FY22 Results
March 23

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FY22 Trading Overview
Andrew Walwyn CEO

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Results – FY22

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Customers	Revenue	Adjusted EBITDA[1]
c.59.4k	£31.2m	£5.1m
+1.0%	+15.3%	+11.4%

Adjusted Free Cash inflow[2]	Net Cash[3]	Adjusted Basic EPS[4]
£3.7m	£4.2m	4.4p
+73.1%	£5.2m FY21	4.3p FY21, +2.3%

[1]Adjusted EBITDA is stated before interest, taxation, depreciation, amortization, share based payments and exceptional items. It also excludes property lease costs which, under IFRS 16, are replaced by depreciation and interest charges.
[2]Adjusted Operating cash flow relates to the amount of cash generated from the Group's operating activities and is calculated as follows: Profit/(Loss) before Tax adjusted for Depreciation, Amortisation, Share Based Payments and adjusting for changes in Working Capital and non-cash items and excludes items identified as exceptional in nature.
[3]Cash / Net debt excludes lease-related liabilities of £1.4m of under IFRS 16 (FY21 £1.4m).
[4]Adjusted EPS is adjusted PAT divided by the weighted average number of shares over the period.

Highlights at a glance FY22

Executive Take

- Revenue increasing, EBITDA and FCF generation improving
- Product hybridisation
- Operational efficiency and effectiveness
- State of readiness for value realisation

Australasia – c 51.5K customers

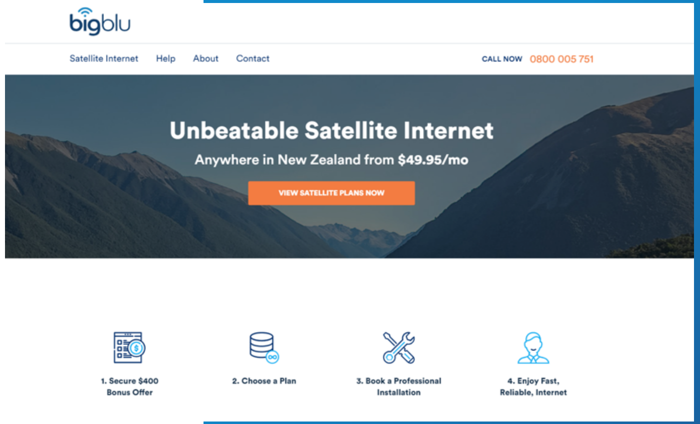
- Skymesh continued as Australia's number 1 Satellite provider – 4 years in a row
- Launched in New Zealand Q1 2022 – Basics now in place
- Clear Networks acquisition cost £1.4m – adding 2.2k net adds, c.£1.6m Revenue and c.£0.2m of EBITDA
- PBSE - Uniti acquisition cost £2.8m – adding c.6.0k net adds, c.£2.5m Revenue and c.£0.7m of EBITDA

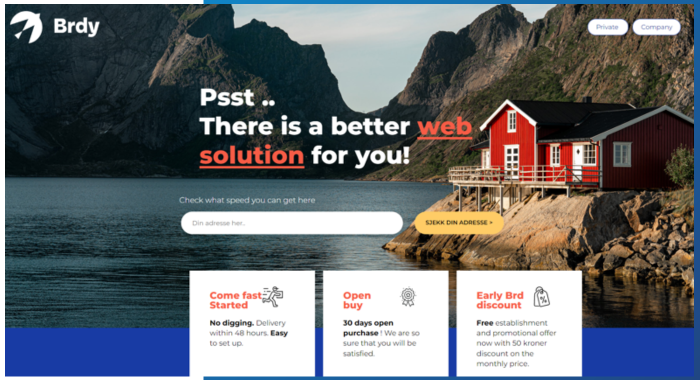
Nordics – c 7.9K customers

- Cyber event hit our Viasat customer base impacting Revenue and EBITDA
- Rebranded as Brdy leading the drive for growth in net customer numbers
- 5G FWA technology implemented across Norway
- Partnerships signed with distributors (Saga Mobil and Power International)
- New SAT offering with Viasat covering the Nordics
- First LEO sales made

Quickline update

- The Group still have a retained interest of 4.0%
- Quickline undergone significant scaling since June 21 with the support of its new owner Northleaf and is now a distinguished hybrid GFWA and FTTP player with ambitious growth plans.





