Bigblu Broadband plc

('BBB' or the 'Company')

Final Results
Audited final results for the year ended 30 November 2018

Bigblu Broadband plc (AIM: BBB.L), a leading provider of alternative super-fast broadband services, announces its audited results for the year ended 30 November 2018.

The period under review represented one of continued investment in the product portfolio and consolidation of the Company's leading position within the alternative super-fast broadband industry, whilst expanding routes to market to position the Company for strong organic growth in the current financial year and beyond.

The current trading period has started positively, with the Company adding more than 3,000 net new customers organically during the first three months of the current financial year, which is already ahead of the organic growth achieved for the 12 months ended 30 November 2018.

Financial Highlights

- Total revenue increased 26.1% to £55.4m (FY 2017: £43.9m)
- Like for like revenue growth[1] of 8.2%
- Adjusted EBITDA[2] increased 45.7% to £6.8m (FY 2017: £4.7m)
- Net debt decreased to £11.9m as at 30 November 2018 (FY 2017: £13.2m)

Operational Highlights

- Total customers increased by 13% to c.113k at the end of the period
- Completed the stated European expansion program following the acquisitions of Open Sky s.r.l ("Open Sky") and Sat Internet Services GmbH ("Sat Internet")
    - Significantly expanding BBB's operational footprint across Italy, Germany and Portugal
- Demonstrated technology leadership with Broadband Delivery UK ("BDUK")
    - Awarded £2.1m grant to develop and conduct field trials for next generation 5G fixed wireless broadband services
    - Connected the first BDUK 'gigafast' customers utilising new mmWave technology and newly released 60 GHz spectrum
- Signed a Commercial Agreement with the Viasat and Eutelsat European Broadband partnership ("EBB")
    - Expanded our 50 Mbps services from five countries to complete European coverage during the period
- Strengthened 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

Post Period End Highlights

- Selected in December 2018 as a preferred partner ("PPP") by Eurobroadband Infrastructure ("EBI"), a subsidiary of Eutelsat (NYSE / Euronext: ETL)
    - First phase of the coordinated marketing plan offering superfast satellite broadband services at download speeds of up to 50 Mbps has commenced
    - Systems now deployed and live across an additional six European countries

- Quickline, a subsidiary of BBB, acquired 100% of JHCS, for a consideration of £0.3m in January 2019

[1] Like-for-like organic revenue growth compares current and prior period revenue treating acquired or disposed businesses as if they had been owned for all of both periods on a constant currency basis.

[2] Adjusted EBITDA represents earnings before interest, taxation, depreciation, amortisation, share based payments and other exceptional costs

Andrew Walwyn, CEO of BBB, commented:
"The Company has positioned itself at the forefront of the alternative super-fast broadband industry. Our technology agnostic approach, growing product base and expanded routes to market mean we are now one of the largest and most recognised companies in the industry. Importantly for our shareholders, we have now established a compelling value proposition for end users, whilst also commanding a strong position within the industry to attract new and exciting commercial partnerships.

"Looking forward to 2019 and beyond, we see plenty of scope to take advantage of global growth opportunities including, but not limited to, launching new super-fast satellite broadband services within the European arena, rolling-out next-generation fixed wireless networks and further growth across Australia. Importantly, sales through our industry leading partnership agreement with EBB is now gaining significant traction despite the operational issues encountered during the first half of 2018, which were outside of our control.

"The current trading period has started positively, with the Company adding more than 3,000 net new customers organically during the first three months of the current year, which is ahead of the organic growth achieved for the 12 months ended 30 November 2018.

"Given the above, the Company remains confident of growing its customer base to 150,000 by 2020, which given the l*argely fixed operating cost structure of the business, is expected to deliver significant earnings growth and 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	*Via Walbrook PR*
Frank Walters, Chief Financial Officer	
Dom Del Mar, Corporate Development	
Numis Securities (Nomad and Joint Broker)	**Tel: +44 (0)20 7260 1000**
Oliver Hardy (Corporate Advisory)	
James Black/Jonathan Abbott (Corporate Broking)	
Dowgate (Joint Broker)	**Tel: +44 (0)20 3903 7715**
David Poutney	
James Sergeant	
Walbrook PR (PR / IR advisers)	**Tel: +44 (0)20 7933 8780 or**
Paul Cornelius / Nick Rome /Sam Allen	BigbluBroadband@walbrookpr.com

About Bigblu Broadband plc

Bigblu Broadband plc (AIM: BBB), is a leading provider of alternative super-fast satellite and fixed wireless broadband solutions for consumers and businesses unserved or underserved by fibre broadband throughout Europe and Australia.

