

Date: 20 May 2021

**Nexus Infrastructure plc (“Nexus”)  
Interim results for the six months ended 31 March 2021**

**Future growth trajectory underpinned by strong Group order book**

Nexus, a leading provider of essential infrastructure services, utilities connections and smart energy infrastructure, today announces its interim results for the six months ended 31 March 2021.

**Mike Morris, Chief Executive of Nexus, commented:**

“The fundamental growth drivers are positive for Nexus, underpinned by electric vehicle charging and smart grid solutions, which are at the heart of the energy transition. This is reinforced by Government support for new housing and the 10 Point Plan for a Green Industrial Revolution. Trading in TriConnex and eSmart Networks is very strong with continued growth and innovation in both divisions. In Tamdown improvement is ongoing, and we expect the division to rebuild to proven levels of growth over the medium term.

The Group’s £302m order book is ahead year-on-year and has grown over the past six months. This, combined with a strong balance sheet and the strength of our chosen market sectors, gives us confidence for the future, reflected in our decision to reinstate the interim dividend.”

**Key Group financial highlights:**

- Group revenue of £63.7m (H1 2020: £84.2m, H2 2020: £41.5m)
- Group operating profit of £1.5m (H1 2020: £3.5m, H2 2020: loss £5.4m)
- Group order book remains strong at £301.6m (H1 2020: £299.5m, FY 2020: £282.0m)

**Strong balance sheet & cash generation:**

- Net assets growth of 22.4% to £30.1m at 31 March 2021 (31 March 2020: £24.6m)
- Cash and cash equivalents has increased by £6.0m to £25.6m (31 March 2020: £19.7m), with net cash of £10.7m (31 March 2020: £4.6m)
- Dividend payments reinstated with interim dividend of 0.6 pence per share (H1 2020: nil pence per share)

**Strategic progress:**

- Our Utilities business TriConnex continues to grow by attracting new customers and leveraging its differentiation in designing multi-utility networks
- Our Smart Energy business eSmart Networks has had a successful period significantly growing its market position and order book. Focused on the electric vehicle charging, smart grid and renewable infrastructure sectors
- Our Civil Engineering business Tamdown has been successful during the period in securing new business that will commence in H2 2021. The management team is focused on optimising efficiency and delivering profitability

**Divisional performances:**

- TriConnex:
  - Revenues up 4.9% to £24.4m (H1 2020: £23.2m, H2 2020: £15.8m)
  - Operating profit of £2.4m (H1 2020: £2.5m, H2 2020: £0.9m)
  - Order book up 4.7% by £8.5m to £190.9m (H1 2020: £182.4m, FY 2020: £185.4m)
- eSmart Networks:
  - Revenues up 155.9% to £2.8m (H1 2020: £1.1m, H2 2020: £1.1m)
  - Operating loss decreased by 47.9% to £0.4m (H1 2020: loss £0.7m, H2 2020: loss £0.1m)
  - Order book up 455.0% to £12.2m (H1 2020: £2.2m, FY 2020: £3.8m)
- Tamdown:
  - Revenues £36.8m (H1 2020: £61.5m, H2 2020: £24.3m)
  - Operating profit of £0.3m (H1 2020: £2.7m, H2 2020: loss £6.0m)
  - Order book of £98.5m (H1 2020: £114.9m, FY 2020: £92.8m)

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**Notes to Editors:**

Nexus is a leading provider of essential infrastructure services to the UK housebuilding and commercial sectors. The Group comprises: TriConnex which designs, installs and connects utility networks to properties on new residential and commercial developments; eSmart Networks which focuses on electric vehicle charging infrastructure, smart grid solutions and renewable infrastructure; and Tamdown, a provider of specialised civil engineering, infrastructure and high-rise construction services.

TriConnex was established in 2011 to take advantage of deregulation in the utilities market with the goal of being recognised as the UK's leading independent provider of utility connections to new developments. eSmart Networks was set up in 2018 to respond to the UK's need for charging infrastructure as the transition from internal combustion engine vehicles to electric vehicles gathers pace and has since diversified into smart grid solutions and renewable infrastructure. Tamdown has a well-established market position having been in operation for over 40 years and currently counts amongst its customers the majority of the top ten largest UK housebuilders.