FY22 Financial Performance
Frank Waters CFO

Financial Highlights

	FY22	FY21	% Change
Revenue	£31.2 m	£27.1 m	15.1%
Recurring revenue %	93%	94%	(1.1%)
Adj. EBITDA[1]	£5.1m	£4.6m	11.4%
Adj. Profit After Tax[2]	£2.6m	£2.5m	4.8%
Basic EPS[3]	(5.0p)	46.9p	
Adj. Basic EPS[3]	4.4p	4.3p	
Adj. Operating Cash Inflow[4]	£5.8m	£5.2m	10.1%
Adj. Free Cash Inflow[5]	£3.7m	£2.1m	73.1%
Net Cash[6]	£4.2m	£5.2m	(19.3%)

[1,2,3,4,5,6,7] *Refer to notes in Appendices.*

Trading

- Revenue growth 15.1% with LFL[7] growth 12.3%
- Net adds, of 2.4k, after c. 9k switchers and before exceptional churn of 1.8k (cyber event) resulting in a closing base of 59.4k v 58.8k
- Underlying churn at 28.4% (FY21 21.3%), post the removal of Covid support
- ARPU progression of 9.5% to £43.03 due to product mix (FY21: £39.30), with improvements in both Australia and Norway
- Recurring revenue of 93% (FY21: 94%)
- Sales mix - Sat 72% FW 25% 5G 3% (FY21: Sat 76% FW 24% 5G 0%)
- Adj. EBITDA up 11.4% to £5.1m (FY21: £4.6m)
- Adj. PAT £2.6m (FY21: £2.5m) due to increased EBITDA +£0.5m, reduced by higher depreciation (£0.6m) and higher tax charge (£0.3m), then offset by lower interest +£0.6m.

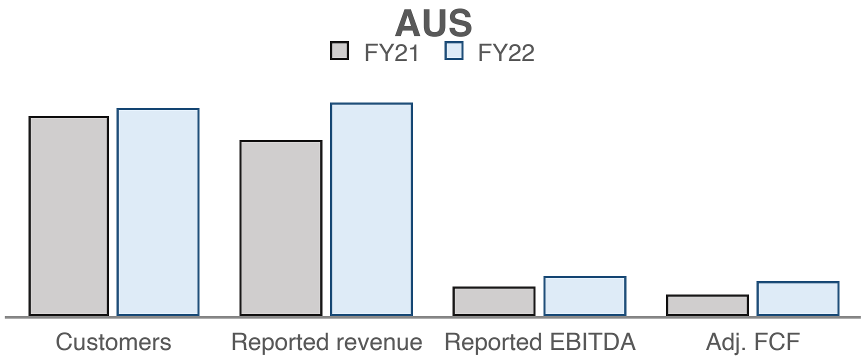
EPS

- Basic EPS loss at 5.0p (FY21: profit 46.9p post the disposal of Quickline)
- Adj. EPS profit of 4.4p (FY21: Profit 4.3p), up 0.1p after
  - a reduction in EPS of 4.0p due to increased depreciation (1.8p), amortisation (1.2p) and taxation (1.0p) and then:
  - adding back an increase in EPS of 4.1p covering exceptional costs in nature of impairment of fixed assets (£1.0m), deferred tax adjustment (£0.7m) and amortisation on the Clear acquisition (£0.7m) (£2.4m divided by 58.4m shares = 4.1p)

