

19 April 2021

**InfraStrata plc
("InfraStrata" or the "Company")**

Interim results for the six months ended 31 January 2021

InfraStrata plc (AIM: INFA), the UK quoted company focused on strategic infrastructure projects and physical asset life-cycle management, is pleased to present its interim results for the six-month period ended 31 January 2021.

Key highlights:

- The Company's largest contract award to date of £26 million received in April from Saipem Limited for the fabrication of eight wind turbine generator jackets; contract to commence on 01 July 2021.
- Revenues of over £5 million in the six months to 31 January 2021; a five-fold increase from the annual results of 31 July 2020 and a ten-fold increase from the interim results of 31 January 2020 with momentum continuing to build going into the second half of the current financial year.
- Over 30 vessels welcomed into Harland & Wolff (Belfast) since commencement of trading in December 2019 and successfully redelivered to the clients on time and on budget; repeat business from key clients such as Stena, P&O, Irish Ferries and Sea Trucks.
- Acquisition of the assets of Harland & Wolff (Appledore) in North Devon completed on 25 August 2020; a key strategic shipyard in England with an established pedigree of shipbuilding and fabrication.
- Strong pipeline of contracts across five distinct markets and six service sectors developed and being actively progressed; significant traction built in the cruise & ferry, wind farm fabrication and defence markets.
- Placing of new shares for £7.40 million (before expenses) successfully completed in December 2020.
- Proposed change of year-end date from 31 July to 31 December; current financial year will now be a 17-month period from 1 August 2020 till 31 December 2021.

Overview

The adverse effects of the global pandemic have been felt by most businesses in the UK and globally. We, too, have not been immune to the various stages of lockdowns and disruptions to normal operations. We took a conscious decision to keep our business fully open and functioning because we are a key strategic facility for Northern Ireland and for our ferry clients. The fact that we have welcomed, worked on and successfully redelivered over 30 vessels during the lockdown is testament to our commitment to our clients but, more importantly, the dedication of our workforce across the Group who have tried, as much as possible, to maintain normal operations during these challenging times.

Going into the second half of the calendar year 2021 and beyond, we see an immense amount of promise and a significant quantum of work becoming available. Following the acquisition of the assets of Harland & Wolff (Appledore) and those of Burntisland Fabrication Limited (in administration) in Scotland (a post balance sheet event detailed in subsequent sections), we have strategically positioned ourselves across England, Scotland and Northern Ireland in order to provide a range of services to the five core markets in which we are involved: cruise & ferry, commercial fabrication, oil & gas, defence and renewables. We now have the largest fabrication footprint across the whole of the UK and one of the largest across Europe. A revenue-led turnaround is the most challenging type of turnaround, especially when one takes assets out of administration with an order book of zero to begin with. However, our capacities, capabilities and strategic locations naturally lend themselves to substantial projects around the UK and export opportunities further afield. Since we acquired Harland & Wolff (Belfast) in December 2019, we have built a sizeable, weighted pipeline of opportunities across our five markets. That is not to say we will secure every single contract in that weighted pipeline; rather, it provides strong indications of a massive opportunity that we can tap into and keeps us focussed on the end goals: high levels of revenue generation, leading to sustainable profitability and accretion to shareholder value.

Over the course of the second half of 2020 coinciding with the first half of our new financial year, the UK Government has pivoted towards policies that are designed to spur domestic shipbuilding and a "Green Industrial Revolution". The Chancellor's budget earlier this year involved the setting up of the National Infrastructure Bank that will support strategic infrastructure projects. We had the privilege of welcoming Prime Minister Boris Johnson to Appledore on the day we took the keys to the yard. Following on from that, the Government has identified five key shipyards which it would like to see flourish via a slew of UK Defence programmes and the broader National Shipbuilding Strategy that is currently being implemented. Of the five, Belfast and Appledore were specifically named, and we believe that there is a strong desire within Government to rejuvenate shipbuilding at a national level, not only for defence / Government led contracts but also with an eye on the broader export markets globally. We have sought to position ourselves at the centre of Government policy and all our facilities are capable of delivering on these types of contracts. We believe that we have the optimum mix of capacity, capability and skill to bid for these large contracts and deliver them on time and on budget.

With the successful rollout of the vaccination programme and gradual easing of lockdown restrictions across the country, we are seeing a rejuvenation of business spend from both existing and new clients. With the Government allowing cruising to recommence from May 2021, we expect to see our cruise clients booking drydock slots in order to maintain their relevant classification society certifications. Following Government policy in the renewable sector, and the latest results of the licensing round conducted by the Crown Estates relating to sea-bed leases, we are observing massive growth in the wind farm industry. Negotiations are being conducted with a large number of wind farm developers who require fabrication capacity for jackets, transition pieces, load-out of equipment and components for fixed and floating wind. We believe that there will be a significant ramp-up of activity and revenue as we move into the second half of the year.

From a reporting perspective, we will be changing our financial year, from this year, to end on 31 December annually. Our annual results for the current period will, therefore, be for a 17-month period from 1 August 2020 until 31 December 2021. We have also announced to the market that, going forward, we shall be providing quarterly trading updates in addition to the interim and annual results. Our first quarterly trading update was issued on 31 March 2021.

We believe that we now have a firm set of foundations across the Group that we are ready to capitalise on. With the opening up of the economy and the receding of COVID-19, we expect to see clients increasing their contract spend from the very basic necessities currently to more complex pieces of work, which will inevitably lead to larger contract values and enable us to achieve that baseload level of revenues.

Operational Review

Harland & Wolff (Belfast)

Since commencing trading on 5 December 2019, management has undertaken a thorough review of the assets acquired and implemented a strategic plan in order to maximise their full potential. As well as being able to utilise Harland & Wolff in due course for the Company's own

Islandmagee gas storage and FSRU projects, management are excited about the ability of the yard to be competitive in a variety of different sectors globally.

