

# 2020 Year End Results & Transaction Presentation

April – May 2021

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Andrew Walwyn CEO / Paul Howard QCL Chairman

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Frank Waters CFO

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Andrew Walwyn CEO / Paul Howard QCL Chairman

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Andrew Walwyn CEO

# Transaction and 2020 Trading Overview

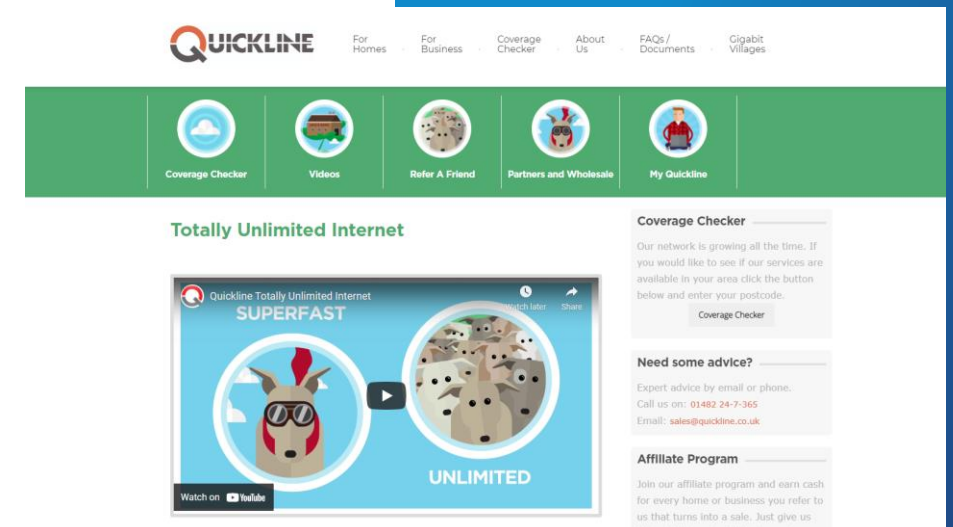
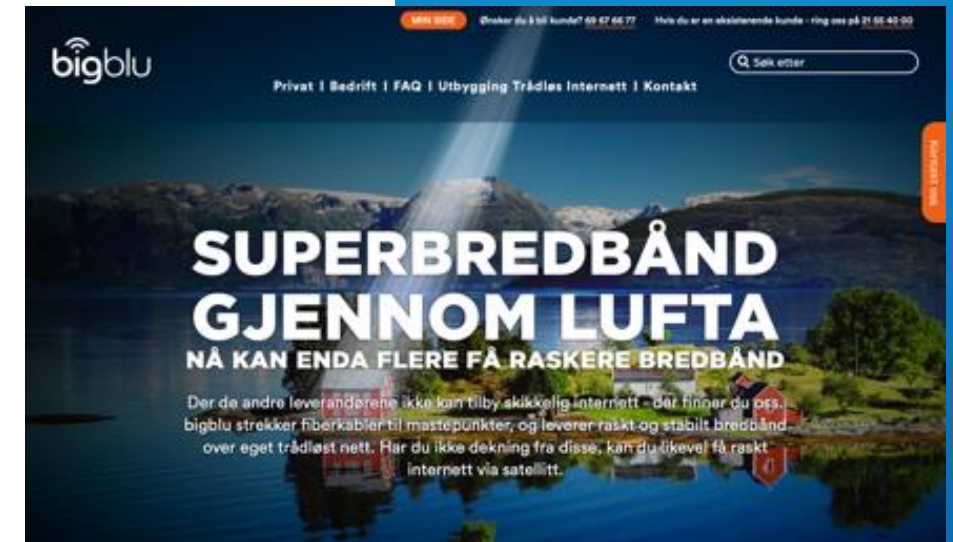
Andrew Walwyn CEO

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# Highlights At A Glance FY20

- COVID-19 - Increasing demand for products - all regions
- Commenced year with refinancing of all debt facilities with Santander – *post disposal revised RCF with Santander*
- Disposal of UK / European Satellite operations to Eutelsat SA
- Australasia
  - Skymesh continued as Australia's number 1 Satellite provider
  - Entered a Partner Programme with Kacific for New Zealand expansion
- Nordics
  - Development plan in place for growth
  - Commenced upgrade / build plans
  - Selected as USO supplier by Telenor in Norway
- UK
  - c£30m ITT's won by Quickline to improve speeds in more isolated areas of West Yorkshire, Lincolnshire, North Lincolnshire and North Yorkshire with government support of c£24m and contributions of c£6m from QCL
  - On 23<sup>rd</sup> April 2021, an agreement to sell Quickline was entered into valuing BBB's interest at up to £48.6 million



# Results – Financial Year 20 Continuing Operations<sup>1</sup>

Customers

**64.9k**  
+10.2%

Revenue

**£27.2m**  
+1.4%

Adjusted EBITDA<sup>2</sup>

**£6.2m**  
+29.7%

Adjusted EBITDA margin<sup>2</sup>

**23.0%**  
+28.0%

Adjusted basic EPS<sup>3</sup>

**2.7p**  
(0.1p) FY19

Net Cash / (Debt)<sup>4</sup>

**£7.4m**  
(£14.2m) FY19

<sup>1</sup>The comparison is made for continuous business activities, following the disposal of the Satellite operations in UK and Europe.

<sup>2</sup>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.

<sup>3</sup>Adjusted EPS is adjusted PAT divided by the weighted average number of shares over the period. Basic EPS of 16.8p (FY19: loss 13.9p).

<sup>4</sup>Net Cash / (Debt) excludes lease-related liabilities of £3.6m.