The Company has a significant target market with 27m customers in Europe with speeds of under 4 Mbps, 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 300 Mbps for consumers, and up to 1 Gbps for businesses. It provides customers with ongoing services from hardware installation and billing to post-sale customer 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 growth to 150,000 customers by 2020, as demand for alternative super-fast broadband services increases around the world.

CHIEF EXECUTIVE'S REPORT

Overview

2018 was a pivotal year for the Company, completing the European footprint expansion with two significant acquisitions, establishing new consumer models in five territories and integrating acquired businesses onto the Company's operational platforms to underpin further organic growth.

The acquisitions of Open Sky and Sat Internet completed during the period further strengthened the Company's operating capabilities, adding new territories whilst completing the footprint expansion across Europe. Our geographic expansion was especially pleasing given the significant set-up costs and delays experienced in the first half of the year due to operational difficulties within the EBB partnership between Viasat and Eutelsat, which were completely out of our control.

However, BBB has ultimately benefited from being involved in the strategic ambitions of two of the World's largest satellite operators and the Company expects to benefit significantly going forward as its partners launch new services across Europe.

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 ensure the Company is well funded with a stronger balance sheet going into another period of growth.

Total Revenue Growth and Improved Underlying Margins

Total revenue increased by 26.1% to £55.4m (FY 2017: £43.9m) with recurring revenue, defined as revenue generated from the Company's broadband airtime, which is typically linked to contracts, up 19% to £49.5m representing 89.5% of total revenue. Adjusted EBITDA for the period was £6.8m representing an EBITDA margin of 12.3% compared to £4.7m in FY 2017 and an EBITDA margin of 10.6% demonstrating the good progress made, the benefits of recent acquisitions and the Company's ambitious growth strategy. Customer numbers increased year on year by 13% to c.113k compared to FY 2017.

Importantly, the Company met its total revenue targets despite the challenges faced during the period.

Continued Organic Growth

The Company continued to grow with an 8.2% increase in like-for-like revenue when compared to the prior period. This increase was primarily driven by continued customer additions and increased data demands from existing customers as well as further Government support.

Acquisitive Growth

Following a successful £12m (net £11.5m) equity fundraise, the Company acquired Open Sky and Sat Internet in May 2018 for an aggregate initial consideration of c£10m. These earnings enhancing acquisitions contributed approximately 21,000 new customers and are performing in-line with expectations.

Both companies 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.

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

The Company is therefore now well positioned to deliver total last-mile broadband solutions across all the major markets in Europe, using either satellite or fixed wireless technology.

Accelerating Technology Evolution

New satellites from our partners, which are fully funded and already in build, will likely usher in a completely different satellite broadband proposition. From the middle of 2020, the Company expects to be able to offer a fibre like service from the sky, with 100 Mbps download speeds and unlimited data allowances across key European markets. Furthermore, from 2021, we expect to be offering our customers between 200 Mbps and 300 Mbps download speeds.

Our fixed wireless businesses are also benefiting from significant advances in technology improving speeds and throughput. BBB has now demonstrated the first 1 Gbps capable network with a pioneering mmWave technology, utilising the newly released 60 GHz spectrum. Importantly, all customers who have been connected to the Company's networks in Norway and the UK within the last year are now able to be connected at up to 100 Mbps if desired.

Continued Government Support

We remain focussed on helping Governments across Europe achieve their stated targets to deliver 'universal broadband coverage' with download speeds of at least 30 Mbps by 2020 and coverage to more than 50% of households with speeds of at least 100 Mbps by 2025.

We remain convinced it will be difficult for Governments to meet these challenging targets without the use of super-fast alternative technologies such as satellite and fixed wireless broadband. Indeed, many Governments have already launched 'intervention schemes' to artificially stimulate the market and educate consumers about the options available to them given that fixed fibre broadband is unlikely to become a reality for many in the foreseeable future.