Specifically, the Company is focused on securing work in the areas of defence, cruise & ferry, commercial vessels, oil & gas and renewables. Management intends for Harland & Wolff to service the complete lifecycle of assets, beginning with the initial design and technical services through to construction and fabrication of structures, vessels and vessel blocks, including ship repair, conversion, support services, and ultimately culminating into the decommissioning and recycling of the physical assets.

Harland & Wolff has always had a skilled workforce. In addition, it has one of Europe's largest heavy engineering facilities, has deep water access and, importantly, has the largest drydock capability in the UK, the second largest in Europe. However, having been underutilised in recent years, and with the recent change in strategy for the yard, the Company has split the relaunch of the yard into three phases so that exposure to risk is minimised, clients' expectations are fulfilled or exceeded and that the yard is best positioned to win repeat business.

Management is pleased to report that the first two phases of reactivation of the yard have now been completed. Phase one involved a full refurbishment of the dock gates of the ship repair dock that was conducted during the summer of 2020. The works have been successfully completed, the dock gates have been fully refurbished, and the ship repair dock is fully operational.

Phase two of the reactivation of the yard involved a complete refurbishment of the dock gates and the intermediate dock gates of the large building dock. This activity was conducted in autumn / winter 2020 and Management is pleased to report that those workstreams have now been successfully completed with the large building dock offering full operational capability.

The third and final phase of the reactivation process is the reactivation of the fabrication halls. Management is pleased to report that a new robotic welding panel line was acquired and fully installed during Christmas and over the New Year period. This new robotic welding panel line has greatly added to our fabrication capability and is a crucial addition to our asset base in order to attract new fabrication contracts.

Whilst the yard has welcomed over 30 vessels during the course of the year, COVID-19 has prevented clients from spending more than what is only absolutely necessary. Nevertheless, contract values have increased over the year with average contract values being in the region of £600,000 to £1 million. As the lockdown restrictions ease off, we are bidding for and hoping to win ferry repair contracts of similar, if not greater, values as clients commit to levels of spending over and above bare necessities.

Harland & Wolff (Appledore)

On 25 August 2020, the Company announced the acquisition of substantially all the assets of Appledore Shipyard located in Bideford, North Devon, to be renamed Harland & Wolff (Appledore), (the "Appledore Acquisition").

Appledore Acquisition summary:

- Highly strategic asset with a rich shipbuilding heritage
- Significant opportunity to build a prominent presence in mainland UK
- Ship and block building, ship repair and fabrication activities for the renewable industry and commercial market, with particular focus on vessels <119m and, therefore, complementary to H&W (Belfast)
- Significant synergies between Appledore and Harland & Wolff Belfast (H&W)
- 29 acres of freehold land
- 322,975 square feet of undercover fabrication halls
- 119 metre length of undercover dry-dock
- 500 metre quayside at the New Quay yard for ship repairs
- Total consideration payable of £7million, of which £5.60million in cash and £1.40million in Ordinary Shares
- Consideration payable in five tranches over 30 months

As referred to above, Harland & Wolff (Belfast) has the largest drydock capability in the UK, the second largest in Europe and, therefore, puts it in a unique position in relation to larger vessels.

The Company considers the mid-sector space of shipyards having dock lengths between 120 metres and 300 metres to be busy, crowded and highly competitive. The Company believes that entering the market of mid-sized shipyards would not lead to any significant competitive advantage, vis-à-vis other established players and this will not be an area of focus for the Company at this time. Harland & Wolff (Appledore), on the other hand, will focus on the smaller end of the market, with a dock length of 119 metres. There are very few shipyards in the UK that can offer this type of undercover building dock and repair facility and, given the number of sovereign vessels required in this category over the next ten years, the Company believes that this is a market segment that cannot be ignored.

Having studied several smaller facilities, the Directors believe that Harland & Wolff (Appledore) is, by far, the most suitable, from a locational, strategic and operational point of view and is well positioned to win contracts in this sector.

With this acquisition, the Company believes that it can achieve a dominant position at two distinct ends of the shipyard market; the lower end of the market at less than 119 metres of dock length (with Harland & Wolff (Appledore)) and the upper end of the market, requiring dock lengths of 300+ metres (with Harland & Wolff (Belfast)). With less competition at both ends of the market, the Company believes that it is now in a unique situation to attract, win and retain business specifically targeting both ends of the size spectrum.

Harland & Wolff (Appledore) is strategically situated in North Devon and the Company believes that it is ideally placed to win and service contracts across the five key markets that the Company has laid out as its strategy for the future. As with Harland & Wolff (Belfast), Harland & Wolff (Appledore) will also offer the Company's six core services to each of these markets. Given Harland & Wolff (Appledore's) size and capabilities, the Company believes that it can be the "go-to" yard in the region for small vessel requirements across these five markets and six sectors.

Harland & Wolff (Belfast) has been involved in the bidding process for a number of large contracts and, should they come to fruition, the facilities would have limited room for incremental business. Harland & Wolff (Appledore) would be ideally placed to handle any spill-over of work from Harland & Wolff (Belfast) in addition to tendering and bidding for its own set of contracts. Whilst the two yards are completely distinct in terms of their respective sizes, both have a number of common capabilities that are expected to create operating synergies and economies of scale.

The Company envisages each yard to be a standalone business unit in its own right, i.e., each yard will have its own profit and loss account, balance sheet, business contracts and lines of financing. Harland & Wolff (Belfast's) contracts will tend to be large and spread over a number of months and years, given the scale of the business that it is currently negotiating. Harland & Wolff (Appledore's) contractual profile, on the other hand, is expected to consist of smaller contracts and will tend to be fast-moving in addition to larger new build contracts that will be spread over several years.

