Bigblu Broadband plc

('BBB' or the 'Company')

Half Year results for the six months ended 31 May 2018

Bigblu Broadband plc (AIM: BBB.L), a leading provider of alternative fast broadband services, announces its unaudited half year results for the six months ended 31 May 2018.

Financial Highlights

- Total revenue increased 21% to £25.1m (1H17: £20.6m)
- Gross margin increased 40 basis points to 37.4% due to improved sales mix
- Average revenue Per User (ARPU) increased 1.3% to £41.32 (1H17: £40.81)
- Adjusted EBITDA* increased 37% to £2.8m (1H17: £2.0m)
- Net cash generated from operating activities increased by £3.1m, to £2.2m (1H17: outflow £0.9m)
- Net debt decreased to £9.4m as at 31 May 2018 (1H17: £13.2m)

* Adjusted EBITDA is before share-based payments, depreciation, intangible amortisation, acquisition and deal related costs.

Operational Highlights

- The total number of customers increased 37% to c.123k at the end of the period
  - Prior to the post-period end Australian Fibre disposal
- Strengthened the Board of Directors with the appointment of Christopher Mills joining as a Non-Executive Director
- Expanded the senior management team to support future growth with the appointment of Mark Anderson, previously a director of Sky and Fox Networks, as Chief Operating Officer
- European expansion program completed following the acquisitions of Open Sky s.r.l (“Open Sky”) and Sat Internet Services GmbH (“Sat Internet”)
  - Significantly growing BBB's operational footprint and scale within Europe
  - Adding c.21k customers across Italy, Germany, Austria and Portugal
  - Expected to be earnings enhancing with positive free cash flow contribution for the current financial year
- Demonstrated technology leadership with Broadband Delivery UK ("BDUK")
  - Awarded £2.1m grant to develop and conduct field trials for the next generation of 5G fixed wireless broadband services over TV whitespace frequencies
- Transformational Commercial Agreement with the Viasat and Eutelsat European Broadband joint venture
  - ERP and customer management systems deployed and now live across five European countries
  - First phase of the coordinated marketing plan and spend has commenced and is being rolled out over the next five months
- Continued support from HSBC via extension of RCF facility
  - Headroom increased to £3.5m (1H17: £1.5m)

Post-Period Highlights

- Disposal of c.11k non-core, lower margin fibre customers of the Australian business SkyMesh for a total consideration of AUD $1.5m
- Successfully rebranded to Bigblu Broadband across all operations to reflect that the Company is a technology agnostic business, operating a portfolio of different technologies, including but not limited to, satellite, fixed wireless and 4G/5G
- Encouraging initial European joint venture progress post marketing and customer engagement across five European countries.

Andrew Walwyn, CEO of BBB, commented:

"The Company has positioned itself at the forefront of the alternative super-fast broadband industry. Our growing product base and routes to market mean that we are now one of the largest and most recognised companies in the industry.

"Looking forward to the remainder of the year, we see plenty of scope to take advantage of global growth opportunities including, but not limited to, expanding across Australia and launching new super-fast satellite broadband services with the European joint venture. Importantly, sales through the European joint venture are already beginning to gain traction through increased marketing.

"Given the above, the Company looks forward to the remainder of the current financial year as the improved systems, largely fixed cost structure, deep relationships and global footprint underpin continued revenue growth and profit expectations for the 12 months to 30 November 2018.

"Importantly for our shareholders, we have now established a Company with a compelling value proposition for end users, which also commands a strong position within the industry to attract new commercial partners. We are therefore confident we can deliver significant shareholder value over the remainder of the current financial year and beyond."

For further information:

Bigblu Broadband Group PLC	www.bbb-plc.com
Andrew Walwyn, Chief Executive Officer	
Frank Walters, Chief Financial Officer	
Dom Del Mar, Corporate Development	*Via Walbrook PR*
Numis Securities (Nomad and broker)	
Oliver Hardy (Corporate Advisory)	
James Black/Jonathan Abbott (Corporate Broking)	**Tel: +44 (0)20 7260 1000**
Walbrook PR (PR / IR advisers)	**Tel: +44 (0)20 7933 8780**
Paul Cornelius / Nick Rome /Sam Allen	or BBB@walbrookpr.com

About Bigblu Broadband plc

BigBlu Broadband plc (AIM: BBB), formerly Satellite Solutions Worldwide Group PLC (AIM: SAT), is a leading provider of alternative broadband solutions throughout Europe and Australia. BBB delivers a portfolio of super-fast satellite and wireless broadband products for consumers and businesses unserved or underserved by fibre.