Cash flow

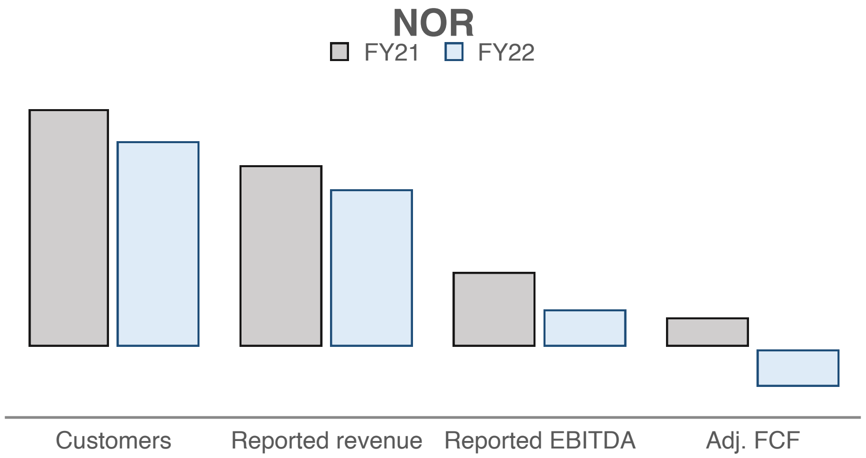
- Adj. OCF of £5.8m (113% of EBITDA), up 10.1% on FY21 of £5.2m
- Adj. FCF of £3.7m (72% of EBITDA), YOY improvement of £1.6m

Results overview: Business Unit Analysis



Australasia – Solid performance, 22% increase in Revenue, 25% increase in EBITDA and local adj. FCF up 54%

- Customer increase of c.1.8k (up 4%) including 2.2k customers from Clear, plus 9k switchers
- Churn 30% (FY21: 29%), now improving
- ARPU up 15%, due to product mix
- Net result a 22% increase in revenues
- GM at 36.7% (FY21: 35.8%) with increase in OHs of £0.9m to £4.7m (FY21: £3.8m), after increase in marketing of £0.1m, NZ overheads of £0.2m, Clear £0.4m, and other overheads £0.2m.
- Net result - EBITDA increased 25% to £5m
- Local Adj. FCF[1] inflow of £4.4m up 54% (88% of EBITDA) after tax (£0.3m) and Fixed Assets (£0.6m).



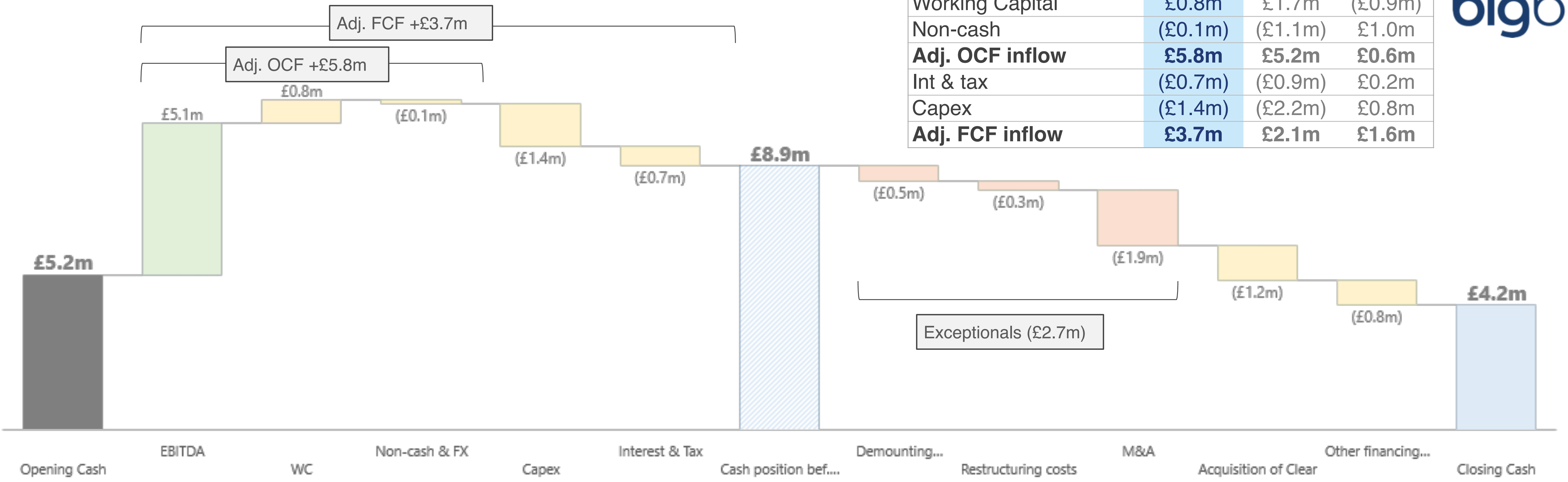
Nordics – Right sized, demounting materially complete, new products launched and key partnerships

