughan, who joined on 1 April 2024 is responsible for all financial aspects of the Skymesh operations alongside the Australian management team.

1 Like for like (LFL) revenue and EBITDA is adjusted for new or divested businesses in both the current and prior year and adjusts for non-recurring one off items and constant currency to ensure present underlying LFL.
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 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. 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.
4 Cash / Net debt excludes lease-related liabilities of £0.1 of under IFRS 16 (1H23 £0.9m).

Frank Waters, Chief Executive Officer of Bigblu Broadband plc, commented:

"The overall performance of the Group is in line with the Board's expectations for the first half as we focus exclusively on the Australian business. Skymesh is a leading regional brand champion, The business has undergone significant change with new systems, new branding, new products and importantly new local leadership. Having incurred this investment, the Group will look to capitalise on Skymesh's already strong reputation in remote and regional areas by executing our brand strategy, and with a relentless focus on reliability and excellence in customer service and support. We will also continue to broaden the Skymesh product offering and solutions as appropriate with our Network partners to our existing and new Australian customers and our agreement with Starlink is an excellent step in that direction.

The Board believes that its strategy of organic growth complemented by further product launches should accelerate the Company's presence across Australia with the potential to achieve 80,000 customers over the next three years. Furthermore, the Board continues to assess all options to realise value and returns for shareholders, including a private equity transaction, an MBO, trade sale or an ASX listing of SkyMesh, as previously announced.

For further information:

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About Bigblu Broadband plc

Bigblu Broadband plc (AIM: BBB.L), is an in market leading provider of alternative superfast and ultrafast broadband solutions throughout Australia for consumers and businesses.

High levels of recurring revenue, increasing economies of scale and Government stimulation of the alternative broadband market provides a solid foundation for organic growth as demand for alternative ultrafast broadband services increases around the world.

BBB's range of solutions includes satellite, GEO and LEO, 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, 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 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 billings phones.

CHIEF EXECUTIVE'S REPORT

1H24 was an important half year in many respects. We disposed of the Group's Norwegian operations to a management led team, reducing the risk of significant cash outflows in the near term and at the same time allowing us to further reduce central operating costs across the group. In the period we also launched new products in Australia including Starlink following the signing of the strategically important agreement in December 2023. Operationally post the implementation of new systems in Australia, we have undergone a rationalisation of the call center team to ensure that we deliver improved underlying profitability in Australia in the second half of the year.

It was also very pleasing to note that Quickline, in which the Company retains a 2.8% equity interest, secured momentous contract wins under the UK government's £5bn Project Gigabit programme. The Quickline team backed by Northleaf with support from the UK Infrastructure Bank and NatWest, are now well placed to ensure Quickline boosts rural broadband connectivity across Northern England.

Operational Review

Australia

Skymesh is now at an inflexion point. We have seen the advancement of Starlink in Australia and were therefore delighted to have entered into a distribution agreement with them. At the same time, SkyMesh has worked with its major satellite provider NBNCo to bring uncapped data packages to market for the first time. These new packages are more affordable to a number of customers and are comparable in speed and Skymesh is able to provide in-country support. This expanded suite of uncapped data products at varying price points was released in the period, which the business expects will further enhance the growth potential of Skymesh whilst we also look to managing margins. We are very focused on balancing new product launches with profitable and sustainable cash generative growth whilst bringing the best possible solutions to existing and new customers.

SkyMesh remains the leading Australian satellite broadband service provider, having been named Best Satellite NBN Provider for the sixth year in succession (2019-2024). SkyMesh has continued to be the market leader in the satellite broadband market with total market share in the first half of the year of c50% of NBNCo Skymuster. SkyMesh continues to command a significant market share of all new orders placed and is considered the fastest growing operator in the GEO satellite market. Customer numbers post the implementation of the new system and the consolidation of SIO's as at 1H24 were 52.3k (1H23: 51.4k).

During the last twelve months, SkyMesh upgraded their legacy systems with a total investment of c£1.5m (of which £0.2m was incurred in the period). This brings touchless integration with NBNCo for ordering, provisioning of services and support. The outcome is a more efficient system that enables customers to be set up online faster than ever. The sales process has been streamlined and provides the ability to track orders and sales in real time. The system brings upgraded security and flexibility to integrate with future vendors. This was a large exercise and resulted in a number of teething challenges. We are now seeing a more stable platform and have invested in additional IT headcount resource to drive future systems improvements, reporting and efficiency gains.

Skymesh has also refreshed its branding with a new website, logo and tone of voice, in addition we have launched a market leading consumer facing app in July 2024 which is now available in both Apple and Google stores. The app will redefine the way the business interacts with its customers and further drive efficiencies in the customer experience.

Further new product opportunities are emerging as SkyMesh heads into the second half of 2024 which possess the potential to underpin future growth in customer numbers and performance.

Revenue is underpinned with a high percentage (c.93%) of recurring revenue attached to contracts.

The Board's focus will remain on organic growth with our network partners that can accelerate the Company's presence as well as scaling the Australian business. In addition, the Board continues to explore all options to realise value for BBB shareholders from Skymesh, including a private equity transaction, an MBO/trade sale or an ASX listing of SkyMesh, as previously announced.

Quickline Contract Wins

Quickline has been awarded four contracts under the government's £5bn Project Gigabit programme, securing all four contracts that it bid for and making it the second largest Project Gigabit regional delivery partner. Two of these contracts worth £186m of government support and addressing c.108k premises were awarded in 1H24 following the two contracts worth £105m and addressing 60k premises announced at the time of the year end results. Quickline is also the only provider to be awarded contracts across England's largest county, Yorkshire. The contracts will subsidise the rollout of a full fibre network to more than 170k hard-to-reach rural homes and businesses across Yorkshire and Lincolnshire which have been left behind by commercial rollouts.

Alongside the contracts secured by Quickline which total c£300m of government subsidy under Project Gigabit, Quickline will make further private investment to roll out its full fibre network to around 400k premises in addition to its next generation FWA coverage.

Project Gigabit is the government-backed programme to connect hard-to-reach areas which, without government intervention, would miss out on fast and reliable, gigabit capable broadband. The rollout of Project Gigabit is overseen by Building Digital UK (BDUK) - an executive agency of the Department for Science, Innovation and Technology.

Norway disposal

During the period we announced the disposal of our Norwegian operations for an equity value of £1 to a team led by local management and Andrew Walwyn. In addition, BBB will be entitled to a contingent Consideration as follows: If the Norwegian operations,

- in the period between 17th May 2024 and 16th May 2025, achieves an Adjusted EBITDA of five hundred thousand pounds (£500,000) or more, BBB will receive twenty (20) percent of the Adjusted EBITDA for that period, within six months of the period.
- in the period between 17th May 2025 and 16th May 2026, achieves an Adjusted EBITDA of one million pounds (£1,000,000) or more, BBB will receive twenty (20) percent of the Adjusted EBITDA for that period, within six months of the period.