The Government's policies in relation to "levelling up", "build, build, build" and, most importantly, the rolling out of its national shipbuilding policy, are further drivers to the success of Appledore in due course. The Company has always taken a position that it will not be reliant on Ministry of Defence (MoD) contracts for the long-term sustainability of its business. However, with Appledore's strategic presence in mainland UK, it offers the MoD and other government departments such as the Home Office and Department for Transport an exciting and cost-effective domestic option for a number of smaller vessel builds that are in the pipeline in the months to come. In addition, a number of wind farm projects in the surrounding areas are planned in the near future and they will require UK fabrication with load-out capacity. Whilst Government policy stipulates the requirement for a substantial proportion of locally fabricated content, the availability of such fabrication capability across the UK is highly limited. As such, the Company believes that Harland & Wolff (Appledore) is ideally positioned to fill that gap and bid for these fabrication contracts. Discussions have already commenced with wind farm developers and the Company hopes to make tangible progress in due course.

Since completing the Appledore Acquisition, the Company has embarked upon a reactivation strategy for Appledore in three phases. Phase one involved the refurbishment of the slipway between the New Quay and Bidna yards. This workstream has been successfully completed and we welcomed our first, albeit small value, client onto the slipway in February 2021.

Phase two involves the refurbishment of the dock gates at Bidna yard. We are pleased to report that the refurbishment programme has been successfully completed and the dock gates have now been fully put back and are ready for use.

Phase three involves reactivation of the fabrication halls. Currently, works are ongoing for the repairs and maintenance of key equipment and we shall be ramping up this reactivation process when we have further visibility of fabrication related contracts.

Islandmagee Gas Storage Project

As reported to the market in our trading update as of 31 March 2021, we have been advised that the Department of Agriculture, Environment and Rural Affairs ("DAERA") has formally made their recommendation on the marine licence to the Minister for DAERA, Mr Edwin Poots MLA. We now await a determination from his office on the outcome of our application. We reiterate that, in our opinion, we see no reason why the marine licence should not be granted, given that we have complied with all the relevant regulatory and environmental requirements in relation to this project.

As Northern Ireland transitions towards a net-zero economy, the use of wind power is expected to play a crucial role within the country's energy mix. Equally, wind power could be utilised for the production of green hydrogen that has been identified as an important fuel source in future years. Subject to economically viable commercial volumes of hydrogen being produced, there will be a growing need for its storage for utilisation during periods of peak demand (typically in winter). We view the hydrogen market as being similar to the natural gas market in terms of consumption patterns, and possibly similar to carbon markets in relation to the pricing of various hydrogen products that will evolve over time - grey, blue and green hydrogen.

The Islandmagee gas storage project is, subject to planning permissions, highly suitable for large scale hydrogen storage. We view this project to be a transition project, i.e., a transition from natural gas to hydrogen in the years to come. We believe that it is vitally important to have the infrastructure ready and available when that transition does happen but until then, natural gas will continue to remain the feedstock of choice for baseload heating and power generation. The Islandmagee gas storage project can provide security of energy supply, not only to the island of Ireland, but also to mainland UK once it is fully constructed and operational.

Subject to the outcome of the determination of the marine licence by Minister Poots, we will seek to engage more actively with our identified pool of investors with a view to agreeing project level investment and equity terms with them and proceeding to Final Investment Decision ("FID") in the next few months. Further announcements will be made to the market on the marine licence and next steps thereafter in due course.

Harland & Wolff (Methil) Limited

On 12 February 2021, announced that it had acquired substantially all of the assets of Burntisland Fabrication Limited (the "Burntisland Acquisition"), providing the Company with increased capacity across two sites in prime locations in Scotland. The consideration paid for the assets was £650,000 in cash, with a further deferred consideration of up to £200,000 in cash, subject to achievement of future revenue targets.

These facilities will now trade under the Harland & Wolff brand and represent the final fabrication piece of the Company's UK footprint, positioning the Company to fully deliver on its existing strategy quicker than it would have done with only its two existing sites: Harland & Wolff (Belfast) and Harland & Wolff (Appledore).

Burntisland Acquisition Summary:

- Strategic acquisition of assets and leases across two sites in prime locations in Scotland with particular regard to renewable and defence projects; Methil on the east coast of Scotland and Arnish on the west coast of Scotland.
- Over 25,000m² of undercover fabrication capacity acquired, with 580,000 m² of total site area and 24,000 tonnes of quayside load-out capabilities and annual throughput tonnage potential estimated at over 100,000 tonnes.
- Waterfront sites acquired that are capable of load in, load out and launching activities.
- Sites are in close proximity to an array of wind farm projects currently ongoing and planned in the Irish Sea and North Sea; and significant fabrication capabilities added through the Burntisland Acquisition.
- Substantial increase in the probability-to-win rate (Pwin rate) by offering clients multiple fabrication sites and management estimate reducing major project fabrication timelines by as much as 30%; Acquisition offers project developers a faster route to project monetisation and de-risking fabrication projects by spreading work across three distinct but close-proximity geographies.
- Burntisland Acquisition brings numerous historic pre-qualification and live tender opportunities in addition to the track record in the oil & gas and renewables markets that were already established.
- The Burntisland Acquisition is expected to accelerate Harland & Wolff's renewable market penetration by opening up projects previously at the planning stage before the Belfast site was acquired in December 2019 but are now ready to commence tendering for fabrication works.
- The Burntisland Acquisition fulfils the Company's strategic ambition to have fabrication sites across various geographical locations of the United Kingdom, leading to local and cross government support; aligned even closer to the UK Government's "levelling-up" agenda and the "Green Industrial Revolution".