The Company has a significant target market with 27m customers in Europe with speeds of under 4 Mbs, and a further 1m in Australia who have been identified as only suitable for either satellite or fixed wireless broadband. Acquisitive and organic growth have enabled BBB to grow rapidly since inception in 2008 during which time the Company has completed 20 acquisitions across nine different countries. It is well positioned to continue growing as it targets customers that are trapped in the 'digital divide' with limited or no fibre broadband options.

BBB's range of solutions includes satellite, next generation fixed wireless and 4G/5G delivering between 30 Mbps and 150 Mbps for consumers, and up to 1 Gbps for businesses. It provides customers ongoing services including hardware support, pre and post-sale support, installation, billing and portal support whilst offering various tariffs depending on end user requirements.

Importantly, as core technologies evolve, and cheaper capacity is made available, BBB will continue to offer ever increasing speeds and higher data throughputs to satisfy market demands including 'video-on-demand'. BBB’s alternative broadband offerings present a customer experience that is similar to that offered by wired broadband and the connection can be shared in the normal way with PCs, tablets and smart-phones via a normal wired or wireless router. High levels of recurring revenue, increasing economies of scale and Government support for the alternative broadband market in many countries provides a solid foundation for the Company as it targets further organic growth to 150,000 customers by 2020 as demand for alternative super-fast broadband services increases around the world.

The continued growth achieved during the first half of the year highlights the Company's ability to scale its global reach through its organic and acquisitive growth strategy. Furthermore, as a result of its relatively fixed cost base, the Company continued to benefit from improved operating margins whilst acquisitions, technology development and the joint venture contract further enhanced its product portfolio and routes to market.

During the period the Company completed a £12m equity fundraise with new and existing investors to fund the acquisitions of Open Sky and Sat Internet and extended its revolving credit facility with HSBC to fund further bolt on acquisitions, technology investment across the group and to provide ongoing working capital. The successful placing and extended debt facilities allowed the Company to continue its growth strategy and clearly illustrated the attractive investment opportunity the Company provides to equity investors and non-dilutive debt providers.

The acquisitions of Open Sky and Sat Internet further strengthened the Company's operating capabilities, adding new territories whilst completing its footprint expansion across Europe. The Company is therefore now well placed to focus on driving organic growth which will be underpinned by the sales and marketing agreement with the European broadband joint venture company established between Viasat, Inc. and Eutelsat Communications ("EBB") announced in December 2017.

Organic Growth

The Company continued to grow with a 6.8% increase in like-for-like revenue on a constant currency basis when compared to prior period revenue, treating acquired businesses as if they had been owned for all of both periods on a constant currency basis.

This increase was primarily driven by continued customer sign up and increased data demands of existing customers as well as further government support in addition to the sales and marketing agreement with EBB.

The roll-out of the agreement with EBB has commenced and is now live in five territories, comprising Norway, Poland, Sweden, Finland and Spain. Significant work has been undertaken in setting up these operations with Viasat and Eutelsat Communications, recruiting local teams, onboarding installation partners, developing the reseller networks in each region as well as aligning pricing frameworks with market conditions. The Board expects further progress under this agreement throughout the remainder of 2018 with planned launches in Italy and Germany as well as increased marketing effort in the five existing regions.

BBB is already benefiting from an increase in customer numbers and revenue with increasing traction through the EBB agreement. Accelerated revenue growth is expected through fully funded marketing and the European joint venture's expertise in sales management and product delivery.

In order to effectively manage the significant International growth opportunity, the Company appointed Mark Anderson as Chief Operating Officer ("COO"). Prior to joining BBB, Mark worked for FOX Networks Group ("FOX"), part of the 21st Century Fox media company, and was directly responsible for managing activities across Europe and Africa with $300m of revenue and 11 TV channels. Prior to this Mark was a director of Sky Broadband and was responsible for growing their consumer broadband business to 750,000 customers in Ireland.