## **Business and Financial Review**

The Group's revenue and operating profit have recovered well against the Covid-19 impacted H2 2020 but are lower than the strong performance recorded in H1 2020 prior to the impact of the pandemic. All businesses have successfully secured work during the period, with the order book standing at £301.6m, an increase of 7.0% from the year end position.

Group revenue totalled £63.7m (H1 2020: £84.2m), with Group operating profit of £1.5m (H1 2020: £3.5m), with positive contributions from TriConnex and eSmart Networks but reflecting the ongoing turnaround at Tamdown which was impacted by FY20 market uncertainty which resulted in reduced levels of work winning throughout last year.

The Group's balance sheet remains strong with net assets of £30.1m at 31 March 2021 compared to £24.6m at 31 March 2020. Included within the net assets balance is cash and cash equivalents of £25.6m (31 March 2020: £19.7m) and net cash at 31 March 2021 was £10.7m (31 March 2020: £4.6m).

### **TriConnex**

TriConnex designs, installs and connects electricity, gas, water, fibre networks and electric vehicle charging infrastructure on new residential properties, with operations in the South East, Midlands and South West of England. Activity on sites has been high during the period with customers requiring final connections of utilities to fulfil consumer demand. Housebuilder customers continue to view their long-term plans positively and award contracts to TriConnex resulting in a further increase in the order book.

TriConnex's core customer base consists of a mix of large, small and mid-sized residential developers, who are offered a full multi-utility network service from concept to connection. The recent increase in the number of tier 1 internet service providers that TriConnex can offer, along with changes within the water market, support greater access for independent connection companies in these markets such as TriConnex.

Revenue for TriConnex increased by 4.9% to £24.4m against a strong prior year period (H1 2020: £23.2m). Gross profit increased to £7.2m (H1 2020: £7.1m) with gross margins for the period at 29.7% (H1 2020: 30.6%).

Operating profit totalled £2.4m (H1 2020: £2.5m).

TriConnex continues to differentiate itself in the market through its provision of a full multi-utility connection offering, coupled with a deep focus on outstanding customer service. The business continues to be successful in securing orders, with the order book increasing by 4.7% year-on-year to £190.9m (H1 2020: £182.4m) and a 3.0% increase in the first half of the 2021 financial year.

The fundamental growth drivers for the business are positive which, with the increase in order book, means that TriConnex is well positioned to deliver continued growth.

### **eSmart Networks**

eSmart Networks, our smart energy business, provides public electric vehicle charging and smart energy infrastructure. The business was created in 2018 to respond to the UK's need for charging infrastructure as the transition from internal combustion engines to electric vehicles gathers pace, alongside the need for smart grid solutions and renewable energy connections.

eSmart Networks provides a high quality, end-to-end solution of design, installation and connection of rapid electric vehicle charging infrastructure for a variety of customers such as charge point network operators, electric forecourt providers, local authorities, vehicles OEMs, direct B2B and B2C. The skills and capabilities within the business allow us to provide turnkey electric vehicle charging solutions for customers, with our ability to control the timescale and grid connection process making for an accelerated installation for customers.

eSmart Networks also provides design, installation and connection of smart grid solutions to the industrial and commercial and the renewable energy sources and storage sectors. Projects include the provision of electrical infrastructure for fulfilment centres, food production units and cold storage warehouses.

Revenue for the period totalled £2.8m (H1 2020: £1.1m). Gross margin in the period was 25.8% (H1 2020: 21.3%) with a gross profit of £0.7m (H1 2020: £0.2m). The business continued to scale up during the period, which has required additional resources and investment. The operating loss for the period was £0.4m (H1 2020: loss £0.7m).

eSmart Networks has been successful during the period in securing contracts in both the electric vehicle infrastructure and industrial and commercial sectors. The order book of £12.2m at 31 March 2021 is a 455.0% increase year-on-year (H1 2020: £2.2m) and an increase of £8.4m during the six-month period. eSmart Networks is well placed to support the energy transition agenda in the UK and expects continued momentum and order book growth.

The UK's need for electric vehicle charging infrastructure is significant, with consumer demand for charging points to fulfil the needs of the increasing number of electric vehicles, along with support from the UK Government. This, along with the high demand within the industrial and commercial sector for independent connections providers and renewable connections, is expected to result in the creation of valuable growth markets that eSmart Networks is well-placed to address.

