

Date: 8 June 2022

**Nexus Infrastructure plc (“Nexus” or the “Group”)
Interim results for the six months ended 31 March 2022**

Nexus, a leading enabler of energy transition by delivering sustainable infrastructure, today announces its unaudited interim results for the six months ended 31 March 2022.

Mike Morris, Chief Executive of Nexus, commented:

“I am pleased with the excellent progress made in the first half of the year pursuing our strategy in multi-utilities, energy transition and civil engineering. TriConnex continues to thrive, eSmart Networks is delivering growth and building its order book and Tamdown is on track with its medium term plan. Nexus has a strong balance sheet with £23m of cash, plus a growing order book. Combined with our sought-after services we head into the second half of the year with positive momentum.”

Group financial highlights:

- Group revenue of £80.3m (H1 2021: £63.7m)
- Group operating profit of £1.1m (H1 2021: £1.5m)
- Group order book remains strong with a 6.6% increase since the year end to £306.7m (H1 2021: £301.6m)

Strong balance sheet & cash generation: delivering returns to shareholders:

- Net assets growth of 8.5% to £32.7m at 31 March 2022 (31 March 2021: £30.1m)
- Cash and cash equivalents of £23.1m (31 March 2021: £25.6m), with net cash of £12.5m (31 March 2021: £13.7m)
- The post period end sale and leaseback of the head office building, Nexus Park, increased cash and cash equivalents balance by £2.9m and eliminated Group borrowings, increasing net cash by £13.5m
- Interim dividend increased by 66% to 1.0 pence per share (H1 2021: 0.6 pence per share) reflecting confidence in the second half of the year

Strategic progress:

- Multi-Utilities business TriConnex continues to grow by attracting new customers and leveraging its differentiation in designing multi-utility networks
- Energy Transition business eSmart Networks continues to scale up, with significant growth in the order book and continuing to develop its market position in the electric vehicle charging, industrial electrification and renewable infrastructure sectors
- Civil Engineering business Tamdown has grown its order book since the year end, despite an acceleration of on-site delivery. The management team is focused on optimising efficiency and protecting margins

Divisional performances:

- TriConnex: solid performance
 - Revenues up 2.5% to £25.0m (H1 2021: £24.4m)
 - Operating profit up 2.5% to £2.4m (H1 2021: £2.4m)

- Order book up 3.4% by £6.5m to £197.4m (H1 2021: £190.9m)
- eSmart Networks: reflects investment to grow
 - Revenues up 208% to £8.6m (H1 2021: £2.8m)
 - Operating loss of £1.1m (H1 2021: loss £0.4m)
 - Order book up 72.1% to £21.0m (H1 2021: £12.2m)
- Tamdown: turnaround being delivered
 - Revenues up 26.8% to £46.7m (H1 2021: £36.8m)
 - Operating profit of £1.1m (H1 2021: £0.3m)
 - Order book of £88.4m (H1 2021: £98.5m)

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Notes to Editors:

Nexus is enabling the energy transition by delivering sustainable infrastructure. The Group's capabilities are:

Multi-Utilities - TriConnex, our multi-utilities business, designs, installs and connects energy, water, fibre networks and electric vehicle charging infrastructure on new residential developments. The business offers end-to-end solutions with the goal of being recognised as the UK's leading independent provider of utility connections to new developments.

Energy Transition - eSmart Networks, the energy transition specialist, provides public electric vehicle charging, industrial electrification and renewable energy connections. The business was created to respond to the UK's need for charging infrastructure as the transition to electric vehicles gathers pace and has since broadened its services to provide grid connection solutions and renewable energy infrastructure.

Civil Engineering - Tamdown, our civil engineering business, provides a range of civil engineering and infrastructure services to the UK housebuilding and commercial sectors. Services include earthworks, highways, substructures and basements and installing sustainable drainage systems. It has an established market-leading position having been in operation for over 40 years.

Business and Financial Review

All of the Group's businesses have successfully grown their revenues in the period. Profits have improved within TriConnex and Tamdown due to increased revenues and successful delivery on site, whilst the loss in eSmart Networks reflects the investment in overheads to sustain the high level of revenue growth as this business further establishes its position as a market leader in the UK's energy transition markets. All businesses have successfully secured work during the period, with the order book standing at £306.7m, an increase of 6.6% from the year end position.