The Company is pleased to report that it has now cleared the due diligence process that was conducted on it by Scottish Enterprises and Highlands and Islands Enterprise, the landlords for the Methil and Arnish sites respectively. Negotiations have now commenced on the formal assignment of leases that are expected to be completed within the next few weeks. Till then, the Company will continue to operate on the respective premises under Licences to Operate ("LTO")

Further announcements are expected to be made by the Company as it progresses key workstreams through the year.

Financial overview

For the period ended 31 January 2021, the Company's consolidated revenues stood at £5.16 million (31 January 2020: £0.51 million) representing a 10-fold increase from the comparative period last year and a 5-fold increase from the annual revenues reported as of 31 July 2020. The gross margin for the period stood at £1.18 million (31 January 2020: £84,053) representing a gross margin percentage of 23%. Whilst the margins are more or less in line with our expectations for achieving levels of circa 25%, we have had to inevitably reduce our margins slightly in light of the pandemic, in order to keep vessels moving through the yard and bringing in repeat business. Operating loss for the period stood at £6.20 million (31 January 2020: £2.67 million). This increased loss vis-à-vis the same period last year was on account of an increase in the number of personnel and overall overheads, given that, for the period, we had three asset bases to provide for, i.e., Belfast, Appledore and London. Operating losses included increased non-capitalised insurance, IT, recruitment, legal and asset maintenance costs that represented a much larger asset base vis-à-vis the comparative period to 31 January 2020.

We have been as conservative as possible in our cash burn each month. Whilst we were able to achieve a cash break even position in the fourth quarter of 2020 within the cruise and ferry market, we dropped back from that cash break-even position in the first quarter once the nationwide lockdown was implemented again. As the economy reopens gradually, we expect to see greater levels of client spend which should take us back to a cash break-even position in the cruise and ferry market. Markets such as defence, commercial fabrication and renewables offer larger and longer-term contracts. However, these contracts tend to move more slowly than ship repair contracts and require a greater investment of time, human and capital resources in order to succeed in them. The Company has, from inception, identified the opportunities in these markets and has gradually ramped up its position within them with investments in skilled personnel, equipment and external support where required. Whilst contract wins in these markets are expected eventually and are likely to be transformational in nature, the continued focus for Management is its day-to-day ferry and cruise market in order to provide that long term underlying revenue stability for the whole Group.

On 23 December 2020, the Company announced that it had conditionally raised, in aggregate up to £7.4 million (before expenses) by way of a placing of new 14,222,225 Ordinary Shares at a price of 45 pence per share to existing and new investors (the "Placing"), as well as an Open Offer of up to 2,239,465 new Ordinary Shares to be issued to Qualifying Shareholders at a price of 45 pence per share. The Placing was conducted in two tranches.

The net proceeds from the Placing strengthened the Company's balance sheet and continue to enable it to tender for and win larger contracts, as well as to:

- o provided capital expenditure for inter alia, the acquisition of a robotic welding panel line and other yard refurbishment programmes in

preparation for the potential award and subsequent execution of fabrication contracts; and

- o provided sufficient working capital to improve negotiating position on new contract opportunities by removing the potential for an emphasis of matter statement within upcoming full year results.

On 13 January 2021, the Company announced that all resolutions put to Shareholders at the General Meeting held earlier on that day in connection with the Placing and Open Offer of 23 December 2020 to raise up to £7.4 million (before expenses), were duly passed. Further, the Company was pleased to announce that it had raised the maximum amount possible under the Open Offer of £1.0 million (before expenses), with it having been significantly over subscribed.

Arun Raman, CFO of InfraStrata, commented: "I am encouraged by the increase in revenues across the Group between interims 2020 and interims 2021 as well as between our annual results as at 31 July 2020 and our current interims. Much work remains to be done but we have made huge progress in our quest to take the Company to a level of steady revenues and achieve profitability. As expected, we have had to invest in each of the businesses we acquired, and it is absolutely necessary that we continue to invest in the business in order to reap its benefits in the months and years to come. Our strategy is aligned with Government policy to promote growth, increase employment and kick-start a post-COVID recovery. With our investments in people and systems across the Group, we are better placed than ever before to bid for, and win, larger long-term contracts that we intend will provide significant returns for shareholders. The recent £26 million contract award from Saipem validates our business strategy and provides the ideal platform to secure similar, if not larger, fabrication contracts across all our sites."

This announcement contains inside information.

For further information, please visit www.infrastratapl.com or contact:

InfraStrata plc Arun Raman, Chief Finance Officer Seena Shah, Head of Marketing & Communications	+44 (0)20 3900 2122 investor@infrastratapl.com
Cenkos Securities plc (Nominated Adviser & Broker) Stephen Keys / Callum Davidson (Corporate Finance) Michael Johnson (Sales)	+44 (0)20 7397 8900

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 January 2021

		Six months ended 31 January	Six months ended 31 January	Year ended 31 July
	Notes	2021 Unaudited	2020 Unaudited	2020 Audited
		£	£	£
Continuing operations				
Revenue		5,166,487	515,230	1,482,081
Cost of sales		(3,985,094)	(431,177)	(1,178,534)
Gross profit		1,181,393	84,053	303,547
Other income		6,709	-	-
Management and administrative expenses		(6,381,591)	(2,509,490)	(8,257,724)
Depreciation and amortisation		(1,071,121)	(251,929)	(1,224,655)
Operating loss		(6,264,610)	(2,677,366)	(9,178,832)
Right of use lease interest		(744,769)	(195,455)	(852,182)
Finance expense		(255,391)	(75,593)	(378,864)
Finance income		51	4	5
Loss before taxation		(7,264,719)	(2,948,410)	(10,409,873)
Taxation		-	-	-
Loss for the period from continuing operations		(7,264,719)	(2,948,410)	(10,409,873)
Loss for the period attributable to the equity holders of the parent		(7,264,719)	(2,948,410)	(10,409,873)
Other comprehensive income :				
Revaluation of fixed assets - Gross		-	6,074,895	6,074,895
Total comprehensive income for the period attributable to the equity holders of the parent		(7,264,719)	3,126,485	(4,334,978)
Basic and diluted earnings per share				