# Proposed disposal of majority interest in Quickline



## Transaction details

- Proposed sale of Quickline to Northleaf Capital Partners Ltd
- Valuation of up to £92.1m, of which BBB's share is a maximum of up to £48.6m (equivalent to 84p per share) at completion
- Consideration payable to BBB as follows:
  - £31.1m in cash payable on completion
  - £5.6m in TopCo loan notes on Completion, convertible into shares representing 8.0% of percent of TopCo.
  - Based on the delivery of certain operating metrics by 31 March 2022
    - Up to £10.1m in cash as deferred contingent consideration
    - Up to a further £1.8m in TopCo loan notes and shares as deferred contingent consideration

## Northleaf

- Invests in infrastructure across 40 OECD countries with over £10bn of financial commitments
- Significant investment planned in infrastructure and people with a target of passing 500,000 premises

# Proposed disposal of majority interest in Quickline



## Rationale

- Represents a c. **5.8x multiple** to total consideration paid by BBB for Quickline (acquired in August 2017)
- Enables the Company to increase the cash position to circa £32.8m post the initial cash consideration paid on Completion
- Quickline will benefit from Northleaf Capital Partner's financial strength and commitment to deliver the market opportunity
- BBB will retain an ongoing interest in Quickline to allow it to benefit from potential continued growth in Quickline under Northleaf Capital Partners' ownership
  - BBB entitled to a board seat
- In the view of the Board this represents an excellent return on investment for BBB shareholders

# Timeline

Deal  
Announcement

Shareholder  
Meetings

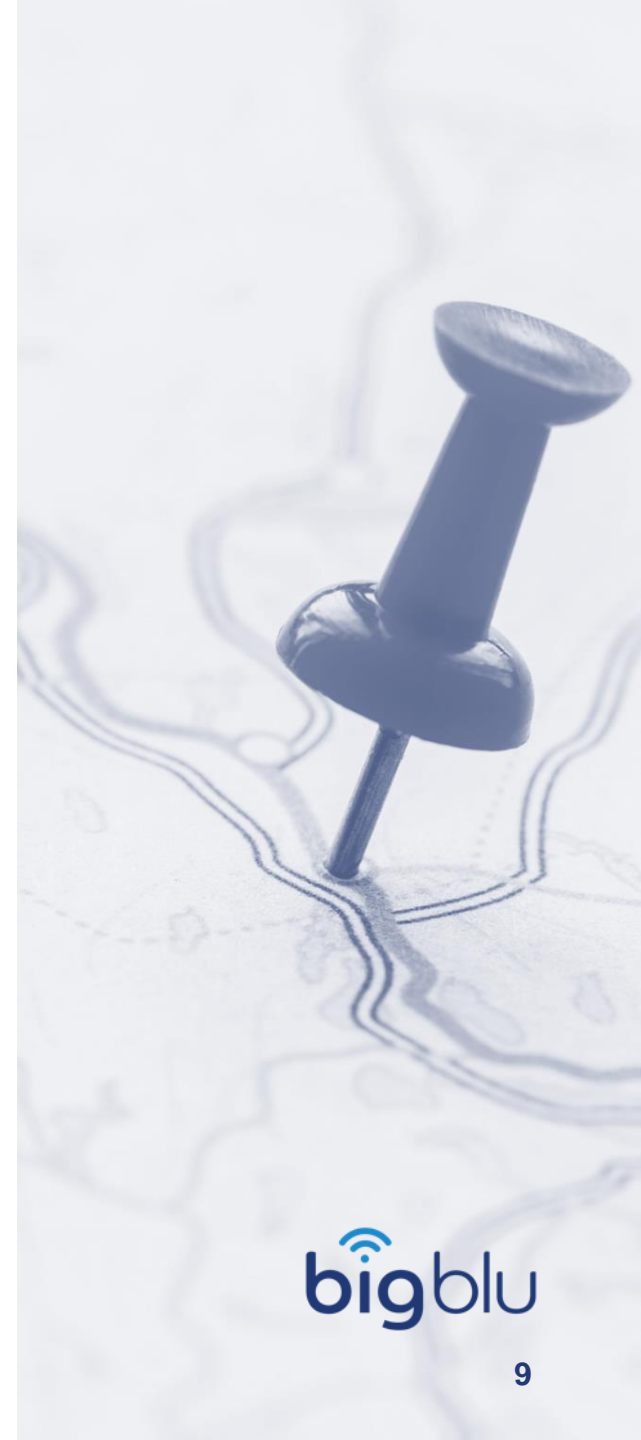
Target  
Completion





# Strategy For New Continuing Group

- Following the Disposal, the Group will constitute of
  - Two exciting business units with c. 58,000 customers (as at 30 November 2020)
    - Australasia 46.7k
    - Nordics 11.2k
  - Investment in Quickline with significant upside potential
- For the year to 30 November 2020, the New Continuing Group had pro-forma revenue of £23.5 million and adjusted EBITDA of c. £4.7 million
- Given their respective strengths, the remaining business units have potential opportunities to enhance shareholder value
  - Australasia consistent organic growth and new territories
  - Nordics turnaround continues
  - Quickline – Exciting growth plan
- Board is reviewing the steps needed to enable a return of surplus cash to shareholders in the current financial year



# 2020 Financial Performance

Frank Waters CFO

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# Highlights Continuing Operations

	2020	2019	% Change
Revenue	<b>£27.2m</b>	£26.8m	1.4%
Adjusted EBITDA	<b>£6.2m</b>	£4.8m	30%
Adjusted EBITDA %	<b>23.0%</b>	17.9%	28%
Adjusted profit after tax <sup>1</sup>	<b>£1.3m</b>	£0.3m	433%
Adjusted basic EPS <sup>2</sup>	<b>2.7p</b>	(0.1p)	
Adjusted Operating Cash Inflow <sup>3</sup>	<b>£3.8m</b>	£0.7m	543%
Adjusted Free Cash Outflow <sup>4</sup>	<b>(£3.1m)</b>	(£3.7m)	16%
Net Cash / (Debt) <sup>5</sup>	<b>£7.4m</b>	(£14.2m)	

<sup>1</sup>Adjusted PAT represents adjusted EBITDA less interest, taxation, depreciation, and amortisation

<sup>2</sup>Adjusted EPS is adjusted PAT divided by the weighted average of shares over the period.

<sup>3</sup>Adjusted Operating Cash Inflow relates to the amount of cash generated from the Group Operating activities and is calculated by taking the profit before tax, adjusted for depreciation, amortisation, share based payments and for changes in working capital and non-cash items.

<sup>4</sup>Adjusted Free Cash Outflow being cash (used)/generated by the Group after investment in Capital Expenditure and servicing Debt.

<sup>5</sup>Net Cash / (Debt) excludes lease related liabilities of £3.6m (FY19 £5.7m).