During March 2018, the Company received a £2.1m BDUK grant to carry out field trials 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.

Across Europe, there are now Government funded support schemes in the UK, France, Germany, Spain and Hungary where the hardware and installation costs of getting online with satellite or fixed wireless are subsidised.

A similar scheme exists in Australia, where since entering the Australian Satellite Broadband market in March 2017 following the acquisition of BorderNET, BBB commanded 50% market share of net new adds under the Government funded NBNCo scheme during the last six months of the financial period.

Looking forward, other countries and Governments are expected to launch similar schemes in the near future.

Board and Senior Management Team Appointments

Christopher Mills – Non-Executive Director
Our largest shareholder, Christopher Mills, joined the Company as a Non-Executive Director on 23 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, and is non-executive director of several companies. Total holdings in BBB, at the date of the announcement, are 22.9%.

Mark Anderson – Chief Operating Officer
In order to effectively manage the significant International growth opportunity, the Company appointed Mark Anderson as Chief Operating Officer ("COO") during the period, who has already made a positive impact across the Company.

Post Balance Sheet Events

Eurobroadband Infrastructure
In December 2018, BBB announced Eurobroadband Infrastructure ("EBI"), a subsidiary of Eutelsat (NYSE/Euronext: ETL), had selected BBB as its preferred partner in its program to launch a market leading superfast satellite broadband service to consumers and businesses across Europe at download speeds of up to 50 Mbps.

Under this commercial arrangement, EBI will provide satellite network capacity, as well as assist with subscriber premises equipment, installation and marketing to support the 'Konnect' brand. BBB will promote and sell satellite broadband services while managing all activities related to subscriber management including installation, billing and support.

Based on a shared growth model, BBB will be an integral part of EBI's strategy of revitalising the distribution network over its KA-SAT satellite to boost the deployment of internet access via satellite across Europe in line with EU 2020 targets.

Whilst the PPP agreement was only signed in December 2018, tangible progress has already been made and the Board expects EBI to contribute significantly to its accelerated organic revenue growth in 2019 and beyond.

Quickline Acquisition
In January 2019, Quickline, a subsidiary of BBB, acquired 100% of JHCS, for a consideration of £0.3m. JHCS is a wireless network provider that supplies fast broadband to homes and businesses in rural Nottinghamshire and Lincolnshire. The network will be managed by Quickline without any disruption to the service.

Over the years, Quickline has been working hard to bring superfast internet to rural and remote areas, which includes its key role in the development of 5GRIT – the 5G Rural Integrated Testbed. The acquisition of JHCS was an important step in this ongoing mission to deliver fast, reliable and secure broadband to small villages, farms, holiday parks and other sites that are often ignored by larger service providers. By offering speeds of up to 100 Mbps, the company is helping rural businesses enhance the way they operate on a daily basis.

Outlook

The Company has now successfully positioned itself at the forefront of the alternative super-fast broadband industry. Our exciting product portfolio and expanding routes to market mean BBB is now one of the largest and most recognised companies in the industry.

Looking forward to the current year, there remains plenty of scope to take advantage of global growth opportunities including, but not limited to, *launching new super-fast satellite broadband services within the European arena, rolling-out next-generation fixed wireless networks and further growth across Australia*. Importantly, sales through partnership agreements are gaining strong traction through compelling consumer product offerings and increased marketing spend, which underpins our rapid organic customer growth expectations in the current year.

Given the above, the Company looks forward to the remainder of the current financial year with a clear focus on accelerating organic revenue growth and continuing to leverage its increased scale from the recent acquisitions while also benefiting from improved management systems to ensure the Company can continue to deliver shareholder value.

Andrew Walwyn
CEO
25 March 2019

FINANCIAL REVIEW

In the year, total customers increased from c100k at the start of the year to c113k as at 30 November 2018. The sales mix across the Company, following the disposal of fibre customers in Australia, was c.78% Satellite and c.22% Fixed Wireless during the period.