### **Tamdown**

Tamdown provides a range of specialised infrastructure and engineering services to the UK housebuilding sectors, with operations focused on the South East of England and London. Tamdown has an established market-leading position, with a reputation for providing quality services to a broad range of the top UK housebuilders.

Due to the prevailing market uncertainty caused by Brexit and the Covid-19 pandemic, many of the large housebuilders took an extremely cautious approach throughout 2020 to awarding contracts. However, the fundamental demand for housing has remained strong, resulting in a shortage and imbalance between consumer demand and homes being built. From late autumn most housebuilders recommenced awarding contracts as market conditions improved and this has continued in 2021 as evidenced by the progress made in Tamdown's recent order book. The structural undersupply of the housing market is set to continue which provides us with confidence that our housebuilding customers will continue to demand our services.

Revenue for Tamdown in the period totalled £36.8m (H1 2020: £61.5m, H2 2020: £24.3m). The comparative year-on-year revenue decrease within Tamdown reflects a very strong performance in H1 2020, alongside the low level of new contract awards during 2020. Since H2 2020, which was heavily impacted by the Covid-19 lockdowns and broader market uncertainty, activity in H1 2021 has been encouraging with revenue increasing by 51.2%.

Tamdown's gross margin for the period was 10.1% (H1 2020: 12.3%), with ongoing contracts impacted by previous unproductive working periods and delays, principally due to Covid-19. Newly won contracts, which will commence during H2, are expected to show an improvement in gross margin. Gross profit for the period totalled £3.7m (H1 2020: £7.5m), with the decrease caused by the reduction in revenue and the decreased gross margin. Operating profit for the period totalled £0.3m (H1 2020: £2.7m).

Tamdown's client base has returned to the market during H1 2021 and the business is active and competitive, winning work from its extensive client base, leveraging our continued strong relationships. The order book has increased during the six-month period to £98.5m from the year end position of £92.8m (H1 2020: £114.9m).

Tamdown has an established market position and a reputation for providing quality services to UK housebuilders. The backdrop of Government stimulus to counter the housing supply deficit, alongside evidence of the order book recovering, provides us with confidence that existing and new customers will continue to demand our services, with improvements to profitability over the medium term as the business recovers.

### **Dividend and Dividend timetable**

In the light of the more stable trading environment, the improvement in trading by all of the Group's businesses and our confidence in the future, the Board is recommending the payment of dividends and declaring an interim dividend of 0.6 pence per share (H1 2020: nil). The Group will review its dividend policy at the time of the 2021 full year results to be published later this year.

The interim dividend will be paid on 9 July 2021 to shareholders on the register at close of business on 11 June 2021. The shares will go ex-dividend on 10 June 2021.

### **Financial Overview**

The interim report has been prepared on the basis of the accounting policies as set out in the Report and Accounts for the year ended 30 September 2020.

#### Income statement

Group revenue decreased 24.3% to £63.7m (H1 2020: £84.2m), with revenue growth from TriConnex and eSmart Networks contrasting with the ongoing turnaround at Tamdown which was impacted in FY20 by market uncertainty resulting in reduced levels of project awards throughout last year.

Group gross profit was £11.7m (H1 2020: £14.9m), with an overall gross margin increasing to 18.3% (H1 2020: 17.7%).

The Group's operating profit totalled £1.5m (H1 2020: £3.5m) with a positive contribution by TriConnex, an improved performance by eSmart Networks and the commencement of recovery by Tamdown. Net finance costs totalled £0.2m (H1 2020: £0.1m) resulting in profit before tax of £1.3m (H1 2020: £3.4m).

The tax charge for the period was £0.2m (H1 2020: £0.8m) reflecting an effective tax rate of 17.9% (H1 2020: 24.2%).

The profit after tax for the period totalled £1.1m (H1 2020: £2.6m).

Basic earnings per share for the period was 2.35p (H1 2020: 6.70p).

#### Balance Sheet and Cash Flow

The Group's balance sheet remains strong with net assets standing at £30.1m at 31 March 2021 compared to £24.6m at 31 March 2020. Included within the net assets balance is cash and cash equivalents of £25.6m (31 March 2020: £19.7m), with net cash, adjusting for borrowings, totalling £10.7m (31 March 2020: £4.6m).