A deferred consideration is also payable of up to NOK 2.3m (c£0.2m) on the return, or release of the deposit held with networks, or a Trigger Event. In addition, on the occurrence of a Trigger Event, including a listing, an additional consideration shall be payable of 20% of the proceeds less costs.

This business had faced meaningful headwinds over the last few years and the Board had actively been seeking to find an exit for this business. This process included the appointment of external advisors to try and find appropriate buyers for these operations. The management buyout offered the most realistic and quickest exit for the Group without having to potentially incur further costs in the region and the Board believed that this transaction was in the best interests of shareholders.

Board Changes

As part of the acquisition of the Norwegian Operations by local management, Andrew Walwyn also participated in the Buy Out. As a result, Andrew Walwyn resigned during the period from his position as

Executive CEO of the plc. At the time of his departure, it was announced that Andrew had undertaken to support the Board as required whilst it executes its strategy of realising value for shareholders. The Board reiterates its thanks to Andrew for his incredible energy and execution over the years.

Frank Waters became CEO of the plc in addition to his CFO responsibilities, whilst the Board of BBB continues to execute the value realisation strategy. Ray Vaughan who joined on 1 April 2024 as Skymesh CFO will be responsible for all financial aspects of Skymesh.

Post Balance Sheet Events

We highlight the following post balance sheet events:

QCL Contract wins / funding

Post period end, on 1 August 2024 Quickline secured a £250 million debt package comprising a £125 million term loan and £100 million debt guarantee from the UK Infrastructure Bank alongside a £25 million term loan provided by NatWest. This additional funding helps support Quickline's large-scale broadband expansion in Yorkshire and Lincolnshire as it targets passing more than 500k rural premises in these two counties. On completion of the four recently secured contracts under the UK government's Project Gigabit programme Quickline will connect almost 170k homes and businesses to full-fibre broadband in hard-to reach rural areas across Yorkshire and Lincolnshire.

Strategy, Current trading and Outlook - Continuing operations

The Group has positioned itself at the forefront of the alternative super-fast and ultrafast broadband industry in Australia. The demand for our products continues to increase with an element of home working being the norm, and the consequential need for faster and different broadband solutions to the home. Whilst recognising the pressure on individuals and companies' disposal income and profits, we believe that the solution set Skymesh offers its customers is important and a necessary utility cost.

The Group's product portfolio and expanding routes to market mean that it remains one of the most respected companies in its sector in Australia. Skymesh now offers an enhanced NBNCo GEO satellite offering as well as LEO offerings including Starlink and One Web, and a range of Optus 4G / 5G offerings which went to market in July 2024. Working with our network partners c25% of the base has now been transferred to new product offerings with NBNCo, and although early and at lower margins, we are seeing far higher customer satisfaction and reduced churn, giving a higher customer lifetime value.

Skymesh has recently undergone a complete rebranding in line with its expanded product range, its product plan and increased addressable market. The alignment and rationalisation of the central office cost base post the Norwegian disposal and the cost base in Australia post the systems implementation are expected to result in improved 2H24 margins as the business continues to benefit from the improved visibility afforded by the high percentage of recurring revenues. At the same time, we continue to invest in our people and systems in Australia as we seek to realise value in Australia.

As we enter the second half of the financial year, we remain optimistic that opportunities remain to deliver improved shareholder value from our remaining business interests.

We will continue to focus on improving our customer offerings and service wrap to those customers unserved and underserved in the digital divide with changes in the product offering in Australia. Therefore, the Group expects that underlying performance in 2H24 will continue to improve, which reflects the investments made in products, systems and our people. We remain confident in our ability to deliver further returns for shareholders from our operations in Australia together with the remaining equity stake in Quickline.

Frank Waters
CEO

FINANCIAL REVIEW

This financial review describes the performance of the Company during the Period.

We ended the period with a unique customer base of 52.3k (1H23: 51.4k), representing an increase in 1H24 of 0.7k customers in the 6-month period (1H23: Net Churn 1.6k).

Within the Australian market, we continued to focus on working with our network partners to migrate relevant customers to new NBNCo tariffs as appropriate with c1k migrated to more suitable products during the period which the business believes should help to reduce churn in the future. In terms of period end customer mix the 1H24 closing base of 52.3k customers is split as follows:

- Satellite
  - GEO 45.8k (1H23: 45.1k)
  - LEO 0.2k (1H23: nil)
- Fixed Wireless 6.2k (1H23: 6.3k)
- 4G / 5G - 0.1k (1H23: nil)

During the period the Company had gross adds of 9.0k, (1H23: 7.1k), underlying churn of 8.3k (1H23: 8.7k), giving c.0.7k net organic adds (1H23: net organic churn c.1.6k). This is summarised as follows:

	Unaudited	**Unaudited**[4]	**Audited**[4]
	6 months to 31-May-24	**6 months to 31-May-23**	**12 months to 30-Nov-23**
Opening base	**51.6**	**47.8**	**47.8**
Gross Additions[1]	9.0	7.1	15.9
Churn - Underlying[2]	(8.3)	(8.7)	(17.3)

Churn - Underlying	[illegible]	[illegible]	[illegible]
Migrated / Switched out[3]	(0.8)	(1.0)	(4.0)
Migrated / Switched in[3]	0.8	1.0	4.0
Underlying Net Additions / (Churn)	**0.7**	**(1.6)**	**(1.4)**
Acquisition of Harbour	-	5.2	5.2
Net (Churn) / Growth	**0.7**	**3.6**	**3.8**
Closing Base[4]	**52.3**	**51.4**	**51.6**

[1]Customers where orders have been received but not activated (0.3k) and Customers who have taken a contract out and commenced service (8.7k)

[2]Underlying churn is where customers have cancelled their contract

[3]Customers who have been specifically targeted to switch their contract and renew with a new product and contract

[4]Prior periods have been adjusted by 3.7k relating to consolidation of customers SIO's

Churn (defined as the number of customers who discontinue their service as a percentage of the weighted average total number of subscribers within the period), reduced to an average annualised churn rate of 32% in 1H24 from 35% in 1H23.

Total ARPU[1] per month in 1H24 was £35.93 (1H23: £40.77), due to currency movements and planned specific switching of customers to more appropriate packages with a higher customer lifetime value "CLV"[2]. The underlying ARPU per month on a LFL basis in 1H23 was £36.41.

[1]Average Revenue Per User - calculated by dividing total revenues from all sources by the average customer base

[2]CLV is calculated by comparing the present value of a new customer (considering ARPU, churn and margin) with the net costs of customer acquisition (considering up front revenue less equipment, shipping, installation and marketing costs).

Total revenue including recurring airtime, equipment, installation sales, network support other income was £11.2m (1H23: £13.0m) of which the negative impact of currency movements was £0.8m, with total like-for-like revenue for the Continuing Group in the period decreasing 8% to £11.2m (1H23: £12.2m).

Recurring revenue, defined as revenue typically generated from the Group's broadband airtime contracts, which is typically linked to contracts and monthly subscriptions, was £10.2m in the period, representing 93% of total continuing revenue (1H23: 93%).

