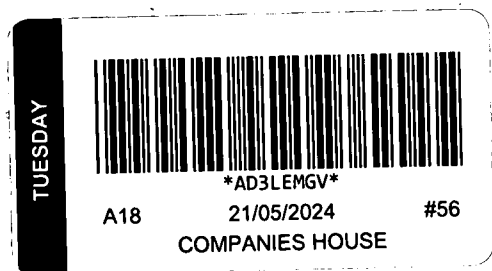


Biglu Broadband plc
Annual Report & Financial Statements
For the year ended
30 November 2023

A Company Registered in England & Wales No. 09223439



Bigblu Broadband plc
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For the year ended 30 November 2023

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Bigblu Broadband plc
Company Information
For the year ended 30 November 2023

Directors	M Tobin OBE A Walwyn (Resigned 17 May 2024) F Waters P Howard C Mills P Moses
Company registration number	09223439
Company secretary	B Harber
Registered office	6th Floor 60 Gracechurch Street London EC3V 0HR
Broker & Nominated adviser	Cavendish Capital Markets Limited (previously known as finnCap Ltd) 60 New Broad St London EC2M 1JJ
Solicitors	Burness Paul LLP 50 Lothian Road Festival Square Edinburgh, EH3 9WJ
Registrars	Share Registrars Limited The Courtyard 17 West Street Farnham Surrey GU9 7DR
Auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG

Bigblu Broadband plc
Company Overview
For the year ended 30 November 2023

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

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

BBB's range of solutions includes satellite, GEO and LEO, next generation fixed wireless and 4G/5G FWA delivering between 30 Mbps and 500Mbps for consumers, and up to 1 Gbps for businesses. BBB provides customers with a full range of services including hardware supply, installation, pre-and post-sale support, billings, and collections, whilst offering appropriate tariffs depending on each end user's requirements.

Importantly, as its core technologies evolve, and more affordable capacity is made available, BBB continues to offer ever-increasing speeds and higher data throughputs to satisfy market demands for broadband services. BBB's alternative broadband offerings present a customer experience that is broadly similar to that offered by wired broadband and the connection can be shared in the normal way with PCs, tablets and smart phones.

**Superfast is defined as broadband speeds in excess of 30Mbps*

*** Ultrafast is defined as broadband speeds in excess of 100Mbps*

Bigblu Broadband plc
Strategic Report
Chairman's Statement
For the year ended 30 November 2023

2023 has been a year of intense focus within the business with like for like revenue growth of 0.3% and adjusted EBITDA like for like growth of 8.7% and ending the period with 55k customers for continuing operations. During the period we also, identified and concluded suitable accretive bolt on in Harbour in Australia.

Operationally we also had to adjust the business to the increased Low Earth Orbit competition in Australia as well as upgrade legacy systems in Skymesh. We continued to reduce costs centrally and announced the disposal of the Norwegian Operations to a management led buyout team in Norway post period end.

We started the year with the acquisition of the satellite operations of Harbour ISP PTY LTD, a subsidiary of Uniti Group LTD in Australia. This acquisition was accretive in nature and helped cement our fully owned subsidiary SkyMesh's leading position in the marketplace.

At the year-end we retained a 3.1% holding in Quickline post injection of £110m of additional funding by Northleaf Capital Partners since the date of acquisition by them. Post year end Northleaf invested a further £20m reducing our percentage holding to 2.8%. Quickline can currently address over 200,000 rural premises with its hybrid FTTP and FWA infrastructure and has over 10,000 customers.

Following this injection, the 5G and FTTP build programmes are accelerating and, supported by a headcount of c300, Quickline is still targeting to pass 500,000 premises as per the original business plan. Northleaf continues to be a great partner, having provided significant additional capital to support the business in this rapidly growing and well-financed alternative network operator. We are delighted for the Quickline team being awarded two contracts under the government's £5bn Project Gigabit programme as detailed in the post balance sheet events note.

In addition, we continued to have excellent support from our main banking partner Santander in the UK who provides the business with £10m Revolving Credit Facilities and associated banking operations.

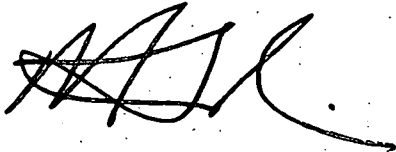
The Board remains focused on enhancing shareholder value from the Continuing Group and will consider further strategic M&A opportunities that are accretive in nature.

As stated in previous years, I am a strong believer that good corporate governance supports a group's long-term success. This is very important for 2024 and beyond, given the strategic plans for the continuing operations. The structures, advisers and committees we have in place for establishing and articulating the Board's strategy and monitoring the performance of the Group's management continue to function well and add value for the Group's shareholders, at the same time ensuring a strong focus on realising shareholder value.

Part of our governance regime is our continued regular communication with shareholders as our strategy continues to progress. To this end, we embarked upon an inclusive investor relations programme in 2020 which has continued throughout 2021, 2022 and 2023, and we will continue to interact with shareholders in a regular and proactive manner. This year the AGM will be held on 21 June 2024 and such notice of the AGM will be circulated to shareholders shortly.

Bigblu Broadband plc
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Finally, I would like to thank Andrew Walwyn who resigned from the Board on 17 May 2024, for his countless years of hard work and effort, for less delivery, his management team and all the staff in the Group for their efforts in 2023. Everyone played their part in a demanding yet successful year in the Group's life. I, and the rest of the Board, fully recognise that the team are working very hard to look after our existing customers and support new customers requiring our service and so continue to look forward to the remainder of 2024 with confidence.



Michael Tobin OBE

Chairman

17 May 2024

Bigblu Broadband plc
Strategic Report
Chief Executive Report
For the year ended 30 November 2023

Overview

2023 was an important year for the Group as we continued to focus on maximising shareholder value. We have delivered improved underlying profitability in Australia and have announced the disposal of the Group's Norwegian operations to a management led team post the end of the financial year. As a result, our remaining focus is now on our Australian operations and our retained minority interest in Quickline.

Operational Review of Continuing Operations

The last year has seen a hive of activity across the sector generally and the business units more specifically. We have seen the advancement of Starlink in Australia our only remaining market and are absolutely delighted to have entered into a distribution agreement with them in December 2023.

- Further positive sector momentum includes Satellite communications market's profile raised in 2023.
- Significant mergers and constellation expansions have created satellite network operators with greater scale, especially in the low-earth orbit (LEO) sector.
- Telcos with ambitious, and extremely challenging, goals of delivering communications and digital services to every corner of the world, will increasingly rely on satellite coverage to close connectivity gaps in various locations, especially the digital divide where BBB operate.

In Australia, we remain focused on our strategy of organic growth combined with targeting suitable bolt-on acquisition opportunities as well as considering all options available to BBB to best achieve our value realisation strategy.

SkyMesh, is the leading Australian satellite broadband service provider, having been named Best Satellite NBN Provider for the fifth year in succession (2019-2023). SkyMesh has continued to be the market leader in the satellite broadband market with total market share post the Harbour transaction of 46% of NBNCø Skymuster, a growth of 7.6% year on year.

SkyMesh now commands a 53% market share of all new orders placed, the fastest growing operator in the GEO satellite market. Customer numbers at 30 November 2023 were 55.3k (FY22: 51.5k), an increase of 7% on prior year and includes the customers acquired from Harbour (5.2k).

Increased competition from Starlink in FY23 had an impact on customer numbers mainly during the first half of the year. SkyMesh worked with its major satellite provider NBNCø to bring uncapped data packages to market for the first time, which are more affordable, comparable in speed, and better supported than other networks. From the launch of this product in late 2023, customer growth has returned. An expanded suite of uncapped data products at varying price points was released on 1 December 2023, which the business expects will further enhance its growth potential.

During the year, SkyMesh upgraded their legacy systems with an investment of £1.3m. This brings touchless integration with NBNCø for ordering, provisioning of services and support. The outcome is a more efficient system that enables customers to be set up online faster than ever. The sales process has been streamlined and provides the ability to track orders and sales in real time. The system brings upgraded security and flexibility to integrate with future vendors. This was a large exercise and resulted in a number of teething challenges. We are now seeing a more stable platform and have invested in additional IT resources to drive future developments.

Further acquisition opportunities and new product opportunities are emerging as SkyMesh heads into 2024 with the potential for the product offering to expand further underpinning future growth in customer numbers.

Revenue is underpinned with a high percentage (c.93%) of recurring revenue attached to contracts. We remain confident in our ability to deliver further returns for shareholders from our operations in Australia together with the remaining equity stake in Quickline. As we enter the new financial year, there are opportunities to deliver

Bigblu Broadband plc
Strategic Report
Chief Executive Report (continued)
For the year ended 30 November 2023

improved shareholder value as we continue to support customers unserved and underserved in the digital divide, whilst at the same time improving our product range thereby reducing churn.

The Board's focus will remain on both organic growth with our network partners, and suitable accretive bolt on acquisitions that can accelerate the Company's presence as well as scaling the Australian business. In addition, the Board continues to explore all options to realise value for BBB shareholders from SkyMesh, which could include an MBO supported by private equity, trade sale or ASX listing of SkyMesh.

Board Changes

As part of the acquisition of the Norwegian Operations by local management, Andrew Walwyn is also participating in the Buy Out. As a result, Andrew Walwyn has resigned with immediate effect from his position as Executive CEO within the plc to prevent any conflicts perceived or otherwise arising. Andrew remains a major shareholder of BBB having founded the business in 2008 and listed the business in 2015.

Andrew has undertaken to support the Board as required whilst it executes its strategy of realising value for shareholders.

Frank Waters has become CEO of the plc in addition to his CFO responsibilities, whilst the Board of BBB continues to execute the value realisation strategy and will be supported by the new CFO in Australia Ray Vaughan who joined on 1 April 2024. Ray will be responsible for all financial aspects of Skymesh finances and support Frank Waters with plc matters as required.

Post Balance Sheet Events

We highlight the following post balance sheet events:

Quickline Contract Wins

Quickline has been awarded two contracts under the government's £5bn Project Gigabit programme. The contracts will subsidise the rollout of a full fibre network to more than 60,000 hard-to-reach rural homes and businesses across the parts of Yorkshire which have been left behind by commercial rollouts. The contracts have been secured by Quickline following competitive public procurement processes and totals £104m of government subsidy. Quickline will make further private investment alongside Project Gigabit to roll out its full fibre network to over 200,000 premises. Project Gigabit is the government-backed programme to connect hard-to-reach areas which, without government intervention, would miss out on fast and reliable, gigabit capable broadband. The rollout of Project Gigabit is overseen by Building Digital UK (BDUK) – an executive agency of the Department for Science, Innovation and Technology.

Starlink Distribution Agreement

We were delighted to sign a distribution contract with Starlink in December 2023 to provide high-speed internet to business and small office / home office workers. BBB plc invested £2m in buying stock in advance to support future orders. This, alongside the One Web contract allows BBB to offer customers an extended suite of products covering all their needs.

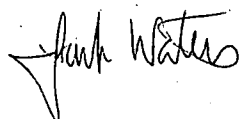
Norway disposal

We have separately today also announced the disposal of our Norwegian operations for consideration of £1 to a team led by local management and Andrew Walwyn. This business has faced meaningful headwinds over the last few years and the Board has actively been seeking to find an exit for this business, including the appointment of external advisors to try and find appropriate buyers for these operations. The management buyout offered the most realistic and quickest exit for the Group without having to potentially incur further costs in the region and the Board believes that this transaction is in the best interests of shareholders.

Bigblu Broadband plc
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Chief Executive Report (continued)
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Current Trading

The Group has positioned itself at the forefront of the alternative super-fast and ultrafast broadband industry in Australia. The Group's product portfolio and expanding routes to market mean that it remains one of the most recognised companies in its sector in Australia. Underlying trading in Australia in the first few months is in line with prior year and the planned migration of customers to the new tariffs, whilst likely to result in a far higher Customer Lifetime Value will potentially impact short term EBITDA and cash, however the business will benefit from the strong visibility afforded by the high percentage of recurring revenues. At the same time, we are progressing with our systems efficiencies. The disposal of the Norwegian business therefore allows us to focus on the remaining operating unit in Australia. Prior to disposal the trading conditions in the Norwegian operations remained challenging as the business continues to pivot into a low capex business. We have enacted significant cost savings at the plc level following the disposal as we seek to realise value in Australia.



Frank Water

Chief Executive Officer

17 May 2024

Bigblu Broadband plc
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Financial Review
For the year ended 30 November 2023

Total results for the Continuing and Discontinued operations

Total Group revenue including recurring airtime, equipment, installation sales, one off IP sales, network support and the Harbour acquisition was £30.1m. (FY22: £31.2m) of which the negative impact of currency movements, translating Skymesh trading currency in Australian Dollars to Sterling reporting currency of BBB, was £1.4m. Recurring airtime revenue (revenue generated from the Company's broadband airtime) which is typically linked to contracts, was £28.0m representing 93% of total revenue (FY22: 93%).

Gross profit margins decreased marginally to 41.2% in FY23 (FY22: 42.5%), due to planned product mix changes net of additional income earned in the period. This is an area of constant focus in the business working with our network partners and at the same time as providing the most suitable products to our customers.

Overheads, before items identified as exceptional in nature, reduced to £11.2m (FY22: £11.7m) representing 37.2% of revenue (FY22: 37.5%) mainly due to lower headcount costs from the re-organisation program of £1.4m, lower depreciation due to the assets in the Norwegian business being written off in FY22 of £0.7m, reduced marketing cost of £0.1m and lower IT costs of £0.2m, partially offset by higher amortisation in Australia due to the Harbour acquisition of £1.0m and higher impairment of Fixed Assets of £0.6m in the period.

Consequently, adjusted EBITDA for the period was £5.9m (FY22: £5.1m) growth of 15.6% and representing an improved adjusted EBITDA margin of 20.1% (FY22: 16.3%).

Depreciation, excluding 'right of use assets', decreased to £1.0m in FY23 from £2.3m in FY22 in line with the reduced scale of the continuing operations but reflecting increased investment in the Nordic region.

Amortisation increased to £1.7m in FY23 from £0.7m in FY22 due to the amortisation on the customer base acquired from Harbour in the year. There was also an impairment of £2.1m relating to the write down of the goodwill associated with the Norwegian business.

Finance costs were £0.3m in FY23 (up £0.2m on FY22 (FY22: £0.1m), relating to the revolving credit facility (RCF) with Santander.

Financial Review - Continuing Operations

We ended the year with a customer base of 55.3k (FY22: 51.5k) despite contending with a challenging market environment in Australia with Starlink promotional activity and a massive systems migration. In addition, there has been a negative currency impact of £1.4m on revenue and £0.4m on EBITDA in the year.

Within the Australian market, we focused on the integration of bases acquired, the go live with new systems as well as working with our network partners to migrate as many customers as possible to new NBNCo tariffs with c10k migrated to more suitable products which the business believes should help to reduce churn in the future. In terms of year end customer mix the FY23 closing base of 55.3k customers is split as follows:

- Satellite 49.1k (FY22: 44.0k)
- Fixed Wireless 6.2k (FY22: 7.5k)

Bigblu Broadband plc
Strategic Report
Financial Review (continued)
For the year ended 30 November 2023

Financial Review - Continuing Operations continued

Total revenue including recurring airtime, equipment, installation sales, network support other income and the Harbour acquisition decreased by £1.3m (4%) to £25.9m (FY22: £27.2m) of which the negative impact of currency movements was £1.4m. Total like-for-like revenue for the Continuing Group in the period was £27.3m, representing 0.3% growth (FY22: increase 4%).

Recurring revenue, defined as revenue typically generated from the Group's broadband airtime contracts, which is typically linked to contracts and monthly subscriptions, was £23.9m in the period, representing 93% of total continuing revenue (FY22: 93%).

ARPU, calculated by dividing total revenues from all sources by the average customer base, in 2023 was £39.80 per month (FY22: £40.44), down on FY22 by 2% due to the impact of the currency translation, as well as specific switching of customers to more appropriate packages with a higher customer lifetime value CLV. CLV is calculated by comparing the Present Value of a new customer (considering ARPU, Churn and Margin) with the net costs of customer acquisition (considering up front revenue less equipment, shipping, installation and marketing costs).

Revenue in satellite was £21.9m, down on prior year by 3.4% (FY22: £22.7m) due in the main to plan switching in Australia offset by the satellite base acquired from Harbour, offset by currency impact of £1.4m. Revenue in fixed wireless was £3.5m, down on prior year by 8% (FY22: £3.8m). PLC added £0.5m (FY22: £0.7m) from services related revenue.

Gross profit margins reduced marginally to 37% in FY23 (FY22: 38%), due to planned product mix changes. This is an area of constant focus in the business working with our network partners and at the same time as providing the most suitable products to our customers.

Distribution and Administrative Expenses, pre-exceptional costs, increased by £0.1m to £7.4m (FY22: £7.3m) due to increased underlying costs covering headcount costs, marketing, and IT costs, as well as increased costs combining depreciation, impairment of fixed assets and amortisation on the customer acquisition from Clear and Harbour.

Consequently, adjusted EBITDA for the period from our continuing operations was £4.5m (FY22: £4.1m) a growth of 8.7% and representing an improved adjusted EBITDA margin of 17.2% (FY22: 15.1%).

Items identified as exceptional in nature, increased to £3.9m (FY22: £2.6m) representing 15% of revenue (FY22: 9%) due to specific deal related and operational exceptional costs primarily associated with the reorganisations in the Norwegian and Central Operations.

Depreciation, including 'right of use assets', remained unchanged at £0.6m in FY23 from £0.6m in FY22. Amortisation increased to £1.5m in FY23 from £0.4m in FY22 due to the amortisation of the customer base acquired from Uniti (FY22) and Harbour (FY23) in the year which will be written off over a 2-year period from acquisition. In addition, the assets acquired through the Clear acquisition were impaired by £0.1m.

Finance costs were £0.2m in FY23 relating to the RCF facility in the period compared with £0.1m in FY22. Consequently, Adjusted PAT (adjusted for exceptional items, impairment and amortisation) for the period was £4.2m (FY22: £3.2m) growth of 31.4% and representing an improved adjusted PAT margin of 16.0% (FY22: 11.6%).

The focus of the Board now turns to creating shareholder value from the remaining business unit being our Australian operations (SkyMesh Pty Limited) through organic growth and the possibility of accretive acquisitions and our retained interest in Quickline.

The financial review will therefore focus primarily on the performance of the continuing business unit which is operational.

Bigblu Broadband plc
Strategic Report
Financial Review (continued)
For the year ended 30 November 2023

Key Performance Indicators for Continuing Operations

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

KPI	2023	2022	Description	2023 performance
Customer Base	55.3k	51.5k	Represents total gross organic connections plus acquisitions, less disposals, less lost customers (churn) and base management.	7.4% increase reflecting the Harbour acquisition.
Underlying Customer Net Organic Connections	3.6k	4.4K	Represents gross connections in the period less lost customers (churn) in the period. Includes M&A and excludes exceptional churn.	Underlying Customer growth reduced year on year due in the main to Starlink in Australia offset to a degree with the Harbour acquisition. The focus during the period was on switchers with c4k during the period. Switchers arise where we proactively migrate a customer to a more appropriate tariff during the period.
Gross Underlying Churn	32%	30%	Gross underlying churn defined as the number of subscribers who discontinue their service as a percentage of the average total number of subscribers within the period and excludes exceptional churn.	Churn rate of 32.3% (FY22: 30%) in Australia following pressure from Starlink during the year.
ARPU	£39.80	£40.44	Calculated by dividing total revenues from all sources by the average customer base	Lower by 1.6% due in the main to currency translation. On a LFL basis ARPU increased to £40.54 in current year.
Revenue	£25.9m	£27.2m	Revenue includes sales from all operations. Like for like (LFL) revenue treats acquired businesses as if they were owned for the same period across both the current and prior year and adjusts for constant currency, omitting any distinct differences that skew the numbers. Business disposed of in the period are excluded from the calculation.	Total Revenue decreased by 4%. On a constant currency basis this would show an increase on FY22 of 0.3%.

Bigblu Broadband plc
Strategic Report
Financial Review (continued)
For the year ended 30 November 2023

KPI	2023	2022	Description	2023 performance
Adjusted EBITDA	£4.5m	£4.1m	Earnings before share based payments, depreciation, intangible amortisation, impairment costs, acquisition costs, one-off employee related costs, deal related costs and start-up costs is the measure of the Group's operating performance.	Adjusted EBITDA increase of 8.7% (£0.4m) driven in the main by reduced overheads across the Group. EBITDA Margin of 17% (FY22: 15%) following reduced marketing spend of £0.1m and £0.1m reduced headcount costs.
Adjusted Operating Cash Flow – Continuing Operations	£5.3m	£0.7m	Adjusted Operating cash flow relates to the amount of cash generated from the Group's operating activities and is calculated as follows: Profit/(Loss) before Tax adjusted for Exceptional items, Depreciation, Amortisation, Share Based Payments and adjusting for changes in Working Capital and non-cash items.	Adjusted operating cash inflow was £5.3m (FY22: £0.7m); an improvement of £4.6m YOY, due to increased EBITDA (£0.4m), lower forex and non-cash charge (£0.4m), and better working capital management year on year (£3.8m).
Adjusted Free Cash Flow – Continuing Operations	£4.7m	(£0.3m)	Adjusted Free cash flow being cash (used)/generated by the Group after investment in capital expenditure, servicing of debt and payment of taxes and excludes items identified as exceptional in nature.	Adjusted free cash inflow in the year was £4.7m (FY22: £0.3m outflow), an improvement of £5.0m YOY. Operating cash inflow improved £4.6m, lower capital expenditure of £0.3m at £49k (FY22: £0.4m), higher interest of £0.2m (FY22: £0.1m), offset by decreased tax instalments of £0.3m (FY22: £0.5m)
Adjusted EPS	7.1p	5.4p	Adjusted Earnings per share (EPS) is the Continued business's profit/(loss) after tax before exceptional costs, share based payments, impairment of Fixed Assets and deferred tax adjustments, divided by the weighted average number of shares.	Increased post improved EBITDA and lower tax charge.

Bigblu Broadband plc
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Financial Review (continued)
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Total customers at the period end including in-flight customers for our Australian operations were 55.3k (FY22: 51.5k). During the year we delivered 3.8k net adds (FY22: 4.4k).

	FY23 000	FY22 000
Opening base	51.5	47.1
Switched out customers	(4.0)	(9.0)
Switched in customers	4.0	9.0
Gross Adds	15.9	16.9
Acquisition	5.2	2.2
Churn	(17.3)	(14.7)
Underlying Net Growth	3.8	4.4
Closing Base	55.3	51.5

Churn rates (defined as the number of subscribers who discontinue their service as a percentage of the average total number of subscribers within the period) increased to an average annualised churn rate of 32% in FY23 (FY22: 30%) due in the main to the launch of Starlink in the Australian market.

In the first three months of FY24, underlying churn has slightly reduced to 31%, and importantly we are starting to roll out next generation products in Australia.

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Financial Review (continued)
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Continuing Operations analysis

A reconciliation of the adjusted EBITDA to adjusted PAT of £4.2m (FY22: £3.2m profit) is shown below. This is a non-GAAP alternative performance measure.

		2023	2022
		£000	£000
Adjusted EBITDA	1	4,459	4,102
Depreciation	2	(597)	(561)
Amortisation	3	(1,515)	(444)
Impairment of Intangible Assets	3	(147)	-
Adjusted EBIT		2,200	3,097
Share based payments		-	(309)
Continuing Operations operating profit – pre-exceptional items		2,200	2,788
Exceptional items relating to M&A and restructuring activities	4	(3,929)	(2,271)
Continuing Operations Statutory operating (loss) / profit – post exceptional items		(1,729)	517
Adjusted EBIT		2,200	3,097
Interest charge	5	(238)	(64)
Tax credit /(charge)	6	529	(328)
Impairment of Intangible and Fixed Assets	7	147	-
Amortisation	7	1,515	444
Adjusted PAT		4,153	3,149

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Group Statutory Results and EBITDA Reconciliation

1. Adjusted EBITDA (before share based payments, depreciation, intangible amortisation, impairment of goodwill, refinancing, fundraising, acquisition, employee related costs, deal related costs and start-up costs) improved 8.7% to £4.5m (FY22: £4.1m).
2. Total depreciation was broadly unchanged at £0.6m in FY23 from £0.6m in FY22 due to the weaker AUD offsetting a small increase reflecting the full year effect of FY22 purchases.
3. Amortisation increased to £1.5m from £0.4m in FY22 as a result of the acquisition of the Uniti customer base. During the year we undertook a full review of the carrying value of Goodwill, with the review resulting in impairment charges of £0.1m for the IP of the Clear customers of SkyMesh.
4. The Group incurred expenses in the period that are considered exceptional in nature and therefore appropriate to identify. These comprise:
 - a. £1.2m (FY22: £1.2m) of acquisition, deal, legal and other costs relating to M&A (Primarily the acquisition of Harbour in Australia) and restructuring activities during the period. These costs comprise mainly professional and legal fees and includes an apportionment of staff and management time spent specifically on M&A projects
 - b. £0.8m (FY22: £0.4m) employee restructuring costs in the UK and Australia
 - c. £1.3m (FY22: £0.3m) development costs in the period primarily for the new Pathfinder system in Australia and APIs with key suppliers, that do not meet the criteria for intangible asset capitalisation.
 - d. £0.6m (FY22: £0.3m) relating to various non-operational costs including one-off trademark licensing, payment provider historical balances written off and Commercial and Financial due diligence.
5. The interest charge in the year of £0.2m (FY22: £0.1m) relates to the RCF (£0.2m)
6. The tax credit of £0.5m (FY22: charge £0.3m) relates to our Australia business where amortisation of the customer base goodwill, increased depreciation and increased development costs resulted in a taxable loss.
7. Adjustments
 - a. Impairment amortisation charge relates to SkyMesh IP £0.1m (FY22: Nil).
 - b. Amortisation of £1.5m (FY22: £0.4m) following the acquisitions of the Uniti and Clear customer bases being amortised over two years.