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 January 2021

		31 January 2021 Unaudited	31 January 2020 Unaudited	31 July 2020 Audited
	Notes	£	£	£
Non-current assets				
Intangible fixed assets	3	11,467,506	12,094,106	11,206,831
Property, plant and equipment	4	18,985,990	11,299,025	11,389,254
Right of Use	4	13,643,482	11,655,237	14,018,517
Total non-current assets		<u>44,096,978</u>	<u>35,048,368</u>	<u>36,614,602</u>
Current assets				
Inventories		1,166,143	250,000	331,465
Trade and other receivables	5	1,960,619	1,552,620	1,933,254
Cash & cash equivalents		3,990,788	207,975	6,723,236
Total current assets		<u>7,117,550</u>	<u>2,010,595</u>	<u>8,987,955</u>
Current liabilities				
Trade and other payables	6	(6,397,583)	(2,563,213)	(6,102,983)
Grant received in advance		-	-	(24,272)
Short-term borrowings	7	(820,941)	(1,555,556)	(863,655)
Short-term financial liability	7	(1,500,000)	(1,450,000)	(830,000)
Lease liabilities	7	(1,212,665)	(542,833)	(1,087,885)
Total current liabilities		<u>(9,931,190)</u>	<u>(6,111,602)</u>	<u>(8,908,795)</u>
Net current liabilities		(2,813,640)	(4,101,007)	79,160
Non-current liabilities				
Other payables	6	(929,673)	-	-
Loans and borrowings	7	(6,090,000)	-	(2,090,000)
Lease liabilities	7	(13,809,034)	(11,278,915)	(13,699,579)
Financial liability	7	(200,000)	(200,000)	(200,000)
Total non-current liabilities		<u>(21,028,707)</u>	<u>(11,478,915)</u>	<u>(15,989,579)</u>
Net assets		<u>20,254,631</u>	<u>19,468,446</u>	<u>20,704,183</u>
Shareholders' funds				
Share capital		11,630,018	11,199,711	11,457,457
Share premium		40,458,125	25,397,730	33,923,172
Merger reserve		8,988,112	8,988,112	8,988,112
Share based payment reserve		233,332	211,662	125,673
Revaluation reserve		6,074,895	6,074,895	6,074,895
Retained earnings		(47,129,850)	(32,403,664)	(39,865,126)
Total equity		<u>20,254,631</u>	<u>19,468,446</u>	<u>20,704,183</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 31 January 2021

	Share capital	Share premium	Merger reserve	Share based payment reserve	Revaluation Reserve	Retained earnings	Total equity
	£	£	£	£	£	£	£
Balance at 31 July 2019	10,949,504	18,427,728	8,988,112	113,220	-	(29,455,253)	9,023,311
Loss for the period	-	-	-	-	-	(2,948,410)	(2,948,410)
Other comprehensive income for the period	-	-	-	-	6,074,895	-	6,074,895
Total comprehensive loss for the period	-	-	-	-	6,074,895	(2,948,410)	3,126,485
Shares issued	250,207	6,970,002	-	-	-	-	7,220,209
Share Option expense	-	-	-	98,442	-	-	98,442

Balance at 31 January 2020	11,199,711	25,397,730	8,988,112	211,662	6,074,895	(32,403,663)	19,468,447
Loss for the period	-	-	-	-	-	(7,461,463)	(7,461,463)
Total comprehensive loss for the period	-	-	-	-	-	(7,461,463)	(7,461,463)
Shares issued	257,746	8,025,442	-	-	-	-	8,283,188
Share Option expense	-	-	-	(85,989)	-	-	(85,989)
Capital Contribution	-	500,000	-	-	-	-	500,000
Balance at 31 July 2020	11,457,457	33,923,172	8,988,112	125,673	6,074,895	(39,865,126)	20,704,183
Loss for the period	-	-	-	-	-	(7,264,719)	(7,264,719)
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	(7,264,719)	(7,264,719)
Shares issued	172,561	6,534,953	-	-	-	-	6,707,514
Share Option expense	-	-	-	107,659	-	-	107,659
Balance at 31 January 2021	11,630,018	40,458,125	8,988,112	233,332	6,074,895	(47,129,845)	20,254,636

CONSOLIDATED CASH FLOW STATEMENT
As at 31 January 2021

	Six months ended 31 January	Six months ended 31 January	Year ended 31 July
	2021 Unaudited	2020 Unaudited	2020 Audited
	£	£	£
Operating activities			
Operating loss for the period	(7,264,719)	(2,948,410)	(10,409,873)
Depreciation	1,071,121	251,929	1,224,655
Profit on disposal of intangible assets	-	-	-
Profit from disposal of investments	-	-	-
(Increase)/decrease in trade and other receivables	2,765,564	(1,350,557)	(706,815)
Increase in trade and other payables	3,407,172	1,451,871	4,491,542
Increase in inventories	(834,679)	(250,000)	(331,465)
Exchange differences	(224)	-	717
Finance income	(51)	(4)	(5)
Shares issued in lieu of fees	(361,071)	-	-
Share option expense	107,659	98,442	12,453
Finance costs	989,183	271,048	1,231,046
Net cash (used in) continuing and discontinued operating activities	(120,045)	(2,475,681)	(4,487,745)
Investing activities			
Acquisitions of property plant and equipment	(8,292,515)	(4,376,839)	(5,776,709)
Acquisitions of intangible assets	(260,982)	(796,915)	(1,030,043)
Grants received in advance	-	-	1,130,149
Net cash (used in) generated from investing activities	(8,553,497)	(5,173,754)	(5,676,603)
Financing activities			
Proceeds on issue of ordinary shares	7,568,485	7,220,210	15,503,396
Proceeds from warrant exercise	-	-	-
Interest received	51	4	5
Interest paid	(244,190)	(75,593)	(379,588)
Repayment of borrowings & lease liabilities	(510,534)	(67,924)	(1,245,041)
Short term borrowing	(872,713)	770,461	908,560
Long term borrowing	-	-	2,090,000