The sales revenue mix across the Company for the period was c.87.5% Satellite, c.10.7% Fixed Wireless and 1.8% other services (1H23: c.82.4% Satellite, c.16.1% Fixed Wireless and 1.5% other services).

Total Gross profit margins (GPM) were 32.1% in 1H24 (1H23: 35.1%), due to planned product mix changes. On a LFL basis 1H23 GPM was 32%. This is an area of constant focus in the business working with our network partners and at the same time providing the most suitable products for our customers.

Distribution and Administrative Expenses, pre-exceptional costs, decreased by £1.1m (20.1%) to £4.5m (1H23: £5.6m) due to lower staff costs following recent cost rationalisations. Depreciation reduced in the period to £0.2m (1H23: £0.3m), and amortisation of intangible assets remained constant at £0.7m (1H23: £0.7m) and arose due to the customer contracts acquired with Clear (£0.2m) and Harbour (£0.5m), which are being amortised over 24 months (note - Clear fully amortised from February 2024).

Consequently, adjusted EBITDA for the period from our continuing operations was £1.1m (1H23: £1.5m). On a LFL basis adjusted EBITDA for the period from our continuing operations was £1.1m (1H23: £1.1m) representing an improved underlying EBITDA margin of 10% (1H23: 8%). This is expected to increase further in the second half of the year.

The Company incurred charges identified as exceptional in nature during the period of £1.0m (1H23: £1.6m) including costs related to internal restructuring/redundancy (£0.4m), legal and related costs associated with acquisition and disposal activities (£0.4m), system costs (£0.1m) and other costs deemed exceptional to ordinary activities (£0.1m).

Interest costs increased during the period to £0.3m (1H23: £0.1m) as a result of a drawdown of the revolving credit facility in 1H24 of £4.4m in the main to support contracted Starlink investment, planned working capital requirements and restructuring costs.

	Unaudited As at 31 May 2024	**Unaudited As at 31 May 2023**	**Audited As at 30 Nov 2023**
	£000	**£000**	**£000**
Underlying Interest	328	94	232
Interest element of lease payments	2	3	6
Reported Interest	330	97	238

Key Performance Indicators for continuing Operations

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

KPI	1H24	1H23	Description	1H24 Performance
Unique Customer Base	**52.3k**	**51.4k**	Represents total gross organic connections plus acquisitions, less disposals, less churn and base management.	Underlying growth in period in unique Customer base. Ability to further grow with additional marketing expenditure.
Customer Underlying	**0.7k**	**(1.6)k**	Represents gross connections in the period less churn in the period.	Underlying customer growth in positive territory following the launch of attractive satellite products

Net Additions / (Churn)			Excludes M&A and excludes exceptional churn.	with uncapped data packages and faster speed as well as new Starlink LEO customers.
Gross Underlying Churn	**32%**	**35%**	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.	Churn rate of 32% (1H23: 35%) reducing by 3% following the addition of more suitable GEO satellite services at attractive price points.
Total ARPU	**£35.93**	**£40.77**	Calculated by dividing total revenues from all sources by the average customer base	Lower by 11.8% due to due to currency movements and planned specific switching of customers to more appropriate packages with a higher customer lifetime value CLV
LFL Underlying ARPU	**£35.93**	**£36.41**	Calculated by dividing total LFL revenues from all sources by the average customer base	Broadly in line on a LFL revenue basis.
Revenue **LFL[1] Revenue**	**£11.2m** **£11.2m**	**£13.0m** **£12.2m**	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 excluded from the calculation.	Like for like Revenue decreased by 8.2% due to planned focus on switching customers as well as promotional activities in period.
Adjusted EBITDA **LFL[1] Adjusted EBITDA**	**£1.1m** **£1.1m**	**£1.5m** **£1.1m**	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.	Adjusted EBITDA decreased by £0.4m while like for like Adjusted EBITDA was in line with 1H23. Adjusted EBITDA Margin improved to 10% (1H23: 8%). This reflects gross profit margins reducing marginally to 32.0% in 1H24 (1H23: 35.0%), due to planned product mix changes, offset by a significant reduction in Distribution and Administrative Expenses of £1.0m.
KPI	**1H24**	**1H23**	**Description**	**1H24 Performance**
Adjusted Operating Cash Flow - Continuing Operations	**£(4.1)m**	**£0.4m**	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 Exceptional Items, Depreciation, Amortisation, Share Based Payments and adjusting for changes in Working Capital and non-cash items.	Adjusted operating cash outflow was £4.1m (1H23: Inflow £0.4m), a movement of £4.5m YOY, after planned stock investment of £2.1m in the recently announced Starlink contract as well as forecast working capital requirements in Australia associated with the transition to the new systems platform
Adjusted Free Cash Flow - Continuing Operations	**£(4.5)m**	**£0.1m**	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 outflow (before exceptional items primarily related to M&A activities and re organisations costs post the disposal of the Norwegian operations) was £4.5m (1H23: inflow £0.1). An outflow movement of £4.6m YOY, which in addition to the OCF movements of £4.5m YOY there was a reduction in capital expenditure of £0.1m and an increase in interest of £0.2m.
Adjusted EPS	**0.9p**	**1.7p**	Adjusted Earnings per share (EPS) is the Continued business's profit/(loss) after tax before exceptional costs, share based payments, impairment of Fixed Assets and deferred tax adjustments, divided by the weighted average number of shares.	The loss for the period was broadly in line with the prior 6-month period. The reduction in EPS was due to the decrease in exceptional expenses in 1H24 of £1.0m (1H23: £1.6m) which is added back to arrive at adjusted EPS.

1 Like for like (LFL) is adjusted for new or divested businesses in both the current and prior year and adjusts for non-recurring one off items and constant currency to ensure present underlying LFL.

Statutory Results and EBITDA Reconciliation

A reconciliation of the adjusted EBITDA to PAT is shown below:

This is a non-GAAP alternative performance measure.

Adjusted EBITDA (before share based payments and exceptional items) for the half year was £1.1m (1H23: £1.5m). A reconciliation of the adjusted EBITDA to statutory operating loss of £0.9m (1H23: £1.0m loss) and to adjusted PAT of £0.5m (1H23: £1m profit) is shown below:

		Unaudited 6 months to 31 May 2024 £000	Unaudited 6 months to 31 May 2023 £000	Audited 12 months to 30 November 2023 £000
Adjusted EBITDA	1	**1,110**	**1,540**	**4,459**
Depreciation	2	(163)	(332)	(597)
Impairment of Intangible Assets	3	-	-	(147)
Amortisation	3	(677)	(671)	(1,515)
Adjusted EBIT		**270**	**537**	**2,200**