Group revenue totalled £80.3m (H1 2021: £63.7m), with Group operating profit of £1.1m (H1 2021: £1.5m). The operating profit for the period was lower than anticipated due to the loss recorded by eSmart Networks following the continued and planned investment in overheads to support its high levels of growth and being impacted by one low margin contract, which is now complete. The Group's balance sheet remains strong with net assets increasing year-on-year by 8.5% to £32.7m as at 31 March 2022 (2021: £30.1m). Included within the net assets balance is cash and cash equivalents of £23.1m (31 March 2021: £25.6m) and net cash, adjusted for borrowings, at 31 March 2022 was £12.5m (31 March 2021: £13.7m). Since the period end the Group has completed the sale and leaseback of its head office building, Nexus Park. This transaction has increased the Group's cash and cash equivalents balance by £2.9m and eliminated the Group's borrowings, increasing net cash by £13.5m.

TriConnex

TriConnex designs, installs and connects energy, water, fibre networks and electric vehicle charging infrastructure on new residential properties, with operations in the South East, Midlands and South West of England. 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.

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.

Revenue for TriConnex increased by 2.5% to £25.0m against a strong prior year period (H1 2021: £24.4m). Operating profit improved by 2.5% to £2.4m (H1 2021: £2.4m).

TriConnex continues to differentiate itself in the market through its provision of a full multi-utility connection offering to the residential sector, coupled with a deep focus on outstanding customer service. The business continues to be successful in securing orders, with the order book increasing by 3.4% year-on-year to £197.4m (H1 2021: £190.9m) and up 4.4% in the first half of the 2022 financial year.

TriConnex continues to assist customers with their energy transitions and implementation of the Future Homes Standard to ensure that new homes built from 2025 will produce 75-80% less carbon emissions than homes delivered under current regulations. A key feature of the Future Homes Standard is expected to be that no new homes will be able to connect to the gas network from 2025. TriConnex is already well placed to provide solutions for this and is assisting customers in designing alternative low-carbon heating sources for both current and planned developments.

The fundamental growth drivers for the business are positive and the increase in order book provides visibility of earnings for the future.

eSmart Networks

eSmart Networks, our energy transition business, provides public electric vehicle charging, industrial electrification and renewable energy connections. The business was created to respond to the UK's need for charging infrastructure as the transition to electric vehicles gathers pace and has since broadened its services to provide grid connection solutions and renewable energy infrastructure.

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

Revenue for the period grew significantly, with a year-on-year growth of 208% to £8.6m (H1 2021: £2.8m). The gross margin in the period of 15.9% was impacted by one low margin contract, which is now complete, and the gross margin for H2 is expected to revert to the previous rate of approximately 25%. The gross profit for the period was £1.4m (H1 2021: £0.7m). The business continued to scale up during the period with additional investment in resources and a £1.4m increase in overheads in order to support future revenue growth. The operating loss for the period was £1.1m (H1 2021: loss £0.4m).

eSmart Networks has been successful during the period in securing contracts in all three of the sectors that it addresses. The order book of £21.0m as at 31 March 2022 is a 72.1% increase year-on-year (H1 2021: £12.2m) and an increase of £7.5m during the first half of the financial year. 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 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. The eSmart Networks team's proven expertise and skills means that they are well placed to participate and grow their existing solid position in these high growth markets.

Tamdown

Tamdown provides a range of civil engineering and infrastructure 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.

The fundamental market growth drivers for Tamdown are positive since the UK's housing market has been in a long-term position of structural undersupply as the number of new houses built has failed to keep pace with the rate of household formation. This structural undersupply provides us with confidence that our housebuilding customers will continue to demand our quality services.

Revenue for Tamdown in the period grew year-on-year by 26.8% to a total of £46.7m (H1 2021: £36.8m). The strong growth is attributed to an acceleration of activity on the existing order book and low revenues in H1 2021 following low levels of new contract awards in 2020.

Tamdown's gross margin for the period was 11.0% (H1 2021: 10.1%), with newly won contracts driving gross margin improvements. The overall margin reflects old contracts impacted by delays and unproductive working periods, principally due to Covid-19. The gross margin will continue to show improvement as these older contracts complete. Gross profit for the period totalled £5.2m (H1 2021: £3.7m) and operating profit for the period totalled £1.1m (H1 2021: £0.3m).

Tamdown has been active and competitive in the market, winning work from its extensive client base, leveraging our continued strong relationships and reputation for quality work. Tamdown has been successful in securing new business throughout the period, and even with the acceleration of delivery on site, the order book increased by 3.6% since the year end to £88.4m (H1 2021: £98.5m).