Total revenue increased by £11.5m or 26.1% to £55.4m (FY 2017: £43.9m), driven by organic growth as well as the net impact of acquisitions and disposals during the period. Like for like revenue growth was 8.2% (FY 2017: 12.7%) as the Company continued to add net new customers during the year, albeit at a reasonably modest rate, and a slightly increased average revenue per user ("ARPU") with other income including installations, services, network support and grants increasing during the period.

ARPU, calculated by dividing total revenues from all sources by the average customer base, increased in 2018 to approximately £42 per month (FY 2017: £41) as we began to offer better packages with increased revenue from services, installations and grant income.

Churn rates (defined as the number of subscribers who discontinue their service as a percentage of the total number of subscribers within the period), excluding disposed fibre customers, increased to an average of 21.6% per annum (FY 2017: 16.8%) during the period. This was due to in part to customer service issues as we migrated customer bases over to new systems and the slower network launch of new products and support. The Company recruited a call centre Director and expanded the customer experience team during the period to reduce the risks of these issues reoccurring.

Gross profit margins improved from 35.5% (FY 2017) to 40.6% (FY 2018) as a result of improved product sales mix and additional high margin other income, including grant income and support.

Distribution and administrative expenses, pre items identified as exceptional in nature, increased by 43.9% to £15.7m (FY 2017: £10.9m) representing 28.3% of revenue (FY 2017: 24.8%) due to a combination of the increased overheads relating to the completed acquisitions, and specific investments in central overheads across Senior Management, customer services, IT, HR and finance.

Underlying depreciation increased to £3.5m in FY 2018, from £2.7m in FY 2017 as a result of capital investment made during the period and a full depreciation charge for Quickline as it was acquired in August 2017. In addition, a further £3.1m depreciation charge was also provided following a full review of the useful economic life of fixed wireless assets in the UK and Norway.

Amortisation decreased to £7.5m in FY 2018, from £8.0m in FY 2017, mainly due to the completed amortisation of acquisitions made in FY 2016, which are written off over 24-month period, offset against increased amortisation for acquisitions completed in FY 2017 and FY 2018.

The Company incurred significant charges during the period, including costs related to fundraising, acquisitions, business consolidations and the initial start-up costs associated with Partnership agreements, are described in more detail in the following section.

Interest costs increased slightly during the year to £2.2m (FY 2017: £2.1m) as a result of increased interest charges for the draw down on the Revolving Credit Facility with HSBC during the period, which increased by £0.4m to £4.9m. The difference between the charge and the interest paid in the cash flow statement relates to the accrued redemption premium on the BGF debt.

The tax credit arises from the release of deferred tax on fully and partly amortised customer base intangible assets.

Company Statutory Results and EBITDA Reconciliation

A reconciliation of the statutory operating loss before taxation for FY 2018 of £13m (FY 2017: £8.0m loss) to Adjusted EBITDA is shown below:

	Audited 12 months to 30 November 2018 £000	**Audited 12 months to 30 November 2017 £000**
Statutory operating (loss)	(12,999)	(8,023)
Depreciation	6,629	2,716
Amortisation	7,491	8,049
Share based payments	395	353
Fundraise, legal and related costs associated with acquisition and disposal activity	1,617	975
Employee related costs associated with consolidations in the regions	980	601
Partnership investment start-up costs	1,893	-
Deferred Consideration Provision	800	-
Adjusted EBITDA	6,806	4,671

The Company incurred significant expenses in the period, that are considered exceptional in nature, are highlighted below:

- £1.6m of fees relating to the fundraising and M&A activity completed during the period
- £1.0m employee termination and redundancy costs where divisions or hubs have been consolidated including provisions made for the disposal of the Australian Fibre business
- £1.9m of specific set up costs incurred in relation to the HRA agreement with Viasat and the PPP agreement with Eutelsat. These were costs incurred in setting up business operations in Spain, Poland, Norway Finland, Sweden, Italy, Germany and Portugal including statutory entities, legal, telco licenses, websites, rebranding, finance, IT and internal headcount cost incurred in going live in all these territories.
- £0.8m provision as part of an 'earn-out' consideration for the acquisition of Quickline completed in 2017. As part of the total consideration, an additional earn-out payment is due to the vendors should certain performance targets be met over a three-year period. A provision of £2.7m was made in last year's accounts and further positive performance through 2018 has resulted in a further deferred consideration of £0.8m, which has now been provided for. Post period end £2m has been paid to the vendors.