- Gross adds c.1.8k v PY c.1.4k, with net churn of c.1.2k (FY21 c.2.9k) after exceptional churn of c.0.2k relating to the final stage of demounting loss-making masts and c.1.6k loss due to cyber attack
- ARPU up 10% due to product mix and increase in 5G sales.
- Revenue of £4.0m and EBITDA of £1.0m, in line with expectations save the cyber attack and delayed launch 5G by impacted revenue by c£0.5m and EBITDA by £0.3m
- Local Adj. FCF[1] outflow of £1.0m after working capital outflow (£0.1m) and Fixed Assets (£0.9m).
- Cost actions and new product launches expected to impact positively in FY23.

[1]*Adjusted before exceptional costs and intercompany transfers.*

Adjusted OCF of £5.8m and Adjusted FCF of £3.7m

	FY22	FY21	YOY Var
Adj. EBITDA	**£5.1m**	**£4.6m**	**£0.5m**
Working Capital	£0.8m	£1.7m	(£0.9m)
Non-cash	(£0.1m)	(£1.1m)	£1.0m
Adj. OCF inflow	**£5.8m**	**£5.2m**	**£0.6m**
Int & tax	(£0.7m)	(£0.9m)	£0.2m
Capex	(£1.4m)	(£2.2m)	£0.8m
Adj. FCF inflow	**£3.7m**	**£2.1m**	**£1.6m**



- Continued WC improved by £0.9m
  - PLUS debt collection of £2.6m, incl. deferred consideration income (FY21: inflow £2.4m).
  - MINUS Higher carrying value of 5G FWA stock, £0.4m (FY21: inflow £0.1m).
  - Increased creditor payments, resulting in an outflow of £1.4m (FY21: outflow £0.8m).
- Non-cash & FX
  - Forex loss of £0.2m (FY21: loss £0.9m) due GBP strength and local Balance Sheets revaluation
  - Offset by non-cash movement credit of £0.1m (FY21: loss £0.2m).
- Capex covers the investments in
  - Norway relating to the 5G stock, upgrade projects, and systems work (£0.9m),
  - Australia relating to investment and systems, Clear Infrastructure, and New Zealand (£0.5m)
- £0.2m interest on undrawn RCF facility, £0.5m Australia tax prepayments due to increased profits.

- Demounting programme and restructuring costs in Norway.
- M&A relate to deal, legal and restructuring activities during the period. These costs comprise mainly professional and legal fees.
- Acquisition of Clear customers of c2.2k customers in Q1 FY22 resulted in an outflow of £1.2m (AUS$2.1m).
- Other financing activities related to IFRS16.
- Closing net cash £4.2m, with no drawdown from RCF (Opening cash £5.2m).

FY22 Business Unit Performance & Outlook

Andrew Walwyn CEO

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Australasia

Current Market Position

- Skymesh is the largest Satellite provider in Australia with 40% of market share post Clear and Uniti transaction
- Won WhistleOut best NBN provider award 4th year in a row
- Delivering excellence in service – 9 in 10 rate Skymesh as good/excellent
- 45% share of SkyMuster Plus active premises
- Currently have 55% market share of the net new adds in the Australian satellite market
- Upgrading of systems to improve customer service and reduce operating costs