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Financial Review (continued)
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Customer Base, Revenue, Adjusted EBITDA in FY23 and the comparative period for Continuing Group is segmented by the following categories as follows:

	Customer Base				Revenue			Adjusted EBITDA		
	2023 Number 000's	%	2022 Number 000's	%	2023 £m	2022 £m	%	2023 £m	2022 £m	%
Australia	55.3	100%	51.5	100%	25.4	26.5	(4%)	5.2	5.0	4%
Central Revenue and Costs ¹	-	-	-	-	0.5	0.7	(22%)	(0.7)	(0.9)	16%
Total	55.3	100%	51.5	100%	25.9	27.2	(4%)	4.5	4.1	9%

¹ Central revenue includes recharges for services and central costs include finance, IT, HR and plc costs.

Customer Connections by Technology

	2023	2023	2023	%	2022	2022	2022	%
	Satellite 000's	Wireless/5G 000's	Fixed 000's		Total 000's	Satellite 000's	Wireless/5G 000's	
Australia	49.1	6.2	55.3	100%	44.0	7.5	51.5	100%
Total	49.1	6.2	55.3	100%	44.0	7.5	51.5	100%

From the above analysis for Continuing Operations year on year movements from a Customer Base, Revenue, Adjusted EBITDA and product mix perspective are analysed as follows:

1 Australia

- There was customer net growth of 3.8k over the course of the year, including the c5.2k from the Harbour acquisition.
- During the year there were a number of customers switching contracts (c.4k)
- The reduction in revenue of £1.3m was a reflection of the currency movement on translation and the increased churn, the acquisition of customers from Harbour, and a reduced ARPU from £40.44 to £39.80. Like for like ARPU would be £40.53, a slight increase.
- Importantly, EBITDA improved by 9% following continued cost efficiencies across the company.

2 PLC

- Revenue was down on prior year at £0.5m due to reduced invoiced support services.
- With lower costs, following the rationalisation this resulted in EBITDA losses improving by 45% at £0.5m.

Bigblu Broadband plc
Strategic Report
Financial Review (continued)
For the year ended 30 November 2023

Cashflow performance – Continuing operations

Adjusted Free Cash Flow in the year, before exceptional costs and M&A activities undertaken by the Group, was an inflow of £4.7m (FY22: outflow £0.3m). This reflects the improvement in operating cashflow of £4.6m, lower capital expenditure by (£0.3m) at £0.1m (FY22: £0.4m) and tax payments lower by (£0.3m), offset by interest higher by £0.2m, at £0.5m (FY22: £0.6m).

This is a non-GAAP alternative performance measure.

The underlying cash flow performance analysis seeks to clearly identify underlying cash generation within the Continuing Group, and separately identify the cash impact of identified exceptional items including refinancing, fundraising M&A activity cash costs and is presented as follows:

		2023	2022
		£000	£000
Adjusted EBITDA		4,459	4,102
Underlying movement of working capital	1	544	(3,309)
Forex and other non-cash items	2	262	(99)
Adjusted operating cash inflow before interest, tax Capex and exceptional items	3	5,265	694
Tax and interest paid	4	(506)	(603)
Purchase of Assets	5	(49)	(374)
Adjusted free cash inflow / (outflow) before exceptional and M&A items.		4,710	(283)
Exceptional items relating to refinancing, fundraising, M&A, integration and the establishment of network partnerships.	6	(3,929)	(2,271)
Free cash inflow/(outflow) after exceptional items		781	(2,554)
Investing activities	7	(2,693)	1,632
Movement in cash from Discontinued operations	8	(2)	53
Financing activities	9	1,856	(137)
Decrease in cash balances		(58)	(1,006)

Bigflu Broadband plc
Strategic Report
Financial Review (continued)
For the year ended 30 November 2023

- 1) Underlying movement in working capital was an inflow of £0.5m (FY22: outflow £3.3m). This reflects the inflow of receipts from sale of inventory £1.0m, and increased Creditors payments (£0.5m).
- 2) Forex and non-cash represent a movement in the year of £0.3m (FY22: £0.1m). This reflects the currency revaluation of key balance sheet accounts using the closing rate as at 30 November of a charge £0.3m (FY22: £0.2m) and other non-cash movements resulting in a charge of Nil (FY22: Credit £0.1m).
- 3) This resulted in an adjusted operating cash flow before Interest, Tax, Capital expenditure and Exceptional items of £5.3m inflow (FY22: £0.7m inflow), and an adjusted operating cash flow to EBITDA conversion of 118% (FY22: positive 17%).
- 4) Tax and interest paid was £0.5m (FY22: £0.6m) on a like-for-like basis. This covers interest on the loan facility and leases (£0.2m) and monthly taxation paid by our Australian business (£0.3m). Final corporation tax calculations for the financial year show year-on-year tax savings in excess of £0.5m.
- 5) Purchases of assets in FY23 were £0.1m (FY22: £0.4m). These purchases were primarily office related costs in Australia. Note that asset purchases do not include the capitalized value of new leases of ROU assets, which are non-cash items.
- 6) Exceptional items relating to M&A, finance raising and restructuring costs of £3.9m (FY22: £2.3m).
- 7) In FY23 investing activities include the acquisition of customers and assets of Uniti by SkyMesh £2.5m plus a deferred payment of £0.3m in respect of Clear Networks less £0.1m proceeds of asset sales (FY22: acquisition of customers and assets of Clear Networks £1.2m).
- 8) The net movement of cash held in the discontinued operations during the year.
- 9) The inflow in the year of £1.9m comprises the loan finance of £2.1m offset by lease principal payments of £0.2m (FY22: £0.2m lease principal payments).

Bigblu Broadband plc
Strategic Report
Financial Review (continued)
For the year ended 30 November 2023

Adjusted net cash reconciliation

This is a non-GAAP alternative performance measure

	2023	2022
	£000	£000
Opening Net Cash	4,195	5,201
(Loss) / profit after tax from Continuing operations	(1,438)	125
Interest charge	238	64
Depreciation	597	561
Impairment of Intangible and Fixed Assets	147	-
Amortisation	1,515	444
Tax (credit) / charge	(529)	328
Share Based payments	-	309
Exceptional costs	3,929	2,271
Adjusted EBITDA	4,459	4,102
Forex movement and other non-cash	262	(99)
Movement in Working Capital	544	(3,309)
Cash inflow from Continuing operations	5,265	694
Interest paid	(209)	(64)
Tax paid	(297)	(539)
Underlying inflow from Continuing operations	4,759	91
Purchase of Assets	(49)	(374)
Adjusted free cash inflow/(outflow) before exceptional and M&A items	4,710	(283)
Exceptional items relating to refinancing, fundraising, M&A, integration and the establishment of network partnerships	(3,929)	(2,271)
Adjusted free cash inflow/(outflow) after exceptional and M&A items	781	(2,554)
Investment activities	(2,693)	1,632
Financing activities	1,856	(137)
Movement in Cash from Continuing operations	(56)	(1,059)
(Outflow) / inflow of cash from Discontinued operations	(2)	53
Movement in Net Cash	(58)	(1,006)
Increase in Debt	(2,100)	-
Closing Net Cash inclusive of Escrow arrangements (£0.8m)	2,037	4,195
Cash split		
Net cash and cash equivalents	1,532	4,195
Discontinued operations cash / cash equivalents including deposits	505	-
Closing net cash	2,037	4,195

Bigblu Broadband plc
Strategic Report
Financial Review (continued)
For the year ended 30 November 2023

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

	2023	2022
	£000	£000
Opening Net Cash	4,195	5,201
Increase in loans: offset in financing activities		
Facilities utilised	(2,100)	-
Cash inflow / (outflow) from operating activities	1,660	(512)
Cash (outflow) / inflow generated in investing activities	(3,166)	200
Cash inflow / (outflow) from financing activities	1,448	(694)
Movement in Net Cash	(2,158)	(1,006)
Closing Net Cash	2,037	4,195
Composition of closing net debt		
Cash and cash equivalents	2,782	4,195
Cash held in escrow – restricted cash	850	-
Gross cash and cash Equivalents	3,632	4,195
Gross cash and cash equivalents in disposal group	505	-
Bank loans	(2,100)	-
Net Cash	2,037	4,195
Net Cash		
Net cash and cash equivalents	1,532	4,195
Discontinued operations cash / cash equivalents including deposits	505	-
Adjusted net cash	2,037	4,195
Net Cash and cash equivalents / Adjusted EBITDA	0.34x	1.02x

Net cash reduced from £4.2m in 2022 to a net cash position of £1.5m, a reduction of £2.7m in the year, as detailed in the net cash reconciliation above. With discontinued cash this results in an adjusted net cash position of £2.0m.

At the year-end an amount of £0.9m within the adjusted net cash balance was held in Escrow and received on 1 December 2023 (FY 22: Nil).

The table above excludes the lease liabilities of £0.1m (FY22: £1.4m). Including this amount would give a total adjusted net cash of £1.4m (FY22: Adjusted net cash £2.8m) and a ratio of adjusted net cash to adjusted Group EBITDA before IFRS 16 of 0.31x (FY22: Adjusted net cash 0.54x)

Bigblu Broadband plc
Strategic Report
Financial Review (continued)
For the year ended 30 November 2023

Consolidated Statement of Financial Position

Fixed Assets reduced in the year to £0.4m (FY22: £2.9m), following the purchase or lease of new fixed assets (£0.8m), less disposals (£0.3m), and adjusted for depreciation provided in the year (£1.4m) and negative foreign exchange movements (£0.2m) together with the reclassification of £1.4m of assets as held for sale at year end.

Intangible Assets decreased to £5.6m (FY22: £7.4m) due to the contracts acquired from Uniti £2.5m less amortization of £1.7m together with impairment of goodwill and IP values by £1.9m following a review in the year. Negative foreign exchange movements accounted for a (£0.4m) translation adjustment. £0.4m carrying value was reclassified as assets held for sale.

Working Capital

Inventory days decreased to 16 days (FY22: 24 days) as stock holdings in Australia were reduced from the planned high level in FY22 by £0.4m. Reclassification of £0.6m as held for sale resulted in a balance of £0.1m (FY22: £1.1m). Trade Debtor days increased to 14 days (FY22: 9 days) with a £0.7m increase in the closing Trade Debtors year on year. Trade Creditor days decreased to 70 days (FY22: 77 days) due to alignment of terms for a key network provider in Australia.

Earnings per share

	2023	2022
Basic earnings per share	(8.0p)	(5.0p)
Diluted earnings per share	(8.0p)	(5.0p)
Non-GAAP Adjusted basic earnings per share	7.1p	5.4p

Basic EPS

Basic EPS was a loss of 8.0p per share in 2023, increasing from a loss of 5.0p in 2022, largely due to increased amortisation and exceptional costs.

Diluted EPS

Diluted EPS is a calculation used to gauge the quality of a company's earnings per share (EPS) if all share options are exercised. Diluted EPS was a loss of 8.0p per share in 2023 from a loss of 5.0p in 2022.

Basic adjusted earnings per share

Adjusted basic EPS was a profit of 7.1p per share in FY23 from a profit of 5.4p in FY22.

Bigblu Broadband plc
Strategic Report
Financial Review (continued)
For the year ended 30 November 2023

Accounting standards

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as endorsed and adopted for use in the UK. There have been no changes to IFRS standards this year that have a material impact on the Group's results. No forthcoming new IFRS standards are expected to have a material impact on the financial statements of the Group.

Dividend

The directors do not recommend the payment of a dividend (2022: £Nil)

Going Concern

The Directors have prepared and reviewed projected cash flows for the Group, reflecting its current level of activity and anticipated future plan for the next 12 months, from the date of signing. The Group is currently loss-making, mainly because of depreciation, amortisation and exceptional charges. The business continues to grow customer numbers and revenue in key target markets and continues to monitor the short-term business model of the Group.

The Board have identified the key risks, and these include:

- Slower revenue growth, EBITDA and cash generation if sales activities, installations or activations decrease over the period
- Reduced ARPU if market pressures result in discounting customer products to support them
- Increased churn could be experienced if services levels are not as expected due to volumes of traffic, personnel shortages, and capacity constraints
- Increased bad debt as customers suffer income loss

The Board also recognises a number of significant mitigating factors that could protect the future going concern of the business. These include:

- Super-fast Broadband is already an essential utility for many and even more so now, it is likely to be one of the last services that customers will stop paying for
- Support from network partners for the business and customers
- Strong support from banking partners with an increased RCF facility of £10m

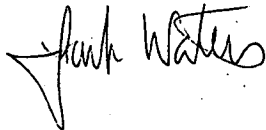
The Board has conducted stress tests against our business performance metrics to ensure that we can manage any continuing risks. We recognise that a number of our business activities could be impacted, and we have reflected these in this analysis including supply chain disruptions, delays in sales or installations, earnings, or cash generation. By modelling sensitivities in specific KPIs such as volume of activations, churn, ARPU, margin, overhead and FOREX, management is satisfied that it can manage these risks over the going concern period.

Furthermore, management has in place and continues to develop robust plans to protect EBITDA and cash during this period of uncertainty and disruption. Under this plan identified items include reducing discretionary spend, postponing discretionary Capex, reducing marketing, freezing all headcount increases and working with suppliers on terms particularly our network partners.

Bigblu Broadband plc
Strategic Report
Financial Review (continued)
For the year ended 30 November 2023

The Board believes that the Group is well placed to manage its business risks and longer-term strategic objectives successfully. The latest management information shows a strong net cash position, and in terms of volumes, ARPU and churn, we are in fact showing a strong position compared to prior year and budget and indeed the business is seeing a increase in demand in Australia. Accordingly, we continue to adopt the going concern basis in preparing these results.

On behalf of the Board



Frank Waters

Chief Executive Officer

17 May 2024

Bigblu Broadband plc
Strategic Report
Principal Risks and Uncertainties
For the year ended 30 November 2023

The Board and management regularly review and monitor the key risks involved in running and operating the business. The future success of the Group is dependent on the Board's ability to implement its strategy. The model for the future development of the Group is reliant on its ability to achieve a critical mass of customers either through organic or inorganic customers growth; in Satellite, Fixed Wireless and 5G and its ability to derive revenue from these customers by providing excellent technical support, a value-added customer service, solution delivery and operational gearing. The table below sets out a number of the material risks together with relevant mitigating factors, with the risk rating explained on page 29.

Risk	Description	Mitigation	Risk Rating
Dependence on satellite owners, satellite infrastructure and 5G providers for capacity and key contract terms	<p>The Group is dependent on its ability to purchase broadband capacity from satellite and 5G owners in Australia and Norway as well as having the ability to integrate seamlessly into their systems. The terms upon which satellite owners sell such capacity may change to the Group's detriment and the Group may not be able to secure capacity from the satellite owners with which it currently deals.</p> <p>The Group's current contractual agreements with the satellite owners are typically non-exclusive, are terminable immediately or within a short timeframe of giving notice, do not contain restrictive covenants which would prevent the satellite owners from directly competing with the Group and do not contain express provisions obliging them to continue providing services to the Group, its governments partners and consequently its revenues, its operational results and its prospects.</p>	<p>The Board is in regular dialogue with network providers to ensure appropriate capacity and products exists in Australia and Norway at an affordable price. New satellites and capacity changes from time to time, so it is vital the relationship with the satellite owners, both in Australia and Norway, continues to prosper. We also work closely with the Network operators on integrations.</p> <p>The Board works closely with satellite owners, as partners, to develop short, medium and longer-term sales plans, target opportunities and markets. This close working relationship ensures that our activities are goal congruent with our service providers and our value add to their business is well understood.</p>	Medium 9
Dependence on satellite infrastructure	<p>In the event of the failure of a satellite as was the case in the Cyber-attack in FY22, the Group may not be able to supply broadband access to parts of its customer base, which would have an adverse impact on the Group's relationship with its customers and its revenues, its operational results, and its prospects.</p>	<p>Service level agreements exist with satellite operators whose satellites are used with mission critical businesses. Despite this the Cyber-attack impacted on our Norwegian customers last year. Newer satellites in 2023 with steerable beams and a wider list of satellite providers should reduce the risk.</p>	Medium 12

Bigblu Broadband plc
Strategic Report
Principal Risks and Uncertainties (continued)
For the year ended 30 November 2023

Risk	Description	Mitigation	Risk Rating
Acquisitions	<p>The Group believes there is an opportunity to continue acquisition of customers by way of accretive bolt-ons in existing markets.</p> <p>The Group intends to conduct appropriate due diligence in respect of acquisition targets and to identify any material issues that may affect the decision to proceed with the purchase or give cause for concern post-acquisition in terms of performance or liabilities identified subsequent. During the due diligence process the Group is only able to rely on the information that is available to it. That information may not be accurate or remain accurate during the due diligence process. Any of these outcomes may have a material adverse effect on the Group's business, financial condition, or results of operations.</p>	<p>Roll up strategies are inherently risky. This risk is mitigated as far as possible by working closely with existing management teams, professional advisors and network operators to reduce the risks during the acquisition stage.</p> <p>In addition, dedicated resources are deployed internally to support the due diligence process and to on-board the businesses into the Group and further enhance our operating system capabilities to reduce on going risk.</p>	Low 3
Competition from existing/emerging alternative technologies	<p>There may be competition from existing and emerging alternative technologies, such as Starlink, fibre to the premises, improved versions of the wide area radio network or mesh radio technologies. In the event that such technologies become widely available, the Group's subscriber base, revenues, results from operations and prospects may be adversely affected.</p>	<p>The Board recognises this risk and seeks to mitigate it by regular dialogue in the marketplace with other solution providers to ensure the Group's offering is adjusted accordingly to meet the market demands and changing landscape as evidenced by the PBSE with Starlink.</p>	Medium 9
Government policy and increased investment in fibre roll-out	<p>Given the importance of digital connectivity to the economy, it may be the case that many governments further invest in fibre roll-out thus reducing the market size for satellite and wireless broadband.</p>	<p>Government announcements in Australia indicate support will continue to be provided for satellite and wireless providers. We remain confident this will continue within the jurisdictions in which we operate, with a fibre offering now available to our customer base.</p>	Medium 6

Bigblu Broadband plc
Strategic Report
Principal Risks and Uncertainties (continued)
For the year ended 30 November 2023

Risk	Description	Mitigation	Risk Rating
System reliance	The Group believes the proprietary technology platform, Pathfinder, built on Microsoft technology is a key contributor to the operational success of the business as well as the more localised systems. In the event of a system failure of the platform or any other technology or system operated by a third-party, short-term operations would be affected adversely.	Continued and sustained development and testing of the existing systems is undertaken regularly. Enhancements are rolled out during the course of the year to reduce risks.	Medium 9
Dependence on key executives	The performance of the Group will depend heavily on its ability to retain the services of the Board and to recruit, motivate and retain further suitably skilled personnel. The loss of the services of key individuals may have an adverse effect on the business, operations, customer relationships and results.	The Board will continue to ensure that the management team are appropriately incentivised and that there is scope to appropriately incentivise new key personnel where required. The Group operates various share option schemes and management incentive plans which enable employees to benefit from continued growth and delivering shareholder returns. It also ensures that the management team, staff and shareholders objectives are aligned.	Medium 8
Fraud, including cyber attacks	<p>As a provider of broadband solutions, the Group is a potential target and products may have vulnerabilities that may be targeted by attacks specifically designed to disrupt the Group's business and harm its reputation.</p> <p>If an actual or perceived breach of security occurs in the Group's internal systems, it could adversely affect the markets perception of the Group's products or internal control systems. In addition, a security breach could affect the Group's ability to provide support for customers.</p>	The Group have technical staff including outside specialist contractors who focus on investigation and mitigation of risks related to fraud and cyber-attacks.	Medium 9

Bigblu Broadband plc
Strategic Report
Principal Risks and Uncertainties (continued)
For the year ended 30 November 2023

Risk	Description	Mitigation	Risk Rating
Ineffective Control environment	The financial performance of the Group depends on operating within a robust control framework. The breaching of this environment would result in loss to the business as well as risks associated with reputation.	Biannual review undertaken of key risk areas by consultants as appropriate	Medium 6
Force majeure	The Group's operations now or in the future may be adversely affected by risks outside its control, including space debris damaging or destroying satellites, labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics, or quarantine restrictions.	This continues to be monitored by the Board with our professional advisors, satellite and wireless operators and insurance specialists.	Medium 6
Foreign Exchange Rate Volatility	The geographic spread of the Group means that financial results are affected by movements in foreign exchange rates, with only 2% of the Group's revenue currently being generated in Sterling. The risk presented by currency fluctuations may affect business forecasting and create volatility in the results and cash holdings.	The Group monitors foreign exchange exposure regularly and, when a transactional exposure is not covered through a natural hedge, consideration will be given in entering into a hedge arrangement such as forward contracts and Options.	Medium 6

Bigblu Broadband plc
Strategic Report
Principal Risks and Uncertainties (continued)
For the year ended 30 November 2023

Risk	Description	Mitigation	Risk Rating
General economic conditions	Market conditions, particularly those affecting telecoms and technology companies may affect the ultimate value of the Group's share price, regardless of operating performance. The Group could be affected by unforeseen events outside its control, including, natural disaster, terrorist attacks and political unrest and government legislation or policy. The market perception of telecoms and technology companies may change which could impact on the value of investors' holdings and impact on the ability of the Group to raise further funds. General economic conditions may affect exchange rates, interest rates and inflation rates.	This continues to be monitored by the Board with our professional advisors.	Medium 9

Severity

		Catastrophic: 5	Critical: 4	Moderate: 3	Marginal: 2	Negligible: 1
Probability	Frequent: 5	High - 25	High - 20	Serious - 15	Serious - 10	Medium - 5
	Probable: 4	High - 20	Serious - 16	Serious - 12	Medium - 8	Medium - 4
	Occasional: 3	Serious - 15	Serious - 12	Medium - 9	Medium - 6	Low - 3
	Remote: 2	Serious - 10	Medium - 8	Medium - 6	Medium - 4	Low - 2
	Improbable: 1	Medium - 5	Medium - 4	Low - 3	Low - 2	Low - 1

Probability

1. Improbable (unlikely to occur)
2. Remote (unlikely, though possible)
3. Occasional (likely to occur occasionally during standard operations)
4. Probable (not surprised, will occur in a given time)
5. Frequent (likely to occur, to be expected)

Severity

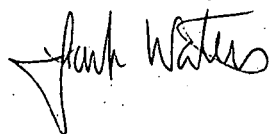
1. Negligible (the risk will not result in serious corporate disruption, or has a remote possibility of loss)
2. Marginal (the risk could cause corporate disruption, or loss but its effects would not be serious)
3. Moderate (the risk can result in corporate disruption or loss)
4. Critical (the risk can result in corporate disruption or loss)
5. Catastrophic (the risk is capable of causing serious corporate disruption and or loss)

Bigblu Broadband plc
Strategic Report
Principal Risks and Uncertainties (continued)
For the year ended 30 November 2023

Corporate Responsibility

BBB is committed to being an equal opportunities employer and is focused on hiring and developing talented people. The health and safety of our employees, and other individuals impacted by our business, is taken very seriously, and is reviewed by the Board on an ongoing basis. A Company statement regarding the Modern Slavery Act 2015 is available on the Company's website at www.bbb-plc.com. As a manufacturer and distribution business, there is a risk that some of the Group's activities could have an adverse impact on the local environment. Policies are in place to mitigate these risks, and all of the businesses within the Group are committed to full compliance with all relevant health and safety and environmental regulations.

The Strategic Report was approved by the Board of Directors on 17 May 2024 and was signed on its behalf by:



Frank Waters

Chief Executive Officer

17 May 2024

Bigblu Broadband plc
Strategic Report
Section 172 (1) Statement
For the year ended 30 November 2023

In accordance with section 172 of the Companies Act 2006 each of our directors acts in the way that they consider, in good faith, would most likely promote the success of the Group for the benefit of its members as a whole.

Consequences of any decisions in the longer-term

- interests of our colleagues
- need to foster the Group's business relationships with suppliers, customers and other key stakeholders
- impact of the Group's operations on communities and the environment
- desirability of the Group maintaining a reputation for high standards of business conduct
- need to act fairly as between members of the Group.