Share based payments		-	-	-
Continuing Operations operating profit - pre-exceptional items		**270**	**537**	**2,200**
Exceptional items relating to M&A and restructuring activities	4	(984)	(1,580)	(3,929)
Foreign exchange transaction loss	5	(156)	-	-
Continuing Operations Statutory operating loss - post exceptional items		**(870)**	**(1,043)**	**(1,729)**
Adjusted EBIT		**270**	**537**	**2,200**
Underlying interest	6	(330)	(97)	(238)
Tax (charge) / credit	7	(79)	(91)	529
Impairment of Intangible Assets		-	-	147
Amortisation		677	671	1,515
Continuing Adjusted PAT		**538**	**1,020**	**4,153**

1. Adjusted EBITDA (before share based payments, depreciation, intangible amortisation, impairment of goodwill, refinancing, fundraising, acquisition, employee related cost and deal related costs) of £1.1m (1H23: £1.5m).
2. Total depreciation reduced to £0.2m in 1H24 from £0.3m in 1H23 due to lower net book value of fixed assets.
3. Amortisation of intangible assets remained constant at £0.7m (1H23:£0.7m) and arises due to the customer contracts acquired with Clear (£0.3m) and Harbour (£0.5m) being amortised over 24 months During the period we undertook a full review of the carrying value of Goodwill, with the review resulting in no further impairment charges (FY23 £0.1m for the IP of the Clear customers of SkyMesh).
4. The Group incurred expenses in the period that are considered exceptional in nature in that whilst they may re-occur given the nature of the business undergoing significant changes it is appropriate to clearly identify separately by their nature so as to identify underlying trading trends in the period. These comprise:
    a. £0.4m (1H23: £0.3m) of M&A related costs, the establishment of network partnerships and restructuring costs. These costs comprise mainly professional and legal fees and includes an apportionment of staff and local management time spent on Specific One-Off Projects such as the disposal of the Norwegian operations and development and delivering value realization strategies for the Australian operations
    b. £0.4m (1H23: £0.7m) employee termination and restructuring costs In the UK where internal restructuring has occurred.
    c. £0.2m (1H23: £0.6m) development costs in the period primarily for the new Pathfinder system in Australia and APIs with key suppliers, that do not meet the criteria for intangible asset capitalisation
5. Foreign exchange transaction loss includes the movement in currency attributable to the foreign payments and receipts between the transactional rate and the date of payment.
6. The interest charge in the year of £0.3m (1H23: £0.1m) relates to the RCF with Santander.
7. The tax charge of £0.1m (1H23: charge £0.1m) relates to our Australia business and is a provision against expected taxable profits at the 1H24 period.

Total Revenue and Adjusted EBITDA in 1H24 and the comparative period is analysed as follows:

	Revenue			**Adjusted EBITDA[2]**		
	Unaudited 6 months to 31 May 2024 £m	**Unaudited 6 months to 31 May 2023 £m**	**Audited 12 months to 30 Nov 2023 £m**	**Unaudited 6 months to 31 May 2024 £m**	**Unaudited 6 months to 31 May 2023 £m**	**Audited 12 months to 30 Nov 2023 £m**
Australia	11.0	12.7	25.4	1.7	2.2	5.2
Central Revenue and Costs[1]	0.2	0.3	0.5	(0.6)	(0.7)	(0.7)
Total	**11.2**	**13.0**	**25.9**	**1.1**	**1.5**	**4.5**

[1] *Central revenue includes recharges for post-sale services and Loan Note interest and central costs include finance, IT, HR and plc costs*

[2] *Adjusted EBITDA includes the impact of adoption of IFRS16*

The year-on-year analysis from both a revenue and EBITDA perspective is explained as follows:

Australia

- Revenue £11.0m (1H23: £12.7m) and is analysed as follows
    - impact of currency movements reduced revenue by £0.8m
    - marginally lower planned ARPU due to new products, product mix and promotional offers - £0.9m
- Adjusted EBITDA £1.7m (1H23: £2.2m) and is analysed as follows
    - impact of currency movements reduced EBITDA by £0.2m
    - GM% 32% v 34.4% (£0.7m)
    - Cost reductions positive impact £0.4m

Central

- Revenue slightly reduced to £0.2m at 1H24 (1H23: £0.3m) due to less recharges
- Adjusted EBITDA reduced from a loss of £0.7m (1H23) to a loss of £0.6m after further cost actions with positive impact £0.1m

Cash Flow Analysis:

Underlying Cashflow performance

Adjusted Free Cash Flow in the period, before exceptional costs, was an outflow of £4.5m (1H23: inflow £0.1m). This reflects the increase in operating cashflow outflow of £4.1m, with capital expenditure of £0.1m (1H23: £0.1m), higher tax and interest of £0.2m at £0.4m (1H23: £0.2m).

This is a non-GAAP alternative performance measure.

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 the treatment of IFRS 16 and is presented as follows:

		Unaudited 6 months to 31 May 2024 £000	**Unaudited 6 months to 31 May 2023 £000**	**Audited 12 months to 30 Nov 2023 £000**
Adjusted EBITDA		**1,110**	**1,540**	**4,459**
Underlying movement of working capital	**1**	(4,287)	(605)	544
Forex and other non-cash items	**2**	(874)	(556)	262
Adjusted operating cash flow before interest, tax, Capex and exceptional items	**3**	**(4,051)**	**379**	**5,265**
Tax and interest paid	**4**	(371)	(188)	(506)
Purchase of Assets	**5**	(70)	(120)	(49)
Adjusted free cash flow before exceptional and M&A items		**(4,492)**	**71**	**4,710**
Exceptional items relating to M&A, disposals, restructuring costs and the establishment of network partnerships.	**6**	(984)	(1,580)	(3,929)
Free cash (outflow) / inflow after exceptional items		**(5,476)**	**(1,509)**	**781**
Investing activities	**7**	(267)	(2,923)	(2,693)
Movement in cash from discontinued operations	**8**	(626)	94	(2)
Proceeds from Loans	**9**	4,400	2,100	2,100
Financing activities	**10**	(96)	(205)	(244)
Decrease in cash balance pre-Discontinued operations		**(2,065)**	**(2,443)**	**(58)**

1. This reflects the outflow working capital position of £4.3m due in the main to
    a. An increase in Trade & Other Receivables (£1.9m) due to delayed collections post initial go live systems teething issues and linked with ensuring compliance with the February 2024 Telecommunications (Financial Hardship) Industry Standard 2024
    b. a reduction in Trade Payables (£0.6m)
    c. higher inventory (£1.6m) due to the investment in the Starlink agreement and stock
    d. small working capital movements of £0.2m associated with accruals and prepayments movements
2. Forex and non-cash inflow of £0.2m (1H23: outflow £0.6m) reflects the currency revaluation relating to the exchange movement in the Consolidated Statement of Comprehensive Income and the Consolidated Statement of Financial Position (£0.1m) where AUD values are translated to GBP for the Group reporting currency, as well as costs/income which have no impact on operating cashflow (£0.1m).
3. This resulted in an adjusted operating cash flow before Interest, Tax, Capital expenditure and Exceptional items of £4.1m outflow (1H23: £0.4m inflow).
4. Tax and interest paid was £0.4m (1H23: £0.3m). This covers interest on the loan facility and leases (£0.3m) and monthly taxation paid by our Australian business (£0.1m).
5. Purchases of assets in FY23 were £0.1m (1H23: £0.1m). These purchases were primarily office related costs in Australia. Note that asset purchases do not include the capitalized value of new leases of ROU assets, which are non-cash items.
6. Exceptional items relating to M&A, disposals, the establishment of network partnerships and restructuring costs of £1.0m (1H23: £1.6m).
7. In 1H24 investing activities include the increase in the carrying value of the Loan Notes associated with the Quickline investment.
8. The cash held in the discontinued operations during the year, which was a net cash of £0.6m, was transferred to the discontinued operations as part of the disposal.
9. Proceeds from drawdown of the RCF facility with Santander to support Starlink purchases and Skymesh planned working Capital.
10. In 1H24 financing activities related to the principal element of lease payments of £0.1m (1H23: £0.2m).