Government support also remains a key driver for the Company, as highlighted by receipt of a £2.1m BDUK grant to carry out field trials in March. The aim is to develop and establish the operating standards of the next generation of 5G fixed wireless broadband services utilising unused TV whitespace spectrum to increase super-fast wireless broadband penetration in very rural areas. In addition, Australia and Spain also have implemented favourable Government funded schemes with subsidised hardware and installation programmes to accelerate the roll-out of alternative super-fast broadband services that the Company offers.

Acquisitive Growth
Following a successful £12m equity fundraise, the Company acquired Open Sky and Sat Internet in May 2018 for an aggregate initial consideration of £9.7m. These acquisitions contributed approximately 21,000 new customers and are performing in-line with expectations.

Both companies have formed new hubs for the business from which they will develop operations in Italy, Germany, Austria and Portugal, which the Company views as attractive growth markets. The acquisitions are earnings enhancing and the Company is now well positioned to deliver a total last-mile broadband solution across the major markets in Europe, using either satellite or fixed wireless technology.

These businesses also bring excellent leadership and team members with significant in market experience including product offerings, marketing strategies and reseller programmes that ultimately will help improve the Company’s operational and financial performance.

Total Revenue
Total revenue therefore increased by 21% to £25.1m (1H17: £20.6m) with recurring revenue, defined as revenue generated from the Company’s broadband airtime which is typically linked to contracts, up 20% to £22.8m, representing 91.1% of total revenue. Adjusted EBITDA for the period was £2.8m, compared to £2.0m in 1H17, demonstrating the good progress made, the benefits of recent acquisitions and the Company's ambitious growth strategy. Customer numbers increased year on year by 37% to c.123k at the end of 1H18 compared to 1H17.

Board Changes
Our largest shareholder, Christopher Mills, joined the Company as a Non-Executive Director on 29 May 2018. Mr Mills founded Harwood Capital Management in 2011, a successor from its former parent company JO Hambro Capital Management, which he co-founded in 1993. He is the investment manager of North Atlantic Smaller Companies Investment Trust plc, which invested £5m in the Placing, and is non-executive director of several companies. Total holdings in BBB, at the date of the announcement, are 22.6%.

Post Balance Sheet Events

Non-core Australian fibre disposal
In June the Company sold the fibre broadband customer base, along with relevant infrastructure, of its Australian subsidiary SkyMesh Pty Ltd to Australian provider of connectivity services Superloop Ltd (ASX: SLC) ("Superloop") for AUD $1.5m in cash.

The disposal related to approximately 11,000 fibre customers serviced under the NBNCo broadband access network. Customers on SkyMesh's satellite and fixed wireless broadband services were unaffected by the transaction.

Rebranding to Bigblu Broadband plc
One of the key operational changes during the period was the Company’s rebranding to Bigblu Broadband across all operating brands. The new name was chosen to reflect the fact that the Company is a technology agnostic business, operating a portfolio of different technologies, including but not limited to, satellite, fixed wireless and 4G/5G to deliver turnkey alternative broadband solutions to achieve maximum coverage and market penetration with profitable delivery.

Outlook

The Company has positioned itself at the forefront of the alternative super-fast broadband industry. Our growing product base and routes to market mean that we are now one of the largest and most recognised companies in the industry.

Looking forward to the remainder of the year, we see plenty of scope to take advantage of global growth opportunities including, but not limited to, expanding across Australia and launching new super-fast satellite broadband services with the European joint venture. Importantly, sales through the European joint venture are already beginning to gain traction through increased marketing.

Given the above, the Company looks forward to the remainder of the current financial year as the improved systems, largely fixed cost structure, deep relationships and global footprint underpin continued revenue growth and profit expectations for the 12 months to 30 November 2018.

Andrew Walwyn

CEO

30 August 2018

FINANCIAL REVIEW

In the half year to 31 May 2018, total revenue increased by 21% to £25.1m (1H17: £20.6m), driven by an increase in organic revenue as well as the impact of acquisitions. Gross profit increased to £9.4m (1H17: £7.6m) representing an improved gross profit margin of 37.4% (1H17: 37.0%).

Distribution and administrative expenses increased by 18% to £6.6m (1H17: £5.6m) primarily as a result of acquisitions made in 2H17, combined with increased investment in central overheads to support scaling of the European joint venture agreement across new and existing hubs. Despite this investment, overheads as a percentage of revenue decreased from 27.2% in 1H17 to 26.3% in 1H18.