Market Outlook

- Starlink competitive threat
- Entering the 4G/5G FWA market - broader product set supporting repositioning of target market as regional
- NBNCO improvements to the SkyMuster+ satellite product (uncapped data, faster speeds) increasing market appeal and countering Starlink offering
- Entry to fixed line market brings opportunity of a large addressable market outside of purely rural areas
- Increased focus on B2B sales with introduction of OneWeb LEO satellite

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Key strengths

- **99.5%** availability in Australia
- **97%** of customers would recommend SkyMesh
- Net promoter score of **39** (outperforming telco industry)
- Strong focus on retention and customer engagement to minimise churn

Strategy

- Current focus on selling the new NBN satellite product Sky Muster Plus
- Expanding FWA and 4G offerings beyond NBN
- Identifying suitable accretive bolt-ons

Nordics

Current Market Position

- Ongoing actions to streamline the business
- Upgrading systems to improve our customer service levels and also reduce operating costs
- Split Infra/Asset light – With a focus on an infrastructure light model (FWA 5G, Sat: LEO & GEO)
- Opportunity to expand geographic focus of the operation into Finland and Sweden
- Updated website, delivering 1,500 visitors per week post relaunch as Brdy

Market Outlook

- Switch off of the copper network complete in Norway increasing the number of addressable households for FWA by 200k households
- 5G FWA market could expand by with the introduction of a second 5G partner
- Build of a reseller network sales channel
- Strengthening the satellite customer offer in partnership with Viasat
- New B2B sales opportunities with the introduction of OneWeb and Starlink

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Key strengths

- Diversified presence in lower density regions with a network strength of more than 800 towers
- Capable of delivering +100 Mbps speed (testing up to 200Mbps in some areas)
- Possibility for fast upgrade
- Building experience – time to delivery
- Strong EBITDA margin
- Cost efficient

Strategy

- Opportunity to develop 5G FWA agreements in all Nordic Countries and consider M&A opportunities in the region
- Pivot from own infrastructure to 5G FWA to drive down overheads

Summary and Outlook
Andrew Walwyn CEO

Summary and Outlook

Summary

- Robust performance in FY22 demonstrating strong Revenue growth and positive adj. FCF
- We ended FY22 in a strong financial position – no debt, net cash and strong balance sheet flexibility
- Wealth of opportunities - Carefully navigate to those that add / accretive in value

Outlook and Focus

- Quality businesses, high recurring revenues 90% plus, increasing levels of cash generation in growing market
- Return to accelerated customer growth in FY23
- Opportunity to create further shareholder value
    - **Products** Roadmap exciting
    - **Proximate** / Neighbouring Countries
- The How and the focus
    - **People** – strengthened Norway / Australia / Central Marketing / One Web
    - **Pathfinder** - Processes and systems
    - **Performance** - Organic / M@A - Drive EBITDA and FCF
- Specifically
    - Australasia: expanded footprint, B2B, increasing FW. Could consider further M&A to complement organic growth, a disposal or an IPO in Australia.
    - Nordics: new opportunities with new satellite players across Scandinavia and the Baltics, including low orbit solutions. Partner network growth with Saga Mobil and Power
    - Quickline growth in investment holding due to additional support and investment from Northleaf

Appendices

Condensed Consolidated Statement of Comprehensive Income

	FY22	FY21	YoY var.
Revenue	£31.2m	£27.1m	15%
Adj. EBITDA[1]	**£5.1m**	**£4.6m**	**11%**
EBITDA margin %	16.3%	*16.9%*	
Depreciation	(£3.0m)	(£1.4m)	119%
Amortisation	(£0.7m)	-	
Interest	(£0.1m)	(£0.8m)	(84%)
Net Profit Before Exceptionals	**£1.2m**	**£2.4m**	**(48%)**
Exceptionals	(£2.7m)	(£3.9m)	(31%)
Shared based payments	(£0.3m)	(£0.2m)	(90%)
Net Loss Before Taxation	**(£1.8m)**	**(£1.7m)**	**5%**
Taxation	(£1.0m)	£0.1m	(1,457%)
Loss after Tax	**(£2.8m)**	**(£1.6m)**	**74%**
Profit / (Loss) – Discontinued Ops	(£0.1m)	£28.4m	**(100%)**
Profit / (Loss) For The Financial Year	**(£2.9m)**	**£26.8m**	**(111%)**