Included within these identified costs are c£1.3m, which were not paid in the period but are anticipated to be paid in the current financial year.

Reported loss per share (basic and diluted) reduced from 19.7p to 25.8p as a result of increased depreciation and non-recurring items.

Revenue and Adjusted EBITDA in FY 2018 and the comparative period is segmented by geography as follows:

	Revenue		Adjusted EBITDA	
	Audited	**Audited**	**Audited**	**Audited**
	12 months to	**12 months to**	**12 months to**	**12months to**
	30 November 2018	**30 November 2017**	**30 November 2018**	**30 November 2017**
Segment	**£000**	**£000**	**£000**	**£000**
UK	16,405	14,083	2,462	3,217
Europe	23,779	14,450	6,524	2,901
Australia	15,166	15,359	1,505	606
Plc and Central Costs	-	-	(3,685)	(2,053)
Total	**55,351**	**43,892**	**6,806**	**4,671**

Balance Sheet

Net assets on the balance sheet are £10.1m (FY 2017: £9.3m).

Goodwill increased mainly due to the FY 2018 acquisitions (£11.6m), offset against amortisation of £7.5m.

Inventory days increased to 22 days (FY 2017: 18 days) and debtor days increased to 32 days (FY 2018) from 25 days (FY 2017). Creditor days increased to 107 days (FY 2018) from 95 days (FY 2017) due to extended terms from our airtime providers and delayed payments to a key supplier in Australia in respect of the disposal of the fibre business. Within other creditors of £9.2m, £6.4m relates to total deferred consideration provisions.

Total debt increased in the year by £0.8m to £17.0m, due to a £0.4m increase in the RCF with HSBC and a loan of £0.4m acquired on the acquisition of Open Sky.

Net debt decreased year on year from £13.2m as at 30 November 2017 to £11.9m as at 30 November 2018. This was primarily a result of the improved operating cash flow after movements in working capital of £4.9m in FY 2018 compared to an inflow of £2.3m in FY 2017. Acquisition activity continued to be funded through our financing activities. The receipt of equity proceeds of c£11.5m, was used to fund the acquisitions of Sat Internet Services and Open Sky, as well as additional funding for working capital.

As at 30 November 2018, the Group had a cash balance of £5.1m and £3.2m of headroom under the HSBC facility. The increase in cash is largely due to the continued support of our Network Partners. However, we recognise as we work closer with our network partners across existing and new territories, there will be a desire to reduce creditor days. We will continue to work with them to ensure payment terms are appropriate for our size of business alongside the ongoing marketing and product support obligations to ensure the Company can deliver consistently improving products and services to its customers.

Cashflow

Below is a summary of the Cash flow movements during the period compared with FY 2017.

	Audited 12 months to 30 November 2018	**Audited 12 months to 30 November 2017**
	£000	**£000**
Operating cash flows after movements in working capital	4,870	2,265
Interest and tax paid	(1,496)	(1,406)
Capital Expenditure	(2,282)	(2,826)
Acquisition Expenditure	(13,667)	(8,428)
Cash generated from financing activities	14,190	10,529
Change in cash	**1,615**	**134**

Operating cash flow, including exceptional costs and after movements in working capital, increased from £2.3m in FY 2017 to £4.9m in FY 2018. This represents a conversion of 72% (FY 2017 48%) of Adjusted EBITDA. This improvement largely reflects working capital improvements of £6.1m, some of which will reverse in the current year and which have more than offset cash exceptional costs.

Interest paid in the period amounted to £1.5m (FY 2017 £1.4m).

Capital expenditure of £2.3m in the current year compares to £2.8m in 2017 as the Company continues to invest in tower and mast infrastructure following the acquisition of Breiband in 2016 and Quickline in 2017, in addition to providing customers with equipment for the services provided.

Acquisition expenditure included £11.6m related to the acquisitions made in Germany and Italy together with deferred consideration and earn out payments. In addition, we incurred £1.8m of intangibles expenditure for software and network development.