The operating environment continues to be characterised by significant levels of input cost inflation, primarily in materials, energy and labour. The business is committed to taking the necessary actions to protect and maintain its margins. The backdrop of Government stimulus to counter the housing supply deficit, alongside order book wins, 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 turnaround advances.

Dividend and Dividend timetable

Considering these results and our confidence in the expected results for the financial year, the Board is declaring an interim dividend of 1.0 pence per share, an increase of 66% over the prior year (H1 2021: 0.6 pence per share). The Group's dividend policy remains unchanged and the Board expects the results for the year to be weighted to the second half of the year, with TriConnex and Tamdown continuing to deliver profits and eSmart Networks to significantly increase revenue and deliver profits.

The interim dividend will be paid on 15 July 2022 to shareholders on the register at close of business on 17 June 2022. The shares will go ex-dividend on 16 June 2022.

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 2021.

Income statement

Group revenue increased 25.9% to £80.3m (H1 2021: £63.7m), with revenue growth from all of the Group's businesses, particularly eSmart Networks as it works through the order book, and Tamdown as its turnaround continues with high levels of activity on site.

Group gross profit was £14.0m (H1 2021: £11.7m), with an overall gross margin of 17.5% (H1 2021: 18.3%).

The Group's operating profit totalled £1.1m (H1 2021: £1.5m) with positive contributions by TriConnex and Tamdown, mitigated by a loss recorded by eSmart Networks due to a low margin contract and the investment in overheads to sustain future growth. Net finance costs totalled £0.2m (H1 2021: £0.2m) resulting in profit before tax of £1.0m (H1 2021: £1.3m).

The tax charge for the period was £0.2m (H1 2021: £0.2m) reflecting an effective tax rate of 23.9% (H1 2021: 17.9%).

The profit after tax for the period totalled £0.7m (H1 2021: £1.1m), resulting in basic earnings per share for the period of 1.59p (H1 2021: 2.35p).

Balance Sheet and Cash Flow

The Group's balance sheet remains strong with net assets standing at £32.7m at 31 March 2022 compared to £30.1m at 31 March 2021. Included within the net assets balance is cash and cash equivalents of £23.1m (31 March 2021: £25.6m), with net cash, adjusting for borrowings, totalling £12.5m (31 March 2021: £13.7m).

Since the period end, the Group has completed the sale and leaseback of its head office building, Nexus Park. This transaction has increased the Group's cash and cash equivalents balance by £2.9m and eliminated the Group's borrowings, increasing net cash by £13.5m. The disposed of assets were sold at net book value and the subsequent lease arrangement will result in increased depreciation and interest expenses.

In line with prior years, cash was utilised in the first half of the year, with operating activities utilising £4.0m (H1 2021: £4.3m). The Board expects that working capital will reduce in H2 2022, resulting in operating cash flows in H2 2022 being positive. Investing activities consumed £0.4m including investment in operational plant with the prior year expenditure relating to the construction of the head office building (H1 2021: £4.1m), financing activities consuming £2.0m (H1 2021: generation £1.9m) including the dividend payments of £0.6m and loan and lease liability repayments of £1.4m.

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, inflation and regulatory changes imposed by the Building Safety Bill and Future Homes Standard as outlined on pages 50 to 54 of the Report and Accounts for the year ended 30 September 2021.

Strategic review

In December 2021, we announced that we would explore strategic options to crystallise shareholder value in eSmart Networks. This process continues, with the focus on a minority investment in eSmart Networks by a third party. We will update the market as to the outcome of this review when finalised

but are delighted that, in the meantime, eSmart Networks continues to play a leading part in the ongoing electrification of the UK.

Summary and Outlook

During the first half of the financial year the Group's performance reflected strong underlying trading across all businesses. Looking ahead, although there are currently signs of significant levels of input cost inflation across the industry, the Group is committed to taking the necessary mitigating actions to protect and maintain margins.

Nexus continues to be well positioned to support established and new customers with their Net Zero plans, which is in line with our strategy of enabling the UK's energy transition by delivering sustainable infrastructure including electric vehicle charging, industrial electrification and low carbon heating sources. TriConnex continues its strong performance, eSmart Networks continues to scale up and is expected to deliver significant revenue growth and deliver profits during the second half of the year in line with management expectations. Tamdown is on track to enhance profitability 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 second half of the year with trading performance for the full-year in-line with the Board's expectations.