In line with prior years, cash was utilised in the first half of the year, with operating activities utilising £4.3m (H1 2020: £9.8m). The Board expects that working capital will reduce in H2 2021, resulting in operating cash flows in H2 2021 being positive. Investing activities, primarily costs related to the new head office building, Nexus Park, in Braintree, consumed £4.1m (H1 2020: £1.6m), with financing activities generating £1.9m (H1 2020: £3.7m) including the drawdown of loans of £2.9m.

The construction of the new head office building is near completion and we expect to begin occupying during the summer of 2021. We believe bringing the majority of our office-based staff together in one location will support both our cultural and strategic objectives in the years to come.

#### Risks and Uncertainties

The Group is subject to a number of risks and uncertainties as part of its activities. The Board regularly reviews and considers these and seeks to ensure that appropriate processes are in place to identify, monitor and control these risks. The Directors consider that the principal risks and uncertainties facing the Group include a potential market downturn, health and safety implications of the Covid-19 pandemic and regulatory changes imposed by the Building Safety Bill and Future Homes Standard as outlined on pages 43 to 47 of the Report and Accounts for the year ended 30 September 2020.

#### Summary and Outlook

The fundamental growth drivers are positive for Nexus underpinned by electric vehicle charging and smart grid solutions, which are at the heart of the energy transition. This is reinforced by Government support for new housing and the 10 Point Plan for a Green Industrial Revolution. TriConnex has performed strongly and growth is anticipated to continue in line with management expectations. eSmart Networks continues to scale up and is expected to deliver significant revenue growth following the recent growth of its order book. Tamdown is seeing increased levels of new business and is expected to recover and improve profitability levels over the medium term.

The Group's order book is ahead year-on-year and has grown over the past six months. This, combined with a strong balance sheet and the strength of our chosen market sectors, gives us confidence for the future, which is reflected in our decision to reinstate the interim dividend.

**Mike Morris**  
**Chief Executive Officer**

**Condensed consolidated statement of comprehensive income**  
**For the six months to 31 March 2021**

	Note	Unaudited Six months to 31 March 2021 £'000	Unaudited Six months to 31 March 2020 £'000	Audited Year ended 30 September 2020 £'000
<b>Revenue</b>	2	63,737	84,194	125,726
Cost of sales		(52,047)	(69,310)	(108,981)
<b>Gross profit</b>		11,690	14,884	16,745
Administrative expenses		(10,199)	(11,374)	(19,249)
Operating profit/(loss) before exceptional items		1,491	3,510	(1,873)
Exceptional items	4		-	(631)
<b>Operating profit/(loss)</b>		1,491	3,510	(2,504)
Finance income		1	32	35
Finance expense		(196)	(173)	(378)
<b>Profit/(loss) before taxation</b>		1,296	3,369	(2,847)
Taxation	5	(232)	(815)	482
<b>Profit/(loss) and total comprehensive income/(expenses) for the period attributable to equity holders of the parent</b>		<b>1,064</b>	<b>2,554</b>	<b>(2,365)</b>
<b>Earnings/(losses) per share (p per share)</b>				
<b>Basic</b>	7	2.35	6.70	(5.87)
<b>Diluted</b>	7	2.22	6.44	(5.87)