## Revenue

- LFL growth +4.5%
- Driven by organic growth in our customer base of c.6k.
- Recurring revenue of 94% vs 91% in FY19

## EBITDA margin

- Gross Margin % in line with FY19 at 49%
- 30% improvement in EBITDA, driven by costs efficiencies

## Cash flow

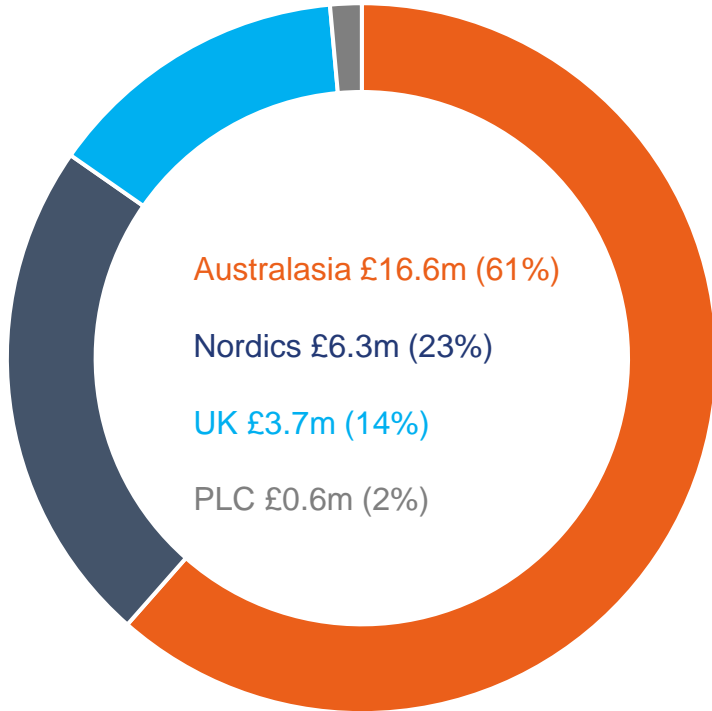
- Adjusted Operating Cash Inflow £3.8m, year on year increase of £3.1m due to increased EBITDA and improved net working capital.
- Free Cash Outflow of (£3.1m) after
  - (£5.6m) Capex (FY19 £2.2m), mainly related to expenditure associated with the ITTs in QCL (£3.7m).
  - (£1.4m) tax and interest (FY19 £2.3m outflow).

# Results overview

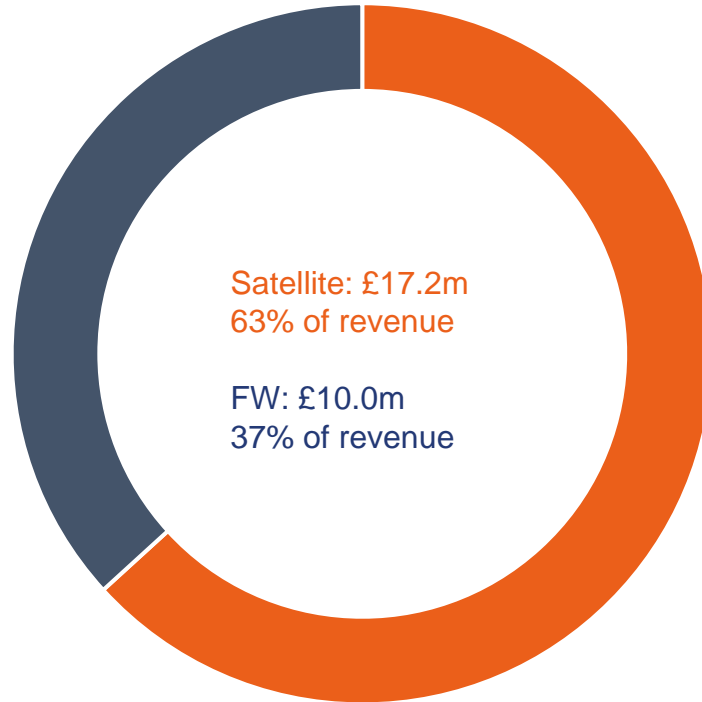
FY20 Full Year Revenue of £27.2m +1.4% (LFL +4.5% based on constant currency)



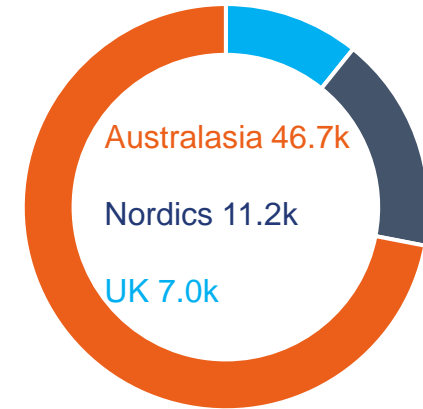
### Revenue by geography



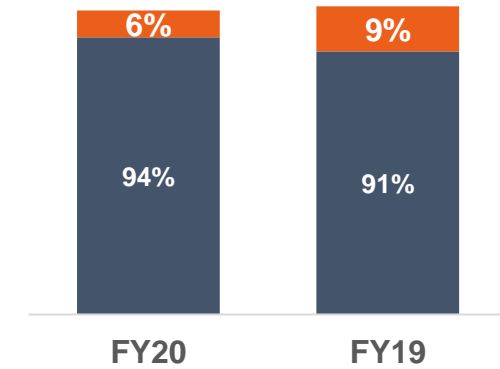
### Revenue by technology



### Customers by geography



### Recurring revenue



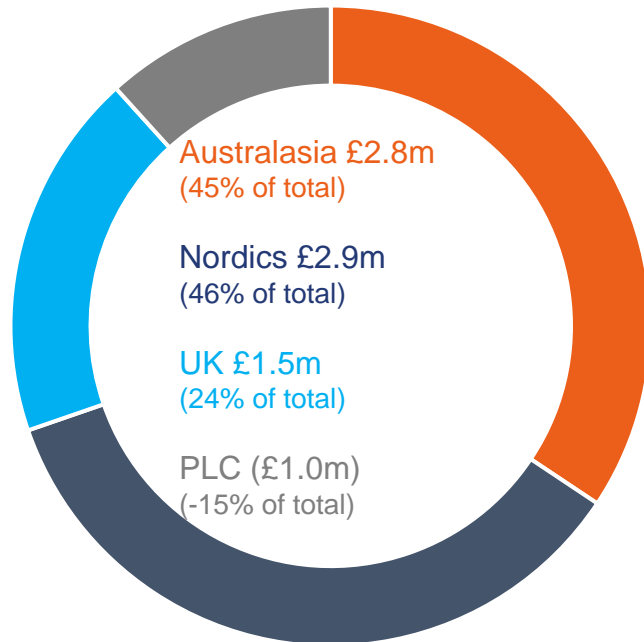
Recurring £25.6m  
(FY19: £24.3m)