The directors take into account the views and interests of a wider set of stakeholders, and you can find out more about how the Group engages with its stakeholders below on pages 43, 44 and 53. During the year the Board and its committee's received papers, presentations and reports, participated in discussions and considered the impact of the Group's activities on its key stakeholders (wherever relevant). We acknowledge that every decision we make will not necessarily result in a positive outcome for all of our stakeholders and the Board frequently has to make difficult decisions based on competing priorities. By considering the Group's purpose and values together with its strategic priorities and having a process in place for decision making, we do, however, aim to balance those different perspectives.

In terms of particular stakeholder groups

- Customers, employees, suppliers, community and environment: see the future prospects and key performance indicator sections of the Strategic Report. Additionally, other forms of interaction with different groups are maintained, including employee forums where appropriate, newsletters and group broadcasts.
- Shareholders: we would guide you to the entire report and to take advantage of the details in the investor sector of our portal on the website (www.bbb-plc.com).

How does the Board engage with stakeholders?

The Board will sometimes engage directly with stakeholders on certain issues such as remuneration schemes, strategic direction, investment and fundraising issues. The Board considers information from across the organisation to help it understand the impact of the Group's operations, and the interests and views of our key stakeholders in maximising shareholder value. It also reviews strategy, financial and operational performance, as well as information covering areas such as key risks, and legal and regulatory compliance. As a result of these activities, the Board has an overview of engagement with stakeholders, and other relevant factors, which enable the directors to comply with their legal duty under section 172 of the Companies Act 2006. For details on how the Board operates and the way in which the Board and its committees reach decisions, including the matters we discussed during the year, see pages 42 to 52.

Key strategic decisions

Decisions taken by the Board and its committees consider the interests of our key stakeholders, the impacts of these decisions and the need to foster the Group's business relationship with customers, suppliers and other stakeholders, as well as engagement with our employees. Papers submitted to the Board consider the impact on key stakeholders. Directors have had regard to the matters set out in section 172(1) (a)-(f) of the Companies Act 2006 when discharging their section 172 duties.

Bigblu Broadband plc
Strategic Report
Section 172 (1) Statement (continued)
For the year ended 30 November 2023

Directors' Remuneration Policy

Back in 2018 we sought the guidance from our major Institutional Investors on developing a new Directors' Remuneration Policy (the Policy) regarding Long Term Incentive Plans "LTIP's". The Group HR director (independent consultant) and our NOMAD liaised with various stakeholders including the Executive Committee and all non-executive directors to understand their views of the remuneration arrangements of the Group and the alignment of remuneration to our strategy and priorities over the short and medium term. These views were shared with the Remuneration Committee alongside information on the wider workforce remuneration structure, external market practice, corporate governance regulations and institutional guidelines. This was implemented. Post the Disposals, consideration was given to ensuring we continue to have in place a remuneration structure including Management Incentive Plans that benefits the Group's employees whilst ensuring executive reward aligns with shareholders' short and mid-term interests. In particular the Management Incentive Plan launched in 2018 was required under the terms to be reviewed in the period. No changes were made during the period.

Bigblu Broadband plc
Governance
Directors' Report
For the year ended 30 November 2023

The Directors present their report together with the audited financial statements for the year ended 30 November 2023.

Results and dividends

The results include those of BBB PLC and its subsidiaries for the full year including continued and discontinued activities and are set out in the financial statements on pages 73 to 114.

The Directors do not recommend the payment of a final dividend for the financial year ended 30 November 2023.

Directors and their interests

The Directors who served during the year are set out below, together with their beneficial interests in the ordinary shares of the Group. Biographical details are included on pages 38 to 40.

	Appointed	2023 Ordinary shares of 15p each	2023 Share options	2022 Ordinary shares of 15p each	2022 Share options
Michael Tobin	29 Sept 2015	489,823	-	489,823	-
Andrew Walwyn ¹	12 May 2015	3,320,553	215,815	3,294,004	215,815
Frank Waters	12 May 2015	325,090	218,324	325,090	218,324
Paul Howard ²	29 Sept 2015	216,243	66,666	149,577	133,333
Christopher Mills ⁴	23 May 2018	258,334	-	258,334	-
Philip Moses ³	21 May 2020	10,000	-	-	-
Total		4,620,043	500,805	4,516,828	567,472

¹ In December 2022 Andrew Walwyn purchased 26,549. Following the purchase, he has a beneficial interest in 3,320,553 Ordinary Shares, representing 5.68% of the Company's issued share capital.

² In December 2022 Paul Howard purchased 66,666 shares. Following the purchase, he has a beneficial interest in 216,243 Ordinary Shares, representing 0.37% of the Company's issued share capital.

³ In December 2022 Philip Moses purchased 10,000 Ordinary Shares. Following the purchase Philip Moses has a beneficial interest representing 0.02% of the Company's issued share capital.

⁴ In February 2023 Christopher Mills purchased a total of 200,000 shares, increasing his indirect interest to 14,700,000 shares in the Company (through his interests in Oryx International Growth Fund Limited, Harwood Capital LLP and North Atlantic Smaller Companies Investment Trust). His total indirect and direct holdings is 14,958,334 shares representing 25.3% of the issued share capital.

As at the 30 November included in the above were 500,805 Share options vested but remaining unexercised.

Bigblu Broadband plc
Governance
Directors' Report (continued)
For the year ended 30 November 2023

Directors and their interests (continued)

Directors' insurance and indemnities

The Group maintains directors' and officers' liability insurance which gives appropriate cover for any legal action brought against its directors. In accordance with section 236 of the Companies Act 2006, qualifying third-party indemnity provisions are in place for the directors in respect of liabilities incurred as a result of their office, to the extent permitted by law. Both the insurance and indemnities applied throughout the financial year ended 30 November 2023 and through to the date of this report.

Directors share options

The Group has established an EMI option scheme and an 'unapproved' share option scheme, pursuant to which the Chief Executive Officer and other members of staff have been or may be granted share options.

As explained in the Company's 6 September 2021 circular to shareholders, adjustments were made to all options granted under the above schemes that were outstanding at the time the return of value detailed in that document became effective. In particular, the exercise price payable under those options was reduced by 45 pence per share (being an amount equal to the return of value).

Details of the options that have been granted to Directors under the EMI and unapproved schemes and which were outstanding during the year to 30 November 2023, are as follows:

Director	Scheme	Date of grant	No. of shares under option at 30 November 2022	Exercised during the year	No. of shares under option at 30 November 2023	Exercise price (pence) per share at 30 November 2023 (or date of exercise if earlier) ²	Normal expiry date
Andrew Walwyn	EMI	21/12/16	51,942	-	51,942	69.45	21/12/26
Frank Waters	EMI	21/12/16	217	-	217	69.45	21/12/26
Frank Waters	Unapproved	21/12/16	86,450	-	86,450	69.45	21/12/26
Paul Howard ¹	Unapproved	30/03/16	66,666	66,666	-	33.75	-
Paul Howard	Unapproved	21/12/16	66,666	-	66,666	69.45	21/12/26
Total			271,941	66,666	205,275		

¹ In December 2022 Paul Howard exercised 66,666 shares. Following the exercise, he has a beneficial interest in 216,243 Ordinary Shares, representing 0.37% of the Company's issued share capital.

Bigblu Broadband plc
Governance
Directors' Report (continued)
For the year ended 30 November 2023

Notes:

- (1) All options included in the above table were capable of being exercised in full throughout the year to 30 November 2023 and will normally remain so until the tenth anniversary of their original date of grant.
- (2) As explained above, a 45 pence per share reduction was applied to the exercise price of all options that were outstanding at the time the 2021 return of value became effective.

Directors and their interests (continued)

Following consultation with a number of shareholders and as highlighted in previous reports, the Group has established a Long-Term Incentive Plan ("LTIP") and more recently a Management Incentive Plan, pursuant to which the Chief Executive Officer and other members of staff have been or may be granted awards. There were no awards made under the existing LTIP arrangements in FY23. However, as also explained in the Company's 6 September 2021 circular to shareholders, appropriate mechanisms have been put in place to provide cash compensation to LTIP participants who exercise their awards after the time the return of value detailed in that document became effective. In particular, these arrangements involve the payment to the relevant individual of an additional 45 pence per share in cash on any such exercise.

Bigblu Broadband plc
Governance
Directors' Report (continued)
For the year ended 30 November 2023

Details of the options that have been granted to Directors and other staff members under the LTIP and which were outstanding during the year to 30 November 2023, are as follows:

Director	Scheme	Date of grant	No. of shares under option at 30 November 2022	Exercised during the year	Lapsed during the year ¹	No. of shares under option at 30 November 2023	Exercise price (pence) per share at 30 November 2023 (or date of exercise if earlier)	Normal expiry date
Andrew Walwyn	LTIP	30/05/18	99,359	-	-	99,359	15.00	30/05/28
Andrew Walwyn	LTIP	28/10/19	64,514	-	-	64,514	15.00	28/10/29
Frank Waters	LTIP	30/05/18	79,826	-	-	79,826	15.00	30/05/28
Frank Waters	LTIP	28/10/19	51,832	-	-	51,832	15.00	28/10/29
			<u>295,531</u>	-	-	<u>295,531</u>		
Other staff members	LTIP	28/10/19	85,884	71,789	14,095	-	15.00	N/A
			<u>85,884</u>	<u>71,789</u>	<u>14,095</u>	-		
Total			<u>381,415</u>	<u>71,789</u>	<u>14,095</u>	<u>295,531</u>		

Notes:

- (1) The ability to exercise awards under the LTIP is conditional on, amongst other things, the continued employment of the individual within the Group and the satisfaction of specified performance conditions (which are regularly reviewed by the Remuneration Committee). There were no lapsed options in the year. Following the vesting of an LTIP award, it will normally remain capable of exercise until the 10th anniversary of its original date of grant.
- (2) There was no exercise of LTIP awards during the year to 30 November 2023.

The Directors' beneficial interests in share options shown in the tables on the previous pages comprise options issued under the EMI option scheme, the "unapproved" option scheme and the LTIP. All such schemes, together with other Management Incentive Plans, are reviewed at least annually to ensure they are in line with shareholders' expectations.

Bigblu Broadband plc
Governance
Directors' Report (continued)
For the year ended 30 November 2023

Directors and their interests (continued)

There are a number of performance conditions as well as time restrictions relating to the financial year ended 30 November 2023 attached to these share schemes and are reviewed by the Remuneration Committee.

Directors' Remuneration

The following table shows emoluments paid and accrued to Directors during the financial year:

	Year ended 30 November 2023				Year ended 30 November 2022	
	Salary/fees £000	Bonus £000	BIK £000	Pension £000	Total emoluments £000	Total emoluments £000
Current Directors:						
Michael Tobin (Non-Executive Director and Chairman)	61	-	-	2	63	58
Andrew Walwyn (Resigned 17 May 2024)	246	63	6	11	326	414
Frank Waters (Chief Executive Officer)	224	55	7	9	295	421
Paul Howard (Non-Executive Director)	41	-	-	-	41	39
Christopher Mills (Non-Executive Director)	37	-	-	-	37	35
Philip Moses (Non-Executive Director)	41	-	-	-	41	39
	650	118	13	22	803	1,006

Bigblu Broadband plc
Governance
Directors' Report (continued)
For the year ended 30 November 2023

Service Contracts

The Chief Executive Officer has a service contract with the Company that are terminable by either party on not less than 12 months prior notice. The non-executive Directors have service contracts with the Company that are terminable by either party on not less than 3 months' prior notice.

Pensions and Private Healthcare

There are pensions and private healthcare arrangements in place for the Chief Executive Officer as well as central team members as agreed with individuals.

Substantial shareholdings

As at 30 November 2023 the Group was aware of the following interests in 3% or more of its issued voting share capital:

Shareholder	% Holding	No. of shares
Harwood Capital LLP	24.9	14,560,000
Richard Griffiths	11.5	6,739,374
Liontrust Asset Management	9.0	5,279,671
Gresham House Asset Management	8.9	5,203,644
BGF Investment Management Limited	7.8	4,544,444
Hargreaves Lansdown Nominees Limited	6.4	3,730,787
Mr Andrew Walwyn	5.7	3,320,553
Interactive Investor Services Nominees Limited	5.4	3,136,350

Employee involvement

The Group's policy is to encourage involvement at all levels, as it believes this is essential for the success of the business. Employees are encouraged to present their views and suggestions in respect of the Group's performance and policies.

Financial risk management objectives and policies

The Group's financial instruments comprise cash, liquid resources and various items, such as trade receivables and trade payables that arise directly from its operations. The main risks arising from the Group's financial instruments are currency risk, interest rate risk, credit risk and liquidity risk. The Directors review the policies for managing each of these risks on an on-going basis and they are summarised in note 24 to the financial statements.

Bigblu Broadband plc
Governance
Board of Directors
For the year ended 30 November 2023

Directors

	Michael Tobin OBE Non-Exec Chairman	Paul Howard Non-Executive Director	Christopher Mills Non-Executive Director	Philip Moses Non-Executive Director
Appointment	Michael joined the Board and became Chairman in September 2015	Paul joined the Board in September 2015.	Christopher joined the Board in May 2018.	Phil joined the Board in May 2020
Committee Membership	Michael chairs the Board's Remuneration and Nomination Committees and is a member of the Audit and Risk Committee.	Paul serves on the Board's remuneration and Audit and Risk Committees.	None	Phil chairs the Board's Audit and Risk Committee.
Independence	The Board consider Michael to be an independent Director.	The Board consider Paul to be an independent Director.	The Board consider Christopher to be a non-independent Director.	The Board consider Phil to be an independent Director.
Background and Experience	<p>Michael is a highly successful serial technology entrepreneur & pioneer with over 30 years' experience in the telecoms & technology sector.</p> <p>As Chief Executive, Michael Tobin OBE led Telecity Group plc, a leading FTSE250 Technology company from 2002 to 2015.</p> <p>Michael joined Redbus in 2002 delisting it from the main market to AIM and then took it private, winning the London Business Awards "Business Turnaround of the Year" award in 2005. After engineering the merger with Telecity he successfully re-listed Telecity Group in October 2007 winning the accolade of UK Innovation Awards IPO of the year 2008 and the techMARK Achievement of the year in the same year.</p> <p>Subsequently he grew the business from £6m market cap in 2002 to being a top performer in the FTSE250 worth over £2Bn, being recognised as Britain's Most admired Tech Company in 2012.</p>	<p>Paul spent over 15 years with J.P Morgan Cazenove as a telecoms and media analyst and was one of Cazenove's youngest ever partners. He won numerous awards from Reuters and Starmine and was Head of the Number One ranked European telecoms research team as ranked by the Institutional Investor in 2011. Paul left Cazenove in 2011 and became an investor and non-executive director of various small telecoms companies. He also spent a year with Morgan Stanley in 2015 helping their Select Risk equity trading business. Paul has a BSc from Durham University in Maths and is a qualified accountant.</p>	<p>Christopher founded Harwood Capital Management in 2011, a successor of the former parent company of Harwood, J O Hambro Capital Management which he co-founded in 1993. He is Chief Executive and Investment Manager of North Atlantic Smaller Companies Investment Trust plc and Chief Investment Officer of Harwood Capital LLP. He is a Non-Executive Director of several companies. Christopher was a Director of Invesco MIM, where he was head of North American Investments and Venture Capital, and of Samuel Montagu International.</p>	<p>Phil has held CFO level roles in both telco and infrastructure companies in the UK and internationally for the last 20 years.</p> <p>He held several divisional CFO positions at BT as well as that of IR director and Group Controller.</p> <p>Subsequently, he was Group CFO at p/e owned Arqiva, the UK's largest communications tower company; at London City Airport and at pan-African fibre and data centre provider Liquid Telecom.</p> <p>Phil has a mathematics BSc from Warwick university and is an FCCA.</p>

Bigblu Broadband plc
Governance
Board of Directors (continued)
For the year ended 30 November 2023

Directors (continued)

	Michael Tobin OBE Non-Exec Chairman	Paul Howard Non-Executive Director	Christopher Mills Non-Executive Director	Philip Moses Non-Executive Director
Background and Experience (continued)	<p>Prior to joining Teleticity Group, Michael headed-up Fujitsu's e-Commerce operations in Frankfurt, Germany. Before that, he ran ICL's Danish outsourcing subsidiary out of Copenhagen Denmark. He also held several senior positions based in Paris for over 11 years including Business Development Director at International Computer Group coordinating global distribution of IT infrastructure. As a Non-Exec Director, Michael was instrumental in transforming PACNET in Hong Kong from a Sub Sea Cable operator to a successful Data centre operator culminating in its sale in 2016 to Telstra for \$800m.</p> <p>Michael was named 'UK IT Services Entrepreneur of the Year' by Ernst & Young in 2009, 2010 & 2011; PWC Tech CEO of the Year 2007; London Chamber of Commerce 'Business Person of the Year' for 2009 & 2010; In 2009 was named techMARK 'Personality of the Year'; In 2007 & 2009 he was the winner of the DCE Outstanding Leader of the Year, and in 2008 won 'Data Centre Business Person of the Year' at the Data Centre Leaders awards. He was awarded 'Outstanding Contribution to the Industry' at the Data Centre Europe awards and in 2011 received a Lifetime Achievement Award for services to the industry. In 2005 he was named number 31 of Britain's Top 50 Entrepreneurs.</p> <p>In 2015 Michael was honoured in the Queens New Year's Honours List with the Order of the British Empire medal for Services to the Digital Economy.</p>			
External appointments	<p>Michael holds a number of non-executive and Chairmanship roles including EdgeConneX, Audioboom, Ultraleap, Pulsant, NorthC Datacenters, Everarc PLC, Sungard Availability Services, DC Byte, Instrumental, ScaleUp Group UK, LeaseWeb, The Lewis Moody Foundation where he is Ambassador</p>	<p>Paul holds a number of executives roles, including Chairman of Quickline Communications Ltd</p>	<p>Christopher holds a number of non-executive roles.</p>	<p>Phil was appointed CFO of Osborne Infrastructure Ltd in January 2022, which was rebranded as Octavius Infrastructure Ltd in 2022.</p>

Bigblu Broadband plc
Governance
Board of Directors (continued)
For the year ended 30 November 2023

Directors (continued)

	Frank Waters Chief Executive Officer
Appointment	Frank joined the Board as CFO on the completion of the reverse acquisition in May 2015.
Committee Membership	None
Independence	Executive – non-independent
External appointments	Frank holds a number of non-executive directorships in sports clubs and businesses. In addition, Frank is a NED for Quickline Communications Ltd
	<p>Frank qualified as a Chartered Accountant (ICAS) with Ernst & Young in 1989. Frank has spent the last 20 years, primarily as finance director, in a number of fast-growing entrepreneurial companies in the mobile, consumer electronics and technology sectors.</p> <p>Frank was instrumental in the sale of DX Communications alongside Andrew Walwyn to what is now Telefonica.</p> <p>Frank joined Bigblu Broadband in the summer of 2013 and, as Chief Financial Officer, is responsible for all Group finance, commercial, legal, regulatory, HR, IT and M&A matters.</p> <p>Frank moved into the role of Chief Executive Officer immediately after the resignation of the CEO.</p>

Bigblu Broadband plc
Governance
Statement of Directors' Responsibilities
For the year ended 30 November 2023

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

UK Company law requires the directors to prepare Group and Company Financial Statements for each financial year. Under that law the directors are required to prepare Group Financial Statements in accordance with International Financial Reporting Standards ('IFRS') as adopted by the UK and the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market. The Directors have chosen to prepare the Group financial statements in accordance with IFRS as adopted by the UK.

The Group financial statements are required by law and IFRS adopted by the UK to present fairly the financial position, financial performance and cash flows of the Group for that year.

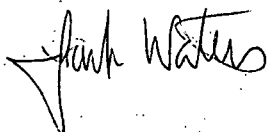
In preparing each of the group and company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the Group had complied with IFRS, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board



Frank Waters

Chief Executive Officer

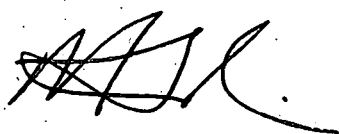
17 May 2024

Bigblu Broadband plc
Governance
Corporate Governance Statement
For the year ended 30 November 2023

Dear Shareholder,

At Bigblu Broadband plc all our stakeholders are important to us. The design and operation of a robust governance structure appropriate for a group of our scale and ambition is critical to meeting their needs. Our approach to governance is based on the concept that good corporate governance enhances long-term shareholder value and sets the culture, ethics and values for the rest of the Group.

The Board has ultimate responsibility for reviewing and approving the Annual Report and Accounts and it has considered and endorsed the arrangements for their preparation. The Directors confirm the Annual Report and Accounts, taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.



Michael Tobin OBE

17 May 2024

Bigblu Broadband plc
Governance
Corporate Governance Statement (continued)
For the year ended 30 November 2023

Quoted Companies Alliance Code for Small & Mid-sized Quoted Companies

The board of Bigblu Broadband Group plc (the "Company") is responsible for the Group's corporate governance policies and recognises the importance of high standards of corporate governance and integrity. The Group adopted the Quoted Companies Alliance Code for Small & Mid-sized Quoted Companies (the "QCA Code") in September 2018. This statement sets out how the Group complies with the 10 principles of the QCA Code.

1. Strategy & business model

The Group is an alternative broadband provider who markets and delivers broadband services to homes and businesses mainly located in areas of unserved underserved telecoms infrastructure. The Group's target customers are residential and businesses who are typically not served by fibre to the premise's broadband. The Group is technology agnostic and uses a variety of technologies to deliver a super-fast broadband service to target customers including satellite broadband, 4G, 5G and licensed and unlicensed spectrum fixed wireless broadband (point to point and point to multi-point) and fibre.

The continuing Group has customers in Australia totalling 55.3k as at 30 November 2023. The continuing Group remains focussed on growing organically and inorganically the Continuing Group and works closely with network partners to ensure we get the best customer offers in each jurisdiction. At the same time ensuring the continuing operations are well positioned to realise value for our shareholders.

Together with local bespoke systems the Group's cloud-based global billing and customers service (ERP) platform, Pathfinder, enables it to support customers around the world in any language the customer chooses, with the system supporting multiple currencies and VAT jurisdictions. The Group uses satellite capacity from a number of different satellite owners to enable it to provide satellite broadband services and these include but are not limited to Viasat, Telenor and NBNCo. The Group makes its decisions on which operator to use in each country based on a mixture of quality of their services, their product roadmap, business model, resultant price structure, and the amount of capacity available in a particular market.

Satellite design and processing efficiency continue to progress at a pace resulting in continually improving satellite economics with each new satellite launch allowing the Group to continue to improve its broadband offerings and keep pace with the growth in internet demand. Since the Group's inception in 2008, headline consumer satellite broadband speeds in Australia have increased from 4 Mbps to 50 Mbps and the Group, working with its satellite owner partners, believes that speeds and data allowances will continue to increase exponentially over the next 3 – 5 years.

Our Australian business SkyMesh, went from strength to strength with year-on-year overall customer growth of c.6% and of equal importance, strong customer engagement with c30% of new customers coming from word of mouth. During the year SkyMesh was also awarded the Whistleout 2023 Best Satellite NBN Co provider for the fourth year running. We further reinforced our close working relationship with NBN Co as it pro-actively extended the use of satellite in regional and remote Australia.

Bigblu Broadband plc
Governance
Corporate Governance Statement (continued)
For the year ended 30 November 2023

2. Understanding and meeting shareholder needs and expectations

The AGM is the main forum for dialogue with shareholders and the Board. The Notice of Meeting is sent to shareholders at least 21 clear days before the meeting. The chairs of the Board and all committees, together with all other Directors, routinely attend the AGM and are available to answer questions raised by shareholders. Feedback from investors is also obtained through direct interaction between the CEO and CFO at meetings following the publication of its full-year and half-year results. The Group also holds an open retail investor meeting shortly after results have been published. There is also regular dialogue with investors through the medium of the Group's corporate broker (Cavendish).

The Company has a dedicated investor relations website at www.bbb-plc.com which aims to keep all types of investor fully informed and up to date on the Group's activities, share price and future meetings as well as supplying documents and information which may be of general interest.

Bigblu Broadband plc
Governance
Corporate Governance Statement (continued)
For the year ended 30 November 2023

Details of specific contacts at Cavendish are published on all the Group's RNS releases and on the Group's investor website.

3. Taking into account wider stakeholder & social responsibilities & their implications for long-term success

The long-term success of a business and good Corporate Governance includes the Board considering the Group's impact on the communities it operates in, the environment and society as a whole. The group's stakeholders include shareholders, customers, members of staff, suppliers, regulators, industry bodies and creditors including lenders. The Board works hard to identify the Group's stakeholders and understand their needs, interests and expectations.

The principal ways in which their feedback on the Group is gathered are via meetings, conversations, surveys and online reviews. Following this feedback, the Group has continued and evolved its clearly defined customer-focused and people-led strategy.