Financing cash flow includes £11.5m proceeds from equity issuance, £1.5m cash and £0.4m loans within subsidiaries acquired and £0.4m proceeds from loan drawn down.

Bigblu Broadband plc

Condensed consolidated statement of comprehensive income

12 months ended 30 November 2018

	Note	Audited 12 months to 30 November 2018 £000	Audited 12 months to 30 November 2017 £000
Revenue		**55,351**	**43,892**
Cost of goods sold		(32,859)	(28,315)
Gross Profit		**22,492**	**15,577**
Distribution and administration expenses	**2**	(21,370)	(12,835)
Depreciation and amortisation		(14,121)	(10,765)
Operating Loss		**(12,999)**	**(8,023)**
Interest Payable		(2,167)	(2,057)
Loss before Tax		**(15,166)**	**(10,080)**
Tax on continuing Operations		1,870	2,451
Loss for the period		**(13,296)**	**(7,629)**
Other comprehensive income			
Foreign currency translation difference		(394)	(67)
Total comprehensive Income		**(13,690)**	**(7,696)**
Loss per share			
Basic and diluted	**3**	**(25.8)**	**(19.7)**

Bigblu Broadband plc

Condensed consolidated statement of financial position

As at 30 November 2018

		Audited As at 30 Nov 2018 £000	Restated Audited As at 30 Nov 2017 £000
Non-Current Assets			
Property Plant and Equipment		5,517	9,347
Intangible assets		36,087	30,194
Investments		53	345
Total Fixed Assets		**41,657**	**39,886**
Current Assets			
Inventory		1,950	1,476
Trade Debtors		4,811	3,018
Other Debtors		5,082	2,689
Deferred Tax asset		882	648
Cash and Cash Equivalents		5,067	3,452
Total Current Assets		**17,792**	**11,283**
Current Liabilities			
Trade Payables		(9,677)	(7,176)
Recurring Creditors and Accruals		(9,226)	(6,823)
Other Creditors		(9,456)	(4,720)
Payroll taxes		(936)	(353)
VAT		(2,018)	(1,659)
Total Current Liabilities		**(31,313)**	**(20,731)**
Non-Current Liabilities			
Loans and debt facilities		(16,979)	(16,228)
Other payables		(409)	(3,586)
Deferred taxation		(657)	(1,292)
Total Non-Current Liabilities		**(18,045)**	**(21,106)**
Total Liabilities		**(49,358)**	**(41,837)**
Net Assets		**10,091**	**9,332**
Equity			
Share Capital		8,506	6,826
Share Premium		23,900	23,900
Other Reserves	**4**	12,272	(497)
Revenue Reserves		(34,587)	(20,897)
Total Equity		**10,091**	**9,332**

Bigblu Broadband plc

Condensed consolidated Cash Flow Statement

12 Months Ended 30 November 2018

	Audited 12 months ended 30 November 2018 £000	Restated Audited 12 months ended 30 November 2017 £000
Operating Loss after tax for the year	**(13,296)**	**(7,629)**
Interest	2,167	2,057
Taxation	(1,870)	(2,451)
Release of Grant creditors	(2,556)	(582)
Amortisation and impairment of intangible assets	7,491	8,049
Depreciation charge	6,629	3,287
Share based payments	395	353
Foreign exchange variance and other non-cash items	(130)	(1,285)
Movement in working capital	6,040	466
Operating cash flows after movements in working capital	**4,870**	**2,265**
Interest paid	(1,478)	(1,406)
Tax paid	(18)	-
Net cash generated / (used) in operating activities	**3,374**	**859**
Investing activities		
Purchase of assets	(2,282)	(2,826)
Purchase of intangibles	(5,498)	(4,362)
Purchase of investments	(8,169)	(4,066)
Net cash used in investing activities	**(15,949)**	**(11,254)**
Financing activities		
Proceeds from issue of ordinary share capital	11,948	7,518
Proceeds from Loans	400	4,500
Cash within subsidiaries acquired	1,491	-
Loans paid/within subsidiaries acquired	351	(1,489)
Cash generated from financing activities	**14,190**	**10,529**
Net (decrease) / increase in cash and cash equivalents	1,615	134
Cash and cash equivalents at beginning of period	3,452	3,318
Cash and cash equivalents at end of period	**5,067**	**3,452**