**Condensed consolidated statement of financial position  
at 31 March 2021**

	Note	Unaudited Six months to 31 March 2021 £'000	Unaudited Six months to 31 March 2020 £'000	Audited Year ended 30 September 2020 £'000
<b>Non-current assets</b>				
Property, plant and equipment		16,946	8,882	12,971
Right of use assets		2,723	3,811	3,133
Goodwill		2,361	2,361	2,361
Other investments		-	43	3
<b>Total non-current assets</b>		<b>22,030</b>	<b>15,097</b>	<b>18,468</b>
<b>Current assets</b>				
Inventories		2,022	658	1,184
Trade and other receivables		34,646	46,524	37,665
Contract assets		18,776	18,093	12,727
Corporation tax asset		468	32	641
Cash and cash equivalents		25,624	19,653	32,115
<b>Total current assets</b>		<b>81,536</b>	<b>84,960</b>	<b>84,332</b>
<b>Total assets</b>		<b>103,566</b>	<b>100,057</b>	<b>102,800</b>
<b>Current liabilities</b>				
Borrowings	8	2,150	3,900	1,613
Trade and other payables		29,114	34,432	32,245
Contract liabilities		29,107	25,824	28,581
Lease liabilities		1,198	1,322	1,265
<b>Total current liabilities</b>		<b>61,569</b>	<b>65,478</b>	<b>63,704</b>
<b>Non-current liabilities</b>				
Borrowings	8	9,767	7,103	7,749
Lease liabilities		1,825	2,701	2,269
Deferred tax liabilities		278	152	278
<b>Total non-current liabilities</b>		<b>11,870</b>	<b>9,956</b>	<b>10,296</b>
<b>Total liabilities</b>		<b>73,439</b>	<b>75,434</b>	<b>74,000</b>
<b>Net assets</b>		<b>30,127</b>	<b>24,623</b>	<b>28,800</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital		908	762	905
Share premium account		9,419	-	9,419
Retained earnings		19,800	23,861	18,476
<b>Total equity</b>		<b>30,127</b>	<b>24,623</b>	<b>28,800</b>

**Condensed consolidated statement of changes in equity  
For the six months to 31 March 2021**

	Share capital	Share premium account	Retained earnings	Total
	£'000	£'000	£'000	£'000
<b>Equity at 1 October 2019 (Audited)</b>	762	-	22,509	23,271
<b>Transactions with owners</b>				
Dividend paid	-	-	(1,677)	(1,677)
Share-based payments	-	-	475	475
	-		(1,202)	(1,202)
<b>Total comprehensive income</b>				
Profit and total comprehensive income for the period	-	-	2,554	2,554
	-	-	2,554	2,554
<b>Equity at 31 March 2020 (Unaudited)</b>	762	-	23,861	24,623
<b>Transaction with owners</b>				
Share-based payments	-	-	(466)	(466)
Issue of share capital	143	9,419	-	9,562
	143	9,419	(466)	9,096
<b>Total comprehensive income</b>				
Loss and total comprehensive expense for the period	-	-	(4,919)	(4,919)
	-	-	(4,919)	(4,919)
<b>Equity at 30 September 2020 (Audited)</b>	905	9,419	18,476	28,800
<b>Transaction with owners</b>				
Share-based payments	-	-	260	260
Issue of share capital	3	-	-	3
	3	-	260	263
<b>Total comprehensive income</b>				
Profit and total comprehensive income for the period	-	-	1,064	1,064
	-	-	1,064	1,064
<b>Equity at 31 March 2021 (Unaudited)</b>	908	9,419	19,800	30,127



**Condensed consolidated statement of cash flows**  
**For the six months to 31 March 2021**

	Unaudited Six months to 31 March 2021 £'000	Unaudited Six months to 31 March 2020 £'000	Audited Year ended 30 September 2020 £'000
<b>Cash flow from operating activities</b>			
Profit/(loss) before tax	1,296	3,369	(2,847)
<b>Adjusted by:</b>			
(Profit)/loss on disposal of plant and equipment – owned	(83)	60	81
Share-based payments	260	475	9
Finance expense (net)	195	141	343
Loss on disposal of assets measured at FVOCI	3	-	40
Depreciation of property, plant and equipment – owned	295	430	538
Depreciation of property, plant and equipment – right of use	473	597	1,420
<b>Operating profit/(loss) before working capital charges</b>	<b>2,439</b>	<b>5,072</b>	<b>(416)</b>
Working capital adjustments:			
Decrease/(increase) in trade and other receivables	3,019	(5,602)	3,258
Increase in contract assets	(6,049)	(6,107)	(741)
Increase in inventories	(838)	(280)	(806)
Decrease in trade and other payables	(3,164)	(5,012)	(7,197)
Increase in contract liabilities	526	3,252	6,009
<b>Cash (used in)/generated from operating activities</b>	<b>(4,067)</b>	<b>(8,677)</b>	<b>107</b>
Interest paid	(164)	(121)	(328)
Taxation paid	(58)	(1,011)	(197)
<b>Net cash flows used in operating activities</b>	<b>(4,289)</b>	<b>(9,809)</b>	<b>(418)</b>
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment – owned	(4,303)	(2,107)	(6,473)
Proceeds from disposal of property, plant and equipment – owned	217	463	469
Interest received	1	32	35
<b>Net cash used in investing activities</b>	<b>(4,085)</b>	<b>(1,612)</b>	<b>(5,969)</b>
<b>Cash flow from financing activities</b>			
Dividend payment	-	(1,677)	(1,677)
Drawdown of term loan	2,905	1,758	6,117
Drawdown of revolving credit facility	-	5,000	5,000
Repayment of term loan	(350)	(500)	(1,500)
Repayment of revolving credit facility	-	-	(5,000)
Principal elements of lease repayments	(675)	(873)	(1,366)
Net proceeds from the issue of share capital	3	-	9,562
<b>Net cash generated from financing activities</b>	<b>1,883</b>	<b>3,708</b>	<b>11,136</b>
<b>Net change in cash and cash equivalents</b>	<b>(6,491)</b>	<b>(7,713)</b>	<b>4,749</b>
Cash and cash equivalents at the beginning of the period	32,115	27,366	27,366
<b>Cash and cash equivalents at the end of the period</b>	<b>25,624</b>	<b>19,653</b>	<b>32,115</b>