Non recurring £1.6m  
(FY19: £2.5m)

# Results overview – Adjusted EBITDA

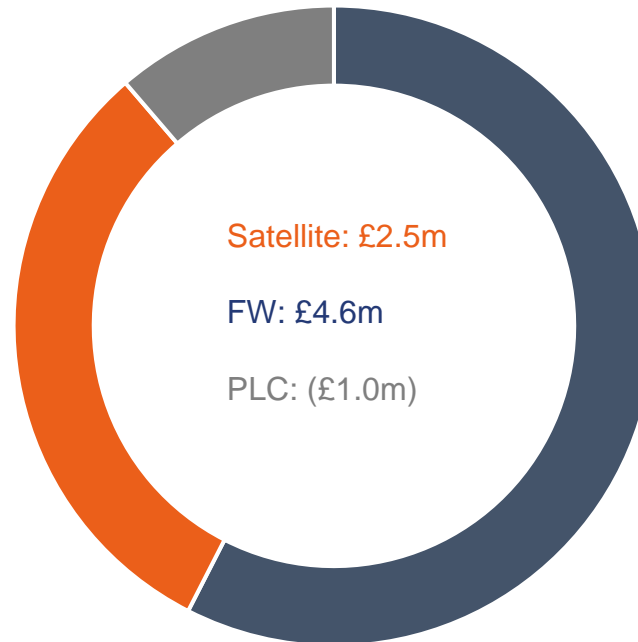
FY20 Full Year Adj. EBITDA of £6.2m +30%

Adj. EBITDA by geography



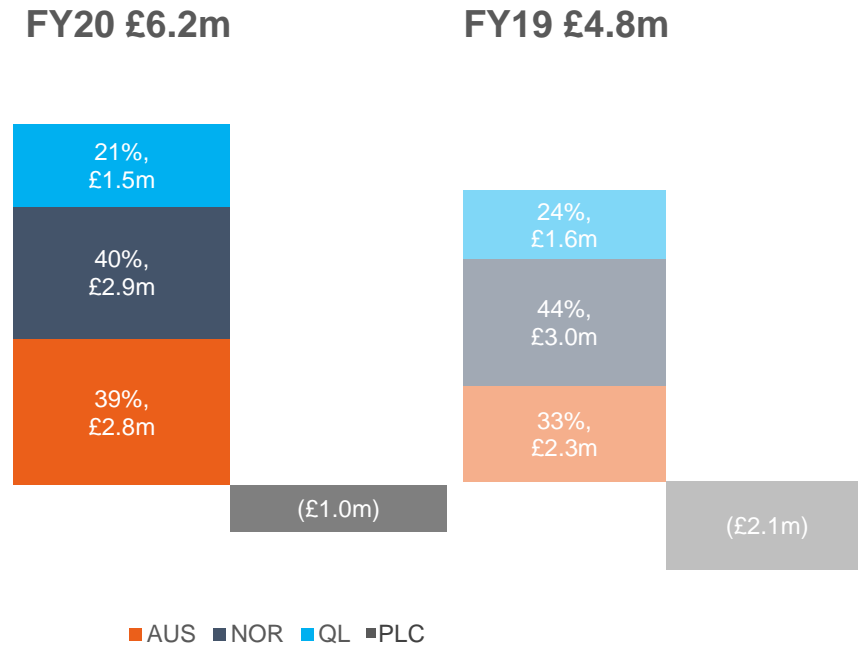
- Australasia customer growth flows through EBITDA (FY19 £2.3m, +23%)
- Nordics churn of Fixed Wireless against fixed cost base impacted on EBITDA %. (FY19 £3.0m, -4%)
- UK investment in winning 4 major ITT contracts (FY19 £1.6m, -7%)

Adj. EBITDA by technology



- Satellite continued strong growth, mainly in Australasia market.
- FW consolidates around high profitability sites in Norway.

Adj. EBITDA distribution



# Condensed consolidated statement of financial position



	2020 £m	2019 <sup>1</sup> £m
Goodwill and intangibles	12.5	30.0
Property, plant and equipment	10.9	15.9
<b>Fixed assets</b>	<b>23.4</b>	45.9
Working capital	(9.3)	(20.6)
Cash	15.3	6.0
<b>Net current assets / (liabilities)</b>	<b>6.0</b>	(14.6)
<b>Non current liabilities</b>	<b>(10.6)</b>	(24.8)
<b>Net assets</b>	<b>18.8</b>	6.5

**Net assets** improved by £12.3m, following the disposal of the discontinued business, which removed net assets to the value of £16.1m. In addition to that:

- Proceeds from disposal, gross £37.2m,
- Net repayment of debt facilities and movement of IFRS16 (£14.2m),
- Capex £5.6m.
- Other working capital movement (£0.2m).

## Fixed assets

- Intangible Assets decreased by £17.5m (split £16.2m goodwill and £1.3m intangibles), to £12.5m.
- PPE reduced by £5.0m to £10.9m after removal of discontinued PPE (£7.4m), Capex investment £5.6m, Depreciation (£2.8m) and Amortisation (£0.3m).

**Net current assets** improved by £20.6m

- c.£13.9m benefit from Creditors transferred with discontinued business.
- Other net outflow of (£3.3m) covering remaining working capital elements of the discontinued business.
- £10.3m net receipt from disposal after repayment of debt and cost.
- (£0.3m) outflow from other working capital movement

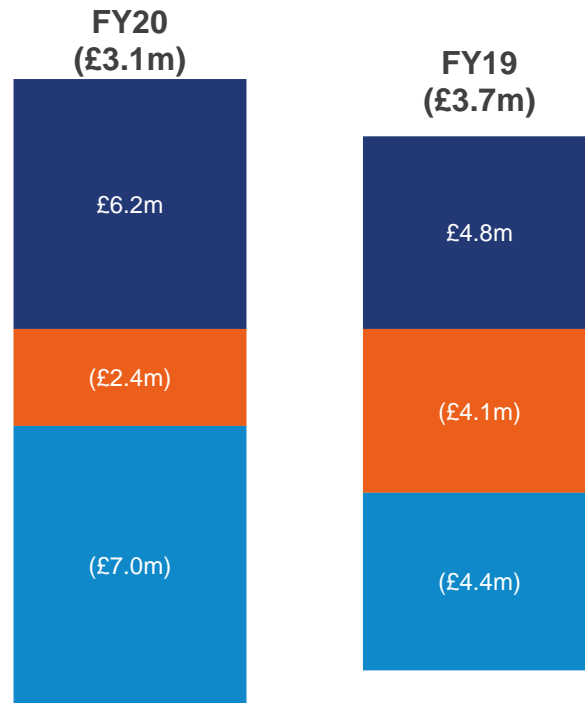
**Non-current liabilities** reduced by £14.2m. Debt reduced by £12.3m due to the repayment of debt with BGF (£12.0m) and HSBC (£8.3m), offset by net new debt. with Santander (£8m).