Adjusted Net Cash reconciliation

This is a non-GAAP alternative performance measure.

Unaudited	**Unaudited**	**Audited**

	6 months to 31 May 2024 £000	6 months to 31 May 2023 £000	12 months to 30 Nov 2023 £000
Opening Net Cash	**2,037**	**4,195**	**4,195**
Loss after tax from Continuing operations	(1,279)	(1,231)	(1,438)
Interest charge	330	97	238
Depreciation	163	332	597
Impairment of Intangible and Fixed Assets	-	-	147
Amortisation	677	671	1,515
Tax charge / (credit)	79	91	(529)
Foreign exchange transaction loss	156	-	-
Exceptional costs	984	1,580	3,929
Adjusted EBITDA	**1,110**	**1,540**	**4,459**
Forex movement and other non-cash	(874)	(556)	262
Movement in Working Capital	(4,287)	(605)	544
Cash (outflow)/inflow from Continuing operations	**(4,051)**	**379**	**5,265**
Interest paid	(340)	(97)	(209)
Tax paid	(31)	(91)	(297)
Underlying (outflow)/inflow from Continuing operations	**(4,422)**	**191**	**4,759**
Purchase of Assets	(70)	(120)	(49)
Adjusted free cash (outflow)/inflow before exceptional and M&A items	**(4,492)**	**71**	**4,710**
Exceptional items relating to refinancing, fundraising, M&A, integration, restructuring and the establishment of network partnerships	(984)	(1,580)	(3,929)
Free cash (outflow)/inflow after exceptional and M&A items	**(5,476)**	**(1,509)**	**781**
Investment activities	(267)	(2,923)	(2,693)
Financing activities	4,304	1,895	1,856
Movement in Cash from Continuing operations	**(1,439)**	**(2,537)**	**(56)**
(Outflow) / inflow of cash from Discontinued operations	(626)	94	(2)
Cash retained by Discontinued operations	(505)	-	-
Movement in Net Cash	**(2,570)**	**(2,443)**	**(58)**
Increase in Debt	(4,400)	(2,100)	(2,100)
Closing Net (Debt)/Cash	**(4,933)**	**(348)**	**2,037**
Cash split			
Net cash and cash equivalents	(4,933)	(348)	1,532
Discontinued operations cash / cash equivalents including deposits	-		505
Closing net (debt)/cash	**(4,933)**	**(348)**	**2,037**

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

	Unaudited 6 months to 31 May 2024 £000	Unaudited 6 months to 31 May 2023 Unaudited	Audited 12 months to 30 Nov 2023 £000
Opening Net Cash	**2,037**	**4,195**	**4,195**
Increase in loans: offset in financing activities			
RCF Facilities drawn in period	(4,400)	(2,100)	(2,100)
Cash (outflow) / inflow from operating activities	(5,406)	(1,191)	1,660
Cash (outflow) / inflow generated in investing activities	(1,468)	(3,147)	(3,166)
Cash inflow / (outflow) from financing activities	4,304	1,895	1,448
Movement in Net Cash	**(6,970)**	**(4,543)**	(2,158)
Closing Net (Debt)/Cash	**(4,933)**	**(348)**	**2,037**
Composition of closing net cash			
Cash and cash equivalents	1,567	1,752	2,782
Cash held in escrow - restricted cash	-	-	850
Gross cash and cash equivalents	**1,567**	**1,752**	**3,632**
Gross cash and cash equivalents in disposal group	**-**		505
Bank loans	(6,500)	(2,100)	(2,100)
Net (Debt)/Cash	**(4,933)**	**(348)**	**2,037**
Net (Debt)/Cash			

Net (Debt)/Cash			
Net debt and cash equivalents	(4,933)	(348)	1,532
Discontinued operations cash / cash equivalents including deposits	-		505
Adjusted net (debt)/cash	**(4,933)**	**(348)**	**2,037**

Net debt increased from £0.3m in 1H23 to a net debt position of £4.9m, an increase of £4.6m over the 12 month period, as detailed in the net cash reconciliation above.

The table above excludes the lease liabilities of £0.1m (1H23: £0.9m). Including this amount would give a total adjusted net debt of £5.0m (1H23: Adjusted net debt £1.2m).

Statutory Cash flow Analysis

Underlying operating cash outflow was £4.1m in 1H24 (1H23: Inflow of £0.4m).

Tax and interest paid increased to £0.4m in 1H24 from £0.2m in 1H23, covering the monthly corporation tax payments on account in Australia as well as interest payments.

The net summary of the above is an equity free cash outflow of £4.5m in 1H24 (1H23: £0.1m inflow) which is summarised as follows:

	Unaudited 6 months to 31 May 2024 £000	Unaudited 6 months to 31 May 2023 £000	Audited 12 months to 30 Nov 2023 £000
Underlying Operating Cash Flows[1]	**(4,051)**	**379**	**5,265**
Purchase of assets	(70)	(120)	(49)
Interest and Tax	(371)	(188)	(506)
Equity free cash flow (outflow)/inflow	**(4,492)**	**71**	**4,710**

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

Net Cash / (debt) comprises:

	Unaudited 6 months to 31 May 2024 £000	Unaudited 6 months to 31 May 2023 £000	Audited 12 months to 30 Nov 2023 £000
Cash	1,567	1,752	3,632
Discontinued cash	-	-	505
Debt	(6,500)	(2,100)	(2,100)
Net (Debt)/Cash	(4,933)	(348)	2,037

Comparing 1H24 Free Cash Outflows with 1H23, there was a free cash outflows movement of £4.6m, and this is analysed as follows;

- Working Capital outflow of £3.6m which includes the investment in Starlink Stock £2.1m, anticipated trade debtor movements of £1.3m plus other smaller movements.
- Reduction in lease liabilities of £0.6m
- Increased Interest payments of £0.2m
- Forex impact £0.2m

Consolidated Statement of Financial Position

Fixed Assets reduced in 1H24 to £0.3m (1H23: £2.2m), adjusted for depreciation provided in the year (£0.5m) and the reclassification of £1.4m of assets as held for sale at year end.