Bigblu Broadband plc

Condensed consolidated Reserves Movement

12 Months Ended 30 November 2018

	Share Capital £000	Share Premium £000	Other Reserves £000 Note 4	Revenue Reserve £000	Total £000
At 1st December 2017	**5,362**	**15,589**	**2,396**	**(13,201)**	**10,146**
Profit / (Loss) for the period	-	-	-	(7,629)	(7,629)
Issue of shares	1,464	8,311	-	-	9,775
Share option reserve	-	-	353	-	353
Foreign Exchange Translation	-	-	(3,246)	-	(3,246)
Other Movements	-	-	-	(67)	(67)
At 30th November 2017	**6,826**	**23,900**	**(497)**	**(20,897)**	**9,332**
Profit / (Loss) for the period	-	-		(13,296)	(13,296)
Issue of shares	1,680	-	12,010	-	13,690
Share option reserve	-	-	395	-	395
Foreign Exchange Translation	-	-	364	(394)	(30)
At 30th November 2018	**8,506**	**23,900**	**12,272**	**(34,587)**	**10,091**

Bigblu Broadband plc

Notes to the financial statements

For the period ended 30 November 2018

1. Presentation of financial information and accounting policies

Basis of preparation

The condensed consolidated financial statements are for the full year to 30 November 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 and exceptional charges including additional depreciation. 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 underlying 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 2018.

Basis of consolidation
The condensed consolidated financial statements comprise the financial statements of Satellite Solutions Worldwide 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. Distribution and Administration Expenditure

Distribution and administration costs are analysed as follows:

	FY 2018	**FY 2017**
	£000	**£000**
Employee related costs	8,768	7,499
Marketing and communication costs	2,270	1,359
Logistics, Finance, IT, banking, insurance AIM and Other costs	4,647	2,048
Underlying costs	**15,685**	**10,906**
% of Revenue	**28.3%**	**24.8%**
Share based payments	395	353
Fundraise, legal and related costs associated with acquisition activity	1,617	975
Employee related costs associated with consolidations in regions	980	601
Partnership investment start-up costs	1,893	-
Deferred Consideration provision	800	-
Identified Exceptional Costs	**5,685**	**1,929**
% of Revenue	**10.2%**	**4.4%**
Total	**21,370**	**12,835**
% of Revenue	**38.5%**	**29.2%**

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.

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:

	Loss	Weighted average Number of Shares	Per share amount
At 30 November 2017			
Basic and Diluted EPS	**£000**	**units**	**Pence**
Loss attributable to shareholders:			
- Continuing operations	**(7,629)**	**38,637,575**	**(19.7)**

	Loss	Number of Shares	Per share amount
At 30 November 2018			
Basic and Diluted EPS	**£000**	**Units**	**Pence**
Loss attributable to shareholders:			
- Continuing operations	**(13,296)**	**51,551,407**	**(25.8)**

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 30 November 2016	**(219)**	**4,471**	**(3,317)**	**271**	**726**	**464**	**2,396**
Other comprehensive income							
Other equity							
Foreign Exchange Translation					(3,246)		(3,246)
Listing Cost Reserve							
Credit to equity for equity settled Share based payments						353	353
At 30 November 2017	**(219)**	**4,471**	**(3,317)**	**271**	**(2,520)**	**817**	**(497)**
Other comprehensive income							
Other equity		11,762				248	12,010
Foreign Exchange Translation					364		364
Listing Cost Reserve							
Credit to equity for equity settled Share based payments						395	395
At 30 November 2018	**(219)**	**16,233**	**(3,317)**	**271**	**(2,156)**	**1,460**	**12,272**

- Listing cost reserve
    - The listing cost reserve arose from expenses incurred on AIM listing.
- Other equity reserve
    - Other Equity related 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 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 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 Bigblu Operations Limited (Formerly 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. Restatement of 2017

The restatement in 2017 was due to the result of the grossing up of the deferred grant income between Property, Plant and Equipment and Other Payables.

7. Availability of the Full 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 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://www.bigblu.com