<sup>1</sup>As per IFRS 5, FY19 includes the full group statement of financial position.

# Adjusted OCF and FCF – Continuing Operations

FY20 Improved Adj OCF to £3.8m and Adj FCF to (£3.1m)

## FCF Breakdown



## OCF improved to £3.8m (FY19: £0.7m)

- Improved EBITDA of £1.4m
- Working Capital improved by £1.7m
  - Benefit from agreed payment terms with creditors, under the ITTs contracts with QCL.
  - Outflow in PLC due to BGF redemption premium accrued, paid out in period.
- Non-cash of (£1.9m) in line with last year, comprising of
  - Accrued income (£1.7m) in QCL
  - Forex (£0.3m)
  - Group level Provisions, IFRS16 and MSA +£0.1m

## FCF improved to (£3.1m) (FY19: £3.7m outflow)

- Interest & Tax reduction of £0.9m.
- Capex additional investment of £3.4m
  - Total spend £5.6m of which £3.7m relates to ITTs in the last quarter.

	TOTAL FY20	TOTAL FY19
EBITDA	£6.2m	£4.8m
WC & Non-cash	(£2.4m)	(£4.1m)
<b>Adj OCF in/(outflow)</b>	<b>£3.8m</b>	<b>£0.7m</b>
Int & tax	(£1.4m)	(£2.3m)
Capex	(£5.6m)	(£2.2m)
<b>Adj FCF in/(outflow)</b>	<b>(£3.1m)</b>	<b>(£3.7m)</b>



# Business unit performance and outlook

Andrew Walwyn CEO / Paul Howard QCL Chairman



# Australasia

## Current Market Position

- Skymesh became largest Australia's number 1 Satellite provider with 34% of market share
- 53% share of SkyMuster Plus active premises
- Currently have 50% market share of the net new adds in the Australian satellite market
- Growth in customers by +10% year on year for the past three years.
- On track to capture an increasing share of a growing market
- Regional expansion through secured Partnership Agreement to enter New Zealand.

## Market Outlook<sup>1</sup>

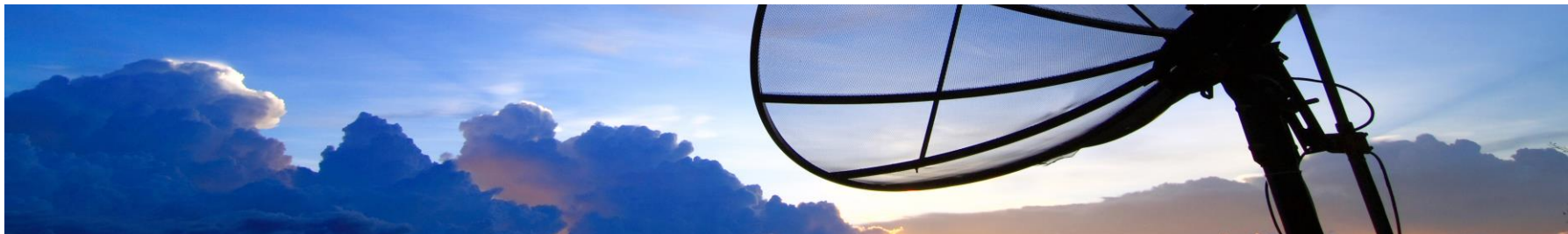
- NBN's decision to limit fixed-line roll-out to 92–93% coverage leaving 1.1m premises as of Q3 20:
  - Satellite: 435k premises (107k premises covered Q3 2020)
  - FW: 618k premises
- Expected acceleration switch to FW and Satellite, from copper decommissioning
- Expectations from NBN Privatisation
  - More competitive wholesale tariffs and speeds
  - Satellite able to compete with FW
  - 2023/24: new satellite operator entry
- SkyMesh well positioned to win over customers in FWA areas with new non-NBN satellites.
- B2B NBN co opening up across full footprint.

## Key strengths

- **99%** availability in Australia
- **97%** of customers would recommend SkyMesh
- Net promoter score of **44** (outperforming telco industry)
- Strong focus on retention and customer engagement to minimise churn

## Strategy

- Current focus on selling the new NBN satellite product Sky Muster Plus
- New Zealand potential opportunities for expansion



<sup>1</sup> Based on Analysys Mason report "SkyMesh vendor commercial due diligence and Australia market study" (December 2020).

# Nordics

## Current Market Position

- Well placed to significantly accelerate growth
  - Upgrading and expanding fixed wireless footprint
  - Expanding the geographic focus of the operation into Sweden, Finland and Denmark
- Repositioning with an upgraded offer, throughout well distributed sites with high potential.

## Market Outlook<sup>1</sup>

- Limited overlap between FWA players
- 2022 national copper switch-off could increase the number of addressable households for FWA operators to over 200k households
  - 300k customers current copper users may be attractive targets
- White label wholesale opportunity: Bigblu could build on its local sales and marketing expertise, and its knowledge of the rural market in Norway to become an effective reseller



## Key strengths

- Diversified presence in lower density regions with a network strength of more than 1,000 towers
- Capable of delivering 100 Mbps speed
- Possibility for fast upgrade
- Building experience – time to delivery
- Strong EBITDA margin
- Cost efficient

## Strategy

- Opportunity to develop new fixed wireless infrastructure through an infill strategy as well as upgrade plans / white label

<sup>1</sup> Based on Analysys Mason report “FWA market study for the UK and Norway” (October 2020).

# Quickline ongoing strategy

- **Delivery and execution of ITTs**
- **Development of detailed business plan with Northleaf to pass 500,000 homes**
- **Deferred consideration** linked to detailed business plan
- **Significant Opportunity** Northleaf investment to accelerate fibre and FWA build-out.