Net cash generated from (used in) financing activities	5,941,099	7,847,158	16,877,332
Net increase (decrease) in cash and cash equivalents	(2,732,443)	197,723	6,712,984
Cash and cash equivalents at beginning of period	6,723,232	10,252	10,252
Cash and cash equivalents at end of period	3,990,788	207,975	6,723,236
Cash and cash equivalents consist of:			
Cash at Bank	3,990,788	207,975	6,723,236

NOTES TO THE INTERIM RESULTS
For the six months ended 31 January 2021

1.

Basis of preparation

The interim financial information in this report has been prepared using accounting policies consistent with IFRS as adopted by the European Union. IFRS is subject to amendment and interpretation by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee and there is an ongoing process of review and endorsement by the European Commission. The financial information has been prepared on the basis of IFRS that the Directors expect to be adopted by the European Union and applicable as at 31 July 2020.

Non-statutory accounts

Financial information contained in this document does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

A copy of the statutory accounts of the Company for the year ended 31 July 2020 has been delivered to the Registrar of Companies. The audit report on these accounts is unqualified and did not contain a statement under Sections 498(2) or (3) of the Companies Act 2006. In their report, which was not qualified, the auditors included a material uncertainty in respect of going concern.

The financial information for the six months ended 31 January 2021 and 31 January 2020 is unaudited.

The group has chosen not to adopt IAS 34 "Interim Financial Statements" in preparing the interim financial information.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 July 2020, which was prepared under International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), and any public announcements made by InfraStrata Plc during the interim reporting period.

Accounting policies

The interim financial information has been prepared under the historical cost convention except for certain items that are shown at fair value as disclosed in the accounting policies.

The same accounting policies, presentation and methods of computation are followed in preparing the interim financial information as were applied in preparation of the Group's financial statements for the year ended 31 July 2020.

The financial statements are presented in Sterling which is the functional currency of the group and all values are rounded to the nearest Pound Sterling (£).

Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

Going concern and carrying value of Islandmagee gas storage project

The Company raised £7.40 million via a placing of new equity shares in December 2020 and January 2021. Management believes that the Company has, as at the 31 January 2021, sufficient liquidity to meet its obligations as a going concern. Management does not consider the carrying value of the Islandmagee gas storage project to have been impaired in the last six months. As announced to the market on 31 March 2021, recommendation has been made by the Department of Agriculture, Energy and Rural Affairs (DAERA) to the Minister Edwin Poots in relation to the project's final marine licence. Should the marine licence be formally granted, the Company will seek to attract new investors at the project level by diluting its shareholders and proceed to Final Investment Decision. Finally, management runs a quarterly update on the continued economic viability of the gas storage project. The fundamentals in the UK gas market have not changed adversely and the project continues to be economically robust.

Intangible assets

Separately acquired trademarks are shown at historical cost except that as disclosed in the accounting policies certain items are shown at fair value.

Trademarks and other intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Artefacts	Over 20 years - Straight line basis
Trademarks	Over 20 years - Straight line basis

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent

accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold land and buildings	Over 50 years - Straight line basis
Modular buildings	Over 20 years - Straight line basis
Plant and machinery	Over 10 years - Straight line basis
Motor vehicles	Over 5 years - Straight line basis
Office furniture and equipment	Over 5 years - Straight line basis
Computer equipment	Over 3 years - Straight line basis

NOTES TO THE INTERIM RESULTS

For the six months ended 31 January 2021 (continued)

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS16.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The incremental borrowing rate for the Group has been assessed to be 10%.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

In applying IFRS 16 for the first time, the Group has recognised the following lease liabilities:

Current	£1,212,665	(31 January 2020: £542,833)
Non-current	£13,809,034	(31 January 2020: £11,278,915)

Right-of-use assets totalling £13,643,482 (31 January 2020: £11,655,237) and lease liabilities totalling £15,021,699 (31 January 2020: £11,821,748) were recognised during the period and depreciation on the right of use recorded in the income statement was £375,035 (31 January 2020: £38,981).

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

2. Earnings per Share

(Loss) profit

The (loss) profit for the purposes of basic and diluted loss per share being the net (loss) profit

31 January 2021 Unaudited	31 January 2020 Unaudited	31 July 2020 Audited
£	£	£

attributable to equity shareholders

Continuing Operations	(7,264,719)	(2,948,410)	(10,409,875)
-----------------------	-------------	-------------	--------------

Number of shares

Weighted average number of ordinary shares for the purpose of:

Basic earnings per share	8,258,234,787	2,199,757,185	1,066,492,177
Basic and diluted earnings per share			
Continuing Operations	(0.09)	(0.13)	(0.98)

