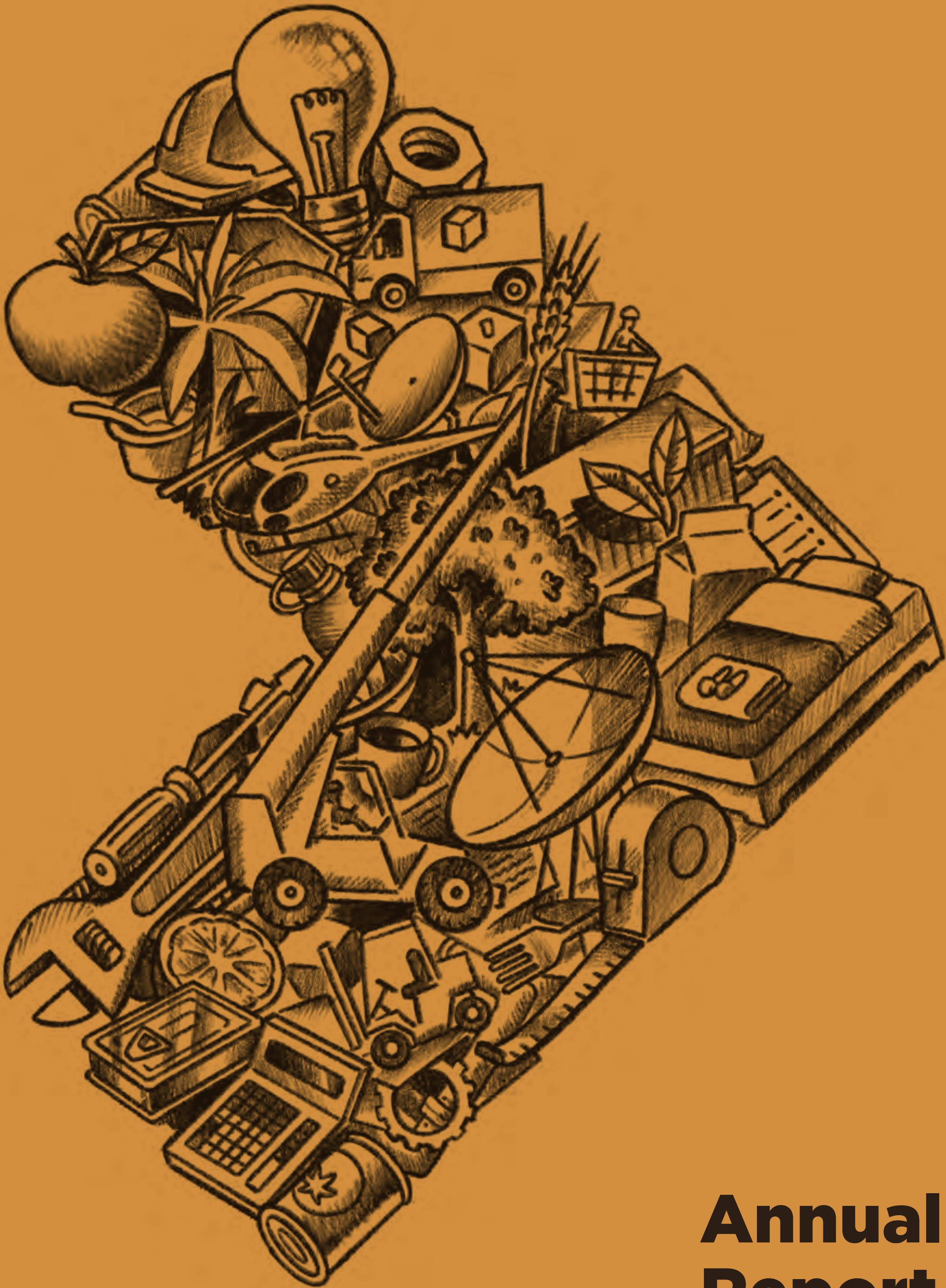

Annual Report 2021

RA

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The world of RA

In unfamiliar countries and cultures.

In remote locations.

In conflict areas.

Many companies and organisations that aim to make a difference in this world work in locations and circumstances far outside their comfort zones.

It could be a project in an unfamiliar country where they don't speak the language and don't know the rules, regulations, or commonly accepted ways of working. Perhaps partners and suppliers from several different countries and backgrounds need to be co-ordinated.