Company statutory results

Adjusted EBITDA (before share-based payments, depreciation, intangible amortisation, acquisition, employee related costs and deal related costs) for the half year was £2.8m (1H17: £2.0m).

The Company incurred acquisition, deal, legal and employee costs relating to M&A activities of £1.0m in the period (1H17: £0.6m). These costs comprise mainly professional and legal fees.

A reconciliation of the statutory operating loss before taxation for 1H18 of £4.7m (1H17: £3.0m loss) to adjusted EBITDA is shown below:

	Unaudited	**Unaudited**	**Audited**
	6 months to 31 May 2018 £000	**6 months to 31 May 2017 £000**	**12 months to 30 November 2017 £000**
Adjusted EBITDA	2,772	2,024	4,671
Depreciation	(1,593)	(1,181)	(2,716)
Amortisation	(4,559)	(3,136)	(8,049)
Share based payments	(250)	(106)	(353)
Legal and employee costs relating to acquisition activity	(1,047)	(560)	(1,576)
Statutory operating (loss)	**(4,677)**	**(2,959)**	**(8,023)**

Revenue and adjusted EBITDA in 1H18 and the comparative period is segmented by geography as follows:

	Revenue			Adjusted EBITDA		
	Unaudited	**Unaudited**	**Audited**	**Unaudited**	**Unaudited**	**Audited**
	6 months to	**6 months to**	**12 months to**	**6 months to**	**6 months to**	**12 months to**
	31 May 2018	**31 May 2017**	**30 November 2017**	**31 May 2018**	**31 May 2017**	**30 November 2017**
Segment	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
UK	8,530	6,988	14,083	2,026	1,702	2,991
France	2,391	2,399	4,957	361	295	1,226
Norway*	4,304	3,774	7,941	1,371	640	1,665
Australia	8,431	6,601	15,359	435	324	606
Other**	1,395	878	1,552	(141)	110	237
Central and PLC Costs ***				(1,280)	(1,047)	(2,054)
Total	**25,051**	**20,640**	**43,892**	**2,772**	**2,024**	**4,671**

* Norway includes Norwegian companies (including businesses acquired in 2017) plus the results of the European joint venture sales in Norway, Sweden and Finland

** Other comprises Ireland, Poland, and a half-month contribution of Open Sky (Italy) and Sat Internet (Germany, Portugal and Austria). Italy and Germany will be split out in future reports given their relative importance to the group

*** Central costs include finance, IT and plc costs

The Company has continued to make good progress in expanding its customer base, driven by the impact of acquisitions and net additions to the core business. As a result, total customers increased from 89,872 at the prior half year to 122,720 as at 31 May 2018 with progress across all of the operating hubs in the period, with strong customer growth in Australia (especially when Fibre is excluded). The acquisitions made in 2017 have contributed to the growth in revenue and the improvements in EBITDA during the 2018 half year period, especially in Norway where we acquired three businesses last year and the results of the European joint venture sales in Norway, Sweden and Finland.

The Company is executing a roll-out growth strategy and since the start of 2015 and up to and including the first half 2018, has completed 20 acquisitions with a total acquired customer base of approximately c.100,000 (as at the time of acquisition) which as at 31 May 2018 had grown to approximately 111,900.

The Company's total customer base of 122,720 as at 31 May 2018 was split as follows:

- Australia: 33% (1H17: 41%)
- UK: 23% (1H17: 24%)
- Norway: 13% (1H17: 17%)
- France: 9% (1H17: 14%)
- Germany 6% (1H17: 0%)
- Italy 12% (1H17: 0%)
- and Other: 4% (1H17: 4%)

Average revenue per user ("ARPU") increased slightly by 1.3% between 1H17 and 1H18 at £41.32 per month (1H17: £40.81). Customer churn during the period increased as a result of a doubling of churn in our Australian fibre customer base, which was disposed shortly post the period end. Average monthly churn was therefore 1.6% (1H17: 1.3%) in the period excluding the disposed Australian fibre customers. Customer churn is in line with management expectations and we are confident churn will be reduced in the second half of the year as we continue to invest in our customer engagement programmes, our network suppliers offering more compelling services and significant improvements in our customer support platforms come on-stream as planned.

Gross profit margin was 37.4% in the period (1H17: 37.0%) due to the improved sales mix.

