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This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 ("MAR") as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018. Upon publication of this announcement, the inside information is now considered to be in the public domain for the purposes of MAR.

17 December 2021

**Rural Broadband Solutions Plc (the "Company" or "RBBS")
Placing, Acquisition, Trading Update and Appointment of Investec Bank as infrastructure funding advisor**

Rural Broadband Solutions Plc (AQSE: RBBS), a significant provider of high speed broadband to rural areas of Great Britain, announces a Placing, Acquisition, Trading Update and appointment of Investec Bank as infrastructure funding advisor.

A Placing and Subscription raising £1.675m at 3 pence per share ("Issue Price") in order to fund the acquisition of Cadence Networks Limited ("**Cadence**") and drive organic growth before infrastructure funding is expected to be confirmed early next year has been undertaken by way of the issue of an aggregate of 55,833,333 new ordinary shares of £0.01 par value ("**Placing and Subscription Shares**") in the Company ("**Ordinary Shares**"). A further 2,000,000 new ordinary shares of £0.01 par value (the "**Consideration Shares**") have been issued as part of the consideration payable to Cadence.

The acquisition of Cadence Networks Limited is being completed simultaneously with the Placing and Subscription and the Company is pleased to announce that Investec Bank has been appointed as its infrastructure funding advisor to take advantage of the growth dynamics currently prevailing within the Company's existing and new markets.

Shares to be issued

Existing Ordinary Shares in Issue: 304,092,810

Placing and Subscription Shares: 55,833,333

Consideration Shares (Cadence Networks Limited): 2,000,000

Enlarged Share Capital: 361,926,143

The Placing and Subscription Shares and the Consideration Shares (together the "**New Ordinary Shares**") are expected to admit to market on 21st December at 8am ("**Admission**").

The New Ordinary Shares will represent 16.0% per cent of the Company's issued share capital as enlarged by the Placing, Subscription and Acquisition.

The Placing and Subscription Shares and the Consideration Shares rank pari passu in all respects with the existing Ordinary Shares in issue, each carrying the right to one vote and including the right to receive dividends and other distributions declared, made or paid in respect of the Ordinary Shares.

Hybridan LLP acted as Broker in respect of the Placing.

Details of Director and PDMR subscriptions

The Placing and Subscription included participation by certain Directors, Persons Discharging Managerial Responsibilities ("**PDMRs**") and their Persons Closely Associated ("**PCAs**"), who subscribed for a total of 18,333,334 Placing and Subscription Shares at 3 pence per share. Details of Directors, PDMRs and their PCAs who participated in the Placing and Subscription are outlined in the table below:

Director	New Ordinary Shares being subscribed for	Shareholding following Admission	% holding following Admission
Mr Keith Harris	6,666,667	36,126,667	9.98%
Mr Christopher Stone including his holding through Hobart Capital Markets LLP	5,000,000	13,000,000	3.59%
Mr Christopher New including his holding through New Developments Ltd	6,666,667	32,126,667	8.88%

The Issue Price equates to a 12.5 per cent discount to the closing middle market price per Ordinary Share of £0.0343 on 16th December 2021 (being the latest practicable date prior to the publication of this Announcement).

The Acquisition of Cadence Networks Limited

Cadence Networks is an Internet Service Provider ("**ISP**") that provides bespoke communication and infrastructure services. Although Cadence currently has a small turnover of circa £145k per year, its current infrastructure within three London based data centres will give RBBS a significant foundation upon which it can build its own national data network, so that it is able to manage the quality of service and capacity to its own customers without using third party wholesale providers.

With national access to build infrastructure in any region of the UK. The national network will also enable the supply of wholesale services to other ISPs that wish to sell retail services across the RBBS built infrastructure as well as provide backhaul and interconnect data services across alternative network providers ("**Altnets**").

Although the acquisition is a small one it is strategically significant because it gives RBBS the entire route of traffic to the internet.

RBBS has acquired 100% of the entire issued share capital of Cadence for an aggregate consideration of £220,000 satisfied by:

- £80,000 payable in cash; and
- The issue of 2,000,000 Ordinary Shares at 7 pence per share on 21 December 2021. These Consideration Shares will be subject to a 12 month hard lock in period and a further 12 month orderly market agreement period.

The acquisition of Cadence will also allow RBBS to increase its gross margins as it will be able to buy data transfer capacity in bulk and therefore have greater access to wholesale prices.

Cadence also brings with it senior technical management enabling Chris New, currently leading the team as Chief Strategist & Technical Officer, to move towards more of a CEO role in 2022. Chris has focused his efforts on attaining all the necessary accreditations and capabilities to help the Company to achieve its ambition to be one of the largest rural broadband service providers on a national scale, and Cadence is strategically significant within that plan.

Trading Update

- Pre-registered project proposals (“**PRPs**”) have been approved by BDUK for £599k;
- A further £2.35m of PRPs have been submitted to support the builds within the gigabit village plan, with further submissions in the pipeline to fund our fibre network uplift within the towns; and
- 2,733 premises are now connected to our fixed wireless network (FWA) comprising approximately 270 masts / relays and multiple fibre connections.

Money received from the PRPs which are submitted and approved as part of the Gigabit Voucher Scheme forms a separate revenue line and is intended to fund Capex for the Shropshire network. The Company anticipates that it will have built the infrastructure to achieve a total homes passed (THP) figure of 50,000 with a gigabit-capable service within Shropshire alone and further anticipates that at least 15,000 will be connected (this excludes certain premises that will only ever be able to be supplied through fixed wireless).

Appointment of Investec Bank as infrastructure funding advisor

Investec Bank (“**Investec**”) has specialist expertise in the digital infrastructure sector and is able to facilitate access to potential sources of significant infrastructure funding. Investec has been working with the Company’s senior management team to identify the full scope of funding opportunities currently available. The initial investment opportunity that has been identified is in the range of £50-75m.

To this end the Company is currently in advanced discussions with Investec to commence a significant infrastructure fundraising process. These funds will be used primarily to finance both ultrafast and gigabit capable broadband build out from both existing and new markets. RBBS are aiming to secure this funding by end Q1/April 2022.

Keith Harris Executive Chairman said: “The Company has a longstanding track record of delivering high speed internet access to rural areas via Fixed Wireless Access (“**FWA**”) technology. This placing, coupled with our advanced discussions with Investec to commence an infrastructure fundraising process, will enable us to roll out Fibre to the Premises (“**FTTP**”) solutions across an expanded addressable market within rural areas throughout the UK.

“As a result of our efforts during the past 12 months, we have now successfully put in place the necessary foundations for sustained growth. Larger broadband providers continue to give low priority to rural areas and, for their own economic reasons, remain focused on more densely populated areas. We are in the right place, at the right time, and with our ability to access additional transformational infrastructure funding in the form of ‘Project Gigabit’ from central government, we will have the resources to take our offering to a national wholesale and retail client base.”

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