# Summary and Outlook



# Summary and outlook

## Summary

- Robust performance in FY2020
- Disposals delivered at significant premiums to consideration paid by BBB since acquisition
- BBB in a strong financial position - net cash and strong balance sheet flexibility
- Company able to consider investing in growth opportunities for continuing operations
- Board exploring means of returning surplus capital to shareholders in current financial year

## Future Prospects

- Quality businesses, strong growth trajectory supported by government funding
- High levels of recurring revenues, increasing levels of cash generation
- Opportunity to create further shareholder value
  - Australasia: expanded footprint, and B2B with NBN. Synergy opportunity with new players on the horizon, aiming to increase fixed wireless market share. Could consider M&A to complement organic growth, a disposal or an IPO in Australia.
  - Nordics: finalising rollout of tower upgrades, new opportunities with new satellite players across Scandinavia and the Baltics, including low orbit solutions.
  - Quickline growth in investment holding





# Questions & Answers



# Disclaimer



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The Presentation should be read in conjunction with the Group's audited financial results for the 12 months ending 30<sup>th</sup> November 2020, copies of which are available on the Group's website <https://bbb-plc.com/>.

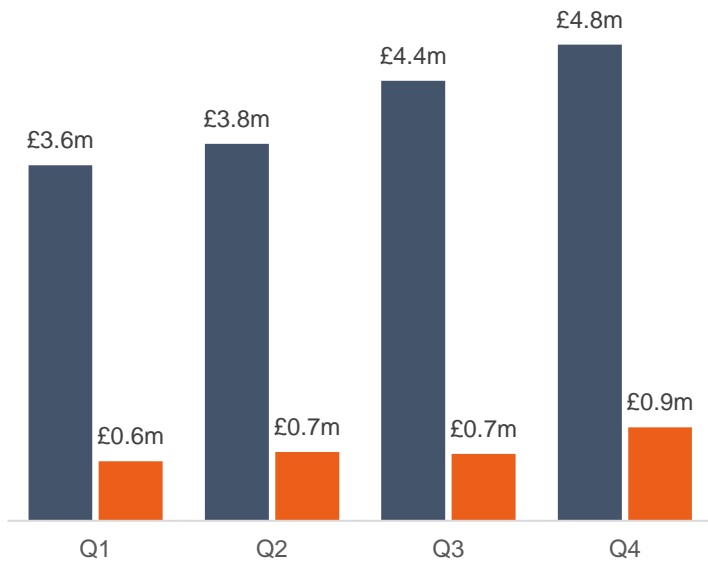


# Appendices





## Revenue & EBITDA

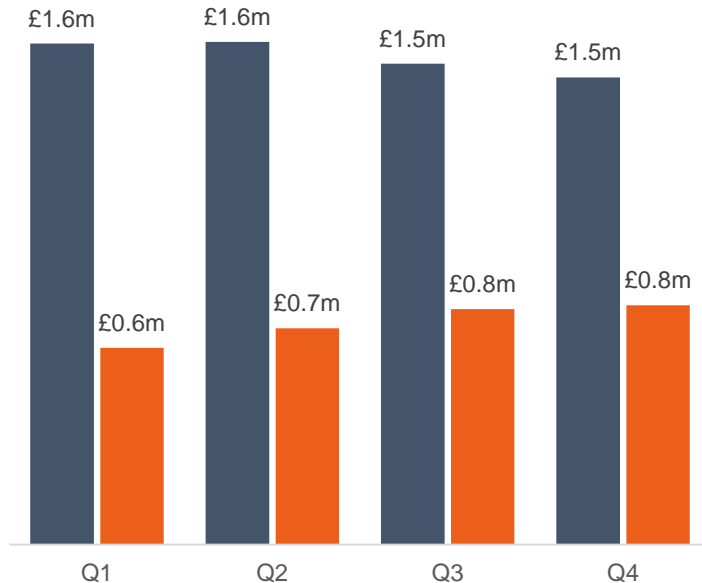


## Highlights\*

- **Customers** 46.7k customers at YE, +8.6k customers over FY20.
- **Revenue** increased £2.5m (+11%) to £16.6m, as a direct consequence of the continued growth in customers and improved sales mix from the SkyMuster+ product.
- **EBITDA** FY20 at £2.8m, margin at 18%, improved by 28% (£0.5m) following increased revenue and cost control. More marketing invested in Q3 to support SkyMuster+ sales, resulting in improved Q4 EBITDA Margin to 20%.

\*LFL after adjusting for IFRS16 and FY19 Superloop revenue.

## Revenue & EBITDA

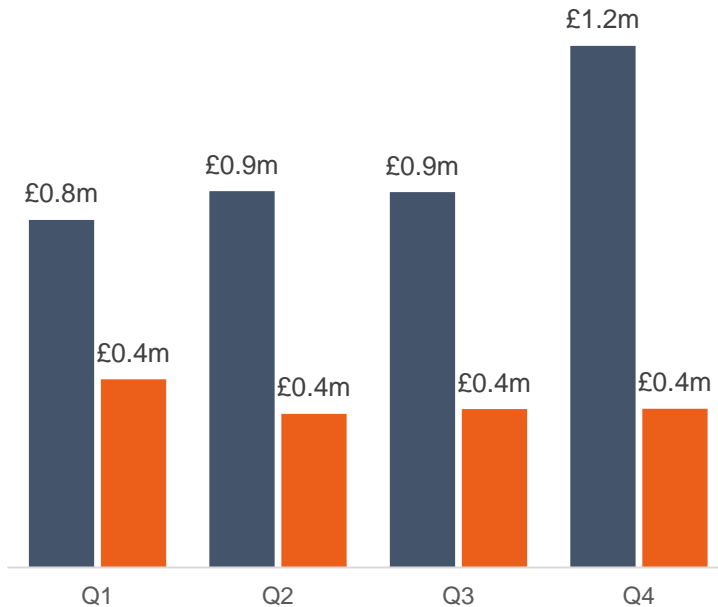


## Highlights\*

- **Customers** 11.2k customers at YE. Decline of (1.7k), following the rationalisation of customers through the retention of the most profitable sites.
- **Revenue** reduced £2.1m (-26%) to £6.3m in the year due to the continued churn of customers, strong competition due to fibre rollout in the region and lower grant income than the prior year (£0.3m). Upgrade strategy programme in place to minimise continued churn and improve customer retention.
- **Gross margin** increased from 57% to 69% due to rationalisation of customers.
- **EBITDA** (£0.1m) lower than FY19, however, EBITDA margin increased again in H2, yielding £2.9m in FY20, a direct benefit from the COGS and overhead savings (£0.3m).

\*LFL after adjusting for IFRS16.