Every company should consider its corporate social responsibilities (CSR). Any CSR policy should include a narrative on social and environmental issues and should show how these are integrated into the Group's strategy. Integrating CSR into strategy will help create long-term value and reduce risk to shareholders and other stakeholders. The Group see CSR as a very important area for consideration and are currently in the process of finalising a CSR Policy. In the coming year we will be looking at setting carbon reduction targets following the TCFD recommendations (The Task Force on Climate-related Financial Disclosures).

The Directors are aware of the impact the business activities have on the communities in which it operates and has in place an environmental policy. The Group's responsibilities to stakeholders including staff, suppliers and customers and wider society are also recognised and this is evidenced and underpinned by our values:

- Customers – Grow profitable elements of the business whilst putting the customer first
- Innovation – Industry leading product design always exceeding customers' expectations
- Quality – Excellence in operations, processes and systems
- Environment – Engaging with and supporting the communities in which we work
- Teamwork – Support and engage with our people

4. Embedding effective risk management

The board of the Group ensures that its risk management framework identifies and addresses all the relevant risks and threats that the business may be subject to in the execution of its business plan. These include extended business activities including key customers and its supply chain. The section "Principal Risks and Uncertainties" on pages 24 to 28 of this Annual Report identifies these risks and how the Board and the business mitigate these risks. The board of the Group meets regularly during the year and continually reappraises and discusses the tactics and strategy employed to mitigate these risks.

5. Maintaining a balanced and well-functioning board

The Company ensures a balanced board membership to reflect the skills and attributes needed. The board consists of two executive directors and four non-executive directors.

Bigblu Broadband plc
Governance
Corporate Governance Statement (continued)
For the year ended 30 November 2023

The Board and its committees

The Board is responsible for the effective oversight of the Group. It also agrees the strategic direction and governance structure that will help achieve the long-term success of the Group and deliver shareholder value. The Board takes the lead in areas such as strategy, financial policy and making sure a sound system of internal control is maintained. The Board's full responsibilities are set out in the schedule of matters reserved for the Board described below. The Board delegates authority to its committees to carry out certain tasks on its behalf, so that it can operate efficiently and give the right level of attention and consideration to relevant matters.

Role of the Board and management

Role of Chairman and Chief Executive Officer

There is a clear division of responsibilities between the running of the Board and the executive responsible for the Group's business.

The Chairman is responsible for leadership of the Board, ensuring its effectiveness and setting the agenda for Board meetings. Once strategic objectives have been agreed by the Board, it is the Chief Executive Officer's responsibility to ensure they are delivered upon and consistently to be accountable to the Board. The day-to-day operations of the Group are managed by the Chief Executive Officer and his management team.

Board processes

The full Group Board met ten times in the financial year under report and is scheduled to meet ten times in the current financial year and at any other time as may be necessary to address any specific significant matters that may arise.

The agenda for Board meetings is prepared in conjunction with the Chairman. Submissions are circulated in advance and for regular Board meetings will include operational and financial updates together with papers relating to specific agenda items.

Management prepares monthly finance reports which allow the Board to assess the Group's activities and review its performance. Members of management are regularly involved in Board discussions and Directors have other opportunities for contact with a wider group of employees.

To assist in the execution of its responsibilities, the Board has established an Audit and Risk Committee, a Remuneration Committee and a Nominations Committee together with a framework for the management of the consolidated Group including a system of internal control.

The Board is ultimately responsible for the Group's system of internal control and for reviewing its effectiveness. This includes financial, operational and compliance controls and risk-management systems. The Board has reviewed the effectiveness of the system of internal control during the year in conjunction with the External Auditors.

Internal control systems are designed to meet the Group's particular needs and the risks to which it is exposed. Accordingly, the internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and by their nature can only provide reasonable and not absolute assurance against misstatement and loss.

Bigblu Broadband plc
Governance
Corporate Governance Statement (continued)
For the year ended 30 November 2023

Role and Responsibilities of the Board

The Board's primary role is the protection and enhancement of long-term shareholder value. To fulfil this role, the Board is responsible for the overall management and corporate governance of the consolidated Group including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

From time to time the Board may delegate or entrust to any Director holding executive office (including the CEO) such of its powers, authorities and discretions for such time and on such terms as it thinks fit. The Board have in place a Delegation of Board authority which establishes those matters which it is considered appropriate remain within the overall control of the Board (or its committees) and those which are delegated to the CEO (or onwards as appropriate). In addition to overall Group strategy, the Board approves the annual budget and retains control over corporate activity (mergers, acquisitions, partnerships, material disposals and investments) and material contract and financing decisions (over and above set value/credit-risk limits). The Board considers that the current authority remains appropriate for the Board.

Management's role is to implement the strategic plan established by the Board and to work within the corporate governance and internal control parameters established by the Board.

The Board has approved a schedule of matters reserved for its decision; specifically, the Board is responsible for:

- Guiding the Group's long-term strategic aims, leading to its approval of the Group's strategy and its budgetary and business plans
- Approval of significant investments, M&A and capital expenditure
- Approval of annual and half-year results
- Ensuring maintenance of a sound system of internal control and risk management (taking into consideration recommendations of the Audit and Risk Committee)
- Ensuring adequate succession planning for the Board and Executive management (taking into consideration the recommendations of the Nomination Committee)
- Determining the remuneration policy for the Directors and the senior management team (taking into consideration the recommendations of the Remuneration Committee)

Board focus during the year

- **Strategy and Funding:**

During FY23, the Board worked with management to identify and anticipate industry trends to ensure that the Group's strategy is designed to address these trends as well as other industry dynamics, such as the competitive landscape.

The Board also reviewed relationships with the Group's main partners and suppliers. Together with our Partners over the past five years, the Group successfully executed its strategy of becoming a leading provider of last mile rural broadband solutions through a combined offering of both satellite, 5G and fixed wireless products.

Bigblu Broadband plc
Governance
Corporate Governance Statement (continued)
For the year ended 30 November 2023

- **Financials:**
 During FY23, the Board reviewed the Group's operating results and financial statements with management and the Group's external auditors. The Board also reviewed and approved the budget and operating plan for the financial year.
- **Governance:**
 The Board continues to review its governance structure following the adoption of the QCA Code to ensure, where possible, the Company is compliant with the requirements applicable to a publicly listed group and the QCA Code.
- **Business performance:**
 In FY23, the Board received and reviewed reports from management on the performance of the Group's business. The Board continually engages with management on various aspects of business performance, Key Performance Indicators, including business drivers, industry trends, risks, opportunities and the competitive landscape.

Board committees

The Board has established committees as follows:

- Audit and Risk Committee (chaired by Phil Moses) to oversee financial reporting, internal control and the management of the risks the Group faces.
- Nomination Committee (chaired by Michael Tobin OBE) to lead the process for appointments to the Board and a
- Remuneration Committee (chaired by Michael Tobin OBE) which has the responsibility of helping to develop and manage the Group's Remuneration Policy.

The committee reports can be found on pages 53 to 65 and each committee's full terms of reference are available on our website.

Table of Attendance

The table below summarises the attendance of the Directors and committee members at the scheduled Board and committee meetings held during the year:

	Board		Audit and Risk Committee		Remuneration Committee		Nomination Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Michael Tobin OBE*	10	10	2	2	4	4	1	1
Andrew Walwyn	10	10	-	-	-	-	1	1
Frank Waters	10	10	-	-	-	-	-	-
Paul Howard	10	10	2	2	4	4	1	1
Christopher Mills	10	7	-	-	-	-	-	-
Philip Moses**	10	9	2	2	-	-	-	-

The figures in the "held" column represent the number of meetings a Director was eligible to attend as a Director and the "attended" column represents the number of meetings attended by that Director.

* Michael Tobin OBE is Chairman of the Board and Chairman of the Nomination and Remuneration Committees.

** Philip Moses is Chairman of the Audit and Risk Committee.

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6. Having appropriate experience, skills and capabilities on the board

Board Composition, Qualification and Experience

The Board currently comprises six (2022: six) Directors. The number and/or composition may be changed where it is felt that additional expertise is required in specific areas, or when an outstanding candidate is identified.

The composition, experience and balance of skills on the Board are periodically reviewed to ensure that there is the right mix on the Board and its committees, and they are working effectively. The Board comprises a Non-Executive Chairman (who, for the purposes of the QCA Code was independent on appointment and remains independent), three Non-Executive Directors, two of whom are considered by the Board to be independent for the purpose of the QCA Code. There are two Executive Directors who are considered by the Board to be non-independent for the purpose of the QCA Code.

The current members of the Board have a wide range of skills and experience. The Board believes that a membership that combines detailed knowledge of the Group's operations, the technology industry and leading a group listed on the London Stock Exchange are crucial to the Board's ability to lead the Group successfully.

The composition of the Board is determined using the following principles:

- a majority of the Board should be non-executive Directors. Currently there are 4 non-executive Directors and 1 executive Directors.
- the role of Chairman is to be filled by a non-executive Director,
- the Board should have enough Directors to serve on various committees of the Board without overburdening the Directors or making it difficult for them to fully discharge their responsibilities,
- Directors appointed by the Board are subject to election by shareholders at the following annual general meeting and thereafter one third of Directors are subject to retire by rotation each year.

The Company Secretarial service is provided by a professional services company in order to conform to requirements.

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Key Board Roles

Chairman	Chief Executive Officer	Non-Executive Directors
Leads the Board	Leads the management team	
Promotes highest standard of corporate governance	Supports the Chairman to ensure appropriate governance standards spread through the Group	Acts as intermediary between Directors when required
Challenges strategic matters	Raises strategic initiatives aimed at improving shareholder returns in line with the strategic direction of the Group	Challenges strategic initiatives presented by Executive Directors as well as assists in the development of Group Strategies
Promotes a culture of openness and debate	Oversees implementation of all Board-approved actions	Available to stakeholders to address any concerns or issues that they feel have not adequately been addressed through usual channels of communication.
Encourages constructive relations between Executive and Non-Executive Directors	Ensures that the Board is made aware of the employees' views on relevant issues	Integral role in succession planning
Facilitates effective contributions by the Non-Executive Directors	Develops proposals for the Board to consider in conjunction with fellow Executive Directors	

Non-Executive Director Independence

The Board considers and reviews the independence of Non-Executive Directors regularly as part of the Directors' performance evaluation. In carrying out the review, consideration is given to factors such as their character, judgement, commitment and performance on the Board and relevant committees and their ability to provide objective challenge to management.

The Board considers its Independent Non-Executive Directors bring strong judgement and considerable knowledge and experience to the Board's deliberations.

As noted in the Annual Report on Remuneration on page 60, Michael Tobin OBE, and Paul Howard both participate in the Group's share option plan. Notwithstanding this, both Michael Tobin and Paul Howard are considered independent in character and judgement, this is evidenced by the valuable contributions they make at Board and Committee meetings, and in particular, the knowledge and experience they bring to the roles as Chairman, Non-Executive Directors and Committee members. In addition, whilst Christopher Mills is considered Non-Independent, Christopher provides enormous guidance and support to the business and is considered to be independent in character and judgement.

Appointment and Tenure

All Non-Executive Directors serve on the basis of letters of appointment which are available for inspection upon request. The letters of appointment set out the expected time commitment of Non-Executive Directors who, on appointment, undertake that they will have sufficient time to meet what is expected of them. Non-Executive Directors are appointed for an initial three-year term and the continuation of their appointment is conditional on satisfactory performance and subject to re-election at the Group's Annual General Meetings.

Bigblu Broadband plc
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For the year ended 30 November 2023

Executive Directors serve on the basis of service agreements which are also available for inspection upon request. Further details on the Executive Directors' service agreements are included in the Annual Report on Remuneration, on page 59.

Director Training

The Chairman is responsible for the induction of new Directors and ongoing development of all Directors. The Board received tailored training as appropriate for service on a listed Company Board. New Directors will receive a full, formal and tailored induction on joining the Board designed to provide an understanding of the Group's business, governance and key stakeholders. The induction process typically includes an induction pack, operational site visits, meetings with key individuals and the Group's advisors, and briefings on key business, legal and regulatory issues facing the Group.

As the business environment changes, it is important to ensure the Directors' skills and knowledge are refreshed and updated regularly. Accordingly, the Nomad ensures that updates on corporate governance, regulatory and technical matters are provided to Directors at special sessions in between formal Board meetings. In this way, Directors keep their skills and knowledge relevant so as to enable them to continue to fulfil their duties effectively.

Information and Support Available to Directors

All Board Directors have access to the Company Secretary, who advises them on Board and governance matters. The Chief Executive Officer and the Company Secretary work together to ensure that Board papers are clear, accurate, delivered in a timely manner to Directors, and of sufficient quality to enable the Board to discharge its duties. As well as the support of the Company Secretary, there is a procedure in place for any Director to take independent professional advice at the Group's expense in the furtherance of their duties, where considered necessary or advisable.

Director Election

Following recommendations from the Nomination Committee, taking into account the results of the Board's performance evaluation process, the Board considers that all Directors continue to be effective, committed to their roles and have sufficient time available to perform their duties. In accordance with the Company's Articles of Association one third of Directors are to retire by rotation excluding those appointed during the year and those re-elected at the Group's AGM in 2023 as set out in the Notice of AGM. In accordance with the Company's articles of association when a non-executive director has served for a period of nine years the non-executive director will be subject to annual retirement by rotation at each AGM.

Directors' Conflicts of Interest

Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Where the Board believes that a significant conflict exists, the Director concerned is either not present or does not take part in discussions and voting at the meeting whilst the item is considered.

Directors have a statutory duty to avoid situations in which they have, or may have, interests that conflict with those of the Company, unless that conflict is first authorised by the Directors. This includes potential conflicts that may arise when a director takes up a position with another Company. The Company's Articles of Association allow the Board to authorise such potential conflicts, and there is in place a procedure to deal with any actual or potential conflict of interest. The Board deals with each appointment on its individual merit and takes into consideration all the circumstances.

All other appointments have been authorised by the Board and have been included in the conflicts register.

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Independent professional advice and access to Company information

Each Director has the right of access to all relevant Group information and to the Group's management and, subject to prior consultation with the Chairman, may seek independent professional advice at the Group's expense. A copy of any advice received by the Director is to be made available to all other members of the Board.

7. Evaluating board performance

The Board and its committees were formed upon listing in May 2015 and are reviewed from time to time. A Board Effectiveness Review was carried out during 2023 with the results being analysed by the Nomination Committee and presented to the Board. A small number of proposed recommendations were made and implemented by the Board.

8. Ethical values & behaviours

The Company operates a corporate culture that is based on ethical values and behaviours. The Chief Executive Officer communicates regularly with staff through meetings and messages to ensure best-in-class ethical standards and to provide clear guidance on how the members of staff are expected to behave towards their colleagues, suppliers, customers, shareholders and on their wider responsibilities to the communities within which they operate.

9. Maintaining governance structures and processes

The Chairman is responsible for leadership of the Board, ensuring its effectiveness and setting the agenda for Board meetings. Once strategic objectives have been agreed by the Board, it is the Chief Executive Officer's responsibility to ensure they are delivered upon. The day-to-day operations of the Group are managed by the Chief Executive Officer.

The division of responsibilities between the Chairman, Chief Executive Officer and Non-Executive Directors is set out in writing in their contracts and agreed by the Board. The roles of the Chairman and the Chief Executive Officer are separate with a distinct division of responsibilities. The partnership between Michael Tobin OBE and Andrew Walwyn is based on mutual trust and facilitated by regular dialogue between the two. The separation of authority enhances independent oversight of the executive management by the Board and helps to ensure that no one individual on the Board has unfettered authority.

For the roles and responsibilities of the Board please see section 6 on page 49.

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10. Communicating with shareholders and other relevant stakeholders

Shareholder engagement

Responsibility for shareholder relations rests with Frank Waters, the Chief Executive Officer. He ensures that there is effective communication with shareholders and is responsible for ensuring that the Board understands the views of shareholders. Andrew is supported by the Group's corporate brokers with whom he is in regular dialogue. As a part of a comprehensive investor relations programme, formal meetings with investors are scheduled to discuss the Group's interim and final results. In the intervening periods, the Group continues its dialogue with the investor community by meeting key investor representatives and holding investor roadshows as appropriate.

Annual General Meeting

The Company's Annual General Meeting ("AGM") will be held on 21 June 2024, and such notice of the AGM will be circulated to shareholders shortly. All shareholders have the opportunity to attend and vote, in person or by proxy, at the AGM. The notice of the AGM can be found on our website and in a notice, which is being mailed out at the same time as this Report. The Notice of AGM sets out the business of the meeting and an explanatory note on all proposed resolutions. Separate resolutions are proposed in respect of each substantive issue. The AGM is the Company's principal forum for communication with private shareholders.

Risk management and internal controls

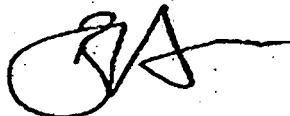
The Audit and Risk Committee report explains the process carried out for the assessment of the effectiveness of the Group's risk management and internal control systems on page 54.

Independent auditor and audit information

Each person who is a Director at the date of approval of this report confirms that, so far as the Director is aware, there is no relevant audit information of which the Group's auditor is unaware and each Director has taken all the steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Group's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of the Companies Act 2006.

Haysmacintyre LLP have expressed their willingness to continue as the Group's auditor. As outlined in the Audit and Risk Committee report on page 59, resolutions proposing their reappointment and to authorise the Audit and Risk Committee to determine their remuneration will be proposed at the next AGM.

On behalf of the Board



Ben Harber

Company Secretary

17 May 2024

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Nomination Committee Report

The Nomination Committee is chaired by Michael Tobin OBE and its other members during the year were Andrew Walwyn and Paul Howard.

Role and responsibilities

The role of the Nomination Committee is documented in its terms of reference which were reviewed and adopted by the Board of Directors in May 2016.

The Committee assists the Board in discharging its responsibilities relating to the composition and make-up of the Board and any committees of the Board. It is also responsible for periodically reviewing the Board's structure and identifying potential candidates to be appointed as Directors or Committee members as the need may arise. The Committee is responsible for evaluating the balance of skills, knowledge and experience as well as the size, structure and composition of the Board and committees of the Board, retirements and appointments of additional and replacement Directors and Committee members and makes appropriate recommendations to the Board on such matters, having regard to the Company's aim to be an equal opportunity employer, addressing its corporate social responsibility by promoting equality and diversity in its workforce. A copy of the Committee terms of reference is available on the Company's website.

Meetings during the year

A meeting of the Nomination Committee was held on 28th September 2023.

Process for Board appointments

When the Company decides to appoint a Non-Executive Director:

- The Committee Chairman, or search consultants where engaged, will typically submit a short-list of candidates to members of the Committee and the Chief Executive Officer for them to review and enable them to suggest other candidates unless the Committee has been made aware of the availability of very suitable candidates.
- The Committee Chairman, one other Committee member and the Chief Executive Officer will then meet short-listed candidates selected by the Committee. In addition, potential candidates will be given the opportunity to meet with Executive Directors as appropriate. If the Chairman wishes to proceed with the selection process, the candidate will then be invited to meet all members of the Committee.
- After meeting the candidate, the Committee will decide whether to recommend the candidate to the Board for appointment.
- Where an exceptional candidate is identified the process may be shortened by Committee decision.

When the Company decides to appoint an Chief Executive Officer:

- The Committee Chairman and the Chief Executive Officer or, where engaged, search consultants, will submit a short-list of one or more candidates to the Committee following meetings with Executive management.
- Some or all of the Committee members will then meet the candidates selected for interview.
- The Committee's assessments will be reviewed with the Chairman of the Board and the Chief Executive Officer, following which a candidate may be recommended to the Board for appointment.



Michael Tobin OBE

Nomination Committee Chairman

17 May 2024

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Audit and Risk Committee Report

The role of the Audit and Risk Committee is documented in its terms of reference which were reviewed and adopted by the Board in May 2016 and updated in December 2020 and the remit was extended to cover risk reviews as well and renamed the Audit and Risk Committee. The annual report on the role and activities of the Audit and Risk Committee are as follows:

Membership of the Committee

The Committee meetings were chaired by Philip Moses with Michael Tobin OBE and Paul Howard being the other members of the Committee. All members and the Chair are Independent Non-Executive Directors. All of the members of the Committee have extensive experience of the technology industry as well as financial procedures and controls. During the year ended 30 November 2023, the Committee formally met two times and informally as and when required. The table on page 48 summarises the attendance of members at formal committee meetings. In addition, the Audit Committee Chair had a number of informal meetings both with the external Auditors and with the Chief Financial Officer throughout the year to monitor progress and discuss any matters of note.

Only members of the Committee have the right to attend meetings, though the Committee may invite others to attend if it is considered appropriate or necessary. The external auditors are invited to attend meetings of the Committee on a regular basis as is the Chief Executive Officer where appropriate. The Chief Executive Officer and members of the finance function may also be invited to Audit and Risk Committee meetings at the discretion of the Committee. The Committee plans to meet at least twice during the coming year.

Roles and activities

The purpose of the Committee is to assist the Board in the effective discharge of its responsibilities for financial reporting, corporate control and risk management. The Committee is responsible for monitoring the integrity of the Group's financial statements, including its annual and half-yearly reports, interim management statements, preliminary result announcements and any other formal announcements relating to its financial performance prior to release. The Committee oversees the relationship between the Group and its external auditors and makes recommendations to the Board on their appointment. In addition, the Committee monitors and reviews the external auditor's independence and objectivity and the effectiveness of the audit process, taking into account relevant legal, professional and regulatory requirements.

The terms of reference of the Committee also includes the following responsibilities:

- to increase shareholder confidence and to ensure the credibility and objectivity of published financial information.
- to assist the Board in meeting its financial reporting responsibilities
- to assist the Board in ensuring the effectiveness of the Group's accounting and financial controls
- to strengthen the independent position of the Group's external auditors by providing channels of communication between them and the Directors
- to review the performance of the Group's external auditing functions
- to review and challenge significant accounting and treasury policies, the clarity and completeness of disclosures in financial reports and significant estimates and judgements.
- to review the findings of the audit with the external auditors
- where requested by the Board, to review the content of the annual report and accounts and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.
- to monitor and keep under review the adequacy and effectiveness of the Group's financial controls and risk management systems, including a review of the Group's risk management framework; and monitoring and reviewing the appropriateness of timing of creation of a Group internal audit function together with an annual internal audit plan; and

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Roles and activities (continued)

- to review the Group's policies and procedures for preventing and detecting fraud, its systems and controls for preventing bribery, its Code of Conduct and its policies for ensuring that the Group complies with relevant regulatory and legal requirements. The full terms of reference of the Committee can be found on the Group's website.

Significant issues

The issues considered by the Committee that are deemed to be significant to the Group are set out below.

Revenue recognition	<p>The Group principally generates revenue from sales of airtime, data, hardware and installation in connection with supplying Broadband services and network recharges. There is a risk therefore that revenue is inappropriately recognised if revenue is incorrectly apportioned to a product or service.</p> <p>A detailed revenue recognition policy is in place, and follows IFRS 15, and includes processes and procedures for recognition dependent upon the individual nature of the goods or services sold. The Group's external auditors as part of the annual statutory audit have reviewed the revenue recognition policy and performed testing of revenue recognition and found revenue to be appropriately accounted for in accordance with IFRS15.</p>
Goodwill and intangibles carrying value	<p>At 30 November 2023, the Group had on its balance sheet goodwill of £3.4m (2022: £5.7m) and other intangibles of £2.2m (2022: £1.7m) that has primarily arisen as a consequence of past acquisitions. The value of intangible assets increased by the cost of the customers acquired by SkyMesh from Uniti (£2.5m) less an amortization charge of £1.5m, negative forex adjustment of £0.1m, impairment of £0.1m and reclassification of £0.3m to assets held for sale.</p> <p>Management performs impairment reviews annually, or more frequently if there is an indication of impairment, based on the Group's operations. The cash flow forecasts used for each business unit are based on the latest Board approved budgets.</p> <p>Management prepares an accounting paper for review by the Committee that details the methodology applied, key assumptions used and the impact of sensitivity analysis. This includes a discounted cashflow, taking into consideration the Group debt value, equity value, the cost of debt and cost of equity, and a long-term growth rate of 2% pa.</p> <p>Having considered the impairment reviews performed, the Committee is satisfied that the carrying value of goodwill and intangibles at 30 November 2023 required an impairment adjustment to be recognized relating to Goodwill of the Nordics business (£1.8m) and the carrying value of IP addresses belonging to SkyMesh (£0.1m).</p>
Valuation of carrying value of interest in UK Fixed Wireless Operations	<p>The accounting and disclosure for the transaction and the ongoing continuing businesses were reviewed and agreed with the Auditors previously including splitting disclosure for Continuing and Discontinued Operations. The transaction having occurred more than 24 months ago resulted in a review of the carrying value of the shares and loan notes received as consideration to ensure not materially misstated in the Group and single entity accounts.</p>

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Internal controls and risk environment

Whilst the Board is ultimately responsible for the establishment, monitoring and review of effectiveness of control systems throughout the Group, each of the individual Company leaders drive the process through which risks, and uncertainties are identified. The Board recognises that rigorous internal control systems are critical to managing the risks in achieving its strategic objectives. The Board further acknowledges that these systems are designed to manage rather than eliminate risk in the Group.