Mike Morris
Chief Executive Officer

Condensed consolidated statement of comprehensive income
For the six months to 31 March 2022

	Note	Unaudited six months to 31 March 2022 £'000	Unaudited six months to 31 March 2021 £'000	Audited Year ended 30 September 2021 £'000
Revenue	2	80,266	63,737	136,955
Cost of sales		(66,226)	(52,047)	(112,774)
Gross profit		14,040	11,690	24,181
Administrative expenses		(12,891)	(10,199)	(20,155)
Other income	4	-	-	133
Operating profit before exceptional items		1,149	1,491	2,893
Exceptional items	5	-	-	1,266
Operating profit		1,149	1,491	4,159
Finance income		3	1	-
Finance expense		(200)	(196)	(402)
Profit before taxation		952	1,296	3,757
Taxation	6	(228)	(232)	(782)
Profit and total comprehensive income for the period attributable to equity holders of the parent		724	1,064	2,975
Earnings per share (p per share)				
Basic	8	1.59	2.35	6.56
Diluted	8	1.56	2.22	6.43

**Condensed consolidated statement of financial position
at 31 March 2022**

	Note	Unaudited six months to 31 March 2022 £'000	Unaudited six months to 31 March 2021 £'000	Audited Year ended 30 September 2021 £'000
Non-current assets				
Property, plant and equipment		19,509	16,946	19,584
Right of use assets		2,048	2,723	2,415
Goodwill		2,361	2,361	2,361
Total non-current assets		23,918	22,030	24,360
Current assets				
Inventories		3,080	2,022	2,495
Trade and other receivables		42,942	34,646	38,150
Contract assets		26,820	18,776	21,138
Corporation tax asset		263	468	84
Cash and cash equivalents		23,098	25,624	29,517
Total current assets		96,203	81,536	91,384
Total assets		120,121	103,566	115,744
Current liabilities				
Borrowings	9	1,715	2,150	2,076
Trade and other payables		34,112	29,114	33,894
Contract liabilities		40,423	29,107	35,526
Lease liabilities		1,004	1,198	1,090
Total current liabilities		86,129	61,569	72,586
Non-current liabilities				
Borrowings	9	8,875	9,767	9,365
Lease liabilities		1,146	1,825	1,499
Deferred tax liabilities		163	278	162
Total non-current liabilities		10,184	11,870	11,026
Total liabilities		87,438	73,439	83,612
Net assets		32,683	30,127	32,132
Equity attributable to equity holders of the Company				
Share capital		910	908	908
Share premium account		9,419	9,419	9,419
Retained earnings		22,354	19,800	21,805
Total equity		32,683	30,127	32,132

**Condensed consolidated statement of changes in equity
For the six months to 31 March 2022**

	Share capital	Share premium account	Retained earnings	Total
	£'000	£'000	£'000	£'000
Equity at 1 October 2020 (Audited)	905	9,419	18,476	28,800
Transactions with owners				
Issue of share capital	3	-	-	3
Share-based payments	-	-	260	260
	3	-	260	263
Total comprehensive income				
Profit and total comprehensive income for the period	-	-	1,064	1,064
	-	-	1,064	1,064
Equity at 31 March 2021 (Unaudited)	908	9,419	19,800	30,127
Transactions with owners				
Share-based payments	-	-	366	366
Dividends paid	-	-	(272)	(272)
	-	-	94	94
Total comprehensive income				
Profit and total comprehensive income for the period	-	-	1,911	1,911
	-	-	1,911	1,911
Equity at 30 September 2021 (Audited)	908	9,419	21,805	32,132
Transactions with owners				
Issue of share capital	2	-	-	2
Dividends paid	-	-	(637)	(637)
Share-based payments	-	-	462	462
	2	-	(175)	(173)
Total comprehensive income				
Profit and total comprehensive income for the period	-	-	724	724
	-	-	724	724
Equity at 31 March 2022 (Unaudited)	910	9,419	22,354	32,683

Condensed consolidated statement of cash flows
For the six months to 31 March 2022