## Revenue & EBITDA



## Highlights

- **Customers** 7.0k customers at YE. Decline of (0.9k) customers in the year due to refocus on winning major ITTs.
- **Revenue** Reduced to £3.7m (-12%) due lower grant income recognised from FY19 (£0.4m). Increase in the last two months due to the Grants and ITTs.
- **EBITDA** 6% lower due to heavy investment into Opex for the ITT campaigns.
- **Significant Opportunity** Northleaf investment to accelerate fibre and FWA build-out.

# Quickline

## Current Market Position

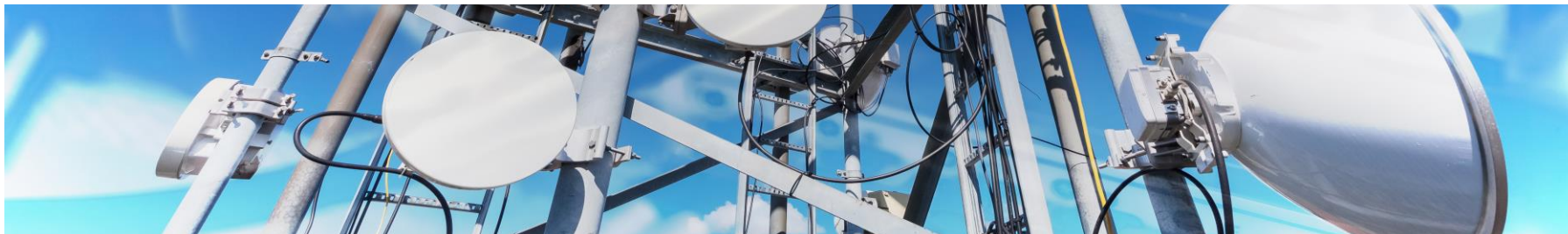
- Quickline awarded lead in £6m Rural Superfast Mobile Project
- Awarded 4 broadband grants worth combined £27.4m from various local authorities to improve speeds in more isolated areas of Yorkshire & Lincolnshire
- All new customers offered 100 Mbps, 300 Mbps in areas where we build mmWave networks
- Limited overlap with FWA players and Mobile Operators

## Market Outlook<sup>1</sup>

- Opportunity to connect remaining 16% of premises below 30Mbps in current footprint, with 5% below 10Mbps.
- Well positioned to leverage out the 30k premises covered across the won ITTs
- Copper switch-off could increase the number of addressable households for FWA operators
- Northleaf Capital Partners Ltd business plan to invest significant additional capital to deliver against the market opportunity

## Key strengths

- UK's leading rural broadband fixed wireless operator
- Approved supplier under the Rural Gigabit Connectivity Programme which allows it to secure vouchers to fund the cost of providing gigabit-capable broadband in rural communities



<sup>1</sup> Based on Analysys Mason report "FWA market study for the UK and Norway" (October 2020).

# Condensed Consolidated Statement of Comprehensive Income



£m	FY20	FY19	FY20 v FY19
Revenue	27.2	26.8	1%
<b>Adjusted EBITDA<sup>1</sup></b>	<b>6.2</b>	<b>4.8</b>	<b>30%</b>
EBITDA margin %	23%	18%	
Depreciation	(2.8)	(2.6)	10%
Interest	(7.0)	(2.6)	170%
<b>Net Loss Before Exceptionals</b>	<b>(3.5)</b>	<b>(0.4)</b>	<b>900%</b>
Amortisation of intangibles	(0.3)	(0.0)	
Exceptional	(0.8)	0.4	(320%)
	-	-	
<b>Net Loss Before Taxation</b>	<b>(4.6)</b>	<b>0.0</b>	
Taxation	(0.2)	0.0	
<b>Loss – Continued Ops</b>	<b>(4.9)</b>	<b>(0.1)</b>	<b>4,800%</b>
Profit / (Loss) – Discontinued Ops	14.3	(7.9)	(281%)
<b>Profit / (Loss) For The Financial Year</b>	<b>9.4</b>	<b>(8.0)</b>	<b>(218%)</b>
Foreign currency translation difference	(0.2)	(0.9)	(78%)
<b>Total Comprehensive Income for the year</b>	<b>9.2</b>	<b>(8.9)</b>	<b>(203%)</b>
<b>Earnings Per Share (basic) profit / (loss) (pence)<sup>2</sup></b>	<b>16.8p</b>	<b>(13.9p)</b>	<b>221%</b>

## Adjusted EBITDA (+30%YOY)

- Solid Gross Margin at 49%
- Underlying Overheads as % sales decreased to 27% from 31%

## Depreciation (+10% YOY)

- Increase YOY due to higher Capex (Up £3.3m on FY19), mainly ITT equipment of £3.7m purchased in Q4

## Interest +170%

- (£3.2m) of additional charge related to the BGF redemption premium.
- (£1.2m) of penalty interest paid to BGF on settlement of loan.
- (£1.3m) of interest relating to current year charge for the RCF from HSBC/Santander
- (£1.0m) BGF shared based finance charge

## Exceptional (+£1.2m)

- £0.3m shared base payment.
- £0.5m associated with M&A activities.

## Taxation (+£0.2m)

- £0.2m higher taxation due to carried forward losses in Australia and Norway fully utilised.

## EPS<sup>2</sup>

- Basic EPS<sup>2</sup>: Profit of 16.8p vs loss of (13.9p) in FY19.
- Adjusted EPS: 2.7p excluding gain on disposal and exceptional costs.

<sup>1</sup> 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.

<sup>2</sup> Basic EPS is after share based payments and exceptional items relating to M&A, integration costs and investment in network partnerships and amortisation charges.

# Condensed Consolidated Statement of Financial Position



Summary Balance Sheet (£m)	FY20	FY19	FY20 v FY19
Intangible assets	12.5	30.0	(17.5)
Investments	0.0	0.1	(0.1)
Property Plant and Equipment	10.9	15.9	(5.0)
Inventory	0.9	3.9	(3.0)
Trade & Other Debtors	3.8	8.3	(4.5)
Trade & Other Payables	(14.0)	(32.8)	18.8
Other Non current Creditors	(2.7)	(4.6)	1.9
Net Cash / (Debt) (Excludes IFRS 16)	7.4	(14.2)	21.6
<b>Net Assets</b>	<b>18.8</b>	<b>6.5</b>	<b>12.2</b>
Days Sales of Inventory	11.0	18.0	(7.0)
Trade Debtors Days	11.0	16.0	(5.0)
Days Creditors Outstanding	73.0	83.0	(10.0)
Net Cash/(Debt) / EBITDA	1.2x	(1.4x)	

## Intangible assets decrease £17.5m

- Intangible Assets decreased by £17.5m (split £16.2m goodwill and £1.3m intangibles), to £12.5m.