Intangible Assets decreased by £3.8m to £4.9m (1H23: £8.7m) due to amortisation in the year of £3.7m, an impairment of intangible assets of £0.2m and asset additions of £0.1m.

Working Capital

Inventory days increased to 42 days (1H23: 19 days) due to stock held to support the Starlink opportunity.

Debtor days increased to 38 days (1H23: 14 days) due to delayed collections post initial go live systems teething issues and linked with ensuring compliance with the February 2024 Telecommunications (Financial Hardship) Industry Standard 2024

Creditor days increased to 76 days (1H23: 64 days).

Total net debt, excluding lease liabilities, increased in the first half of the year to £4.9m (FY23: Net cash excluding discontinued business £1.5m) and is explained further in the Cash Flow Analysis section.

Statutory EPS and Adjusted EPS for total company including discontinued operations

Statutory basic and diluted EPS loss per share increased to 3.4p (1H24) from 3.3p (1H23).

	Statutory EPS Pence		
	Unaudited 6 months to 31 May 2024	**Unaudited 6 months to 31 May 2023**	**Audited 12 months to 30 Nov 2023**
Basic EPS attributable to ordinary shareholders from continuing operations	(2.2)	(2.1)	(2.5)
Diluted EPS from continuing operations	(2.2)	(2.1)	(2.5)

Frank Waters
CEO

Bigblu Broadband plc
Consolidated statement of comprehensive income
6 months ended 31 May 2024

Continuing Operations	Note	**Unaudited 6 months to 31 May 2024 £000**	**Unaudited 6 months to 31 May 2023 £000**	**Audited 12 months to 30 Nov 2023 £000**
Revenue		**11,204**	**12,986**	**25,937**
Cost of goods sold		(7,604)	(8,432)	(16,310)
Gross Profit		**3,600**	**4,554**	**9,627**
Distribution and administration expenses	**2**	(3,630)	(4,594)	(9,097)
Depreciation		(163)	(332)	(597)
Impairment of Fixed Assets		-	-	(147)
Amortisation		(677)	(671)	(1,515)
Operating Loss		**(870)**	**(1,043)**	**(1,729)**
Interest Payable	3	(330)	(97)	(238)
Loss before Tax		**(1,200)**	**(1,140)**	**(1,967)**
Taxation (charge) /credit		(79)	(91)	529
Loss from continuing operations		**(1,279)**	**(1,231)**	**(1,438)**
Loss from discontinued operations	4	(725)	(683)	(3,263)
Loss for the period		**(2,004)**	**(1,914)**	**(4,701)**
Other comprehensive income / (expense)				
Foreign currency translation difference		282	(570)	(406)
Total comprehensive loss for the period		**(1,722)**	**(2,484)**	**(5,107)**
(Loss) / Profit per share				
Total - Basic EPS	5	**(3.4p)**	**(3.3p)**	**(8.0p)**
Total - Diluted EPS	5	(3.4p)	(3.3p)	**(8.0p)**
Continuing operations - Basic EPS	5	**(2.2p)**	**(2.1p)**	**(2.5p)**
Continuing operations - Diluted EPS	5	(2.2p)	(2.1p)	**(2.5p)**
Discontinued operations - Basic EPS	5	**(1.2p)**	**(1.2p)**	**(5.5p)**
Discontinued operations - Diluted EPS	5	(1.2p)	(1.2p)	**(5.5p)**
Adjusted earnings per share from continuing operations				
Total - Basic EPS	5	**0.9p**	**1.7p**	**7.1p**
Total - Diluted EPS	5	**0.9p**	**1.7p**	**7.1p**

Bigblu Broadband plc
Consolidated statement of financial position
As at 31 May 2024

	Note	**Unaudited As at 31 May 2024 £000**	**Unaudited As at 31 May 2023 £000**	**Audited As at 30 Nov 2023 £000**
Non-Current Assets				

Intangible assets		4,897	8,730	5,553
Property Plant and Equipment		286	2,209	378
Investments		6,080	5,911	5,995
Deferred Tax asset		829	282	800
Total Non-Current Assets		**12,092**	**17,132**	**12,726**
Current Assets				
Inventory		1,787	937	111
Trade Receivables		2,517	1,215	1,432
Other Debtors		1,522	431	1,398
Cash and Cash Equivalents		1,567	1,752	3,632
		7,393	**4,335**	**6,573**
Assets classified as held for sale		-	-	2,516
Total current assets		**7,393**	**4,335**	**9,089**
Current Liabilities				
Trade Payables		(3,224)	(3,242)	(5,790)
Recurring Creditors and Accruals		(1,038)	(2,326)	(1,013)
Other Creditors		(290)	(54)	(233)
Payroll taxes and VAT		(516)	(587)	(564)
Lease liabilities		-	(633)	(143)
Provisions for liabilities and charges		(685)	(685)	(685)
Loans		(6,500)	(2,100)	(2,100)
		(12,253)	**(9,627)**	**(10,528)**
Liabilities associated with assets classified as held for sale		-	-	(2,349)
Total Current Liabilities		**(12,253)**	**(9,627)**	**(12,877)**
Non-Current Liabilities				
Lease liabilities		-	(300)	-
Deferred taxation		(632)	(601)	(616)
Total Non-Current Liabilities		**(632)**	**(901)**	**(616)**
Total Liabilities		**(12,885)**	**(10,528)**	**(13,493)**
Net Assets		**6,600**	**10,939**	**8,322**
Equity				
Share Capital		8,783	8,777	8,783
Share Premium		8,608	8,608	8,608
Other Reserves	**6**	23,093	19,777	19,941
Revenue Reserves		(33,884)	(26,223)	(29,010)
Total Equity		**6,600**	**10,939**	**8,322**

Bigblu Broadband plc
Consolidated Cash Flow Statement
6 months ended 31 May 2024

	Unaudited	**Unaudited**	**Audited**
	6 months ended 31 May 2024	**6 months ended 31 May 2023**	**12 months ended 30 Nov 2023**
	£000	**£000**	**£000**
Loss after tax from Continuing operations	**(1,279)**	**(1,231)**	**(1,438)**
Loss after tax from Discontinued operations	**(725)**	**(683)**	**(3,263)**
Loss for the year including Discontinued operations	**(2,004)**	**(1,914)**	**(4,701)**
Interest	330	117	287
Taxation	79	91	(529)
Amortisation of intangible assets	677	808	3,906
Depreciation of property, plant and equipment - owned assets	163	424	1,018
Depreciation of property, plant and equipment - ROU assets	76	264	712
Foreign exchange variance and other non-cash items	(69)	(556)	218
(Increase) / Decrease in inventories	(1,676)	59	406
(Increase) in trade and other receivables	(1,872)	(338)	(826)
(Decrease) / Increase in trade and other payables	(739)	62	1,763
Gain on disposals of fixed assets	-	-	(39)
Operating cash flows after movements in working capital	**(5,035)**	**(983)**	**2,215**
Interest paid	(340)	(117)	(258)
Tax paid	(31)	(91)	(297)
Net cash generated/(used) in operating activities	**(5,406)**	**(1,191)**	**1,660**