**Notes to the condensed consolidated financial statements  
For the six months to 31 March 2021**

**1. Basis of preparation and accounting policies**

The interim report of the Group for the six months ended 31 March 2021 has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union and the AIM Rules for Companies.

The interim report does not constitute financial statements as defined in Section 434 of the Companies Act 2006 and is neither audited nor reviewed. It should be read in conjunction with the Report and Accounts for the year ended 30 September 2020, which is available on request from the Group's registered office, 1 Tamdown Way, Braintree, Essex, CM7 2QL, or can be downloaded from the website [www.nexus-infrastructure.com](http://www.nexus-infrastructure.com).

The comparative information for the financial year ended 30 September 2020 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been reported on by the Company's auditor and delivered to the Registrar of Companies. The report of the auditor was (i) unqualified, (ii) did not include a reference to any matters which the auditor drew attention by the way of emphasis without qualifying their report and (iii) did not contain statements under section 498 (2) or (3) of the Companies Act 2006.

The interim report has been prepared on the basis of the accounting policies as set out in the Report and Accounts for the year ended 30 September 2020.

In preparing this interim report, the significant estimates and judgements made by the Directors in applying the Group's accounting policies and financial risk management objectives were the same as those set out in the Report and Accounts for the year ended 30 September 2020.

Financial statements for the year ended 30 September 2021 will be prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. There will be no impact on recognition, measurement or disclosure on the financial statements.

**Going concern**

In determining the appropriate basis of preparation of the interim report, the Directors are required to consider whether the Group can continue in operational existence for the foreseeable future. After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the interim report.

**Notes to the condensed consolidated financial statements (continued)**  
**For the six months to 31 March 2021**

**2. Revenue**

Revenues from external customers are generated from the supply of services relating to construction contracts, design, installation and connection of utility networks and electric vehicle charging and smart energy infrastructure. Revenue is recognised over time in the following operating divisions.

	Unaudited 31 March 2021			Total £'000
	Tamdown £'000	TriConnex £'000	eSmart Networks £'000	
Segment revenue	36,806	24,385	2,797	63,988
Inter-segment revenue	(250)	-	(1)	(251)
<b>Revenue from external customers</b>	<b>36,556</b>	<b>24,385</b>	<b>2,796</b>	<b>63,737</b>
<b>Timing of revenue recognition</b>				
Over time	<b>36,556</b>	<b>24,385</b>	<b>2,796</b>	<b>63,737</b>
<b>Customer type</b>				
Residential	35,464	24,385	-	59,849
Non-residential	1,092	-	2,796	3,888
	<b>36,556</b>	<b>24,385</b>	<b>2,796</b>	<b>63,737</b>