The normal process for identifying, evaluating and managing significant risks faced by the Group would be overseen by a Risk and Compliance Committee, in association with work performed by an internal audit function. Currently, the Group operations team including finance personnel have taken a lead role in looking at controls in the various jurisdictions this is supplemented with External Advisors from time to time. Where the Board defines an identified risk as significant, procedures exist to ensure that necessary action is taken to rectify or mitigate as appropriate. This while not an exhaustive list includes hiring additional resources 3rd party reviews etc. The aforementioned functions provide additional assurance to an established Audit and Risk Committee who have ultimate responsibility for the oversight and review of the adequacy and effectiveness of the Group's systems of internal controls. In addition, the Committee in the absence of a dedicated internal audit function will from time to time engage with External consultants to review aspects of the business as appropriate. Such findings will be discussed at the Audit and Risk Committee.

The external auditors provide a supplementary, independent, and autonomous perspective on those areas of the internal control system which they assess in the course of their work. Their findings are regularly reported to the Audit and Risk Committee and the Board.

Key elements of the control environment are:

- annual budgets and strategic plans prepared for all business units.
- monitoring of performance against budget and forecast with reporting to the Board on a regular basis.
- monthly review of detailed key performance indicators formally at Board level as well as at an Operational Level within the Continuing businesses.
- all contracts are reviewed at a level of detail appropriate to the size and complexity of the contract.
- timely reconciliations are performed for all significant balance sheet accounts.
- clearly defined organisational structure and authorisation lines including Cash Control
- an operations team reviews key business processes, controls and their effectiveness, as well as identifying, assessing and managing significant control issues; and
- the Audit and Risk Committee, which assesses the overall appropriateness of the Group's internal control environment.

The preparation and issue of financial reports is managed by the Group Finance Team, as delegated by the Board. The Group's financial reporting process is controlled using the Group accounting policies and reporting systems. The Group Finance Team supports all reporting entities with guidance on the preparation of financial information and has formal weekly one to one meetings and informal as required. This is especially important following any new acquisitions. The remaining business units each have a senior financial controller locally who has responsibility and accountability for providing information which is in accordance with agreed policies and procedures as well as ensuring compliance with local regulations and tax compliance. The financial information for each entity is subject to a review at reporting entity and Group level by the Group Finance Director and also the Chief Financial Officer. The Annual Report is reviewed by the Audit and Risk Committee in advance of presentation to the Board for approval.

The Directors, by using appropriate procedures, systems and the employment of competent personnel, have ensured that measures are in place to secure compliance with the Company's obligation to keep adequate accounting records. The accounting records are kept at the registered office of the Group or relevant statutory entity office as well as in the cloud within our accounting systems.

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How we manage risk

To enhance effective governance and risk management oversight in the future, it is intended that the Group will, as appropriate, extend the internal audit reviews as approved by the Audit and Risk Committee with the deployment of central resources and where appropriate 3rd party reviews into the business units to review processes and controls. This programme will be authorised by the Board to provide an additional level of assurance to the Audit and Risk Committee in overseeing risk management and internal control activities.

It will also provide the business with a framework for risk management, upward reporting of significant risks and policies and procedures.

On a half yearly basis, the Audit and Risk Committee will review the status on risk exposures and risk management throughout the business within a pre-agreed risk management framework. The risk management framework will be designed to identify, evaluate, analyse and mitigate or manage risks appropriate to the achievement of the business strategy.

The Group will adopt a two-pronged approach to identifying risks:

- 1) a bottom-up approach at the business function level; where risks are managed at the operational level with an appropriately defined escalation process in place for those risks rated as high; and
- 2) a top-down approach at the Executive level; where the principal risks and uncertainties are identified and managed.

A series of risk identification approaches will be used including adding risk discussions into team meetings.

All identified risks will be assessed against a pre-defined scoring matrix and prioritised accordingly. Any risks identified in the bottom-up approach deemed to be rated as higher risk are escalated in line with pre-defined escalation procedures for further evaluation. The Group's risk appetite is considered by the Board and evaluated to ensure appropriateness of risk management and mitigation.

Whistle-blowing and anti-bribery

Whistleblowing and Anti Bribery policies are in place in the Group enabling employees to confidentially report matters of concern directly to Non-Executive Directors, and that all Executives are reminded of their responsibility in relation to Anti Bribery Legislation. This is also a regular topic on the Board Meeting agendas.

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External Auditor

The Audit and Risk Committee reviews and makes recommendations with regard to the appointment and reappointment of the external auditors. In making these recommendations, consideration is given to auditor effectiveness and independence, partner rotation and any other factors that may impact the reappointment of the external auditors. There are no contractual restrictions on the choice of external auditors.

The Audit and Risk Committee is confident that the effectiveness and independence of the external auditors is not impaired in any way. The Committee will continue to assess the effectiveness and independence of the external auditors.

The external auditors may perform certain limited non-audit services for the Group. Providing such services are permissible in line with the requirements of the FRC's 2019 Ethical Standard. Any such non-audit services require pre-approval by the Audit and Risk Committee and are only permitted to the extent allowed by relevant laws and regulations.

The non-audit services, including tax compliance activities and internal audit are provided by an independent accounting firm. Haysmacintyre LLP continue to review the half year reporting. Full details of auditor's remuneration are shown in note 4 to the Financial Statements.

Review of effectiveness of External Auditors

An important role of the Committee is to assess the effectiveness of the external audit process. In performing this assessment, the Committee:

- reviewed the annual audit plan and considered the auditor's performance against that plan along with any variations to it.
- met with the audit engagement partner to review the audit findings and responses received to questions raised by the Committee.
- held regular meetings with the audit engagement partner, including with the absence of executive management.
- considered their length of tenure.
- reviewed the nature and magnitude of non-audit services provided; and
- reviewed the external Auditors own independence confirmation presented to the Committee.

Based on the assessment performed, the Committee has recommended to the Board that a resolution to reappoint Haysmacintyre LLP be proposed at the next Annual General Meeting.



Philip Moses

Chairman of the Audit and Risk Committee

17 May 2024

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Annual statement of the remuneration committee chairman

As Chairman of the Bigblu Broadband Remuneration Committee, I am pleased to present the Board of Directors' Remuneration Report for the year ended 30 November 2023, which has been prepared by the Committee and approved by the Board. In line with the UK reporting regulations, this report is divided into three sections:

- The Annual Statement by the Remuneration Committee Chairman;
- The Directors' Remuneration Policy, which details the Group's remuneration policies and their link to Group strategy, as well as projected pay outcomes under various performance scenarios; and
- The Annual Report on Remuneration, which focuses on our remuneration arrangements and incentive outcomes for the year under review and how the Committee intends to implement the Remuneration Policy in FY24 and beyond.

The role of the Remuneration Committee is documented in its Terms of Reference which were reviewed and adopted by the Board of Directors in May 2016 which are also reviewed from time to time to ensure up to date. The objectives of the Remuneration Committee are to ensure that the Group's Directors and senior executives are fairly rewarded for their individual contributions to the Group's overall performance by determining their pay and other remuneration and to demonstrate to all shareholders that the general policy relating to, and actual remuneration of individual senior executives of the Group, is set by a committee of the Board members who have no personal interest in the outcome of the decisions and who will give due regard to the interests of the shareholders and to the financial and commercial health of the Group.

The Remuneration Committee intends that its policy and practice should align with and support the implementation of the Group's strategy and effective risk management for the long term. The policy is intended to motivate the right behaviours and to ensure that any risk created by the remuneration structure is acceptable to the Committee and within the risk appetite of the Board and its strategy.

The remuneration package for executive Directors comprises a combination of annual salary, performance bonuses and share options / Long Term Incentive Plans / Management Incentive Plans with set performance criteria. Remuneration for non-executive Directors consists of an annual fee with options granted in certain circumstances. There were additional fees awarded for serving on Board committees and non-executive Directors are not entitled to annual bonuses.

The members of the Remuneration Committee are Michael Tobin OBE and Paul Howard. The Chief Executive Officer, or other Non-Executive Directors, may be invited to Remuneration Committee meetings at the discretion of the Committee. The Committee plans to meet at least twice during the coming year.

The agenda for Remuneration Committee meetings is prepared in conjunction with the Chairman of the Committee. Submissions are circulated in advance and may include remuneration benchmark surveys and best practice guidelines together with papers relating to specific agenda items.

Remuneration policy for FY23 and future years

Bigblu Broadband plc was listed on the Alternative Investments Market (AIM) in May 2015. During the period the Remuneration Committee reviewed the Group's remuneration structure to ensure it aligned with the forward-looking strategy of the Group, is able to motivate and retain the executive team over the next key phase in the Group's evolution post two successful disposals, and to ensure it takes into account market and best practice for a listed Group. The remuneration structure for Executive Directors applied throughout the financial year is carried forward as appropriate into the new financial year commencing 1 December 2023, is set out in the Remuneration Policy below. Following the disposals during the last two years the Committee undertook to review the Long-Term Incentive Plan and Management Incentive Plans for senior executives to ensure their interests are aligned with that of the shareholders both in the short and medium term. No changes were proposed.

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Annual statement of the remuneration committee chairman (continued)

Remuneration policy for FY23 and future years (continued)

Our remuneration arrangements reflect that we compete for talent in a competitive market against other telecommunications companies. The Committee has also carefully considered the expectations of our shareholders in formulating our policy and has included claw back provisions in our incentive schemes for Directors and Board Members, to align with developing best practice. The overarching principles of our Remuneration Policy are to provide a competitive package of fixed and variable pay that will enable the Group to ensure it can attract and retain executives with the right skills and experience to drive the long-term success of the Group.

The Committee believes that our remuneration arrangements can achieve these goals through the application of stretched performance targets and strong shareholder alignment through our equity incentives and Management Incentive Plans. The Committee also

Remuneration decisions in FY23

The activities of the Committee and key decisions in FY23 are set out below:

- Executive salaries were reviewed. Salaries were reduced by 10% in FY22 with no increase in FY23 despite inflationary pressures thereby in effect a further reduction in real terms.
- The basis and awards under the bonus schemes were reviewed and as in past years linked intrinsically to delivering Revenue, Adjusted EBITDA and Cash targets.
- Non-Executive Director salaries were reduced by 20% with effect from December 2021 with no increase in FY22 or FY23 despite inflationary pressures thereby in effect a further reduction in real terms.
- Under the terms of the Management Incentive Plan a full review on options was undertaken by external lawyers specialising in such schemes and no changes were proposed during the year save a review of thresholds and participants to ensure the team was fully aligned with maximising shareholder value post the disposal of the UK fixed wireless operation, in July 2021.
- Reorganisation of the costs base was also addressed including reviewing redundancy calculations for remaining team members in the event of further disposals.

Given almost all the underlying trading metrics are delivered from our Australian and Norwegian businesses when taking into consideration FOREX movements in the period the Group delivered results for the Continuing Operations in line with forecasts with revenue at £25.9m (FY22: £27.2m) and adjusted EBITDA at £4.5m (FY22: £4.1m). Additional uplift bonuses can be earned when performance materially exceeds targets, however none were awarded during the period.

Long-Term Incentive Plan

Following consultation with External Advisors, the Company's Nominated Advisor and a Panel of Shareholders in 2018 an LTIP was put in place to further ensure Executives are fully aligned with Shareholder Returns and to remove the subjectivity surrounding Option awards. The basis of the award is in line with best practice and is calculated by reference to two metrics, actual BBB share price performance and relative performance versus a basket of similar companies in the following weightings:

- 50% on how the actual BBB share price performs and
- 50% compared to how BBB performs against a basket of similar Companies

Bigblu Broadband plc
Governance
Corporate Governance Statement (continued)
For the year ended 30 November 2023

Annual statement of the remuneration committee chairman (continued)

No award was made in the current year to Senior Executives instead the Committee, as outlined last year revisited all incentive plans post last year's Disposal to ensure Senior Executives short, medium and long term Management Incentive Plans are intrinsically linked to growing shareholder value. Thus the MIP in place is considered to align the interests of relevant Bigblu Broadband team members with that of the interests of our shareholders

Directors' remuneration policy

This section describes the Group's proposed remuneration structure for Directors which, if approved, will apply for up to three years from the date of the Annual General Meeting.

The overarching principles of our remuneration policy are to provide a competitive package of fixed and variable pay that will enable the Group to ensure it has executives with the right skills and experience to drive the success of the Group, and that their remuneration is linked to shareholder interests and the Group's long-term success. Our remuneration philosophy is:

- to promote the long-term success of the Group, with stretching performance targets which are rigorously and consistently applied
- to provide appropriate alignment between the Group's strategic goals, shareholder returns and executive reward
- to have a competitive mix of base salary and short and long-term incentives, with an appropriate proportion of the package determined by stretching targets linked to the Group's performance

Executive Directors' fixed and variable remuneration arrangements have been determined taking into account:

- the role, experience in the role, and performance of the Executive Director
- the location in which the Executive Director is working
- remuneration arrangements at UK listed companies of a similar size and complexity
- remuneration arrangements at UK telecommunications companies of a similar size and complexity, including companies with which the Group competes for talent
- best practice guidelines for UK listed companies set by institutional investor bodies

Bigblu Broadband plc
Governance
Corporate Governance Statement (continued)
For the year ended 30 November 2023

Annual statement of the remuneration committee chairman (continued)

Future policy table

The key components of Executive Directors' remuneration are as follows:

Fixed Pay

Type	Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics
Base salary	To attract and retain talent of the right calibre and with the ability to contribute to strategy, by ensuring base salaries are competitive in the relevant talent market.	Base salaries are usually reviewed annually, with reference to individual performance, Group performance, market competitiveness, salary decreases / increases across the Group and the position holder's experience, competence and criticality to the business. Any decreases / increases are generally effective from 1 December.	Executive Director salary decreases / increases will normally be in line with those for the wider executive employee population. However, higher salary decreases / increases may be made where there is a change in role or responsibilities.	Group performance against market expectations is considered when determining appropriate salary levels.
Pension	Provide post-retirement benefits for participants in a cost-efficient and equitable manner.	Pension contributions are provided by the Group as part of a legislatively compliant Workplace Pension Scheme that requires an overall contribution of 9% of gross base salary to be made by Year 3 of the scheme. This overall percentage contribution will be made up from a combination of contributions from the Executive Directors and the Group, with a choice of funding vehicles through either the Group Plan or by contributions being made to a personal SIPP chosen and set up by the Chief Executive Officer.	The Executive Director receives a matching contribution of 4.5 percent of salary under the opt-in to the Group Workplace Pension Scheme. Subject to the applicable maximum contribution. The Committee does not anticipate pension benefits as being at a cost to the Group that would exceed 10 percent of base salary, notwithstanding future changes to pension legislation.	None
Benefits	To provide competitive benefits for each role.	Benefits currently include the provision of private medical, life insurance, permanent health and disability insurance and car allowance. Reasonable relocation package including annual family visitation allowance, legal fees allowance and health insurance. Travel and subsistence allowances as well as reimbursement is in line with the Group Expenses Policy and other benefits may be provided based on individual circumstances.	There is no overall maximum value set out for benefits. They are set at a level that is comparable to market practice and appropriate for individual and Group circumstances. The Committee retains the discretion to amend benefits in exceptional circumstances or in circumstances where factors outside of the Group's control have materially changed (e.g. increases in insurance premiums).	None

Bigblu Broadband plc
Governance
Corporate Governance Statement (continued)
For the year ended 30 November 2023

Annual statement of the remuneration committee chairman (continued)

Variable Pay

Type	Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics
Bonus arrangements	Aims to focus executives on achieving financial targets relevant to the business priorities for the financial period and where appropriate to outperform	Typically, performance measures and targets are set prior to or shortly after the start of the relevant financial period. At the end of the financial period, the Remuneration Committee will determine the extent to which the targets have been achieved. Awards are typically delivered in cash; however, the Committee has discretion to defer awards in cash or in shares. The Committee has discretion and the contractual legal vehicle, to reduce or recoup the bonus in the event of serious financial misstatement or misconduct. In extreme cases of misconduct, the Committee may claw back annual bonus payments previously made. Additional bonuses can be earned at the sole discretion of the Remuneration Committee if exceptional circumstances arise.	The base bonus opportunity for Executive Directors will be up to 75 percent of base salary. Up to 75 percent of maximum will vest for target performance. Performance above base performance can result in additional bonuses being paid linked to improved performance - i.e. paying for themselves.	The annual bonus will be based on achievement of financial targets (e.g., revenue growth, EBITDA improvements and cash metrics). The Committee has discretion to adjust the formulaic bonus outcome downwards within the limits of the plan, to ensure alignment of pay with the underlying performance of the business.

Non-Executive Directors Fees

Type	Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics
Non-Executive Directors' Fees	To reflect the time commitment in preparing for and attending meetings, the duties and responsibilities of the role and the contribution expected from the Non-Executive Directors.	Monthly fees for Non-Executive Directors are paid via Payroll and were reduced by 20% from the start of December 2021. Additional fees paid to the Chairmen of Board Committees may be paid if there is a material increase in time commitment required. Non-Executive Directors do not participate in any annual bonus incentive schemes, nor do they receive any pension or benefits (other than nominal travel expenses). Non-Executive Directors will participate in the Company's share option schemes and MIP where appropriate.	Any decreases / increases to Non-Executive Director fees will be considered as a result of the outcome of a review process and taking into account wider market factors, e.g. inflation. There is no prescribed individual maximum fee. Further details are set out below.	None

Bigblu Broadband plc
Governance
Corporate Governance Statement (continued)
For the year ended 30 November 2023

Annual statement of the remuneration committee chairman (continued)

Notes to the policy table

- Revenue growth, adjusted EBITDA, free cash flow and net cash metrics are considered to be the best measures of the Group's annual performance given our current size and stage of growth and will continue to determine at least 75% of the achievement criteria for annual bonus awards. The Committee will keep this under review and may select alternative measures as the Group evolves and strategic priorities change post the Disposal where great attention is paid to the creation of shareholder value.
- Annual bonus targets will be selected prior to, or shortly after, the start of the financial period. Financial targets will be calibrated with reference to the Group's budget for the upcoming financial period and the Group's performance over the prior financial period as well as the desire to realise value for shareholders
- Differences in remuneration policy operated for other employees.
- Other senior and key-role employee remuneration has some of the same components as set out in the policy, being base salary, annual bonus, long-term incentive participation, and pension provision. However, there is no provision for Medical insurance, Permanent Health Insurance, Life assurance or Car Allowance for non-Executive employees. Annual bonus and long-term incentive arrangements share a similar structure and pay-out arrangement, although the mix between performance-based and time-based awards, and the maximum award, varies by seniority and role.

In recruiting a new Non-Executive Director, the Committee will use the policy as set out in the table below.

Non-Executive Directors

The appointments of each of the Chairman and the Non-Executive Directors are for a fixed term of 3 years, and subject to one third retirement by rotation and re-election at the AGM. Their letters of appointment set out the terms of their appointment and are available for inspection upon request. They are not eligible to participate in the Executive annual bonus scheme, nor do they receive any additional pension or expenses (other than nominal travel expenses) on top of the fees disclosed below. They do however have eligibility to participate in the Company's Share Schemes and Management Incentive Plans. Non-Executive Directors appointment may be terminated at any time upon written notice or in accordance with the articles and receive no compensation on termination.

Non-Executive Director	Role	Appointment date	Re-appointment date	Term of appointment
Michael Tobin	Chairman	September 2015	May 2022	3 years
Paul Howard	Non-Executive Director	September 2015	May 2023	3 years
Christopher Mills	Non-Executive Director	May 2019	May 2023	3 years
Philip Moses	Non-Executive Director	May 2020	May 2021	3 years

Executive Directors

The Executive Director entered into a service agreement with the Company as follows.

Executive Director	Role	Contract date	Re-appointment date	Notice period
Frank Waters	Chief Executive Officer	May 2015	May 2021	12 months

Bigblu Broadband plc
Governance
Corporate Governance Statement (continued)
For the year ended 30 November 2023

Annual statement of the remuneration committee chairman (continued)

Executive Directors (continued)

The Employer is entitled to terminate an Executive Director's employment by payment of a cash sum in lieu of notice, and other entitlements equal to (i) the basic salary and bonuses that would or could have been payable, (ii) the cost that would have been incurred in providing the Executive Director with medical insurance and other benefit entitlements such as Pensions, enhanced statutory pay, DIS, CIC that form part of their remuneration package, and (iii) the cost that would have been incurred in providing the Executive Director LTIP/ MIP payments (the "Payment in Lieu") The Company can alternatively choose to continue providing the medical insurance and other benefits under item (ii) instead of paying a cash sum representing their cost. The Payment in Lieu can be paid typically in one lump sum or alternatively monthly instalments over the notice period. The Company's policy on termination payments is to consider the circumstances on a case-by-case basis, taking into account the executive's contractual terms, the circumstances of termination and any duty to mitigate.

The Committee will continue to monitor market trends and developments over the next year in order to assess ongoing relevance for the Company's remuneration practices. The Committee welcomes feedback from our shareholders as we remain committed to an open and transparent dialogue and hope to receive your support at the forthcoming AGM. On behalf of the Remuneration Committee.



Michael Tobin

Chairman of the Remuneration Committee

17 May 2024

Bigblu Broadband plc
Independent Auditor's Report
To the members of Bigblu Broadband plc
For the year ended 30 November 2023

Opinion

We have audited the financial statements of Bigblu Broadband Plc (the 'parent company') and its subsidiaries (together, the 'group') for the year ended 30 November 2023 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Cash Flows, the Consolidated and Company Statements of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Financial Reporting Standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 November 2023 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

An overview of the scope of our audit

Our audit scope included all significant components which were performed to component materiality. Our audit work therefore covered 100% of group revenue, group profit and total group assets and liabilities. It was performed to the materiality levels set out below. The audits of Brdy AS and SkyMesh Pty Ltd (and its directly held subsidiaries) were performed by component auditors in accordance with our group audit instructions. BBB Ausco Limited and BBB Norco Limited are dormant entities and were audited in line with group materiality as set out below.

We communicated with both the directors and the Audit Committee our planned audit work via our audit planning report and relevant discussion.

We communicated audit progress with the Audit Committee through interim audit progress meetings. We have communicated any issues to the Audit Committee and the directors in our final audit findings report.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified. These matters included those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Bigblu Broadband plc
Independent Auditor's Report
To the members of Bigblu Broadband plc (continued)
For the year ended 30 November 2023

Audit risk	How we responded to the risk
<p>Impairment of goodwill</p> <p>The group recognised goodwill of £3,381,000 as at 30 November 2023 (2022: £5,661,000).</p> <p>There is a risk that goodwill is impaired and therefore materially overstated.</p> <p>For the year ended 30 November 2023, management performed an impairment review for each of the cash-generating units (CGUs) to which goodwill relates.</p> <p>The assessment was based on the future cash flows of each CGU using either discounted cash flow models or fair value assessments.</p> <p>Significant management judgement and estimation uncertainty is involved in this area, where the primary inputs are:</p> <ul style="list-style-type: none"> • Estimating future cash flows or fair values associated with the CGUs; • Selecting an appropriate discount rate and variables with the cash flow model; and • Selecting appropriate valuation methodologies and relevant market-based valuation multiples. 	<p>Our audit work included, but was not restricted to, the following:</p> <ul style="list-style-type: none"> • We assessed management's impairment review process and performed analysis which formed the basis of our challenge of management's assumptions. • We verified the arithmetical accuracy and integrity of impairment models. • We reviewed management's forecasted cash flows that fed into discounted cash flow models and challenged assumptions around these with reference to historic results, market trends and future expectations. • We assessed the appropriateness of the growth and discount rates used by management and challenged management on those that fell outside of our expectations. • We considered the basis from which fair values were derived and considered whether they were reasonable. • In respect of Brdy AS Infra and Brdy AS Nordics, we considered the valuation assessment prepared by management which incorporated both enterprise and equity valuation assessments effective as at 30 November 2023.
<p>Impairment of parent company investment valuation</p> <p>The parent company holds investments in wholly owned trading subsidiaries, Skymesh Pty Ltd ("Skymesh"), Brdy AS Infra and Brdy AS Nordics.</p> <p>There is a risk that these investments are impaired and therefore materially overstated.</p> <p>For the year ended 30 November 2023, management considered whether indicators of impairment existed for each investment in subsidiary held at cost less impairment.</p> <p>Where relevant, valuation assessments were performed by management to determine the recoverable value of each investment balance.</p> <p>Significant management judgement and estimation uncertainty is involved in this area, where the primary inputs are:</p>	<p>Our audit work included, but was not restricted to, the following:</p> <ul style="list-style-type: none"> • We assessed management's impairment review process and reviewed their analysis and performed our own analysis to challenge management's assumptions. • We verified the arithmetical accuracy and integrity of the impairment models. • We reviewed management's discounted cash flow valuation model and challenged assumptions around these with reference to historic results, market trends and future expectations. • We assessed the appropriateness of the growth and discount rates used by management and challenged management on those that fell outside of our expectations. • We reviewed management's fair value assessment methodologies and assessed and challenged the appropriateness of the assumptions used within them.