3. Intangible assets

	Artefacts £	Trademarks £	Gas storage development £	Development costs £	Project costs	Total £
Cost						
At 1 August 2019	-	-	10,168,605	-	-	10,168,605
Grant accrual during year			(1,130,149)			(1,130,149)
Additions	200,000	170,000	583,311	55,000	21,732	1,030,043
Revaluations	447,394	693,193	-	-	-	1,140,587
Amortisation charge				2,255		2,255
At 31 July 2020	647,394	863,193	9,621,767	52,745	21,732	11,206,831
At 1 August 2020	647,394	863,193	9,621,767	52,745	21,732	11,206,831
Revaluations	-	-	-	-	-	-
Additions	-	-	161,206	-	99,775	260,981
At 31 January 2021	647,394	863,193	9,782,973	52,745	121,507	11,467,812
At 31 July 2020	-	-	-	-	-	-
Amortisation charge	-	-	-	307	-	307
At 31 January 2021	-	-	-	307	-	307
Net book value						
At 31 January 2021	647,394	863,193	9,782,973	52,438	121,507	11,467,506
At 31 July 2020	647,394	863,193	9,621,767	52,745	21,732	11,206,831

4. Property, plant and equipment

	Land and buildings £	Right of use £	Office equipment £	Motor vehicles £	Plant & machinery £	Total £
Cost or valuation	-	-	-	-	-	-
At 1 August 2019	730,799	-	8,918	-	-	739,717
Revaluation recognised in other comprehensive income	3,066,738	-	25,972	373,464	2,346,331	5,812,505
Additions	2,806,171	14,302,133	203,574	297,056	2,469,908	20,078,842
At 31 July 2020	6,603,708	14,302,133	238,464	670,520	4,816,239	26,631,064
At 1 August 2020	6,603,708	14,302,133	238,464	670,520	4,816,239	26,631,064
Revaluation recognised in other comprehensive income						-
Additions	5,316,176	-	32,812	11,680	2,931,847	8,292,515
Transfer of asset	-	-	-	(127,683)	127,683	-
At 31 January 2021	11,919,884	14,302,133	271,276	554,517	7,875,769	34,923,579
Depreciation	-	-	-	-	-	-

At 1 August 2019	-	-	892	-	-	892
Charge for year	276,050	283,616	62,974	55,478	544,283	1,222,401
At 31 July 2020	276,050	283,616	63,866	55,478	544,283	1,223,293
At 1 August 2020	276,050	283,616	63,866	55,478	544,283	1,223,293
Transfer of asset	-	-	-	(16,750)	16,750	-
Charge for the period	213,593	375,035	7,462	28,697	446,027	1,070,814
At 31 January 2021	489,643	658,651	71,328	67,426	1,007,059	2,294,107
Carrying amount	-	-	-	-	-	-
At 31 January 2021	11,430,241	13,643,482	199,948	487,091	6,868,710	32,629,472
At 31 July 2020	6,327,658	14,018,517	174,598	615,042	4,271,956	25,407,771

5. Trade and other receivables

	Unaudited 31 January 2021 £	Unaudited 31 January 2020 £	Audited 31 July 2020 £
Trade receivables	13,999	70,944	225,276
Accrued Income	285,496	2,072	-
Other receivables	1,179,951	875,075	1,397,183
Prepayments	481,172	604,529	310,795
	1,960,619	1,552,620	1,933,254

6. Trade and other payables

	Unaudited 31 January 2021 £	Unaudited 31 January 2020 £	Audited 31 July 2020 £
Trade payables	3,018,438	1,880,539	2,127,487
Social security and other taxes	2,440,718	344,185	1,786,782
Outstanding defined contribution pension costs	36,298	36,132	50,352
Other payables	1,224,856	24,856	278,347
Accrued expenses	606,945	277,502	1,860,015
	7,327,256	2,563,214	6,102,983

* Includes amounts payable in more than one year

7. Financial liabilities

	Six months ended 31 January 2021 Unaudited £	Six months ended 31 January 2020 Unaudited £	Year ended 31 July 2020 Audited £
Current liabilities:			
Costain Loan	749,060	1,000,000	863,655
YA & Riverfort Loan	71,881	555,556	830,000
	820,941	1,555,556	1,693,655
Short term financial liability:			
Deferred consideration	1,500,000	1,450,000	-
Lease liability - right of use	1,212,665	542,833	1,087,885
	2,712,665	1,992,833	1,087,885
Non-current liabilities:			
Moyle Energy Investments	200,000	200,000	200,000
Deferred consideration	4,000,000	-	-
Other borrowings	2,090,000	-	2,090,000
Lease liability - right of use	13,809,034	11,278,915	13,699,579

Costain Loan

In April 2018, Islandmagee Energy Limited (IMEL) concluded a Secured Development Loan Agreement with Costain Oil, Gas & Process Limited ("Costain"). Costain is the principal contractor in the FEED programme and in return for its services to IMEL, it agreed to provide a secured loan so as to facilitate the further development of the Islandmagee gas storage project. The loan is secured on the assets of IMEL. As at 31 January 2021, the terms of the loan have been altered so make the loan unsecured, which provides the Company the optionality to leverage the assets of IMEL. Whilst the Company has been making regular monthly payments to liquidate the loan under an agreed payment plan, further discussions are ongoing to possibly extend the payment period and make the loan payment schedule more flexible.

Moyle Investments

In December 2017, The Company's wholly owned subsidiary, InfraStrata UK Limited increased its ownership in IMEL from 90% to 100% by acquiring the remaining interest from Moyle Energy Investments Limited at par value. In recognition of the support by Moyle of the gas storage project at Islandmagee, InfraStrata plc will pay Moyle £200,000 on first gas storage.

YE & Riverfort Loan

As at the date of this report, all loan amounts payable to YE II and Riverfort have been made and the loans have been liquidated. The Company retains only one long term loan on its books which is the asset backed facility provided by Portum Capitis in February 2020. This asset backed facility is an interest only facility that has a 2-year maturity and payable as a bullet payment in February 2022.