	Unaudited six months to 31 March 2022 £'000	Unaudited six months to 31 March 2021 £'000	Audited Year ended 30 September 2021 £'000
Cash flow from operating activities			
Profit before tax	952	1,296	3,757
Adjusted by:			
Profit on disposal of property, plant and equipment - owned	(3)	(83)	(1,288)
Share-based payments	462	260	626
Finance expense (net)	196	195	402
Loss on disposal of assets measured at FVOCI	-	3	-
Depreciation of property, plant and equipment - owned	396	295	492
Depreciation of property, plant and equipment - right of use	466	473	1,110
Operating profit before working capital charges	2,469	2,439	5,099
Working capital adjustments:			
(Increase)/decrease in trade and other receivables	(4,792)	3,019	(485)
Increase in contract assets	(5,682)	(6,049)	(8,411)
Increase in inventories	(585)	(838)	(1,311)
Increase/(decrease) in trade and other payables	175	(3,164)	1,602
Increase in contract liabilities	4,898	526	6,945
Cash (used in)/generated from operating activities	(3,517)	(4,067)	3,439
Interest paid	(158)	(164)	(355)
Taxation paid	(407)	(58)	(343)
Net cash flows used in/generated from operating activities	(4,082)	(4,289)	2,741
Cash flow from investing activities			
Purchase of property, plant and equipment - owned	(411)	(4,303)	(7,681)
Proceeds from disposal of property, plant and equipment - owned	40	217	1,902
Proceeds from the disposal of assets measured at FVOCI	-	-	3
Interest received	4	1	-
Net cash used in investing activities	(367)	(4,085)	(5,776)
Cash flow from financing activities			
Dividend payment	(637)	-	(272)
Draw down of term loan	-	2,905	3,538
Repayment of term loan	(851)	(350)	(1,459)
Principal elements of lease repayments	(484)	(675)	(1,373)
Net proceeds from the issue of share capital	2	3	3
Net cash generated from financing activities	(1,970)	1,883	437
Net change in cash and cash equivalents	(6,419)	(6,491)	(2,598)
Cash and cash equivalents at the beginning of the period	29,517	32,115	32,115
Cash and cash equivalents at the end of the period	23,098	25,624	29,517

**Notes to the condensed consolidated financial statements
For the six months to 31 March 2022**

1. Basis of preparation and accounting policies

The interim report of the Group for the six months ended 31 March 2022 has been prepared in accordance with UK-adopted IAS 34 "Interim Financial Reporting" 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 2021, which is available on request from the Group's registered office, Nexus Park, Avenue East, Skyline 120, Great Notley, Braintree, Essex, CM77 7AL, or can be downloaded from the website www.nexus-infrastructure.com.

The comparative information for the financial year ended 30 September 2021 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 2021.

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 2021.

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 at least 12 months from the date of this report. 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 2022

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 2022			
	Tamdown £'000	TriConnex £'000	eSmart Networks £'000	Total £'000
Segment revenue	46,662	24,988	8,616	80,266
Inter-segment revenue	-	-	-	-
Revenue from external customers	46,662	24,988	8,616	80,266
Timing of revenue recognition				
Over time	46,662	24,988	8,616	80,266
Customer type				
Residential	46,662	24,988	-	71,650
Non-residential	-	-	8,616	8,616
	46,662	24,988	8,616	80,266
	Unaudited 31 March 2021			
	Tamdown £'000	TriConnex £'000	eSmart Networks £'000	Total £'000
Segment revenue	36,806	24,385	2,797	63,988
Inter-segment revenue	(250)	-	(1)	(251)
Revenue from external customers	36,556	24,385	2,796	63,737
Timing of revenue recognition				
Over time	36,556	24,385	2,796	63,737
Customer type				
Residential	35,464	24,385	-	59,849
Non-residential	1,092	-	2,796	3,888
	36,556	24,385	2,796	63,737
	Audited 30 September 2021			
	Tamdown £'000	TriConnex £'000	eSmart Networks £'000	Total £'000
Segment revenue	78,047	50,730	9,009	137,786
Inter-segment revenue	(723)	-	(108)	(831)
Revenue from external customers	77,324	50,730	8,901	136,955
Timing of revenue recognition				
Over time	77,324	50,730	8,901	136,955
Customer type				
Residential	76,233	50,730	-	126,963
Non-residential	1,091	-	8,901	9,992
	77,324	50,730	8,901	136,955

Notes to the condensed consolidated financial statements (continued)
For the six months to 31 March 2022

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 2022 £'000	Unaudited six months to 31 March 2021 £'000	Audited Year ended 30 September 2021 £'000
Revenue			
Tamdown	46,662	36,806	78,047
TriConnex	24,988	24,385	50,730
eSmart Networks	8,616	2,797	9,009
Inter-company trading	-	(251)	(831)
Total revenue	80,266	63,737	136,955
Gross profit			
Tamdown	5,158	3,732	5,994
TriConnex	7,511	7,235	15,665
eSmart Networks	1,371	723	2,522
Total gross profit	14,040	11,690	24,181
Operating profit/(loss)			
Tamdown	1,066	324	(642)
TriConnex	2,423	2,364	5,302
eSmart Networks	(1,083)	(368)	171
Group administrative expenses	(1,257)	(829)	(1,938)
Total operating profit before exceptional items	1,149	1,491	2,893
Exceptional items			
Tamdown	-	-	1,266
Total operating profit	1,149	1,491	4,159
Net finance cost	(197)	(195)	(402)
Profit before tax	952	1,296	3,757
Taxation	(228)	(232)	(782)
Profit and total comprehensive income for the period	724	1,064	2,975