Many face challenges even worse than this. Their projects are remotely located. There's no electricity supply or running water, nowhere to buy food, no roof over their heads. Before they can even begin to tackle the task, they need to figure out how to survive. Finally, and worst of all, some need to operate in conflict areas, posing yet another set of challenges to be overcome before they can do what they set out to do.

To overcome these challenges is a mission in itself before they can begin their true mission.

An expert is needed to cut through the complexity.

That expert is RA International.

What we do

We are often considered the world's leading remote site service provider.

This has given us experience and expertise to take on projects in other locations – both simple projects in challenging locations and complex projects in more quiet surroundings. Anywhere there are challenges, in remote locations, conflict areas, or places that are demanding for other reasons, it's our job to be a one-stop shop to simplify project success. Through our research-led methodology, we know how to identify and overcome challenges.

This is what we do:

- Design and construct buildings, roads, and other infrastructure needed for our clients' operations.

- Operate and maintain these buildings and infrastructure that are necessary to provide life support, and care for our clients and their investments in a sustainable way.

- Supply everything needed for construction, operation and maintenance, even under the most challenging supply and logistics scenarios.

We have proven our capabilities in some of the toughest places on the face of the earth. We have carried out projects for governments, humanitarian organisations, and corporations in conflict zones and in isolated areas with no infrastructure.

RA in numbers

2004
RA founded

2008
Signatory to the UN Global Compact

2018
Listed on AIM

USD 54.6m
Revenue

USD 6.7m
Underlying EBITDA

USD 32.1m
Statutory loss

1,169
Staff (2021 average)

50+
Nationalities

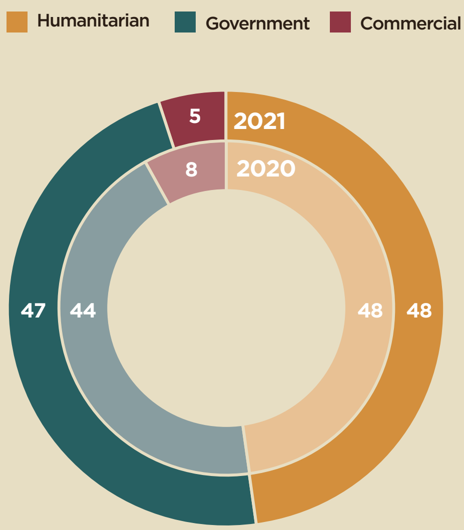
42%
Local labour participation

USD 100m
Order book

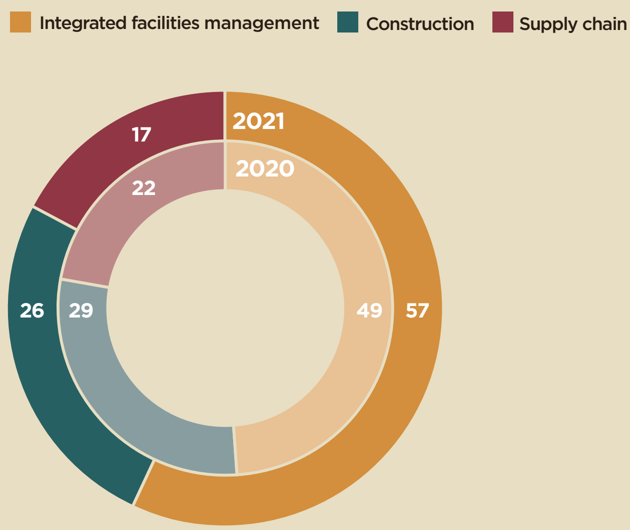
13
Countries

>90%
Revenue from long-term customers

Revenue by sector (%)



Revenue by service (%)



Chair’s Statement

Sangita Shah | Non-Executive Chair

2021 was a year where the employees of our Company had to respond to two major external challenges as they dealt with the effects of COVID-19 and the tragic events in Mozambique.

On behalf of the Board, I would like to acknowledge the difficulties our people have experienced and to thank them for their sense of purpose, community, and commitment in dealing with these challenges.

It is clear that for our customers the effects of COVID-19 have been particularly pronounced. This has caused further delays to mobilising project activity across our business, stalling the momentum that was building in the third quarter of last year. We remain confident that we will re-establish this momentum but we are cautious on timings.

Against this backdrop, the Group still delivered USD 54.6m of revenue and underlying EBITDA of USD 6.7m. The loss before tax of USD 32.2m recorded for the year highlights impairment charges we have recorded in relation to our operations in Northern Mozambique, where there remains significant uncertainty. As we outline in this report, we are working hard to recover value from these assets.