## Fixed Assets (PPE) decrease of £5.0m

- PPE reduced by £5.0m to £10.9m after
  - Removal of discontinued PPE (£7.4m)
  - Capex investment £5.6m
  - Depreciation (£2.8m)
  - Amortisation (£0.3m)

## Working Capital

- Working Capital reduction of £11.3m with £16.0m related to the disposal, resulting in a net increase of £4.7m in WC for the continuing business.
- Stock levels year on year reduced to £0.9m after disposal with stock held in Norway (£0.7m) and Australia (£0.2m)
- Improvement in Debtors days, excluding the disposal, remains strong with DSO 11 days.
- Creditors and Other Payables lower by £4.8m year on year, excluding the disposal at £14.0m.

## Net Cash / (Debt) <sup>1</sup>

- Net debt reversed to a net cash position of £7.4m after repayment of debt from proceeds of sale. Cash increased by £9.3m and debt reduced by £12.3m.

1. Net Debt Excludes IFRS 16 of £7.4m

# Condensed Statement of Cash Flows



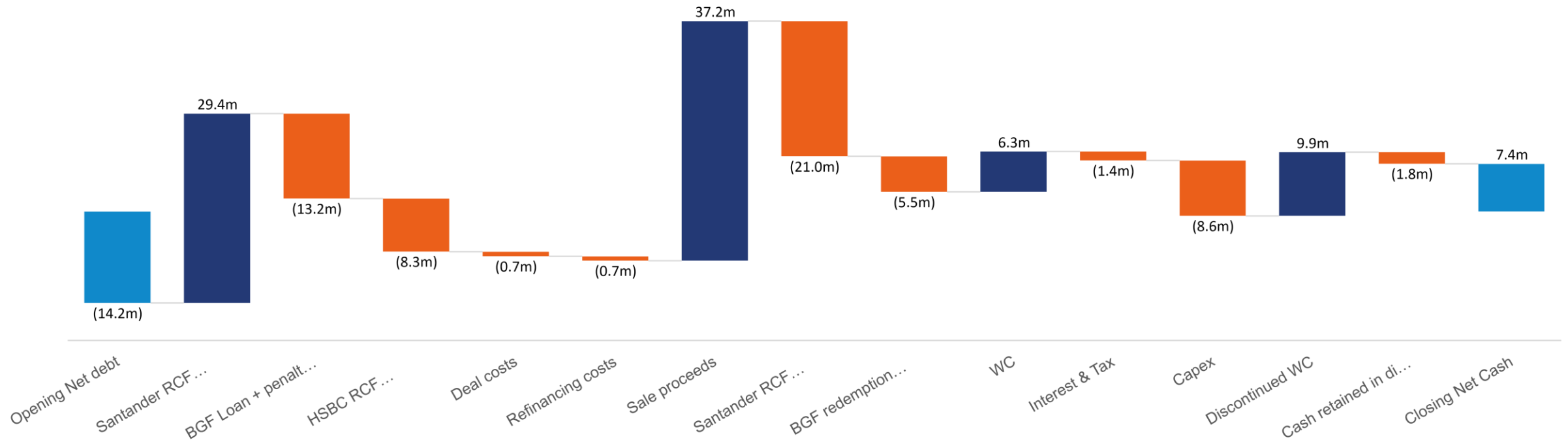
	2020 £'000	2019 £'000		2020 £'000	2019 £'000
<b>(Loss) after tax from Continuing operations</b>	(4,917)	(109)	Investing activities		
<b>Profit/(Loss) after tax from Discontinued operations</b>	14,350	(7,912)	Purchase of property, plant and equipment	(8,679)	(8,913)
<b>Profit/(Loss) for the year including discontinued operations</b>	<b>9,433</b>	<b>(8,021)</b>	Purchase of intangibles	(907)	(665)
Adjustments for:			Purchase of investments	-	(200)
Interest charge	7,108	2,622	Cash retained in disposed subsidiaries	(1,035)	-
Gain on disposal of subsidiaries	(18,928)	-	Profit on sale of Fixed Assets	45	-
Goodwill impairment	213	3,286	Proceeds from sale of subsidiary	37,222	-
Amortisation of intangible assets	1,626	4,071	<b>Net cash generated / (used) in investing activities</b>	<b>26,646</b>	<b>(9,778)</b>
Release of grant creditors	(772)	(1,051)	Financing activities		
Depreciation of property, plant and equipment - owned assets	3,897	3,365	Proceeds from issue of ordinary share capital	21	37
Depreciation of property, plant and equipment - ROU assets	1,680	1,245	Proceeds from bank revolving credit facility	29,400	3,350
Tax charge	316	262	Loans (paid)	(41,353)	(142)
Share based payments	332	437	Investment by non-controlling interest	1,972	3,631
Foreign exchange variance and other non-cash items	(1,112)	118	Principal elements of lease payments	(1,699)	(1,229)
Movement in working capital	(1,291)	863	<b>Net cash (outflow) / inflow generated from financing activities</b>	<b>(11,659)</b>	<b>5,647</b>
<b>Cash generated from operations</b>	<b>2,502</b>	<b>7,197</b>	<b>Net increase in cash and cash equivalents</b>	<b>9,317</b>	<b>922</b>
Interest paid	(8,171)	(2,144)	<b>Cash and cash equivalents at beginning of year</b>	<b>5,989</b>	<b>5,067</b>
Tax paid	(1)	-	<b>Cash and cash equivalents at end of year</b>	<b>15,306</b>	<b>5,989</b>
<b>Net cash (outflow) / inflow from operating activities</b>	<b>(5,670)</b>	<b>5,053</b>			

# Pro Forma Cash and Net Debt Bridge

Realigning our funding to deliver our vision



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## End of Year

- Closing Cash and cash equivalents c£15.3m (Opening Cash £6.0m) after £1.8m used and retained by discontinued business
- RCF drawn facility gross £8.4m, net £7.9m with £3.6m headroom (Opening Debt £20.2m)
- Net cash position c£7.4m
- Discontinued WC movement covers £13.9m of creditors, reduced by £4m IC debtor settlement