Interest costs during the half year to 31 May 2018 increased to £1.1m from £1.0m in 1H17 as a result of an increase in the HSBC RCF during the period. The difference between the charge in the Condensed consolidated statement of comprehensive income and the interest paid in the Condensed consolidated Cash Flow Statement relates to the accrued redemption premium on the BGF debt.

The tax credit arises from a Research and Development related tax refund of £0.2m, offset by a tax provision against profits in Australia.

Operating cash (before capital expenditure and acquisitions) grew significantly from an outflow of £(0.9)m in 1H17 to an inflow of £2.2m in 1H18. This mainly reflects an improved adjusted EBITDA and the positive impact of working capital offset by the release of grant creditors associated with BDUK.

Capital expenditure of £0.9m in the current half year compares to £1.0m in 1H17 as the Group continues to invest in its fixed wireless infrastructure in addition to providing customers with equipment for the services provided.

Net debt decreased year on year from £13.2m as at 31 May 2017 to £9.4m as at 31 May 2018. This was primarily a result of the improved free cash flow (operating cash flow less interest less capital expenditure) of £1.3m in 1H18 compared to an outflow of £2.0m in 1H17 and the receipt of equity proceeds of £12m, which was mainly used to fund the acquisitions of Sat Internet Services and OpenSky, as well as additional funding for working capital and further bolt-ons. As at 31 May 2018 the Group had a cash balance of £7.4m and £3.5m of headroom under the HSBC facility. As highlighted at the year-end, we have had great support from our main airtime suppliers and we will continue to work with them to ensure that the terms are appropriate alongside marketing and product support to ultimately ensure that the customer continues to get better product offerings.

Bigblu Broadband plc
Condensed consolidated statement of comprehensive income
6 months ended 31 May 2018

	Unaudited 6 months to 31 May 2018 £000	Unaudited 6 months to 31 May 2017 £000	Audited 12 months to 30 November 2017 £000
Continuing Operations			
Revenue	**25,051**	**20,640**	**43,892**
Cost of goods sold	(15,685)	(13,006)	(28,315)
Gross Profit	**9,366**	**7,634**	**15,577**
Distribution and administration expenses	(6,593)	(5,610)	(10,906)
Depreciation and amortisation	(6,153)	(4,317)	(10,765)
Acquisition, deal, legal and employee costs relating to M&A	(1,047)	(560)	(1,576)
Share based payments	(250)	(106)	(353)
Operating Loss	**(4,677)**	**(2,959)**	**(8,023)**
Interest Payable	(1,060)	(980)	(2,057)
Loss before Tax	**(5,737)**	**(3,939)**	**(10,080)**
Tax on continuing Operations	133	(52)	2,451
Loss for the period	**(5,604)**	**(3,991)**	**(7,629)**
Other comprehensive income			
Foreign currency translation difference	(84)	(216)	(67)
Total comprehensive Income	**(5,688)**	**(4,207)**	**(7,696)**
Loss per share			
from continuing operations			
Basic (pence)	**(12.1)**	**(11.1)**	**(19.7)**

Bigblu Broadband plc

Condensed consolidated statement of financial position

As at 31 May 2018

	Unaudited As at 31 May 2018 £000	Unaudited As at 31 May 2017 £000	Audited As at 30 Nov 2017 £000
Non-Current Assets			
Property Plant and Equipment	7,097	5,173	7,000
Intangible assets	35,571	24,286	30,194
Investments	345	52	345
Total Fixed Assets	**43,013**	**29,511**	**37,539**
Current Assets			
Inventory	1,511	1,398	1,476
Trade & Other Debtors	7,338	5,397	5,707
Deferred Tax asset	622	622	648
Cash and Cash Equivalents	7,446	2,055	3,452
Total Current Assets	**16,917**	**9,472**	**11,283**
Current Liabilities			
Trade Payables	(8,051)	(6,651)	(7,176)
Other Creditors and Accruals	(14,052)	(8,127)	(11,074)
Payroll taxes	(843)	(420)	(353)
VAT	(1,987)	(1,272)	(1,659)
Total Current Liabilities	**(24,933)**	**(16,470)**	**(20,262)**
Non-Current Liabilities			
Loans and debt facilities	(16,889)	(15,228)	(16,228)
Other payables	-	-	(1,708)
Deferred taxation	(1,292)	(4,357)	(1,292)
Total Non-Current Liabilities	**(18,181)**	**(19,585)**	**(19,228)**
Total Liabilities	**(43,114)**	**(36,055)**	**(39,490)**
Net Assets	**16,816**	**2,928**	**9,332**
Equity			
Share Capital	8,446	5,390	6,826
Share Premium	35,662	15,817	23,900
Other Reserves	(707)	(872)	(497)
Revenue Reserves	(26,585)	(17,407)	(20,897)
Total Equity	**16,816**	**2,928**	**9,332**