Investing activities

Purchase of property, plant and equipment	(70)	(216)	(462)
Purchase of intangibles and investments	(267)	(2,621)	(2,766)
Payment of deferred consideration	-	(310)	-
Proceeds from sale of property, plant and equipment	-	-	62
Cash/Cash equivalents transferred on disposal of subsidiary	(626)	-	-
Net cash used in investing activities	**(963)**	**(3,147)**	**(3,166)**
Financing activities			
Proceeds from issue of ordinary share capital	-	36	39
Loans drawn down	4,400	2,100	2,100
Principal elements of lease payments	(96)	(241)	(691)
Cash generated from financing activities	**4,304**	**1,895**	**1,448**
Net decrease in cash and cash equivalents	(2,065)	(2,443)	(58)
Cash and cash equivalents at beginning of period	3,632	4,195	4,195
Cash in disposal group held for sale	-	-	(505)
Cash and cash equivalents at end of period	**1,567**	**1,752**	**3,632**

Bigblu Broadband plc
Condensed consolidated Reserves Movement
6 months ended 31 May 2024

	Share Capital £000	**Share Premium £000**	**Other Reserves £000 Note 6**	**Revenue Reserve £000**	**Total £000**
At 31 May 2023	**8,777**	**8,608**	**19,777**	**(26,223)**	**10,939**
Loss for the period	-	-	-	(2,787)	(2,787)
Issue of shares	6	-	-	-	6
Foreign Exchange Translation	-	-	164	-	164
At 30 November 2023	**8,783**	**8,608**	**19,941**	**(29,010)**	**8,322**
Loss for the period	-	-	-	(2,004)	(2,004)
Foreign Exchange Translation	-	-	282	-	282
Reclassification on disposal			2,870	(2,870)	-
At 31 May 2024	**8,783**	**8,608**	**23,093**	**(33,884)**	**6,600**

Bigblu Broadband plc
Notes to the financial statements
For the period ended 31 May 2024

1. Presentation of financial information and accounting policies

Basis of preparation

The condensed consolidated financial statements are for the half year ending 31 May 2024.

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

The Company prepares its consolidated financial statements in accordance with International Accounting Standards ("IAS") and International Financial Reporting Standards ("IFRS") as adopted by the UK. The financial statements have been prepared on a 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 Directors have prepared and reviewed projected cash flows for the Group, reflecting its current level of activity and anticipated future plans for the next 12 months, from the date of signing. The Group is currently loss-making, mainly because of depreciation, amortisation central costs and exceptional charges. These costs are planned to reduce significantly in the second half of the year per the forecasts. 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

- 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

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
- Support from network partners for the business and customers
- Strong support from banking partners with a RCF facility of £10m, which is reduced to £8.5m in July 24 post the sale of the Norwegian business earlier in the year.

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, and working with suppliers on terms particularly our network partners.

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 an increase in demand in Australia. Accordingly, we continue to adopt the going concern basis in preparing these results.

The Company'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 Company, its cash flows and liquidity position are described in the Finance Review.

As at 31 May 2024 the Company generated an adjusted EBITDA before exceptional items in the Consolidated statement of financial position, of £1.1m (1H23: £1.5m), and with free cash outflow from operations of £4.5m (1H23: inflow of £0.1m) and a net decrease in cash and cash equivalents of £2.0m in the period (1H23: decrease £1.4m). The Company balance sheet showed net debt at 31 May 2024 of £4.9m (1H23: net debt £0.3m). Having reviewed the Company's budgets, projections and funding requirements, and taking account of reasonable possible changes in trading performance over the next twelve months, particularly in light of the current global economy situation and counter measures, the Directors believe they have reasonable grounds for stating that the Company has adequate resources to continue in operational existence for the foreseeable future.

The Board has concluded that no matters have come to its attention which suggest that the Company 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 and ARPU are showing a positive position compared to prior year and current forecasts. The forecasts for the combined Company projections, taking account of reasonably possible changes in trading performance, indicate that the Company 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.

Furthermore, the continuing arrangements with key banking partners gives the Board further comfort on the going concern concept. As a consequence, the Board believes that the Company is well placed to manage its business risks, and longer-term strategic objectives, successfully.

Estimates and judgments

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

In preparing this set of consolidated financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimating uncertainty were principally the same as those applied to the Company's financial statements for the year ended 30 November 2023.

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 inter-company 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.

	Unaudited As at 31 May 2024 £000	Unaudited As at 31 May 2023 £000	Audited As at 30 Nov 2023 £000
Employee related costs	1,336	1,749	4,268
Marketing and communication costs	590	593	1,038
Finance, Legal, IT, banking, insurance, logistics, domains AIM and Other costs	720	672	462

AIM and Other costs			
Underlying costs	**2,646**	**3,014**	**5,768**
% of Revenue	**23.6%**	**23.2%**	**22.3%**
Depreciation	163	332	597
Impairment of Fixed Assets	-	-	147
Amortisation	677	671	1,515
Total Depreciation and Amortisation	**840**	**1,003**	**2,259**
% of Revenue	**7.5%**	**7.7%**	**8.7%**
Professional and legal related costs associated with corporate activity and restructuring / redundancy costs / disposals	984	1,580	3,929
Identified Exceptional Costs	**984**	**1,580**	**3,929**
% of Revenue	**8.8%**	**12.2%**	**15.1%**
Total	**4,470**	**5,597**	**11,956**
% of Revenue	**39.9%**	**43.1%**	**46.1%**

3. Interest Payable and Finance Costs

	Unaudited As at 31 May 2024 £000	Unaudited As at 31 May 2023 £000	Audited As at 30 Nov 2023 £000
Revolving Credit Facility interest payable	311	88	228
Other interest payable	17	6	4
Lease interest expense	2	3	6
Total finance costs	**330**	**97**	238

Interest in the Condensed consolidated statement of comprehensive income is total finance costs.
The Revolving Credit Facility interest payable is in respect of the Santander facility.

4. Profit and loss on Discontinued Operations

Group financial information for 1H24 is set out below for the disposal group. 1H23 comparative information in the Financial Statements has been adjusted to reflect the revised split of activities between continuing and discontinued operations.