	Unaudited 31 March 2020			Total £'000
	Tamdown £'000	TriConnex £'000	eSmart Networks £'000	
Segment revenue	61,479	23,248	1,093	85,820
Inter-segment revenue	(1,626)	-	-	(1,626)
<b>Revenue from external customers</b>	<b>59,853</b>	<b>23,248</b>	<b>1,093</b>	<b>84,194</b>
<b>Timing of revenue recognition</b>				
Over time	<b>59,853</b>	<b>23,248</b>	<b>1,093</b>	<b>84,194</b>
<b>Customer type</b>				
Residential	58,657	23,248	-	81,905
Non-residential	1,196	-	1,093	2,289
	<b>59,853</b>	<b>23,248</b>	<b>1,093</b>	<b>84,194</b>

	Audited 30 September 2020			Total £'000
	Tamdown £'000	TriConnex £'000	eSmart Networks £'000	
Segment revenue	85,828	39,091	2,196	127,115
Inter-segment revenue	(1,389)	-	-	(1,389)
<b>Revenue from external customers</b>	<b>84,439</b>	<b>39,091</b>	<b>2,196</b>	<b>125,726</b>
<b>Timing of revenue recognition</b>				
Over time	<b>84,439</b>	<b>39,091</b>	<b>2,196</b>	<b>125,726</b>
<b>Customer type</b>				
Residential	80,478	39,091	-	119,569
Non-residential	3,961	-	2,196	6,157
	<b>84,439</b>	<b>39,091</b>	<b>2,196</b>	<b>125,726</b>

**Notes to the condensed consolidated financial statements (continued)**  
**For the six months to 31 March 2021**

**3. Segmental analysis**

The Group is organised into the following three operating divisions under the control of the Executive Board, which is identified as the Chief Operating Decision Maker as defined under IFRS 8: Operating Segments:

- Tamdown;
- TriConnex; and
- eSmart Networks

All of the Group's operations are carried out entirely within the UK.

Segment information about the Group's operations is presented below:

	Unaudited Six months to 31 March 2021 £'000	Unaudited Six months to 31 March 2020 £'000	Audited Year ended 30 September 2020 £'000
<b>Revenue</b>			
Tamdown	36,806	61,479	85,828
TriConnex	24,385	23,248	39,091
eSmart Networks	2,797	1,093	2,196
Inter-company trading	(251)	(1,626)	(1,389)
<b>Total revenue</b>	<b>63,737</b>	<b>84,194</b>	<b>125,726</b>
<b>Gross profit</b>			
Tamdown	3,732	7,540	4,235
TriConnex	7,235	7,111	11,904
eSmart Networks	723	233	606
<b>Total gross profit</b>	<b>11,690</b>	<b>14,884</b>	<b>16,745</b>
<b>Operating profit/(loss)</b>			
Tamdown	324	2,715	(3,288)
TriConnex	2,364	2,456	3,400
eSmart Networks	(368)	(707)	(791)
Group administrative expenses	(829)	(954)	(1,194)
Total operating profit/(loss) before exceptional items	1,491	3,510	(1,873)
<b>Exceptional items</b>			
Tamdown	-	-	(572)
Group	-	-	(59)
<b>Total operating profit/(loss)</b>	<b>1,491</b>	<b>3,510</b>	<b>(2,504)</b>
Net finance cost	(195)	(141)	(343)
<b>Profit/(loss) before tax</b>	<b>1,296</b>	<b>3,369</b>	<b>(2,847)</b>
Taxation	(232)	(815)	482
<b>Profit/(loss) and total comprehensive income/(expense) for the period</b>	<b>1,064</b>	<b>2,554</b>	<b>(2,365)</b>

**Notes to the condensed consolidated financial statements (continued)**  
**For the six months to 31 March 2021**

**3. Segmental analysis (continued)**

Statement of financial position analysis of business segments:

	<b>Unaudited 31 March 2021</b>		
	<b>Assets</b>	<b>Liabilities</b>	<b>Net Assets</b>
	<b>£,000</b>	<b>£'000</b>	<b>£'000</b>
Tamdown	38,445	22,157	16,288
TriConnex	20,075	34,483	(14,408)
eSmart Networks	1,098	3,023	(1,925)
Group	18,324	13,776	4,548
Net Cash	25,624	-	25,624
	103,566	73,439	30,127

	<b>Unaudited 31 March 2020</b>		
	<b>Assets</b>	<b>Liabilities</b>	<b>Net Assets</b>
	<b>£,000</b>	<b>£'000</b>	<b>£'000</b>
Tamdown	46,465	30,853	15,612
TriConnex	23,567	31,276	(7,709)
eSmart Networks	761	966	(205)
Group	9,611	12,339	(2,728)
Net Cash	19,653	-	19,653
	100,057	75,434	24,623