Bigblu Broadband plc
Independent Auditor's Report
To the members of Bigblu Broadband plc (continued)
For the year ended 30 November 2023

Audit risk	How we responded to the risk
<p>Impairment of parent company investment valuation (continued)</p> <ul style="list-style-type: none"> • Estimating future cash flows; • Comparable market-based valuation metrics; • Selecting an appropriate discount rate and variables within discounted cash flow models; and • Selection of appropriate valuation methodologies. 	<ul style="list-style-type: none"> • We challenged management on contradictory evidence obtained. • We used alternative valuation techniques to benchmark the client's assessment for reasonableness. • We assessed management's assessment of Brdy as a disposal group and discontinued operation and impairment to fair value less costs to sell in line with the requirements of IFRS 5. • In respect of Brdy AS Infra and Brdy AS Nordics, we considered the reasonableness of the assessment prepared by management which incorporated both enterprise and equity valuation assessments effective to derive a fair value position as at 30 November 2023.
<p>Investment in Other Equity Instruments & Loan Notes</p> <p>The group holds investments in other equity instruments at £2,240,000 (2022: £2,240,000).</p> <p>There is a risk that shares may not be held at fair value under IFRS 9 and therefore the materially misstated in the group financial statements.</p> <p>The group also holds loan notes with a carrying value of £3,754,000 (2022: £3,590,000).</p> <p>There is a risk that the loan notes are not recoverable due to impairment indicators noted at the issuer.</p> <p>For the year ended 30 November 2023, management performed a fair value review to assess the Other Equity Instrument fair value. The assessment was based on the future cash flows of the equity instrument using a discounted cash flow model.</p> <p>Significant management judgement and estimation uncertainty is involved in this area, where the primary inputs are:</p> <ul style="list-style-type: none"> • Estimating future cash flows; • Selecting an appropriate discount rate and variables with the cash flow model; and • Selecting appropriate valuation methodologies and relevant market based valuation multiples. 	<p>Our audit work included, but was not restricted to, the following:</p> <ul style="list-style-type: none"> • We assessed management's fair value assessment process and performed analysis which formed the basis of our challenge of management's assumptions. • We considered the extent to which alternative possible valuations of the equity investment presented a more reliable indicator of fair value when compared to the recognised carrying value. • We verified the arithmetical accuracy of the equity valuation model. • We reviewed management's equity valuation model and challenged assumptions used in the model, particularly the multiplier used, with reference to historic results, market trends and future expectations. • We challenged management on key assumptions and on contradictory evidence related to the carrying value of financial assets. • We assessed the appropriateness of the growth and discount rates used by management and challenged management on those that fell outside of our expectations.

Bigblu Broadband plc
Independent Auditor's Report
To the members of Bigblu Broadband plc (continued)
For the year ended 30 November 2023

Audit risk	How we responded to the risk
Investment in Other Equity Instruments & Loan Notes (continued)	<ul style="list-style-type: none"> • We considered alternative fair value indicators to consider the reasonableness of management's assessment of the fair value of the Group's investment. • We agreed the calculation of accrued interest accumulated on the loan note's carrying value. • We assessed the recoverability of the loan notes with reference to third party information available for the loan note issuer.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, in evaluating the effect of misstatements and in forming an opinion. For the purpose of determining whether the financial statements are free from material misstatement, we define materiality as the magnitude of a misstatement or an omission from the financial statements, or related disclosures, that would make it probable that the judgement of a reasonable person, relying on the information would have been changed or influenced by the misstatement or omission. We also determine a level of performance materiality, which we used to determine the extent of testing need, to reduce to an appropriately low level the risk that the aggregate of uncorrected and undetected misstatement exceeds materiality for the financial statements as a whole.

The materiality for the Group financial statements as a whole was set at £370,000. This was determined with reference to 1.25% of continuing group revenue.

On the basis of our risk assessment and review of the Group's control environment, performance materiality was set at 75% of materiality, being £277,500.

The reporting threshold to the Audit and Risk Committee was set as 5% of materiality, being £18,500. If, in our opinion, differences below this level warranted reporting on qualitative grounds, these were also reported.

The materiality for the Parent Company financial statements was set at £357,000. Our materiality was set at £357,000 so as to ensure component materiality did not exceed group materiality.

On the basis of our risk assessment, review of the Parent Company's control environment, and consideration of other relevant factors, performance materiality was set at 75% of materiality, being £268,000.

The reporting threshold to the Audit and Risk Committee was set as 5% of materiality, being £18,000. If, in our opinion, differences below this level warranted reporting on qualitative grounds, these were also reported.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the director's assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

Bigblu Broadband plc
Independent Auditor's Report
To the members of Bigblu Broadband plc (continued)
For the year ended 30 November 2023

- Discussing management's assessment of the group's ability to remain as a going concern
- Reviewing and understanding the cash flow forecasts for a period of not less than twelve months from the date of approval of these financial statements which are the central element of management's going concern assessment;
- Assessing and challenging the inputs in and judgements made in the preparation of the cash flow forecasts for a period of not less than twelve months from the date of approval of these financial statements;
- Considering the existence and availability of the Group's debt facilities, including prospective covenant compliance forecasting for a period of not less than twelve months from the date of approval of these financial statements; and
- Performing stress tests including sensitivity analysis to model the effect of changing assumptions made or amending key data used in management's cash flow forecasts and considering the impact on the group's ability to adopt the going concern basis.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Bigblu Broadband plc
Independent Auditor's Report
To the members of Bigblu Broadband plc (continued)
For the year ended 30 November 2023

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns;
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries which shared key risk characteristics; and
- Challenging assumptions and judgements made by management in their critical accounting estimates, particularly relating to impairment of intangible assets and investment valuation.

Bigblu Broadband plc
Independent Auditor's Report
To the members of Bigblu Broadband plc (continued)
For the year ended 30 November 2023

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Christopher Cork

Christopher Cork
(Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP
Statutory Auditors
17 May 2024

10 Queen Street Place
London
EC4R 1AG

Bigblu Broadband plc
Consolidated Statement of Comprehensive Income
For the year ended 30 November 2023

Registered Number 09223439

Continuing Operations	Notes	2023 £'000	2022 restated £'000
Revenue from contracts with customers	2	25,937	27,192
Cost of sales		(16,310)	(16,770)
Gross profit		9,627	10,422
Distribution expenses		(5,639)	(5,638)
Administrative expenses		(5,717)	(4,267)
Operating (loss) / profit	3	(1,729)	517
Finance costs	7	(238)	(64)
(Loss) / profit before tax		(1,967)	453
Taxation credit / (charge) on operations	8	529	(328)
(Loss) / profit from continuing operations		(1,438)	125
Loss from discontinued operations	13	(3,263)	(3,059)
Loss for the year		(4,701)	(2,934)
Other comprehensive expense			
Foreign currency translation difference		(406)	206
Total comprehensive loss for the year		(5,107)	(2,728)
Total comprehensive loss for the year is all attributable to the owners of Bigblu Broadband Plc			
Earnings per share from loss attributable to the ordinary equity holders of the company			
Total - Basic EPS	9	(8.0p)	(5.0p)
Total - Diluted EPS	9	(8.0p)	(5.0p)
Continuing operations – Basic EPS		(2.5p)	0.2p
Continuing operations – Diluted EPS		(2.5p)	0.2p
Discontinued operations – Basic EPS		(5.6p)	(5.2p)
Discontinued operations – Diluted EPS		(5.6p)	(5.2p)

Adjusted earnings per share from continuing operations attributable to the ordinary equity holders of the company (A non-GAAP measurement)

Continuing operations - Adjusted Basic EPS	9	7.1p	5.4p
Continuing operations - Adjusted Diluted EPS	9	7.1p	5.4p

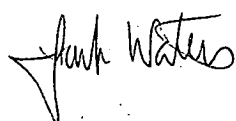
The notes on pages 80 to 115 form an integral part of these financial statements.

Bigblu Broadband plc
Consolidated Statement of Financial Position
For the year ended 30 November 2023

Registered Number 09223439

	Notes	2023 £'000	2022 £'000
Assets			
Non-current assets			
Property, plant and equipment	10	378	2,881
Intangible assets	11	5,553	7,433
Investments	12	5,995	5,830
Deferred tax asset	20	800	303
Total non-current assets		12,726	16,447
Current assets			
Cash and cash equivalents	14	3,632	4,195
Inventory	15	111	1,142
Trade and other receivables	16	2,830	2,335
		6,573	7,672
Assets classified as held for sale	13	2,516	-
Total current assets		9,089	7,672
Total assets		21,815	24,119
Current liabilities			
Trade and other payables	17	(7,743)	(8,839)
Provisions for liabilities and charges	17	(685)	(685)
Loans	18	(2,100)	-
		(10,528)	(9,524)
Liabilities associated with assets classified as held for sale	13	(2,349)	-
Total current liabilities		(12,877)	(9,524)
Non-current liabilities			
Other payables	19	-	(559)
Deferred tax liability	20	(616)	(646)
Total non-current liabilities		(616)	(1,205)
Total liabilities		(13,493)	(10,729)
Net assets		8,322	13,390
Equity			
Share capital	21	8,783	8,763
Share premium	21	8,608	8,589
Share option reserve	22	309	309
Capital redemption reserve	22	26,120	26,120
Foreign exchange translation reserve	22	(2,952)	(2,546)
Reverse acquisition reserve	22	(3,317)	(3,317)
Listing cost reserve	22	(219)	(219)
Retained losses		(29,010)	(24,309)
Capital and reserves attributable to owners of Bigblu Broadband Plc		8,322	13,390
Total equity		8,322	13,390

Approved by the Board on 17 May 2024 and signed on its behalf by:



Frank Waters
Chief Executive Officer

The notes on pages 80 to 115 form an integral part of these financial statements.

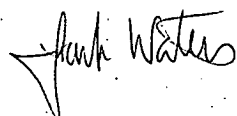
Bigblu Broadband plc
Company Statement of Financial Position
For the year ended 30 November 2023

Registered Number 09223439

	Notes	2023 £'000	2022 £'000
Assets			
Non-current assets			
Property, plant and equipment		67	113
Intangible assets		17	35
Investments	12	30,995	32,913
Total non-current assets		31,079	33,061
Current assets			
Cash and cash equivalents	14	354	768
Trade and other receivables	16	2,138	954
		2,492	1,722
Assets held for sale		167	-
Total current assets		2,659	1,722
Liabilities			
Current liabilities			
Trade and other payables	17	(940)	(1,441)
Provisions for liabilities and charges	17	(685)	(685)
Loans	18	(2,100)	-
Total current liabilities		(3,725)	(2,126)
Non-current liabilities			
Other payables		-	(13)
Net assets		30,013	32,644
Equity			
Share capital	21	8,783	8,763
Share premium	21	8,608	8,589
Share option reserve	22	309	309
Capital redemption reserve	22	26,120	26,120
Listing cost reserve	22	(219)	(219)
Retained (losses) / profits		(13,588)	(10,918)
Total equity		30,013	32,644

In accordance with section 408 of the Companies Act 2006 the parent company has not presented its own Income Statement, which resulted in a loss after tax of £2.7m (2022: loss £13.6m).

Approved by the Board on 17 May 2024 and signed on its behalf by:



Frank Waters

Chief Executive Officer

The notes on pages 80 to 115 form an integral part of these financial statements.

Bigblu Broadband plc
Consolidated Statement of Cash Flows
For the year ended 30 November 2023

	Notes	2023 £'000	2022 restated £'000
Loss after tax from Continuing operations		(1,438)	125
Loss after tax from Discontinued operations		(3,263)	(3,059)
Loss for the year including discontinued operations		(4,701)	(2,934)
Adjustments for:			
Interest charge	7	287	124
Amortisation of intangible assets	11	1,676	702
Impairment charges	10 & 11	2,558	-
Depreciation of property, plant and equipment - owned assets	10	690	2,281
Depreciation of property, plant and equipment - ROU assets	10	712	761
Tax (credit) / charge	8	(529)	1,031
Share based payments	25	-	309
Foreign exchange variance and other non-cash items		218	(102)
Decrease / (Increase) in inventories		406	(440)
Increase in trade and other receivables		(826)	(212)
Increase / (Decrease) in trade and other payables		1,763	(1,353)
Gain on disposals of fixed assets		(39)	(16)
Cash generated from operations		2,215	151
Interest paid		(258)	(124)
Tax paid		(297)	(539)
Net cash inflow / (outflow) from operating activities		1,660	(512)
Investing activities			
Purchase of property, plant and equipment	10	(462)	(1,191)
Purchase of business	11	(2,757)	(1,211)
Purchase of other intangibles	11	(9)	(241)
Proceeds from sale of property, plant and equipment		62	-
Proceeds from sale of subsidiary	13	-	2,843
Net cash (outflow) / inflow generated from investing activities		(3,166)	200
Financing activities			
Proceeds from issue of ordinary share capital		39	14
Loans received		2,100	-
Principal elements of lease payments		(691)	(708)
Net cash inflow / (outflow) generated from financing activities		1,448	(694)
Net decrease in cash and cash equivalents		(58)	(1,006)
Cash and cash equivalents at beginning of year		4,195	5,201
Less cash held for sale		(505)	-
Cash and cash equivalents at end of year		3,632	4,195

Note that the presentation of the cashflow takes into consideration the combined Continuing and Discontinued movements in cash. See also the reconciliation of the movement in adjusted net debt on page 19 of the Strategic Report. The notes on pages 80 to 115 form an integral part of these financial statements.

Bigblu Broadband plc
Company Statement of Cash Flows
For the year ended 30 November 2023

	2023 £'000	2022 £'000
Loss for the year	(2,670)	(13,599)
Adjustments for:		
Interest charge	229	121
Impairment charges	1,714	11,446
Amortisation of intangible assets	18	18
Depreciation	50	28
Share based payments	-	309
Decrease / (Increase) in trade and other receivables	(1,184)	127
Decrease in trade and other payables	(479)	(1,715)
Cash used in operations	(2,322)	(3,265)
Interest paid	(199)	(279)
Net cash outflow from operating activities	(2,521)	(3,544)
Investing activities		
Proceeds from sale of subsidiary	-	2,843
Purchase of property, plant and equipment	(4)	(81)
Proceeds from sale of property, plant and equipment	1	-
Net cash (used) / generated in investing activities	(3)	2,762
Financing activities		
Proceeds from issue of ordinary share capital	39	14
Loans received	2,100	-
Principal elements of lease payments	(29)	(14)
Net cash inflow from financing activities	2,110	-
Net decrease in cash and cash equivalents	(414)	(782)
Cash and cash equivalents at beginning of year	768	1,550
Cash and cash equivalents at end of year	354	768

The notes on pages 80 to 115 form an integral part of these financial statements.

Bigblu Broadband plc
Consolidated Statement of Changes in Equity
For the year ended 30 November 2023

	Note	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Share option reserve £'000	Retained losses £'000	Foreign exchange reserve £'000	Reverse acquisition reserve £'000	Listing cost reserve £'000	Total equity £'000
At 1 December 2021		8,749	8,589	26,120	-	(21,581)	(2,430)	(3,317)	(219)	15,911
Loss for the year		-	-	-	-	(2,934)	-	-	-	(2,934)
Issue of shares		14	-	-	-	-	-	-	-	14
Equity settled share-based payments	25	-	-	-	309	-	-	-	-	309
Other comprehensive expense		-	-	-	-	206	(116)	-	-	90
At 30 November 2022		8,763	8,589	26,120	309	(24,309)	(2,546)	(3,317)	(219)	13,390
Loss for the year		-	-	-	-	(4,701)	-	-	-	(4,701)
Issue of shares	21	20	19	-	-	-	-	-	-	39
Other comprehensive expense		-	-	-	-	-	(406)	-	-	(406)
At 30 November 2023		8,783	8,608	26,120	309	(29,010)	(2,952)	(3,317)	(219)	8,322

The notes on pages 80 to 115 form an integral part of these financial statements.

Bigblu Broadband plc
Company Statement of Changes in Equity
For the year ended 30 November 2022

	Note	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Share option reserve £'000	Listing cost reserve £'000	Retained profits/ (losses) £'000	Total equity £'000
At 30 November 2021		8,749	8,589	26,120	-	(219)	2,681	45,920
Loss for the year		-	-	-	-	-	(13,599)	(13,599)
Issue of shares	21	14	-	-	-	-	-	14
Equity-settled share-based payments	25	-	-	-	309	-	-	309
At 30 November 2022		8,763	8,589	26,120	309	(219)	(10,918)	32,644
Loss for the year		-	-	-	-	-	(2,670)	(2,670)
Issue of shares	21	20	19	-	-	-	-	39
At 30 November 2023		8,783	8,608	26,120	309	(219)	(13,588)	30,013

The notes on pages 80 to 115 form an integral part of these financial statements.

Bigblu Broadband plc
Notes to the Financial Statements
For the year ended 30 November 2022

1. Accounting Policies

General information and basis of preparation

Bigblu Broadband plc is a public limited company, incorporated and domiciled in England and Wales under the Companies Act 2006. The address of its registered office is 6th Floor, 60 Gracechurch Street, London, EC3V 0HR. The Company's ordinary shares are traded on the AIM Market operated by the London Stock Exchange. The financial statements of Bigblu Broadband plc for the year ended 30 November 2023 were authorised for issue by the Board on 17 May 2024 and the balance sheets signed on the Board's behalf by Frank Waters.

The nature of the Group's operations and its principal activities is the provision of satellite and wireless broadband telecommunications and associated / related services and products.

The Group prepares its consolidated financial statements in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRSs). The financial statements have been prepared on the historical cost basis.

The consolidated financial statements are for the 12 months to 30 November 2023. This review covers the consolidated results of Bigblu Broadband plc and its subsidiary undertakings from the date of acquisition.

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 years presented in these financial statements, except as stated below.

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective, and in some cases have not yet been adopted by the Group:

- Amendments to IAS 1: Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 8: Definition of Accounting Estimates
- Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 3 to 32. The financial position of the Group, its cash flows and liquidity position are described in the Finance Review on pages 10 to 21. In addition note 25 to the financial statement includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and its exposures to credit risk and liquidity risk.

Bigblu Broadband plc
Notes to the Financial Statements (continued)
For the year ended 30 November 2023

1. Accounting Policies (continued)

Going concern continued

During the year the Group generated an adjusted EBITDA from continuing operations before a number of non-cash and start-up costs expenses as shown on page 16, of £4.5m (2022: £4.1m), and with cash inflow from operations before interest, tax and capital expenditure, of £5.3m (2022: inflow of £0.7m). Net cash at 30 November 2023 was £2.0m (FY22: £4.2m) after the payment of £2.5m following the acquisition of the customers of Harbour (Unit) in February 2023. The Group also has a undrawn RCF of £7.9m with Santander as at 30 November 2023, from an agreed facility of £10m.

Having reviewed the Group's budgets, projections, and funding requirements, and taking account of reasonable possible changes in trading performance over the next twelve months, the Directors believe they have reasonable grounds for stating that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the Annual Report and Accounts.

The Board has concluded that no matters have come to its attention which suggest that the Group will not be able to maintain its current terms of trade with customers and suppliers or indeed that it could not adopt relevant measures as outlined in the Strategic report to reduce costs and free cash flow. The latest management information in terms of volumes, debt position, ARPU and Churn are in fact showing a positive position compared to prior year and budget. The forecasts for the combined Group projections, taking account of reasonably possible changes in trading performance, indicate that the Group has sufficient cash available to continue in operational existence throughout the forecast year and beyond. The Board has considered various alternative operating strategies should these be necessary and are satisfied that revised operating strategies could be adopted if and when necessary. As a consequence, the Board believes that the Group is well placed to manage its business risks, and longer-term strategic objectives, successfully.

Following a full market exercise undertaken by independent advisors the Board agreed a Management Buy Out (MBO) of the business by local management. In arriving at this decision the Board recognised the early stage of the turnaround of the Norwegian business as well as the potential need for further cash investment to grow the business far less support any further demounting and migration projects as the Norwegian operations sought to continue its transition to an asset light business. In addition, the disposal of the Norwegian business allows the Board to reduce annual central costs by c.£0.4m and focus on realising value from the Australian Operations and the retained stake in Quickline.

Revenue

Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer net of sales taxes and discounts. The Group principally obtains revenue from providing the following telecommunications services: airtime usage, rental of equipment and other service charges, connection fees, and equipment sales and IP address sales. IP sales are recognised as revenue, and not other income, due to the IP address being part of the original purchase price of activated customers, which is consistent with prior year. Customers can acquire either single or multiple products and services, with the principal service being the provision of airtime. Airtime usage represents the monthly or other periodic subscription charge for use of the Satellite or Fixed Wireless broadband solution that we provide. These are incremental amounts selected by the customer independent of their decision whether to purchase or rent equipment. The performance obligation is discharged by ensuring that the service contracted for is available throughout the invoiced period and revenue is recognised on an even basis over the period during which the airtime is provided. We describe this as recurring revenue, by which we mean that it is contracted for a period of time and can be renewed.

Bigblu Broadband plc
Notes to the Financial Statements (continued)
For the year ended 30 November 2023

1. Accounting Policies (Continued)

Service charges include rental of equipment where the customer has not purchased it outright. The performance obligation is fulfilled by ongoing availability of the equipment in a working condition and is accounted for over the contracted period during which the customer has the right of use. Usually, rental charges are made monthly in advance. Where the period charged for includes a number of days after the end of the accounting period, we treat the revenue for those days as being deferred, calculated on a prorated daily basis. Other service charges also include sundry fees, such as charges for non-return of rental equipment, all of which are accounted for at a point in time when the relevant performance obligation is satisfied by an identified action (see below in this section for further detail).

Connection fees refer to the installation of Satellite or Fixed Wireless receiving equipment charged to our customer, plus revenue received from our third-party satellite providers in the form of an activation rebate for every new connection. Distinct performance obligations apply to each of these charges, and we account for the revenue at a point in time when the relevant action to satisfy these obligations is performed. The primary driver of this revenue is the activation of the services on our suppliers' networks.

Equipment sales primarily refer to the purchase of all hardware purchased by the customer and typically includes such items as satellite dishes, modems, transmit and receive integrated assemblies ("TRIA's"), poles and routers or other similar equipment. The performance obligation is to deliver the product or products to the customer as distinct from activating a customer to the broadband service. Such products are typically despatched same day or within 24 hours and so we account for these despatches as revenue at the point in time when delivery to the customer is performed and the performance obligation is complete. However, note that in the majority of the group's contracts equipment is supplied to customers in exchange for a periodic rental, which is subject to a different performance obligation as described above.

Foreign currency

For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in Pounds Sterling, which is the functional currency of the Group, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit and loss for the year.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average monthly rate of exchange ruling at the date of the transaction, unless exchange rates fluctuate significantly during that month, in which case the exchange rates at the date of transactions are used.

Bigblu Broadband plc
Notes to the Financial Statements (continued)
For the year ended 30 November 2023

1. Accounting Policies (continued)

Property, plant and equipment

Property, plant, and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is calculated under the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated.

Land	0% on cost
Building improvements	20% on cost
Fixtures, fittings & infrastructure	10% - 25% on cost
IT hardware and software	25% on cost
Motor vehicles	25% on cost
Rental Stock	25% on cost

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting year to ensure that the amounts, method and years of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred, and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Gains or losses on disposal are included in Statement of Comprehensive Income.

Goodwill

Goodwill on acquisitions comprises the excess of the aggregate of the fair value of the consideration transferred, the fair value of any previously held interests, and the recognised value of the non-controlling interest in the acquiree, over the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed.

Goodwill is carried at cost less accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate a potential impairment and using discount cashflow valuations based on future operating profits. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Intangible Assets and Amortisation

Goodwill and Intellectual Property are reviewed annually for impairment and the carrying value is reduced accordingly. Other intangible assets are amortised from the date they are available for use over their estimated useful lives as per below and this is charged to profit or loss on a straight-line basis:

- Customer Contracts – 2 years
- Software – 3 years

Bigblu Broadband plc
Notes to the Financial Statements (continued)
For the year ended 30 November 2023

1. Accounting Policies (continued)

Intangible assets recognised in a business combination

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

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

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

Investments

Investments are recorded at cost. Investments are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be fully recoverable. Investments in subsidiaries are stated at cost and reviewed for impairment on an annual basis. In relation to our Quickline investment the loan notes are debt and held at amortised cost whilst shares are investment in equity and held at fair value with movements recognised in other comprehensive income under IFRS 9.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs to make the sale.

Trade and Other Receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade and other receivables are measured at amortised cost less impairment losses.