Condensed consolidated Cash Flow Statement

	Unaudited 6 months to 31 May 2018 £000	Unaudited 6 months to 31 May 2017 £000	Audited 12 months to 30 November 2017 £000
Loss after tax for the year	**(5,604)**	**(3,991)**	**(7,629)**
Interest	1,060	980	2,057
Taxation	(133)	52	(2,452)
Amortisation and impairment of intangible assets	4,559	3,136	8,049
Depreciation charge[1]	1,776	1,305	3,287
Share based payments	250	106	353
Foreign exchange variance and other non-cash items	(547)	(474)	(1,285)
Release of grant creditors	(391)	-	(582)
Loss on disposal of fixed assets	-	-	15
Movement in working capital	2,307	(1,083)	453
Operating cash flows after movements in working capital	**3,277**	**31**	**2,266**
Interest paid	(1,060)	(980)	(1,406)
Net cash generated / (used) in operating activities	**2,217**	**(949)**	**860**
Investing activities			
Purchase of assets	(934)	(1,032)	(2,826)
Purchase of intangibles	(4,739)	(1,781)	(4,362)
Purchase of investments	(6,433)	-	(4,066)
Net cash used in investing activities	**(12,106)**	**(2,813)**	**(11,254)**
Financing activities			
Proceeds from issue of ordinary share capital net	11,542	-	7,518
Cash within subsidiaries acquired	1,742	-	-
Loans received subsidiaries acquired	400	-	-
Loan repayments	(52)	-	(1,489)
Proceeds from Loans	250	2,500	4,500
Cash generated from financing activities	**13,882**	**2,500**	**10,529**
Net increase / (decrease) in cash and cash equivalents	3,993	(1,262)	135
Cash and cash equivalents at beginning of period	3,453	3,317	3,317
Cash and cash equivalents at end of period	**7,446**	**2,055**	**3,452**

Bigblu Broadband plc

[1] Depreciation covers the charge in the operating loss statement on page 7 plus rental stock depreciation charged to cost of goods sold in the Condensed consolidated statement of comprehensive income

Condensed consolidated Reserves Movement

6 months ended 31 May 2018

	Share Capital	Share Premium	Other Reserves	Revenue Reserve	Total
	£000	£000	£000 Note 4	£000	£000
At 31 May 2017	**5,390**	**15,817**	**(872)**	**(17,407)**	**2,928**
Profit / (Loss) for the period	-	-	-	(3,490)	(3,490)
Issue of shares	1,436	8,083	-	-	9,519
Share option reserve	-	-	246	-	246
Foreign Exchange Translation	-	-	129	-	129
At 30 November 2017	**6,826**	**23,900**	**(497)**	**(20,897)**	**9,332**
Profit / (Loss) for the period	-	-	-	(5,688)	(5,688)
Issue of shares	1,620	11,762	-	-	13,382
Share option reserve	-	-	250	-	250
Foreign Exchange Translation	-	-	(460)	-	(460)
At 31 May 2018	**8,446**	**35,662**	**(707)**	**(26,585)**	**16,816**

1. Presentation of financial information and accounting policies

Basis of preparation

The condensed consolidated financial statements are for the half year to 31 May 2018.

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 EU. The financial statements have been prepared on the historical cost basis, except for the revaluation of financial instruments.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements are disclosed further. The principal accounting policies set out below have been consistently applied to all the periods presented in these financial statements, except as stated below.

Going concern

The Directors have prepared and reviewed projected cash flows for the Company reflecting its current level of activity and anticipated future plan for the next 12 months. The Company is currently loss-making mainly as a result of amortisation charges and will continue to be so for the foreseeable future, as the Company continues to invest in the business growth strategy of acquiring similar businesses. The business continues to grow the number of users in a number of key target markets and continues to review the short-term business model of the company by which the company becomes profitable and delivers a return on the investments.