	<b>Audited 30 September 2020</b>		
	<b>Assets</b>	<b>Liabilities</b>	<b>Net Assets</b>
	<b>£,000</b>	<b>£'000</b>	<b>£'000</b>
Tamdown	35,758	27,748	8,010
TriConnex	19,469	33,332	(13,863)
eSmart Networks	666	1,348	(682)
Group	14,792	11,572	3,220
Net Cash	32,115	-	32,115
	102,800	74,000	28,800

**4. Exceptional items**

	<b>Unaudited Six months to 31 March 2021 £'000</b>	<b>Unaudited Six months to 31 March 2020 £'000</b>	<b>Audited Year ended 30 September 2020 £'000</b>
Restructuring costs	-	-	631
	-	-	631

Due to lower activity levels, Tamdown and central departments were restructured, resulting in redundancy costs.

**5. Taxation**

Taxation is recognised based on management's estimate of the weighted average effective annual tax rate expected for the full financial year. The estimated effective annual tax rate applied to the pre-tax income for the six months ended 31 March 2021 is 17.9%.

**Notes to the condensed consolidated financial statements (continued)**  
**For the six months to 31 March 2021**

**6. Dividends**

	Unaudited Six months to 31 March 2021 £'000	Unaudited Six months to 31 March 2020 £'000	Audited Year ended 30 September 2020 £'000
Amounts recognised as distributions to equity holders:			
Final dividend for the year ended 30 September 2019 of 4.4p per share	-	1,677	1,677
	<b>-</b>	<b>1,677</b>	<b>1,677</b>

**7. Earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of shares in issue for the period.

Diluted earnings per share is calculated by adjusting the weighted average number of shares in issue for the period to assume conversion of all dilutive potential shares.

The calculation of the basic and diluted earnings per share is based on the following data:

	Unaudited Six months to 31 March 2021 £'000	Unaudited Six months to 31 March 2020 £'000	Audited Year ended 30 September 2020 £'000
Profit/(loss) for the period attributable to equity shareholders	1,064	2,554	(2,365)
Weighted average number of shares in issue for the period	45,292,292	38,117,850	40,284,139
Effect of dilutive potential ordinary shares:			
Share options	2,692,034	1,532,552	2,418,224
Weighted average number of shares for the purpose of diluted earnings per share	47,984,326	39,650,402	42,702,363
Basic earnings/(losses) per share (p per share)	2.35	6.70	(5.87)
Diluted earnings/(losses) per share (p per share)	2.22	6.44	(5.87)

**8. Borrowings**

	Unaudited Six months to 31 March 2021 £'000	Unaudited Six months to 31 March 2020 £'000	Audited Year ended 30 September 2020 £'000
Current	2,150	3,900	1,613
Non-current	9,767	7,103	7,749

The Company entered into a £12.0m five-year facility with Allied Irish Bank in December 2015. The loan is secured over the whole of the Company's undertaking and assets and by way of cross guarantee from other Group undertakings. The loan carries interest at LIBOR plus 2.25% and is repayable in instalments of £1.4m per annum with a termination payment in October 2022.

**Notes to the condensed consolidated financial statements (continued)**  
**For the six months to 31 March 2021**

**8. Borrowings (continued)**

The Company entered into a £10.0m ten-year term facility and £5.0m five-year revolving credit facility with an accordion facility extension of £5.0m with Allied Irish Bank in August 2019. The loan is secured over the whole of the Company's undertakings and assets and by way of cross guarantee from other Group undertakings. The loan carries interest at LIBOR plus up to 2.20% and is repayable in instalments of £750,000 per annum.

**9. Related party transactions**

There have been no significant changes in the nature and amount of related party transactions since the last Report and Accounts as at, and for the year ended 30 September 2020.

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated in full on consolidation.

**Statement of Directors' responsibilities**

The Directors confirm that, to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union; and
- the condensed set of financial statements has been prepared in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

Signed on 20 May 2021 on behalf of the Board

Mike Morris  
Chief Executive Officer

Alan Martin  
Chief Financial Officer