The collectability of debt is assessed on a monthly basis such that individual and collective impairment provisions are made as and when required.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, demand deposits, funds held in escrow and other short-term, highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade and Other Payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Bigblu Broadband plc
Notes to the Financial Statements (continued)
For the year ended 30 November 2023

1. Accounting Policies (continued)

Impairment of Non-Financial Assets

The Group assesses annually whether there is any indication that any of its assets have been impaired. If such an indication exists, the asset's recoverable amount is estimated and compared to its carrying value. Where it is impossible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest cash-generating unit to which the asset is allocated. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount an impairment loss is recognised immediately in profit or loss, unless the asset is carried at a revalued amount, in which case the impairment loss is recognised as revaluation decrease. For goodwill, intangible assets that have an indefinite life, and intangible assets not yet available for use, the recoverable amount is estimated annually and at the end of each reporting year if there is an indication of impairment.

Share based payments

The Group operates share option schemes in which certain employees of the Group can be awarded share options in return for services provided to the Group. The fair value of the employee services received in exchange for the grant of share options is recognised as an expense over the vesting period.

Where share options and warrants are issued to providers of other services or financing, the fair value ascribed to such services or financing is attributed to the options and recognised over the provision of the relevant obligation.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Where it is considered possible, rather than probable, that the Group will be required to settle an obligation arising from a past event, or the amount required to make settlement cannot be reliably estimated, a contingent liability is disclosed but no associated amount is recognised in the Balance sheet. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the Balance Sheet date, taking into account the risks and uncertainties surrounding the obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Bigblu Broadband plc
Notes to the Financial Statements (continued)
For the year ended 30 November 2023

1. Accounting Policies (continued)

Financial Instruments

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability, or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial instruments are recognised initially at fair value plus transactions costs that are directly attributable to the acquisition or issue of the financial instrument, except for financial assets at fair value through profit or loss, which are initially measured at fair value, excluding transaction costs (which is recognised in profit or loss). Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risk and rewards of ownership.

Equity Instruments

Equity instruments issued by the Group are recorded at the value of proceeds received, net of costs directly attributable to the issue of the instruments.

Leases

As a lessee

The Group leases various offices, warehouses; items of equipment and vehicles. Bigblu Norge also lease space for locating equipment for their fixed wireless network infrastructures and fibre comprising part of their backbone networks.

As indicated above the Group adopted IFRS 16 Leases from 1 December 2018 resulting in a change of accounting policy. Until 30 November 2018 leases of property, plant and equipment where the Group, as lessee, had substantially all the risks and rewards of ownership, were classified as finance leases. Leases in which a significant portion of the risks and rewards of ownership were not transferred to the Group as lessee were classified as operating leases (note 22). Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

Under the current policy the Group assesses whether a contract contains a lease, at the date of its inception. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted by using the rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Bigblu Broadband plc
Notes to the Financial Statements (continued)
For the year ended 30 November 2023

1. Accounting Policies (continued)

Leases (continued)

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives.
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease liability is included in payables in the Statement of Financial Position under either Current or Non-Current Liabilities according to when the future lease payments fall due.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the payments made.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

The right-of-use assets are included in Property, plant and equipment in the Statement of Financial Position.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise rental of small amounts of space for locating network infrastructure equipment and small items of office equipment. During 2023 the amount accounted for as low value assets was £25k (2022: £25k) primarily as a result of excluding leases for space to locate repeater equipment owned by Brdy AS with an individual annual cost of less than £500.

As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight line basis over the lease term (note 22) Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

Bigblu Broadband plc
Notes to the Financial Statements (continued)
For the year ended 30 November 2023

1. Accounting Policies (continued)

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Group operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using rates and laws that have been enacted or substantively enacted by the reporting date.

Employee Entitlements

Liabilities for wages and salaries, including non-monetary benefits for annual leave, which is expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employee's services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable. The liabilities for employee entitlements are carried at the present value of the estimated future cash flows.

Pensions

The Group operates a defined contribution scheme, the pension cost charge represents the contributions payable.

Research & Development

Expenditure incurred at the research stage is written off to the income statement as an expense when incurred. An intangible asset arising from development is capitalised when the Company demonstrates technical feasibility of completing the intangible asset, intention to complete and use or sell the asset, ability to use or sell the asset, existence of a market or, if to be used internally, the usefulness of the asset, availability of adequate technical, financial, and other resources to complete the asset and the cost of the asset can be measured reliably.

Bigblu Broadband plc
Notes to the Financial Statements (continued)
For the year ended 30 November 2023

1. Accounting Policies (continued)

Critical accounting judgements and key areas of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances

(a) *Property, plant and equipment*

Depreciation is derived using estimates of its expected useful life and residual value, which are reviewed annually. Management determines useful lives and residual values based on experience with similar assets.

(b) *Discontinued Operations*

Discontinued operations are a component of the Group that has been disposed of and that represents a separate major line of business or geographical area of operations. The loss on disposal reported in the current financial year takes into consideration the proceeds less the carrying value of the net assets position at the date of disposal for discontinued operations, and all associated costs considered incremental and directly attributable to the disposal transaction. The results of discontinued operations are presented separately in the Consolidated Statement of Comprehensive Income. Cash flows associated with discontinued operations are presented within the Consolidated Statement of Cash flows, with analysis of the elements related to discontinued operations presented separately in note 13.

The judgement required for treatment of a discontinued business is based on the Board's assessment of whether the conditions laid out by IFRS 5 were met at the balance sheet date, in particular if a disposal transaction was considered highly probable at that point in time.

(c) *Share based compensation*

The Group issues equity settled share based payments to certain Directors and employees, which have included grants of shares and options in the current year. Equity settled share based payments are measured at fair value at the date of grant, with the charge being recognised within the statement of comprehensive income over the year of service to which the grant relates.

The fair value is measured using a Black-Scholes framework. The Directors have used judgement in the calculation of the fair values of the share based compensation which has been granted during the year, and different assumptions in the model would change the financial result of the business.

(d) *Forecasting*

The Group prepares medium-term forecasts based on Board approved budgets and 3-year financial models. These are used to support judgements in the preparation of the Group's financial statements including the decision on whether to recognise deferred tax assets and for the Group's going concern assessment.

(e) *Goodwill and other intangible assets*

Judgement is required in the annual impairment test of goodwill to ascertain if there are any signs of impairment. This test covers the future discounted cash flow performance against the carrying value of the Goodwill. In addition goodwill is valued with reference to the assessed fair value of the cash generating unit to which it relates. During the year there was a material impairment of goodwill due to the result of estimates made and judgements applied (Note 11). The Group values other intangibles based on the following:

- Customer contracts have been valued by taking an average length of contract multiplied by an average margin per month. A discount rate has been applied to the calculated value to reflect

Bigblu Broadband plc
Notes to the Financial Statements (continued)
For the year ended 30 November 2023

Accounting Policies (continued)

Critical accounting judgements and key areas of estimation uncertainty (continued)

customer churn and doubtful debts. The margin and applied discount will vary dependant on the customer base which factors in location, economy and history of the previous business. The contract value will be reviewed annually for impairment.

- Intellectual property based on estimated fair value
 - Capitalisation of internal staff for development of systems and major projects is calculated on a time basis and charged to intangible assets and amortised over the agreed policy in place for such assets.
- (f) *Trade and other receivables*
Judgement is required in ascertaining the collectability of debt and impairment provisions are made accordingly. Impairment is determined on the age of the debt and suitable provisions are then provided where appropriate.
- (g) *Contingent Liabilities/Provisions*
Judgement is required in ascertaining the carrying value of any provisions or contingent liabilities where there is support is available, but uncertainty as to the amount that will ultimately be settled. Any provisions are estimated based on facts relevant at the reporting date and reported in the relevant sections of the notes to the accounts. Such estimates are considered inherently uncertain and outcomes may ultimately differ materially from the provision made. Where no provision has been made but an outflow of economic benefit remains possible, a contingent liability is disclosed. The distinction between probable and possible is a matter of the Directors' judgement.
- (h) *Recoverable value of investments in subsidiaries and amount due from group undertaking*
If expected future cash flows cannot be reliably measured or are lower than the assessed fair value of investments in subsidiaries and amounts owed from group undertakings, then the fair value amount is recognised as the carrying value. The assessment of fair value (less costs to sell) is made with reference to assumptions around enterprise value and any adjustment to derive an equity value. Such estimations are inherently uncertain and may ultimately materially differ from carrying values recognised in the financial statements.
- (i) *Recoverable value of deferred tax assets*
Judgement is required to assess how probable it is that taxable profits will be available against which historic tax losses can be utilised. The extent of tax losses and timing of release is an estimate and may materially differ.
- (j) *Fair value measurement*
A number of assets and liabilities included in the Group's financial statements require measurement at, and/or disclosure of, fair value. The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observation inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):
- Level 1: Quoted prices in active markets for identical items (unadjusted)
 - Level 2: Observable direct or indirect inputs other than Level 1 inputs
 - Level 3: Unobservable inputs (i.e. not derived from market data)
- The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item.

Bigblu Broadband plc
Notes to the Financial Statements (continued)
For the year ended 30 November 2023

A key judgement made by the Directors is in assessing the degree of reliability of valuation indicators. In making a determination of the appropriate fair value at which to recognise equity investments, valuation is based on the most reliable indicators identified

2. Continuing Operations Revenue	2023	2022
	£'000	£'000
Recurring revenue - airtime	23,962	25,367
Recurring revenue - other	220	101
Other non recurring revenue	1,755	1,724
	<u>25,937</u>	<u>27,192</u>

Other non recurring revenue includes the sale of stock, routers, service recharges and the sale of IP addresses. Such service recharges are set out in note 24. Given the changing nature of the new products in the Group, from time to time, the Group will have retained IP addresses from churned customers that result in being sold, but less regularly. These IP addresses are in general purchased with new customers, when activated, which in part represent the cost base to serve the customers, and is normal on-going trading

Segmental split of Continuing Operations Revenue:

The Group's continuing operations are located in Australia and the UK with the head office located in the United Kingdom. The assets of the Group, cash and cash equivalents, are split across each of the regions, with the non-current assets shown below.

The Group currently has one reportable segment – provision of broadband services – and categorises all revenue from operations to the segment. The chief operating decision maker is the Chief Executive Officer. The Group's revenue from external customers, and the non-current assets by geographical location is detailed below:

	External revenue by location of customer		Non-current assets by location of assets	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
United Kingdom	534	681	6,078	8,691
Rest of World	25,403	26,511	6,128	5,300
	<u>25,937</u>	<u>27,192</u>	<u>12,206</u>	<u>13,991</u>

In order to present relevant information, non-current assets by location have been re-presented for the purposes of this note only, so as to compare the continuing revenue as analysed by region.

Bigblu Broadband plc
Notes to the Financial Statements (continued)
For the year ended 30 November 2023

3. Profit from Group Operations

	Continuing operations		Discontinued operations	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
The profit has been arrived at after charging/(crediting) the following:				
Depreciation of property plant & equipment - owned assets (Note 10)	338	771	352	544
Depreciation of property plant & equipment - ROU assets (Note 10)	259	285	453	476
Amortisation of intangible assets (Note 11)	1,515	425	161	277
Impairment charges	147	-	2,083	-
Share based payments (Note 25)	-	309	-	-
Wages & salaries and social security costs (Note 5)	4,033	4,065	1,358	1,565
Profit on disposal of Fixed Assets	(32)	-	(7)	-
Impairment of Fixed Assets	-	-	328	966
Foreign exchange movement	233	(206)	-	-
Pension costs (Note 5)	235	242	23	27

4. Auditor's Remuneration

	2023 £'000	2022 £'000
Audit services		
Fees payable to the Group's auditor for the audit of the Group's annual accounts	81	77
Fees payable to the Group's auditor for other services:		
Other services	8	7
	<u>89</u>	<u>84</u>

5. Staff Costs

The aggregate remuneration of all employees (including directors), for continuing and discontinued operations comprised:

	Continuing operations		Discontinued operations	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Wages and salaries	3,763	3,738	1,184	1,420
Social security costs	270	327	175	146
Pension costs	235	242	23	27
	<u>4,268</u>	<u>4,307</u>	<u>1,382</u>	<u>1,593</u>

The average monthly number of people (Including the Executive Directors) employed during the year by category of employment were as follows, including the staff employed by the discontinued operations:

	Continuing operations		Discontinued operations	
	2023	2022	2023	2022
Operating staff	38	39	10	14
Sales Staff	8	9	4	4
Management and administrative staff	14	19	4	5
	<u>60</u>	<u>67</u>	<u>18</u>	<u>23</u>

Bigblu Broadband plc
Notes to the Financial Statements (continued)
For the year ended 30 November 2023

6. Directors' Remuneration	2023	2022
	£'000	£'000
Salaries	768	975
Benefits	13	11
Pension costs	22	20
	<u>803</u>	<u>1,006</u>

The highest paid director's aggregate remuneration was £326k (2022: £421k) including pension contributions of £11k (2022: £9k). Details of directors' remuneration, including pension contributions, are set out in the Directors' Report on page 37. The salaries include bonuses of Nil (FY22: £50k) charged to discontinued operations.

7. Finance Costs	2023	2022
	£'000	£'000
Bank interest payable	227	38
Other interest	4	6
Lease interest expense	6	18
	<u>237</u>	<u>62</u>
Total interest payable	237	62
Other finance costs	1	2
Total finance costs	<u>238</u>	<u>64</u>

Interest payable on the Revolving Credit Facility is 3.40% (FY22: 3.40%) + SONIA (Sterling Overnight Index Average) (FY22: SONIA). Interest paid in the year amounts to £0.23m (FY22: £0.04m).

Bigblu Broadband plc
Notes to the Financial Statements (continued)
For the year ended 30 November 2023

8. Taxation

	2023	2022
	£'000	£'000
a) Tax (credit) / charge for the year		
UK Corporation tax	-	-
Overseas corporation tax	-	554
Deferred tax (credit) / charge	(529)	477
	<u>(529)</u>	<u>1,031</u>

b) Tax reconciliation

The taxation credit on the loss for the year differs from the amount computed by applying the corporation tax rate to the loss before tax for the following reasons:

	2023	2022
	£'000	£'000
Loss on ordinary activities before tax	(5,230)	(1,783)
Tax at UK corporation tax rate of 23.01% (2022: 19%)	(1,203)	(339)
Tax effect of expenses that are not deductible in determining taxable profit	404	194
Adjustment for prior periods	-	-
Temporary timing differences	(98)	-
Deferred tax not recognised ¹	738	1,185
Foreign tax rate differences	(370)	(9)
Changes in deferred tax rate	-	-
	<u>(529)</u>	<u>1,031</u>

¹ Note that deferred tax assets on losses have only been recognised to the extent they are considered recoverable in the foreseeable future.

c) Deferred Tax

The deferred tax included in the balance sheet as per note 20, is as follows:

	2023	2022
	£'000	£'000
Deferred tax asset	800	303
Deferred tax liability	(616)	(646)
	<u>184</u>	<u>(343)</u>

Factors affecting future tax charges

The UK Finance Act 2022 received royal assent on 24 February 2022. This legislation maintained the UK corporation tax rate at the same level as in the year commencing at 19% for the years commencing 1 April 2021 and 1 April 2022, increasing the rate to 25% in the year commencing 1 April 2023.

There were unused tax losses of £12.1m at 30 November 2023 (£11.6m at 30 November 2022). A deferred tax liability relating to timing differences has been recognised. A deferred tax asset of £0.8m has been recognised in Australia which includes carried forward tax losses at the applicable local tax rate of £0.5m (2022: £nil). See note 20 for further details. No deferred tax asset recognised in the UK due to the uncertainty surrounding utilisation of existing tax losses against future taxable profits.

Bigblu Broadband plc
Notes to the Financial Statements (continued)
For the year ended 30 November 2023

9. Earnings / (Loss) Per Share

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

	30 November 2023		
	Profit/(Loss) £'000	Weighted Average Number of Shares	Per Share Amount Pence
Basic EPS - Loss attributable to shareholders	(4,701)	58,524,645	(8.0)
Add back loss from discontinued operations	3,263		
Add back exceptional costs	3,929		
Adjusted Profit attributable to shareholders from continuing operations	2,491		
Add back amortisation and impairment of intangible assets	1,662		
Adjusted EPS – Adjusted Profit attributable to shareholders from continuing operations ¹	4,153	58,524,645	7.1
Diluted EPS – Loss attributable to shareholders	(4,701)	58,820,176	(8.0)
Adjusted Diluted EPS – Adjusted Profit attributable to shareholders from continuing operations as above ¹	4,153	58,820,176	7.1

	30 November 2022		
	Profit/(Loss) £'000	Weighted Average Number of Shares	Per Share Amount Pence
Basic and diluted EPS			
Basic EPS - Loss attributable to shareholders	(2,934)	58,376,211	(5.0)
Add back loss from discontinued operations	3,059		
Add back exceptional costs	2,271		
Add back share based payments	309		
Adjusted Profit attributable to shareholders from continuing operations	2,705		
Add back amortisation	444		
Adjusted EPS – Adjusted Profit attributable to shareholders from continuing operations ¹	3,149	58,376,211	5.4
Diluted EPS – Profit attributable to shareholders	(2,934)	58,828,959	(5.0)
Adjusted Diluted EPS – Adjusted Profit attributable to shareholders from continuing operations as above ¹	3,149	58,828,959	5.4

¹ Non-GAAP alternative performance measurement, the profit attributable to shareholders from continuing operations is £4.2m (2022: £3.2m profit) after adding back exceptional costs £3.9m (FY22: £2.3m), share based payments (FY22: £0.3m), impairment of Fixed Assets £0.1m (FY22: Nil) and amortisation £1.5m (FY22: £0.4m). Adjusted EPS and adjusted diluted EPS are alternative non-GAAP performance measures.

Bigblu Broadband plc
Notes to the Financial Statements (continued)
For the year ended 30 November 2023

10. Property, Plant & Equipment – Group

	Land & Buildings £'000	Fixtures, Fittings & Infrastructure £'000	IT Hardware & Software £'000	Motor Vehicles £'000	Rental Stock £'000	Total £'000
Cost						
At 1 December 2021	1,139	13,250	1,081	12	217	15,699
Exchange Differences	61	321	36	-	3	421
Additions	275	1,157	490	34	152	2,108
Disposals	(614)	(436)	(59)	-	-	(1,109)
Reclassification as intangible assets	-	-	(368)	-	-	(368)
At 30 November 2022	861	14,292	1,180	46	372	16,751
Exchange Differences	(62)	(2,756)	(76)	(1)	(41)	(2,936)
Additions	2	739	20	2	78	841
Disposals	(49)	(2,396)	(1)	(45)	(89)	(2,580)
Reclassification as assets held for sale	(158)	(9,690)	(130)	(2)	(237)	(10,217)
At 30 November 2023	594	189	993	-	83	1,859
Accumulated Depreciation						
At 1 December 2021	745	10,406	453	5	-	11,609
Exchange Differences	43	270	13	-	-	326
Depreciation charge	224	1,527	295	21	9	2,076
Asset impairment	-	966	-	-	-	966
Disposals	(545)	(433)	(58)	-	-	(1,036)
Reclassification as intangible amortisation	-	-	(71)	-	-	(71)
At 30 November 2022	467	12,736	632	26	9	13,870
Exchange Differences	(42)	(2,598)	(53)	(1)	(1)	(2,695)
Depreciation charge	225	810	313	13	41	1,402
Assets Impairment	-	328	-	-	-	328
Disposals	(44)	(2,158)	(1)	(38)	-	(2,241)
Reclassification as assets held for sale	(110)	(8,980)	(92)	-	(1)	(9,183)
At 30 November 2023	496	138	799	-	48	1,481
Net book value						
At 30 November 2023	98	51	194	-	35	378
At 30 November 2022	394	1,556	548	20	363	2,881

Bigblu Broadband plc
Notes to the Financial Statements (continued)
For the year ended 30 November 2023

10. Property, Plant & Equipment – Group (continued)

Right of Use assets

Group Property, Plant & Equipment includes the following values for Right of Use assets

	Land & Buildings £'000	Fixtures, Fittings & Infrastructure £'000	IT Hardware & Software £'000	Total £'000
Cost				
At 1 December 2021	1,083	3,914	57	5,054
Exchange Differences	58	58	-	116
Additions	267	355	149	771
Disposals	(614)	(435)	(58)	(1,107)
At 30 November 2022	794	3,892	148	4,834
Exchange Differences	(59)	(334)	(18)	(411)
Additions	-	379	-	379
Disposals	(29)	(2,287)	-	(2,316)
Reclassification as assets held for sale	(158)	(1,510)	(130)	(1,798)
At 30 November 2023	548	140	-	688
Accumulated Depreciation				
At 1 December 2021	714	3,045	42	3,801
Exchange Differences	42	44	-	86
Depreciation charge	212	487	62	761
Disposals	(546)	(432)	(58)	(1,036)
At 30 November 2022	422	3,144	46	3,612
Exchange Differences	(39)	(261)	(10)	(310)
Depreciation charge	212	444	56	712
Disposals	(25)	(2,148)	-	(2,173)
Reclassification as assets held for sale	(110)	(1,074)	(92)	(1,276)
At 30 November 2023	460	105	-	565
Net book value				
At 30 November 2023	88	35	-	123
At 30 November 2022	372	748	102	1,222

Bigblu Broadband plc
Notes to the Financial Statements (continued)
For the year ended 30 November 2023

11. Intangible Assets - Group

	Goodwill £'000	Customer Contracts £'000	Software £'000	Intellectual Property £'000	Total £'000
Cost					
At 1 December 2021	5,523	3,935	53	-	9,511
Additions	-	-	241	-	241
Acquisition of customer base	-	907	-	985	1,892
Reclassification of PPE	-	-	368	-	368
Exchange Difference	138	177	(7)	-	308
At 30 November 2022	5,661	5,019	655	985	12,320
Additions	-	-	9	-	9
Acquisition of customer base	-	2,455	-	-	2,455
Exchange Difference	(197)	(478)	(74)	(65)	(814)
Reclassification as assets held for sale	(2,083)	-	(537)	-	(2,620)
At 30 November 2023	3,381	6,996	53	920	11,350
Accumulated Amortisation					
At 1 December 2021	-	3,935	-	-	3,935
Amortisation	-	378	294	30	702
Reclassification of PPE	-	-	71	-	71
Exchange Differences	-	182	(3)	-	179
At 30 November 2022	-	4,495	362	30	4,887
Amortisation	-	1,491	179	6	1,676
Impairment charges ¹	2,083	-	-	147	2,230
Exchange Differences	-	(398)	(53)	(10)	(461)
Reclassification as assets held for sale	(2,083)	-	(452)	-	(2,535)
At 30 November 2023	-	5,588	36	173	5,797
Net book value					
At 30 November 2023	3,381	1,408	17	747	5,553
At 30 November 2022	5,661	524	293	955	7,433

¹Impairment charges are recognised in the discontinued operations.

Bigblu Broadband plc
Notes to the Financial Statements (continued)
For the year ended 30 November 2023

Acquisition of customer base

The fully owned Australian subsidiary of the Company, SkyMesh PTY LTD, completed the acquisition of customers and certain business assets from Harbour ISP PTY LTD, a subsidiary of Uniti Group LTD in December 2022. This has not be treated as a business combination as the acquisition was specific to the purchase of only a customer base.

	Cost of Addition
	£'000
Customer Contracts	2,455
Total consideration	<u>2,455</u>
Satisfied by:	
Cash	<u>2,455</u>

Annual test for impairment

Under IAS 36, Goodwill is tested annually for impairment, irrespective of there being any impairment indicators. For the purpose of impairment testing, goodwill and other intangibles are allocated to business units which represent the lowest level at which those assets are monitored for internal management purposes. The recoverable amount of each cash-generating unit ('GCU') is determined by considering value-in-use calculations, or fair value assessments. The value in use calculations use pre-tax cash flow projections based on financial budgets and forecasts approved by the Directors indicated that no impairment was required to the carrying value of Goodwill. The year-end model utilises forecasts based upon the Group's budget, Strategy Plans and cashflows for FY24 and FY25. Over the 2-year forecast, the Group has applied compound average growth rates, pre IFRS16, for EBITDA of 2%. In accordance with IAS 36, the growth rates for beyond the initially forecast years do not exceed the long-term average growth rate for the industry. The forecasts have been discounted at a pre-tax rate of 8.2% (FY22: 8.3%). This discount rate was calculated using a pre-tax rate based on the weighted average cost of capital for the Group.

The Directors consider that there are no reasonably foreseeable changes in performance of discount rate that would eliminate goodwill.

As at 30 November 2023 the carrying amount of goodwill is its recoverable amount, being £nil (FY22: £2.1m) in respect of Brdy AS, which was held for sale at the reporting date, this was determined using a deemed fair value less cost to sell assessment and £3.4m (FY22: £3.6m) in respect of SkyMesh, calculated by considering value-in-use. Recognition of impairment losses was £2.1m (FY22: £nil). Impairment charges for Brdy are included in the discontinued loss in the Statement of comprehensive income.