Deferred consideration

The total consideration payable to the vendors towards the acquisition of Harland and Wolff (Appledore) Limited has been agreed at £7 million. Of this, a sum of £1.5 million is payable on 31 August 2021, £2million is payable on 31 August 2022 and a further £2million is payable on 31 January 2023 which has been recognised as deferred consideration in the Company's balance sheet.

8. Issue of shares during and subsequent to the interim period

On 23 December, the Company announced that it had conditionally raised, in aggregate up to £7.4 million (before expenses) by way of a placing of new 14,222,225 Ordinary Shares at a price of 45 pence per share to existing and new investors (the "Placing"), as well as an Open Offer of up to 2,239,465 new Ordinary Shares to be issued to Qualifying Shareholders at a price of 45 pence per share. The Placing was conducted in two tranches.

The net proceeds from the Placing strengthened the Company's balance sheet and continue to enable it to tender for and win larger contracts, as well as to:

- o provided capital expenditure for inter alia, the acquisition of a robotic welding panel line and other yard refurbishment programmes in preparation for the potential award and subsequent execution of fabrication contracts; and
- o provided sufficient working capital to improve negotiating position on new contract opportunities by removing the potential for an emphasis of matter statement within upcoming full year results.

On 13 January 2021, the Company announced that all resolutions put to Shareholders at the General Meeting held earlier on that day in connection with the Placing and Open Offer of 23 December 2020 to raise up to £7.4 million (before expenses), were duly passed. Further, the Company was pleased to announce that it had raised the maximum amount possible under the Open Offer of £1.0 million (before expenses), having received valid applications for 5,173,144 Open Offer Shares in aggregate, including 4,025,457 Open Offer Shares applied for under the Excess Application Facility. Accordingly, the Company issued the maximum of 2,239,465 Open Offer Shares to be admitted to trading on AIM and undertook a scaling back process, on a pro-rata basis to return oversubscribed amounts to shareholders.

9. Post balance sheet events

On 12 February 2021, announced that it had acquired substantially all of the assets of Burntisland Fabrication Limited (the "Acquisition"), providing the Company with increased capacity across two sites in prime locations in Scotland. The consideration paid for the assets was £650,000 in cash with a further deferred consideration of up to £200,000 in cash, subject to achievement of future revenues targets.

Going forward, these facilities will trade under the Harland & Wolff brand and represent the final fabrication piece of the Company's UK footprint, positioning the Company to fully deliver on its existing strategy quicker than it would have done with only its two existing sites: Harland & Wolff (Belfast) and Harland & Wolff (Appledore).

Key highlights:

- Strategic acquisition of assets and leases across two sites in prime locations in Scotland with particular regard to renewable and defence projects; Methil on the east coast of Scotland and Arnish on the west coast of Scotland. The Burntisland site will not form part of the transaction.
- Over 25,000m² of undercover fabrication capacity acquired, with 580,000 m² of total site area and 24,000 tonnes of quayside load-out capabilities and annual throughput tonnage potential estimated at over 100,000 tonnes.
- Waterfront sites acquired that are capable of load in, load out and launching activities.
- Sites are in close proximity to an array of wind farm projects currently ongoing and planned in the Irish Sea and North Sea; and significant fabrication capabilities added through the Acquisition.
- Substantial increase in the probability-to-win rate (Pwin rate) by offering clients multiple fabrication sites and management estimate reducing major project fabrication timelines by as much as 30%; Acquisition offers project developers a faster route to project monetisation and de-risking fabrication projects by spreading work across three distinct but close-proximity geographies.
- Acquisition brings numerous historic pre-qualification and live tender opportunities in addition to the track record in the oil & gas and renewables markets that Bifab has already established.
- The Acquisition is expected to accelerate Harland & Wolff's renewable market penetration by opening up projects previously at the planning stage before the Belfast site was acquired in December 2019 but are now ready to commence tendering for fabrication works.
- The Acquisition fulfils the Company's strategic ambition to have fabrication sites across various geographical locations of the United Kingdom, leading to local and cross government support; aligned even closer to the UK Government's "levelling-up" agenda and the "Green Industrial Revolution".
- Extensive consultation has been undertaken with key stakeholders who will look to use the facility going forward, including projects that were set to utilise the facilities prior to Bifab entering into administration in late 2020.

The Company is pleased to report that it has now cleared the due diligence process that was conducted on it by Scottish Enterprises and Highlands and Islands Enterprise, the landlords for the Methil and Arnish sites respectively. Negotiations have now commenced on the formal assignment of leases that are expected to be completed within the next few weeks.

On 15 April 2021, the Company announced the award of a major contract worth over £26 million for the fabrication of 8 wind turbine generator jackets for Saipem Limited. This contract is the single largest contract awarded to the Company thus far. Fabrication of these eight jackets will be done at Harland & Wolff's newly acquired Methil facilities but other sites will be utilised should the need arise. The contract commences on 01 July 2021.

Further announcements are expected to be made by the Company as it progresses key workstreams through the year.

10. Seasonal trend analysis

The Company normally observes a seasonal trend of ferry and cruise repairs being conducted over the winter period in preparation for summer sailings. However, given the effects of the lockdowns as a result of the COVID-19 pandemic, major ferry clients have deferred their winter 2020 works into summer and autumn 2021. Whilst the effects of the lockdown slowly dissipate, we envisage of backlog of cruise and ferry dry dockings being built up, and therefore, an urgency to book dry docking slots in the second half of the 2021 calendar year. Much of these bookings and the quantum of spend will depend on how successful the re-opening of the overall economy is as well as the ability for cruise and ferry operators to win back customers and resume sailings again. There are no particular seasonal variations observed within the other markets.

11. Dividend

The Directors do not recommend payment of a dividend for the half year to 31 January 2021.

12. Publication of the interim report

This interim report is available on the Company's website <https://www.infrastratapl.com>

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

IR UWVKRAWUSAAR