Adj. EBITDA (Up 11%YOY)

- Gross Margin at 43% (FY21: 45%) as focus shifts onto less capital-intensive products.
- Underlying Overheads as % sales reduced to 26% (FY21: 28%)

Depreciation/Amortisation (Up 119% YOY)

- Higher mainly due to Capex in FY21 on upgrading Norway infrastructure (£1.6m)
- Amortisation relates to the Clear customer base acquisition (£0.7m)

Interest (Down 84% YOY)

- £0.1m interest relating to undrawn RCF charges. Lower than FY21 by £0.7m due to the £8.3m debt in place until repaid in October 2021

Exceptional (Down £1.2m YOY)

- £1.3m associated with M&A activities, £0.3m with restructuring costs, £0.5m with the demounting programme, £0.1m with the new RCF facility with Santander, £0.3m costs for Pathfinder, £0.1m setup costs for the NZ operations.

Taxation (Up £1.1m YOY)

- Currently no corporation tax payable in PLC or Norway
- Tax paid in Australia based on 1.16% of monthly revenue as prepayment against full year tax charge (£0.3m)

[1]*Adjusted EBITDA is stated before interest, taxation, depreciation, amortization, share based payments and exceptional items. It also excludes property lease costs which, under IFRS 16, are replaced by depreciation and interest charges. It also excludes property lease costs which, under IFRS 16, are replaced by depreciation and interest charges.*

Condensed Consolidated Statement of Financial Position

	FY22	FY21
Goodwill and intangibles	£13.6m	£12.0m
Property, plant and equipment	£2.9m	£4.1m
Fixed assets	**£16.4m**	£16.0m
Working capital	(£6.0m)	(£4.5m)
Cash	£4.2m	£5.2m
Net current (liabilities)/assets	**(£1.9m)**	£0.7m
Non current liabilities	**(£1.2m)**	(£0.8m)
Net assets	**£13.4m**	£15.9m

Net cash (exc. IFRS16)	**£4.2m**	£5.2m
Days Sales of Inventory	**24**	13
Trade Debtors Days	**9**	7
Days Creditors Outstanding	**77**	81
Net Cash / EBITDA	**0.8x**	1.1x

Intangible assets increase by £1.6m

- Intangible Assets increased by £1.6m to £13.6m, due to the acquisition of the Clear customer base (£1.6m), increase in the Loan Notes element of the QCHL investment (£0.2m), deferred tax asset associated with the Clear acquisition (£0.3m) and systems development (£0.2m), offset with amortisation (£0.7m).

Fixed Assets (PPE) reduced by £1.2m

- PPE reduced by £1.2m in the year from £4.1m to £2.9m, with Capex investment (£1.4m) and Depreciation (£3.0m), of which underlying depreciation of £2.0m and an impairment of Fixed Assets of £1.0m.

Working Capital

- Working Capital decline of £1.5m to a net liability position of £6.0m before cash.
- Stock levels YOY increased by £0.4m to support the continued 5G sales in Norway.
- Trade and Other receivables reduced in the year by £2.6m, reflecting the £2.8m deferred consideration received in the year. Debtor's days remains strong with DSO 9 days (FY21: 7 days).
- Creditors and Other Payables reduced YOY by £0.6m, reflecting the increased creditors payments, specifically around the 5G stock.

Net Cash

- Net cash position of £4.2m (Down £1.0m and excluding IFRS 16 of £0.9m) mainly due to the acquisition of Clear customers (£1.2m), interest and tax (£0.7m), CAPEX (£1.4m), restructuring costs (£0.3m), other M&A activity (£1.3m), offset by the deferred consideration (£2.8m).

Net assets

- Decreased by £2.5m, with Fixed assets NBV up £0.2m, increase in negative working capital of £1.5m and a lower closing cash position of £1.0m.