The market opportunity remains attractive for RA and, as a Board, we have assessed how we align our strengths and resources with these market opportunities to best drive sustainable profitable growth. We came to market in 2018 looking to expand our customer base more broadly beyond our established humanitarian client base.

We have made great strides in developing the government side of our business, and Soraya provides the substance of this in her review. We believe our work with western Governments, particularly US and UK overseas departments, is likely to be a core part of our success going forward. As such, we are looking to reallocate greater investment to this side of the business, particularly in the US through developing RA Federal Services (“RAFS”) – our US subsidiary. As we do this, we will still look to undertake projects with Commercial customers and build on our extensive relationships with the UN and other humanitarian organisations.

At the right time, we also see the opportunity for this organic investment to be complemented by bolt-on M&A strengthening our past performance in attractive under-served markets.

In line with the Board's cautious approach to the prevailing environment, with suppressed levels of activity in terms of contract awards and project starts continuing to be a feature in 2022, the Board is not recommending the payment of a final dividend. The Board's intention is to reinstate the dividend as soon as is practicable, taking into consideration the financial strength of RA and its confidence in its future performance. More generally on cash and the balance sheet, the Board remains confident in our position to fund existing project activity, to mobilise on new projects, and to bid successfully for tenders.

In March 2021, insurgents attacked the town of Palma, located in the Cabo Delgado province of Mozambique. The event itself and more generally the deterioration of the security environment in Northern Mozambique, led Total Energies ("Total") to declare force majeure with respect to their USD 20b LNG project.

In Cabo Delgado, we were constructing an 1,800-person camp facility which was leased to CCS JV, Total's EPC contractor, for two years under a USD 60m contract (the "Palma Project"). At the time of the attack, we were two weeks away from commencing revenue generating activities under this contract.

At the date of this report, the threat level in Cabo Delgado remains high and access is restricted or limited in many parts of the region given ongoing military exercises.

Environmental, social, governance, and Corporate culture

A great deal of work was done behind the scenes in 2021 to set the future direction for RA's sustainability activities and ensure progress continues to be made with regards to our environmental and social activities. This included a rigorous refresh of our materiality – looking at our own priorities and the expectations of our stakeholders and selecting areas of investment where we feel we can do more and have a greater impact. Through this we identified eight key focus areas where we will set specific targets and appoint dedicated managers to drive improvements.

In parallel, the Group reviewed and affirmed its purpose, mission, and values, providing a strong foundation for our corporate culture, the types of projects we want to take on, and the organisations we want to work with and for. We now include key sustainability indicators relating to shared values, social, environmental and governance alignment, and country related risks within our project selection process.

The Group also refreshed its system for identifying, monitoring, and managing risk, and established a Group Risk Assessment Committee ("GRAC") to support the Executive Management Team ("EMT") in managing the principal risks that are most likely to have the largest negative impact on the business.

More detail on RA's approach to doing business the right way is set out in our 2021 Sustainability Report.

A final note

The Board remains focused on delivering value for shareholders and believes the refreshed strategic focus outlined above supports this through targeting a high-quality customer base and international diversification supporting significant contract visibility, sustained earnings growth, and strong free cash generation.

On behalf of the Board, I would like to commend the leadership team and all our staff for their ability to respond to the challenges of the last two years. Adaptability and finding solutions in difficult situations is embedded in RA's culture, and this was proven many times over in 2021.

Sangita Shah
Non-Executive Chair
26 May 2022

Our markets explained

RA International supports organisations through the delivery of complex projects in challenging environments.

Since we started operating in 2004, we have built a strong reputation for service delivery and have delivered over USD 650m of contracts, which highlights the scale of the market opportunity we have.

Our growth is customer driven, meaning we often follow our customers from one country to another as we are called upon to support their mandates and workload. This is critical to understanding the growth trajectory of the Company and specifically why we operate in many of the countries where we do. Our addressable market is best defined as humanitarian and western Government spend on official development assistance ("ODA"). In addition, we have a few select clients working in the infrastructure development and natural resource industries.

We work with reputable organisations only and, when approached by potential customers, we perform a significant amount of due diligence to ensure that we support Principles 1 and 2 of the UN Global Compact. We split our clients into three categories reflecting these addressable markets: humanitarian, government, and commercial.

Humanitarian organisations

Our work with humanitarian organisations is primarily based on supporting peacekeeping and stabilisation activities in challenging locations. Our biggest client in this sector is the UN. RA has worked with 19 UN agencies, missions, and bodies, as well as the World Bank and other clients in the sector.