The Board has concluded that no matters have come to their attention which suggest that the Company will not be able to maintain its current terms of trade with customers and suppliers. The Company's forecasts for the newly combined Company, including due consideration of the short term continued operating losses of the Company, taking account of possible changes in trading performance, indicate that the Company has sufficient cash available to continue in operational existence throughout the forecast period and beyond. As a consequence, the Board believes that the Company is well placed to manage its business risks and longer-term strategic objectives, successfully. Accordingly, they continue to adopt the going concern basis in preparing these results.

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 adjusted assumptions are reviewed on an ongoing basis.

In preparing these condensed 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 and Individual company's financial statements for the year ended 30 November 2017.

Basis of consolidation

The condensed consolidated financial statements comprise the financial statements of Bigblu Broadband Group 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. Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount. In this regard, the items included in the condensed consolidated statement of comprehensive income relate primarily to the costs incurred in relation to fundraising and acquisitions undertaken.

3. Loss per share

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

During the half year ended 31 May 2018, the Shareholders approved a share consolidation of 15:1, and the number of shares used for the calculation of the current year loss per share reflects the consolidated number of shares in issue at the respective half years. For comparability, the loss per share for the prior half year and full year have been restated on the basis of the equivalent number of shares post-consolidation at the ratio of 15:1.

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

At 31 May 2017	Loss	Weighted average number of shares	Per share amount
Basic and Diluted EPS	**£000**	**units**	**Pence**
Loss attributable to shareholders:			
- Continuing operations	(3,991)	35,824,579	(11.14)

At 31 May 2018	Loss	Weighted average Number of Shares	Per share amount
Basic and Diluted EPS	**£000**	**units**	**Pence**
Loss attributable to shareholders:			
- Continuing operations	(5,604)	46,462,281	(12.06)

Adjusted EPS* for the half year to 31 May 2018 of 0.54p and half year to 31 May 2017 (0.53p)

* This is calculated by deducting exceptional costs, share based payment charges and amortisation charges from Loss for the period divided by the weighted average number of shares in the relevant period

4. Other capital reserves

	Listing Cost Reserve £000	Merger Relief reserve £000	Reverse acquisition Reserve £000	Other equity reserve £000	Foreign exchange translation reserve £000	Share option reserve £000	Total capital reserves £000
At 31 May 2017	**(219)**	**4,471**	**(3,317)**	**271**	**(2,649)**	**571**	**(872)**
Other comprehensive income							
Other equity	-	-	-	-	-	-	-
Foreign Exchange Translation	-	-	-	-	129	-	129
Listing Cost Reserve	-	-	-	-	-	-	-
Credit to equity for equity settled Share based payments	-	-	-	-	-	246	246
At 30 November 2017	**(219)**	**4,471**	**(3,317)**	**271**	**(2,520)**	**817**	**(497)**
Other comprehensive income	-	-	-	-	-	-	-
Other equity	-	-	-	-	-	-	-
Foreign Exchange Translation	-	-	-	-	(460)	-	(460)
Credit to equity for equity settled Share based payments	-	-	-	-	-	250	250
At 31 May 2018	**(219)**	**4,471**	**(3,317)**	**271**	**(2,980)**	**1,067**	**(707)**

4. Other capital reserves continued

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

Other equity reserve
Other Equity relates to the element of the BGF Convertible Loan which has been grossed up but may be shown net.

Reverse acquisition reserve
The reverse acquisition reserve relates to the reverse acquisition of Satellite Solutions Worldwide Limited by Bigblu Broadband Group plc on 12 May 2015.

Foreign exchange translation reserve
The foreign exchange translation reserve is used to record exchange difference arising from the translation of the financial statements of foreign operations.

Share option reserve
The share option reserve is used for the issue of share options during the year plus charges relating to previously issued options.

Merger relief reserve
The merger relief reserve relates to the share premium attributable to shares issued in relation to the acquisition of Satellite Solutions Worldwide Limited.

5. 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.

6. Availability of the Interim Report

A copy of these results will be made available for inspection at the Company's registered office during normal business hours on any week day. The Company's registered office is at Broadband House, 108 Churchill Road, Bicester OX26 4XD. The Company is registered in England No. 9223439.

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