Notes to the condensed consolidated financial statements (continued)
For the six months to 31 March 2022

3. Segmental analysis (continued)

Statement of financial position analysis of operating segments:

	Unaudited 31 March 2022		
	Assets £'000	Liabilities £'000	Net Assets £'000
Tamdown	42,536	26,606	15,930
TriConnex	29,171	40,408	(11,237)
eSmart Networks	4,166	7,914	(3,748)
Group	21,150	12,510	8,640
Net Cash	23,098	-	23,098
	120,121	87,438	32,683

	Unaudited 31 March 2021		
	Assets £'000	Liabilities £'000	Net Assets £'000
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

	Audited 30 September 2021		
	Assets £'000	Liabilities £'000	Net Assets £'000
Tamdown	36,288	26,184	10,104
TriConnex	25,323	37,071	(11,748)
eSmart Networks	3,590	7,310	(3,720)
Group	21,026	13,047	7,979
Net Cash	29,517	-	29,517
	115,744	83,612	32,132

4. Other Income

	Unaudited six months to 31 March 2022 £'000	Unaudited six months to 31 March 2021 £'000	Audited Year ended 30 September 2021 £'000
Research and development expenditure credit	-	-	133
	-	-	133

Notes to the condensed consolidated financial statements (continued)
For the six months to 31 March 2022

5. Exceptional items

	Unaudited six months to 31 March 2022 £'000	Unaudited six months to 31 March 2021 £'000	Audited Year ended 30 September 2021 £'000
Profit on the sale of fixed asset	-	-	1,266
	-	-	1,266

Exceptional items in the prior year related to the disposal of Tamdown's former office building.

6. 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 2022 is 23.9%.

7. Dividends

	Unaudited six months to 31 March 2022 £'000	Unaudited six months to 31 March 2021 £'000	Audited Year ended 30 September 2021 £'000
Amounts recognised as distributions to equity holders:			
Interim dividend for the year ended 30 September 2021 of 0.6p per share	-	-	272
Final dividend for the year ended 30 September 2021 of 1.4p per share	637	-	-
	637	-	272

Notes to the condensed consolidated financial statements
For the six months to 31 March 2022 (continued)

8. 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 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 2022 £'000	Unaudited six months to 31 March 2021 £'000	Audited Year ended 30 September 2021 £'000
Profit for the period attributable to equity shareholders	724	1,064	2,975
Weighted average number of shares in issue for the year	45,435,093	45,292,292	45,346,677
Effect of dilutive potential ordinary shares:			
Share options	1,024,980	2,692,034	926,345
Weighted average number of shares for the purpose of diluted earnings per share	46,460,073	47,984,326	46,273,022
Basic earnings (p per share)	1.59	2.35	6.56
Diluted earnings (p per share)	1.56	2.22	6.43

9. Borrowings

	Unaudited six months to 31 March 2022 £'000	Unaudited six months to 31 March 2021 £'000	Audited Year ended 30 September 2021 £'000
Current	1,715	2,150	2,076
Non-current	8,875	9,767	9,365

The Company entered into a £12.0m loan facility with Allied Irish Bank in December 2015. 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 2.25% and is repayable in instalments of £1.4m per annum with a termination payment in October 2022.

The Company entered into a £10.0m ten-year 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.

10. 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 2021.

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

Notes to the condensed consolidated financial statements
For the six months to 31 March 2022 (continued)

11. Events after the reporting period

On 1 April 2022, the sale and leaseback transaction of Nexus Park, the Group head office building, was completed with Dorsel U.K. 4 Limited. The disposal included the 4.7 acre site and the three story, 35,000 sq ft head office building that all constitutes Nexus Park. For accounting purposes, the building has been derecognised, increasing the Group's cash and cash equivalents balance by £2.7m and eliminating the Group's borrowings, increasing net cash by £13.5m.

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 UK-adopted IAS 34 "Interim Financial Reporting"; 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 7 June 2022 on behalf of the Board

Mike Morris
Chief Executive Officer

Alan Martin
Chief Financial Officer