

Rural Broadband Solutions Plc (the "Company" or "RBBS")

RBBS identifies further Rural Broadband opportunities

Rural Broadband Solutions Plc (AQSE: RBBS), a leading provider of broadband services to rural areas of the UK, is pleased to provide an update on further rural broadband opportunities.

'Project Gigabit'

Building Digital UK (BDUK), part of the Department for Culture, Media and Sport (DCMS), re-launched its rural gigabit-capable funding scheme under the new brand 'Project Gigabit' on 19th March. It is still pledging £5bn, with an initial £1.2bn released over the next 4 years, of which £210m is allocated to the consumer driven voucher scheme. The scheme enables community groups to access up to £1,500 per domestic household and £3,500 per business (previously under the prior scheme this was £2,500 per business). Only registered Communication Providers (CP) can implement solutions through the redemption of the voucher funding. SWS, a wholly-owned subsidiary of RBBS, is registered as one of these CPs.

Shropshire Council have registered under the new 'Project Gigabit' scheme to provide a top up to the basic national voucher value, bringing the fund up to a value of £4,000 per domestic households and £7,000 per business which lies with the county boundary.

With continued steady growth, SWS has increased its number of recurring Fixed Wireless Access (FWA) customers to 2,560. It has delayed the start of gigabit-capable implementation due to the need to re-register with the new voucher scheme and the evolving plan to add a Fibre to the Premise (FTTP) solution to our hybrid product range. SWS continues to gather interest for gigabit-capable connections and has gained 1,625 expressions for voucher funding. Of these, 215 have been attributed to village projects already identified as feasible. 69 vouchers have been registered for funding across 2 projects, ringfencing an initial £185K. SWS is aiming to register a further 25 'gigabit village' projects in the coming months, aimed at converting 227 existing customers from FWA to gigabit-capable and a potential 2,450 additionally deliverable customers.

Through the process of sourcing higher bandwidth capacity within its gigabit-capable network, SWS has identified a larger customer base opportunity which can be developed in parallel with, and in addition to, the original 5,000 properties it has targeted over 36 months. SWS has initially identified 20 new 'gigabit town' projects within the Shropshire area, consisting of over 2,000 business and 42,000 domestic properties. With the emergence of this new opportunity, we are now in the process of identifying other areas in the UK we can implement this scalable model.

Scaling up the engineering resource to deliver on so many more projects is resolved through partnering with a national fibre installation company. This company has over 1,000 skilled engineers and over 30 years' experience in cabling and fibre installations. They run their own accredited training academy and have recently acquired a telegraph polling company with multiple depots across the UK.

Fibre to the Premise (FTTP) solution for small towns

Fibre to the Cabinet (FTTC) copper connections only have the capacity to deliver a maximum of 80Mbps if you are lucky enough to live within 300m of a green cabinet. This rapidly drops to

30Mbps within 1km, 15Mbps within 2km and 10Mbps at its maximum reach of 3km.

FTTP attracts a lower operating expenditure than FWA and at this time is seen to be the gold standard in data communication technology. It is able to deliver multigigabit speeds, restricted only by the equipment at each end of the fibre, thereby creating a valuable future-proof asset for the company.

Each 'gigabit town' contains a local telephone exchange and consist of properties which are currently delivered to over an FTTC solution. These towns are those that the 'gigabit villages' would have ultimately connected back to with their 'long reach', copper based, connection. They also lie within Area 3 (rural areas which can access a voucher under the Government's Project Gigabit scheme). Therefore, they can be captured using the same model as used for the villages, albeit on a larger scale and predominantly with pure fibre. Independently, these towns are currently seen as too small to attract any competition at this point, but together, create a considerable potential asset base and revenue stream for SWS.

Accreditation within Openreach

SWS is now fully accredited with Openreach to enable re-use of its Ducts and Poles along with access to its telephone exchanges and dark fibre. It can now proceed to add an FTTP solution to its portfolio, not only within the newly identified towns, but also within the original villages. High-capacity bandwidth to the villages will be supplied over its existing wireless mast infrastructure which is currently undergoing gigabit-capable upgrades.

Those targeted properties which lie outside a village or town and are unable to be uplifted by SWS to an FTTP solution, will still be able to receive a faster broadband connection through SWS's existing FWA mast coverage.

Chris New, Chief Strategist & Technical Officer, commented:

"Developing this sector is still very much a crucial element to the future growth of the UK economy, with so many people relying on a good broadband connection in all areas of the country. This expansion to the strategy is an exciting prospect as we strive to bridge the digital divide".

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