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Notes to the Financial Statements (continued)
For the year ended 30 November 2023

12. Investments	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Subsidiaries	-	-	25,000	27,083
Other equity investments	2,240	2,240	2,240	2,240
Loan notes	3,755	3,590	3,755	3,590
	5,995	5,830	30,995	32,913
Opening balance	5,830	5,672	32,913	44,201
Movements during the year:				
Investment in subsidiary	-	-	4,040	-
Loan note interest	165	158	165	158
Impairment charge	-	-	(5,956)	(11,446)
Reclassified as held for sale	-	-	(167)	-
	5,995	5,830	30,995	32,913

During the year the balance of £4.0m due to the Company by Brdy Infrastructure AS was capitalised thereby increasing the investment by the Company in its existing subsidiary.

The carrying value of the investment in Brdy Infrastructure AS held by the Company at 30 November 2023 was reduced by an impairment charge of £2.1m (FY22: £11.4m). The carrying value as at the 30 November 2023 was £0.2m (FY22: £2.1m). There were no disposals in the year.

The following table set out the valuation techniques used in determination of fair values, including the key inputs used:

Item	Valuation approach and inputs used
Investment in loan notes due from QCL Midco Limited	The loan notes constitute an investment in debt not held for trade purposes and has been recognised and measured under the amortised cost method with interest income accrued aggregated to the investment balance
Investment in the equity of QCL Topco Limited	Other equity investment represents the Company's interest in the equity of QCL Topco Limited, which is measured at the transaction cost on disposal during the year ended 30 November 2021. Having considered the prospects of the business, its financial results and position, further fundraises and the corresponding impact of dilution, no material change in the fair value of the investment has been identified.

Bigblu Broadband plc
Notes to the Financial Statements (continued)
For the year ended 30 November 2023

12. Investments (continued)

Subsidiary Undertakings

	Address & Country of Incorporation	Class of Share	Parent Company	No of Shares	% held by parent
Brdy AS	Rosenholmveien 25, 1414 Trollåsen, Norway	Ordinary	Bigblu Broadband plc	1,700,412 of 1.40 Nok each	100%
Brdy Nordics AS	Rosenholmveien 25, 1414 Trollåsen, Norway	Ordinary	Bigblu Broadband plc	30,000 of 1Nok each	100%
SkyMesh Pty Ltd	51 Alfred Street, Fortitude Valley QLD 4006, Australia	Ordinary	Bigblu Broadband plc	20,898,680 of £0.196 each	100%
BorderNET Internet Pty Ltd	51 Alfred Street, Fortitude Valley QLD 4006, Australia	Ordinary	SkyMesh Pty Ltd	2,863,105 of £0.09 each	100%
Brdy Broadband Limited	Tompkins Wake, Level 11, 41 Shortland Street, Auckland, 1140, New Zealand	Ordinary	SkyMesh Pty Ltd	100 of NZ\$1 each	100%

13. Discontinued operations

Following a full market exercise undertaken by independent advisors the Board announced a Management Buy Out (MBO) of the Norwegian business, Brdy AS and Brdy Nordics AS, by local management, supported by Andrew Walwyn. The Board believe that this disposal was in the best interests of shareholders. In arriving at this decision, the Board recognised the challenges being faced in the turnaround of the Norwegian business as well as the potential need for further cash investment to grow the business far less support any further demounting and migration projects as the Norwegian operations sought to continue its transition to an asset light business. In addition, the disposal of the Norwegian business allows the Board to reduce annual central costs by c.£0.4m (including the costs associated with Andrew's position as CEO).

The Board considers that the sale process commenced prior to 30 November 2023 and at the balance sheet date, it was considered highly probable it would complete within 12 months of this date. Consequently, Brdy AS and Brdy Nordics AS are classified as a disposal group and discontinued operations for the year ended 30 November 2023.

The Disposal Group

Group financial information for 2023 is set out below for the disposal group. 2022 comparative information in the Financial Statements has been adjusted to reflect the revised split of activities between continuing and discontinued operations.

Biglu Broadband plc
Notes to the Financial Statements (continued)
For the year ended 30 November 2023

13. Discontinued operations (continued)

Financial performance and cash flow information

	Group	
	2023	2022
	£'000	£'000
Revenue	4,157	4,028
Expenses	(7,420)	(6,264)
Loss before tax	(3,263)	(2,236)
Taxation on operations	-	(703)
Loss after tax of discontinued operations	(3,263)	(2,939)
Loss on sale of the subsidiary after tax (see below)	-	(120)
Loss from discontinued operations	(3,263)	(3,059)
Net cash inflow from operating activities	830	1,668
Net cash outflow from investing activities	(424)	(1,058)
Net cash outflow from financing activities	(408)	(557)
Net cash outflow from discontinued operations	(2)	(53)
Details of sale of subsidiary		
Expenses of sale	-	(120)
Loss on sale after tax	-	(120)

In 2022 additional expenses of sale in respect of the disposal of Quickline in 2021 were incurred.

As at 30 November 2023 the operations of Brdy AS and Brdy Nordics AS were classified as held for sale and therefore no details of their sale are included here since no sale was concluded as at the date of signature of these accounts. The carrying value of Goodwill was impaired by £2.1m in the year, with a remaining carrying value as at 30 November 2023 of £nil. There was also an impairment of Fixed Assets for £0.3m in the year.

Assets and liabilities of disposal group held for sale

	2023	2022
	£'000	£'000
Assets classified as held for sale		
Property, plant and equipment	1,034	-
Intangible assets	85	-
Inventory	615	-
Cash	505	-
Trade receivables	67	-
Other receivables	210	-
Total assets of disposal group held for sale	2,516	-
Liabilities directly associated with assets classified as held for sale		
Trade payables	(1,066)	-
Lease liabilities	(573)	-
Other payables	(710)	-
Total liabilities of disposal group held for sale	(2,349)	-

The cumulative foreign exchange losses recognised in other comprehensive income in relation to the discontinued operation as at 30 November 2023 were £0.7m (FY22: £0.5m).

Bigblu Broadband plc
Notes to the Financial Statements (continued)
For the year ended 30 November 2023

14. Cash and cash equivalents

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Cash and bank accounts	2,782	4,195	354	768
Cash in escrow – restricted cash	850	-	-	-
	<u>3,632</u>	<u>4,195</u>	<u>354</u>	<u>768</u>

Escrow cash was held by a third party as at 30 November 2023 on behalf of the Group for a completed sales transaction relating to the sale of IP address. These funds were remitted on 1 December 2023 as cleared funds.

15. Inventory

	Group	
	2023	2022
	£'000	£'000
Finished goods	111	1,142

There is no material difference between the amounts stated above and replacement cost.

Write down of inventories to net realisable value amounted to £29k (2022: £43k) all related to discontinued operations. £11k (FY22: £18k) was recognised as an expense during the year, included in expenses of the disposal group. There were no such write downs in the parent company.

Bigblu Broadband plc
Notes to the Financial Statements (continued)
For the year ended 30 November 2023

16. Trade and other receivables

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade receivables	1,432	773	112	52
Other receivables	830	506	-	-
Prepayments and accrued income	568	1,056	230	80
Amounts due from group undertakings	-	-	1,796	822
	<u>2,830</u>	<u>2,335</u>	<u>2,138</u>	<u>954</u>

Movement in provision for impairment of receivables

	2023 £'000	2022 £'000
Individually impaired		
As at 1 December 2022	124	28
Charged to Income statement – continuing business	483	238
Charged to Income statement – discontinued operations	66	-
Utilised	(508)	(142)
As at 30 November 2023	<u>165</u>	<u>124</u>

The average credit days taken on sales of goods and services is 14 days (2022: 9 days). No interest is charged on receivables. Trade receivables are provided based on estimated irrecoverable amounts from the sale of goods and services, determined by reference to past default experience and likelihood of recovery as assessed by the directors.

Included in the Group's trade receivable balance are balances with a carrying amount of £452k (2022: £378k) which are past due at the reporting date. The directors consider that the amount of trade receivable carried are approximate to their fair value.

	Current £'000	0-3 months due £'000	3-6 months due £'000	Over 6 months due £'000	Total £'000
As at 30 November 2023					
Gross trade receivables	757	538	227	75	1,597
Loss provision	0	14	113	38	165
Expected loss rate	0%	3%	50%	50%	
As at 30 November 2022					
Gross trade receivables	495	183	170	49	897
Loss provision	0	15	85	24	124
Expected loss rate	0%	8%	50%	50%	

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 12 months before 30 November 2023 or 1 December 2023 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Bigblu Broadband plc
Notes to the Financial Statements (continued)
For the year ended 30 November 2023

17. Trade and other payables

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Current				
Trade payables	5,790	4,223	127	124
Other taxes and social security	564	924	259	370
Other payables	233	534	-	-
Accruals and deferred income	1,013	2,363	541	918
Lease liabilities	143	795	13	29
	<u>7,743</u>	<u>8,839</u>	<u>940</u>	<u>1,441</u>

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average creditors days taken for trade purchases is 70 days (2022: 77 days). The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame. The directors consider that the carrying amount of trade and other payables approximates to their fair value.

The Group recognises provisions in the relevant year's balance sheet based on estimates relating to certain outcomes. Discussions around specific claims and warranties from previous disposal transactions are still ongoing. As in 2022, the provisions as at 30 November 2023 are uncertain, however are expected to be utilised within the next 12 months following the end of the financial year, to cover any such costs.

The breakdown of the provisions carrying value is as follows:

	Group and Company 2023 £'000	Group and Company 2022 £'000
Other provisions	685	685
Total provisions	<u>685</u>	<u>685</u>

Movements in the provision during the year were as follows:

	Group and Company 2023 £'000	Group and Company 2022 £'000
Carrying amount at start of year	685	685
Utilised during the year	-	-
Total provisions	<u>685</u>	<u>685</u>

Bigblu Broadband plc
Notes to the Financial Statements (continued)
For the year ended 30 November 2023

18. Loans

	Group and Company 2023 £'000	Group and Company 2022 £'000
Bank loan received during the year	2,100	-
Balance at year end	<u>2,100</u>	<u>-</u>

During 2022 the unsecured Revolving Credit Facility (RCF) was increased from £5m to £10m. As at 30 November 2023 the company drawdown £2.1m against the RCF, which was fully undrawn as at 30 November 2022. The revolving credit facility is subject to a fixed charge over the company's assets, as registered at Companies House.

Interest payable on the Revolving Credit Facility is 3.40% (FY22: 3.40%) + SONIA (Sterling Overnight Index Average) (FY22: SONIA). Interest paid in the year amounts to £0.23m (FY22: £0.04m).

The facility with Santnader runs until October 2025.

19. Non-current liabilities

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Lease liabilities	-	559	-	13
Total	<u>-</u>	<u>559</u>	<u>-</u>	<u>13</u>

Leases attract interest at a rate of between 3.25% and 6%.

Maturity of lease liabilities

	Group 2023 £'000	Group 2022 £'000
Due 1 – 2 years	-	377
Due 2 – 5 years	-	182
Total	<u>-</u>	<u>559</u>

Bigblu Broadband plc
Notes to the Financial Statements (continued)
For the year ended 30 November 2023

20. Deferred Taxation

	2023 £'000	2022 £'000
At 1 December	343	(696)
Deferred tax arising on acquisition	-	562
Exchange differences	2	-
Charged/(Credited) to the Statement of Comprehensive Income	(529)	477
At 30 November	(184)	343
Deferred tax is provided as follows:		
Accelerated capital allowances	-	225
Arising on business combinations	(615)	(568)
Pensions and accruals	291	-
Tax losses	508	-
	184	(343)
Geographical split of deferred tax asset/(liability):		
Rest of the World deferred tax asset	800	303
Rest of the World deferred tax liability	(616)	(646)
	184	(343)

21. Share Capital

	No. of Shares No.	Share Capital £	Share Premium £
At 30 November 2022	58,422,072	8,763,309	8,589,117
Shares issued in the year			
Shares issued at 15p each	129,415	19,412	19,147
At 30 November 2023	58,551,487	8,782,721	8,608,264

All shares issued during the year were as a result of share option exercises generating a total value of £39k. Split as follows:

In December 2022 Andrew Walwyn purchased 26,549, and Paul Howard purchased 66,666 shares for a consideration of £33,135, relating to Share Capital £13,988 and Share premium £19,147

In June 2023 a previous employee purchased 36,160 shares, for a consideration of £5,424 relating to Share Capital.

All issued share capital is fully paid up. All ordinary shares have a par value of £0.15.

Bigblu Broadband plc
Notes to the Financial Statements (continued)
For the year ended 30 November 2023

22. Other Capital Reserves – Group

Listing cost reserve

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

Foreign exchange translation reserve

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

Share option reserve

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

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.

Share premium

Share premium represents the excess consideration over nominal value net of issue costs and amounts to £8.6m (2022: £8.6m).

Capital redemption reserve

The capital redemption reserve relates to the cash redemption of the bonus B shares issued in order to return c.£26m to ordinary shareholders.

23. Lease Arrangements

The Group as Lessee

	Continuing operations	
	2023	2022
	£'000	£'000
Depreciation of ROU assets		
Land & buildings	142	163
Fixtures, fittings & infrastructure	117	122
	<u>259</u>	<u>285</u>
Interest expense (included in finance cost)	20	20

The total cash outflow for leases in the continuing operations was £222k (2022: £208k).

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Notes to the Financial Statements (continued)
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24. Related Party Transactions

Management charges from Parent to the other Group companies

During the year the Company made management charges on an arm's length basis to its subsidiaries amounting to £1.6m (FY22: £2.2m) receivable, which eliminates on consolidation.

As part of the reductions in the headcount within the plc during the course of the year, the Company entered into certain service contracts with Bigblu Operations Limited ("BBO"), a company of which Andrew Walwyn is a director (the "BBO Contracts"). At the Balance Sheet date there was a receivable of £0.1m (FY22: £nil) associated with the BBO Contracts. The BBO Contracts are summarised below:

Licence Agreement

The Company has agreed to grant a licence over certain trademarks to BBO in relation to the Brdy brand. In consideration for the rights granted by the Company to BBO, BBO has agreed to pay the Company a notional annual license fee for each period of usage for £12k (FY22: £nil).

Service Agreement – Company to BBO

The Company has entered into a service agreement with BBO. The services provided by the Company to BBO include legal and corporate finance support, IT, marketing, and certain Executive support services (the "Services"). Costs and expenses are charged on a time and material basis based on the time spend by individuals performing the Services. This equated to £118k in the last financial year (FY22: £nil).

Service Agreement – BBO to Company

In addition, the Company has entered into a further service agreement with BBO. The services provided by BBO to the Company primarily include finance, IT and tech support (the "BBO Services"). Costs and expenses are charged on a time and material basis for the time spend by individuals performing the BBO Services. This equated to £73k in the last financial year (FY22: £nil).

Products

In the normal course of events the Company has entered into reseller agreements with BBO for certain broadband products sold by the Company (the "Products"). This equated to £10k in the last financial year (FY22: £nil).

Post the disposal of the Norwegian operations we anticipate these services to reduce alongside further plc rationalisations.

Remuneration of key management personnel

The remuneration of the directors, and the key management personnel of the continued Group, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	2023 £'000	2022 £'000
Short-term employment benefits	781	986
Pension costs	22	20
Share based payments	-	309
	803	1,315

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25. Share-Based Payments

Employee Share Options

The Group has in place share option schemes for employees of the Group. Options are exercisable at the price agreed at the time of the issue of the share option. The performance conditions vary between employees. If the options remain unexercised after a period of 5 years from date of grant (10 years for Executives) the options expire. Options are forfeited if the employee leaves the Group before the options vest unless agreed by the Board. Details of the share options outstanding during the year are as follows:

	2023		2022	
	Number of Share Options	Weighted Average Exercise price	Number of Share Options	Weighted Average Exercise price
Outstanding at beginning of year	685,050	35.74p	1,567,659	24.06p
Exercised during the year	(129,415)	24.66p	(95,922)	15.00p
Cancelled during the year	(36,831)	32.24p	(786,687)	15.00p
Outstanding at end of year	518,804	38.54p	685,050	35.74p
Exercisable at end of year	518,804	38.54p	685,050	35.74p

The options outstanding at 30 November 2023 had a weighted average exercise price of 38.54p (2022: 35.74p), and a weighted average remaining contractual life of 4.0 years (2022: 4.7 years). No new options were granted during the year (2022: Nil).

Long Term Incentive Plan

During 2018 an executive long-term incentive plan (LTIP) was put in place following consultation with a number of shareholders with performance criteria based on 2 key metrics: 50% based on how the BBB share price performs and 50% based on how BBB performs against a basket of similar companies. It was agreed that awards would be considered annually by the Remuneration committee and post the Disposal all such schemes including Management Incentive Plans would be reviewed for appropriateness.

Awards are granted annually as part of a formal, annual, grant policy:

- within six weeks following the announcement of results; or
- when exceptional circumstances exist (e.g. the normal grant is delayed for some reason or an out of policy award needs to be granted).

The maximum term of options granted under the LTIP is 10 years from grant date. Expiry dates range from May 2028 to October 2029. At 30 November 2023 there were a total of 295,531 options outstanding, with an exercise price of 15p, of which 295,531 have vested. Options are settled by issue of equity in exchange for cash

Detailed Plan Rules

The Plan was issued for the first time in 2018 and the remuneration committee of the Board of the Company shall have the right to decide, in its sole discretion, whether or not further awards will be granted in the future and to which employees those awards will be granted. The rules were clear that grants were

Bigblu Broadband plc
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For the year ended 30 November 2023

25. Share-Based Payments (continued)

at the discretion of the Board including TSR (Total Shareholder Return) considerations that needed to be taken into account before further awards could be made.

Expected volatility was determined by assessing the movements of the share price since the readmission to AIM in May 2015.

Other Employee Options

The maximum term of options granted under other schemes is 10 years from date of grant, with the average term remaining 3 years. This term applies to all of the 223,273 options vested as at 30 November 2023 with anticipated lapse dates ranging between March 2026 and March 2027. Options are settled by issue of equity in return for cash.

The Group recognised total expenses of Nil (2022: £309k), related to equity-settled share-based payment transactions as follows:

	2023 £'000	2022 £'000
Share option charge (all related to LTIP)	-	309
Total share option expense	-	309

Non-Employee Options

As at 30 November 2023, BGF own c.4.5m shares in BBB, as well as options over 4.9m shares at an exercise price of 68.5p, expiring in May 2024. In addition, during the year ended 30 November 2020, BBB granted BGF an additional 1.8m options at an exercise price of 90p expiring May 2024.

26. Financial Risk Management

Background

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout the financial statements. The "financial instruments" which are affected by these risks comprise borrowings, cash and liquid resources used to provide finance for the Group's operations, together with various items such as trade debtors and trade creditors that arise directly from its operations, inter-company payables and receivables, and any derivatives transactions (such as interest rate swaps and forward foreign currency contracts) used to manage the risks from interest rate and currency rate volatility.

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives monthly reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

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Notes to the Financial Statements (continued)
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26. Financial Risk Management (continued)

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to meet their financial obligations as they arise while maximising the return to stakeholders. The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Notes 20 to 21.

Credit risk

The Group's principal financial assets are bank balances and cash, trade and other receivables and investments. The Group's exposure to credit risk is primarily attributable to its trade receivables. Credit risk is managed locally by the management of each business unit. Prior to accepting new customers, credit checks are obtained from reputable external sources. The amounts presented in the balance sheet are net of allowance for doubtful receivables (see note 16 for more details). An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction on the recoverability of the cash flows. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with low credit risk assigned by international credit-rating agencies. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Group has no significant concentration of credit risk, other than with its own subsidiaries, the performances of which are closely monitored. The Directors confirm that the carrying amounts of monies owed by its subsidiaries approximate to their fair value.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, the cash position is continuously monitored to ensure that cash balances (or agreed facilities) meet expected requirements for a period of at least 90 days. The Board monitors annual cash budgets and updated forecasts against actual cash position

on a monthly basis. At the balance sheet date, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances. The maturity of financial liabilities is detailed in Note 17.

Market risk

Market risk arises from the Group's use of interest bearing and foreign currency financial instruments. It is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or foreign exchange rates (currency risk).

Interest rate risk

The Group finances its operations through a mixture of retained profits, equity capital and bank facilities, including hire purchase and lease finance. The Group borrows in the desired currency at floating or fixed rates of interest and may then use interest rate swaps to secure the desired interest profile and manage exposure to interest rate fluctuations.

Borrowings contractual maturities and effective interest rate analysis

In respect of interest bearing financial liabilities, the table in note 18 indicates the undiscounted amounts due for the remaining contractual maturity (including interest payments based on the outstanding liability at the year end) and their effective interest rates. The ageing of these amounts is based on the earliest dates on which the Group can be required to pay. The Santander Facility is reported quarterly to the bank in the form

Bigblu Broadband plc
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26. Financial Risk Management (continued)

of covenant compliance reporting, which monitors actuals performance by a number of specific monetary measurements.

Non-interest bearing liabilities

Details of trade and other payables falling due within one year are set out in Note 18.

Currency risk

The main currency exposure of the Group arises from the ownership of its subsidiaries in Europe and Australia. It is the Board's policy not to hedge against movements in the Sterling/Australian Dollar, Sterling/Norwegian Kroner and Sterling/Euro exchange rate.

Other currency exposure derives from trading operations where goods and services are exported or raw materials and capital equipment are imported. These exposures may be managed by forward currency contracts, particularly when the amounts or periods to maturities are significant and at times when currencies are particularly volatile.

Trading

It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken.

27. Financial instruments

The Group has the following financial instruments:

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Financial assets				
Cash & cash equivalents	3,632	4,195	354	768
Trade receivables	1,432	773	112	52
Amounts owed by group undertakings		-	2,051	822
Other receivables	830	506	-	34
Total	5,894	5,474	2,517	1,676
Financial liabilities				
Trade payables	5,790	4,223	127	124
Other creditors	233	540	-	-
Loans	2,100	-	-	-
Total	8,123	4,763	127	124

The carrying value of financial instruments is a reasonable approximation of fair value due to the short-term maturities of these instruments. In addition, there was a loan note instrument with QCL held at a fair value of £3.8m.

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28. Contract balances

The consolidated statement of financial position includes the following amounts relating to contracts with customers all related to the continuing operations.

	2023	2022
	£'000	£'000
Deferred income – included in Accruals and deferred income	(342)	(787)
Total contract liabilities	<u>(342)</u>	<u>(787)</u>

Revenue recognised during 2023 that was included in the contract liability balance at the beginning of the year amounted to £0.8m (2022: £0.8m). There was no revenue recognised in the year from performance obligations satisfied in previous periods. The satisfaction of the group's performance obligations typically occurs before invoicing and payment for activation fees and other charges for services that are satisfied at a point in time, giving rise to accrued income. For airtime charges, which are satisfied over a period of time, payment will typically occur during the period being invoiced, which is usually done at the start of a calendar month or a quarter, giving rise to deferred income.

29. Post Balance Sheet Events

Starlink

The Company signed a distribution contract with Starlink in December 2023 to provide high-speed internet to businesses, as well as small office / home office workers. This alongside the One Web contract allows BBB to offer customers an extended suite of products covering all their needs. To accommodate the investment of c£2.5m for Starlink post year end we have drawn down further on the Revolving Credit Facility.

Quickline

Have been awarded 2 contracts under the government's £5bn Project Gigabit programme. The deal will subsidise the rollout of a full fibre network to more than 43,000 hard-to-reach rural homes and businesses across the West Yorkshire and York area, including communities in North and East Yorkshire, which have been left behind by commercial rollouts. The contracts have been secured by Quickline following competitive public procurement processes and totals £104m of government subsidy. Quickline will make further private investment alongside Project Gigabit to roll out its full fibre network to an additional 99,000 premises.

Australia

We are very pleased to announce the appointment of a CFO in Australia, Ray Vaughan. Ray previously worked with the business between 2016 and 2019 and spent the last 5 years as CFO of Ion Group in Sydney.

Norway Operations

On the 17 May 2023 the Company completed the disposal of the Norwegian Operations comprising Brdy AS and Brdy Nordics AS (the "Brdy Group") to Brdy Holding AS (under construction), a company owned by the Norwegian Management Team and Andrew Walwyn (the "Buyer").

Headquartered in Oslo, Norway and established over 15 years ago, Brdy Group provides a range of Broadband services to both consumers and businesses across the Nordic region. The announced Enterprise Value of the business units being sold as at 17 May 2024 is £1.3m and the company will write off intercompany balances as a consequence of the Buyer assuming certain existing net working capital creditors and contingent liabilities within the Brdy Group amounting to approximately £1.3 million. As a result, the Equity value of the

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29. Post Balance Sheet Events continued

business units being disposed is £1, being the Initial Consideration. In addition, BBB will be entitled to a Contingent Consideration as follows: If the Brdy Group,

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

A Deferred Consideration is also payable of up to NOK 2.3m (c£0.2m) on the return, or release of the deposit held with networks, or a Trigger Event.

In addition, and on the occurrence of a Trigger Event, including a listing an, an additional Consideration shall be payable of 20% of the proceeds less costs.

30. Ultimate Controlling Party Note

No one shareholder has ultimate control over the business.