	Unaudited 6 months to 31 May 2024 £000	Unaudited 6 months to 31 May 2023 £000	Audited 12 months to 30 Nov 2023 £000
Revenue	1,741	1,979	4,157
Expenses	(1,810)	(3,438)	(7,420)
Loss before tax	(69)	(1,459)	(3,263)
Taxation on operations	-	-	-
Loss after tax of discontinued operations	(69)	(1,459)	(3,263)
Loss on sale of the subsidiary after tax (see below)	(656)	-	-
Loss from discontinued operations	**(725)**	**(1,459)**	**(3,263)**
Net cash (outflow) / inflow from operating activities	(411)	465	830
Net cash outflow from investing activities	(161)	(191)	(424)
Net cash inflow / (outflow) from financing activities[1]	451	(180)	(408)
Net cash outflow from discontinued operations	**(121)**	**94**	**(2)**
Details of sale of subsidiary			
Carrying amount of net assets sold	(58)	-	-
Intercompany receivable written off	(504)	-	-
Expenses of sale	(94)	-	-
Loss on sale after tax	**(656)**	**-**	**-**

[1] *Adjusted for IFRS 16*

Assets and liabilities of disposal group disposed of

	Unaudited as at disposal date 17 May 2024 £'000	Unaudited as at 31 May 2023 £'000	Audited as at 30 November 2023 £'000
Assets disposed of / (Nov 23: classified as held for sale)			
Property, plant and equipment	912	-	1,034
Intangible assets	62	-	85
Inventory	417	-	615
Cash	384	-	505
Trade receivables	557	-	67
Other receivables	177	-	210
Total assets of disposal group held for sale	2,509	-	2,516
Liabilities directly associated with assets disposed of / (Nov 23: classified as held for sale)			
Trade payables	(728)	-	(1,066)

Lease liabilities	(385)	-	(573)
Other payables	(1,338)	-	(710)
Total liabilities of disposal group held for sale	(2,451)	-	(2,349)

5. Earnings per share

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

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

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

	Unaudited 6 months to 31 May 2024 £000	Unaudited 6 months to 31 May 2023 £000	Audited 12 months to 30 Nov 2023 £000
Loss for the period	**(2,004)**	**(1,914)**	**(4,701)**
Loss for the period from continuing operations	(1,279)	(1,231)	(1,438)
Loss for the period from discontinued operations	(725)	(683)	(3,263)
Loss attributable to shareholders	**(2,004)**	**(1,914)**	**(4,701)**
Add exceptional items	**984**	**1,580**	**3,929**
Add loss from discontinued operations	**725**	**683**	**3,263**
Impairment of Fixed Assets	**-**	**-**	**147**
Foreign exchange transaction loss	**156**	**-**	**-**
Amortisation	**677**	**671**	**1,515**
Adjusted profit attributable to shareholders	**538**	**1,020**	**4,153**

		EPS Pence	
Basic EPS[1]	(2.2p)	(2.1p)	(2.5p)
Basic EPS from discontinued operations[2]	(1.2p)	(1.2p)	(5.5p)
Total basic EPS attributable to ordinary shareholders[3]	(3.4p)	(3.3p)	(8.0p)
Adjusted basic EPS[4]	0.9p	1.7p	7.1p
Diluted EPS from continuing operations[1]	(2.2p)	(2.1p)	(2.5p)
Diluted EPS from discontinued operations[2]	(1.2p)	(1.2p)	(5.5p)
Total diluted EPS attributable to ordinary shareholders[3]	(3.4p)	(3.3p)	(8.0p)
Adjusted diluted EPS[4]	0.9p	1.7p	7.1p
Weighted average shares	**58,551,487**	**58,505,079**	**58,524,645**
Weighted average diluted shares	**58,847,018**	**58,874,820**	**58,820,176**

[1]Basic and diluted EPS from continuing operations is the loss for the period divided by the weighted average shares and weighted average diluted shares respectively. None of these losses are attributable to non-controlling interests.

[2]Basic and diluted EPS from discontinued operations is the (loss)/profit for the period less the amounts attributable to non-controlling interests divided by the weighted average shares and weighted average diluted shares respectively.

[3]Total basic and diluted EPS attributable to ordinary shareholders is the sum of (losses)/profits from continuing and discontinued operations less the amounts attributable to non-controlling interests, divided by the weighted average shares and weighted average diluted shares respectively.

[4]Adjusted basic and diluted EPS is the loss for the period from continuing operations before exceptional expenses, exceptional interest and share based payments, divided by the weighted average shares and weighted average diluted shares respectively. None of these losses are attributable to non-controlling interests. This is a non-GAAP measure.

6. Other capital reserves

	Listing Cost Reserve £000	Reverse acquisition Reserve £000	Foreign exchange translation reserve £000	Share option reserve £000	Capital redemption reserve £000	Total capital reserves £000
At 31 May 2023	**(219)**	**(3,317)**	**(3,116)**	**309**	**26,120**	**19,777**
Foreign Exchange Translation	-	-	164	-	-	164
Equity settled Share based payments	-	-	-	-	-	-

At 30 November 2023	**(219)**	**(3,317)**	**(2,952)**	**309**	**26,120**	**19,941**
Foreign Exchange Translation	-	-	282	-	-	282
Reclassification on disposal	-	-	2,870	-		2,870
At 31 May 2024	**(219)**	**(3,317)**	**200**	**309**	**26,120**	**23,093**

- Listing cost reserve
  - The listing cost reserve arose from expenses incurred on AIM listing.
- 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 differences arising from the translation of the financial statements of foreign operations.
- Share option reserve
  - The share option reserve is used for the issue of share options during the year plus charges relating to previously issued options.
- 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.

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.

Management charges from Parent to the other Group companies

During 1H24 the Company made management charges on an arm's length basis to its subsidiaries amounting to £0.9m (1H23: £0.8m)

As part of the reductions in the headcount within the plc during the course of the year the Company entered into certain service contracts with Bigblu Operations Limited ("BBO"), a company of which Andrew Walwyn is a director (the "BBO Contracts"). The BBO Contracts are summarised below:

Licence Agreement

The Company granted a license over certain trademarks to BBO in relation to the Brdy brand. In consideration for the rights granted by the Company to BBO, BBO has agreed to pay the Company a notional annual license fee for each period of usage for £29k in 1H24 (1H23: £nil).

Service Agreement - Company to BBO

The Company has a service agreement with BBO. The services provided by the Company to BBO include legal and corporate finance support, IT, marketing, and certain Executive support services (the "Services"). Costs and expenses are charged on a time and material basis based on the time spent by individuals performing the Services. This equated to £169k in 1H24 (1H23: £51k).

Service Agreement - BBO to Company

The Company has a further service agreement with BBO. The services provided by BBO to the Company primarily include finance, IT and tech support (the "BBO Services"). Costs and expenses are charged on a time and material basis for the time spent by individuals performing the BBO Services. This equated to £201k in 1H24 (1H23: £nil).

Products

In the normal course of events the Company has entered into reseller agreements with BBO for certain broadband products sold by the Company (the "Products"). This equated to £102k in 1H24 (1H23: £3k).

8. Intangible assets recognised in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date.

Amortisation is charged to profit or loss on a straight-line basis (Within administration expenses) over the estimated useful lives of the intangible asset unless such lives are indefinite. These charges are included in other expenses in profit or loss. Intangible assets with an indefinite useful life are tested for impairment annually. Other intangible assets are amortised from the date they are available for use. The useful lives are as follows:

- Customer Contracts - 2 years
- Intellectual Property - 3 years

9. Availability of the Half 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 60 Gracechurch Street, London, EC3V 0HR. The Company is registered in England No. 9223439.

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

Ultimate Controlling Party Note

No one shareholder has ultimate control over the business.

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