Condensed Statement of Cash Flows

	FY22 £'000	FY21 £'000
Opening Net Cash	**5,201**	**7,419**
Loss after tax	(2,814)	(1,620)
Interest charge	124	798
Depreciation	2,076	1,390
Impairment of Fixed Assets	966	-
Amortisation	702	-
Tax charge / (credit)	1,031	(76)
Share Based payments	309	163
Exceptional costs	2,707	3,922
Adj. EBITDA	**5,101**	**4,577**
Forex movement and other non-cash	(118)	(1,085)
Movement in Working Capital	782	1,742
Cash inflow	**5,765**	**5,234**
Interest paid	(124)	(411)
Tax paid	(539)	(495)

	FY22 £'000	FY21 £'000
Purchase of Assets	(1,432)	(2,208)
Adj. inflow Free Cash Flow	**3,670**	**2,120**
Exceptional items relating to refinancing, fundraising, M&A, integration and the establishment of network partnerships	(2,707)	(3,922)
Adj. free cash inflow/(outflow) after exceptional and M&A items	**963**	**(1,802)**
Investment activities	(1,154)	31,041
Movement in working capital from discontinued operations	-	(2,339)
Financing activities	(695)	(34,796)
Movement in Cash	**(886)**	**(7,896)**
(Outflow) / Inflow in cash from Discontinued operations	(120)	(2,209)
Movement in Net Cash	**(1,006)**	**(10,105)**
Decrease in Debt	**-**	**7,887**
Closing Net Cash	**4,195**	**5,201**

EPS Calculations

	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)
Loss attributable to shareholders	(2,934)		
Add back exceptional costs	2707		
Add back share based payments	309		
Add back loss on discontinued operations	120		
Profit attributable to shareholders from continuing operations	202		
Add back impairment of Fixed Assets	966		
Add back amortisation	702		
Add back deferred taxation adjustment in Norway	714		
Adjusted EPS - Profit attributable to shareholders from continuing operations	2,584	58,376,211	4.4
Basic Diluted EPS – Loss attributable to shareholders	(2,934)	58,828,959	(5.0)
Adjusted Diluted EPS – Profit attributable to shareholders from continuing operations as above	2,584	58,828,959	4.4

	30 November 2021 Profit/(Loss) £'000	Weighted Average Number of Shares	Per Share Amount Pence
Basic and diluted EPS			
Profit for the financial year	26,753		
Add: adjustment for non-controlling interest share of losses	(284)		
Basic EPS - Profit attributable to shareholders	27,037	57,697,017	46.9
Profit attributable to shareholders	26,753		
Add back exceptional costs	3922		
Add back share based payments	163		
Less profit on discontinued operations	(28,373)		
Adjusted EPS - Profit attributable to shareholders from continuing operations	2,465	57,697,017	4.3
Basic Diluted EPS – Profit attributable to shareholders	27,037	59,251,343	45.6
Adjusted Diluted EPS – Profit attributable to shareholders from continuing operations	2,465	59,251,343	4.2

Notes

[1]Adjusted EBITDA is stated before interest, taxation, depreciation, amortization, share based payments and exceptional items. It also excludes property lease costs which, under IFRS 16, are replaced by depreciation and interest charges.

[2]Adjusted PAT represents adjusted EBITDA less interest, taxation, depreciation, and amortisation.

[3]Basic EPS is PAT divided by the weighted average of shares over the period. Adjusted EPS is adjusted PAT divided by the weighted average number of shares over the period.

[4]Adjusted Operating cash flow relates to the amount of cash generated from the Group's operating activities and is calculated as follows: Profit/(Loss) before Tax adjusted for Depreciation, Amortisation, Share Based Payments and adjusting for changes in Working Capital and non-cash items and excludes items identified as exceptional in nature.

[5]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

[6]Cash / Net debt excludes lease-related liabilities of £1.4m of under IFRS 16 (FY21 £1.4m).

[7]Like for like (LFL) revenue treats acquired businesses as if they were owned for the same period across both the current and prior year whilst business disposed of in the period are excluded from the calculation. Such numbers are adjusted for constant currency and non-recurring items such as government support.