Western Governments

Western Governments frequently work alongside humanitarian organisations in many of the areas we operate in, with their focus often being capacity building and advancing the rule of law. Our two largest clients in this sector are the US and UK Governments, with RA supporting amongst others the US State Department, including USAID, the US Department of Defense, UK Ministry of Defence, and the Foreign, Commonwealth and Development Office ("FCDO"). Increasingly, we are being asked to support government clients on missions across the world. See page 17 for more information.

Commercial clients

RA is contracted by a select number of commercial clients involved in infrastructure development, mineral exploration and production, and oil and gas extraction. Our commercial partners seek out reliable service providers who can meet their stringent HSE and compliance requirements, support their sustainability goals, can offer cost savings through innovative solutions, and can deliver under tight schedules.

Our large addressable markets

There are substantial opportunities for RA within humanitarian, peacekeeping, and stability missions. Taken together, the budgets for these markets run into billions of Dollars. Data published by the OECD Development Assistance Committee showed that ODA for 2020 grew to an all time high of USD 161b. In 2021, the UN peacekeeping budget of USD 6.5b funded ten missions with over 85,000 personnel spread across three continents, while the regular UN budget of USD 3.1b covered nearly 40,000 employees in duty stations around the world. We estimate that 2% to 4% of these budgets relate directly to the essential services we provide. Limiting our market to the 13 geographies where we operated in 2021, the US and UK ODA budgets alone amounted to USD 5.4b in annual expenditure. This said, our market is not limited to our existing geographies.

In addressing these opportunities, it is important we develop winning strategies and remain focused on maintaining a long-term competitive advantage. We adopt a research-based, intelligence-led approach to target customer spend effectively, often starting our research and reconnaissance years before a project begins.

We started our business within the humanitarian sector supporting UN peacekeeping missions in locations such as Afghanistan, Sudan, and Somalia. Up until 2017, approximately 85% of our revenue came from the humanitarian sector. Today our revenues are more equally split, with approximately half of our revenue coming from the government and commercial sectors.

Why clients seek out RA's services

Our clients find that navigating the regulatory and logistical challenges in establishing and managing a support system for their staff can be a major distraction from their core purpose. Also, in some cases, our clients rely on our expertise to construct infrastructure where there is none at all. By putting their trust in RA, our clients benefit from having secure, well-appointed, and well-maintained facilities, excellent life-support in the form of catering, cleaning, laundry, and pest control, and a reliable supply chain. Where clients are already well-established in a location, they value RA's ability to mobilise quickly and manage the local environment while operating independently.

How our strategy to grow into our large addressable markets is evolving

In the last five years, we have increased our traction in winning large long-term contracts with values between USD 10m and USD 100m, followed our clients into more countries, and focused on building a stronger financial baseline for the business year on year. Events in 2021 led to us rebalancing our strategy away from actively targeting commercial contracts and increasing our business development spend on securing direct and indirect government contracts. To support these efforts we established RA Federal Services to actively and directly pursue opportunities with the United States Federal Government. See page 13 for more information.

While significant opportunities remain in the commercial sector, the COVID-19 pandemic and events in Mozambique highlighted the different operating dynamics of our three customer segments. We recognise that in almost all instances humanitarian and government organisations will continue to operate regardless of sudden changes to the local operating environment. These organisations are, necessarily, the first in and last out of any humanitarian, peacekeeping, and stability efforts, which results in long-term and predictable missions. Commercial customers by contrast are required to respond quickly to emergencies and have contingency plans to withdraw from projects at short notice. The nature of the extractive industries also means that projects can be subject to long delays and cancellations.

We continue to explore broader opportunities that play to our core strengths. For example, we are in discussions with development finance institutions ("DFI") such as the Development Finance Corporation. DFIs fund large infrastructure projects across Africa and Asia which fall within our current operational geographies. We are also exploring Export Credit Agency ("ECA") funded projects. UK Export Finance ("UKEF"), the export credit agency of the British Government, has more than tripled its investment in Africa to GBP 2.3b.

Sources:

- US Government foreign assistance data (foreignassistance.gov)
- Foreign, Commonwealth & Development Officer UK: DevTracker Aid by Location Page (fcdo.gov.uk)
- Development Initiatives: ODA in 2020 – Key facts from OECD DAC preliminary aid data (devinit.org)
- Better World Campaign: The UN Budget (betterworldcampaign.org)

Our mission

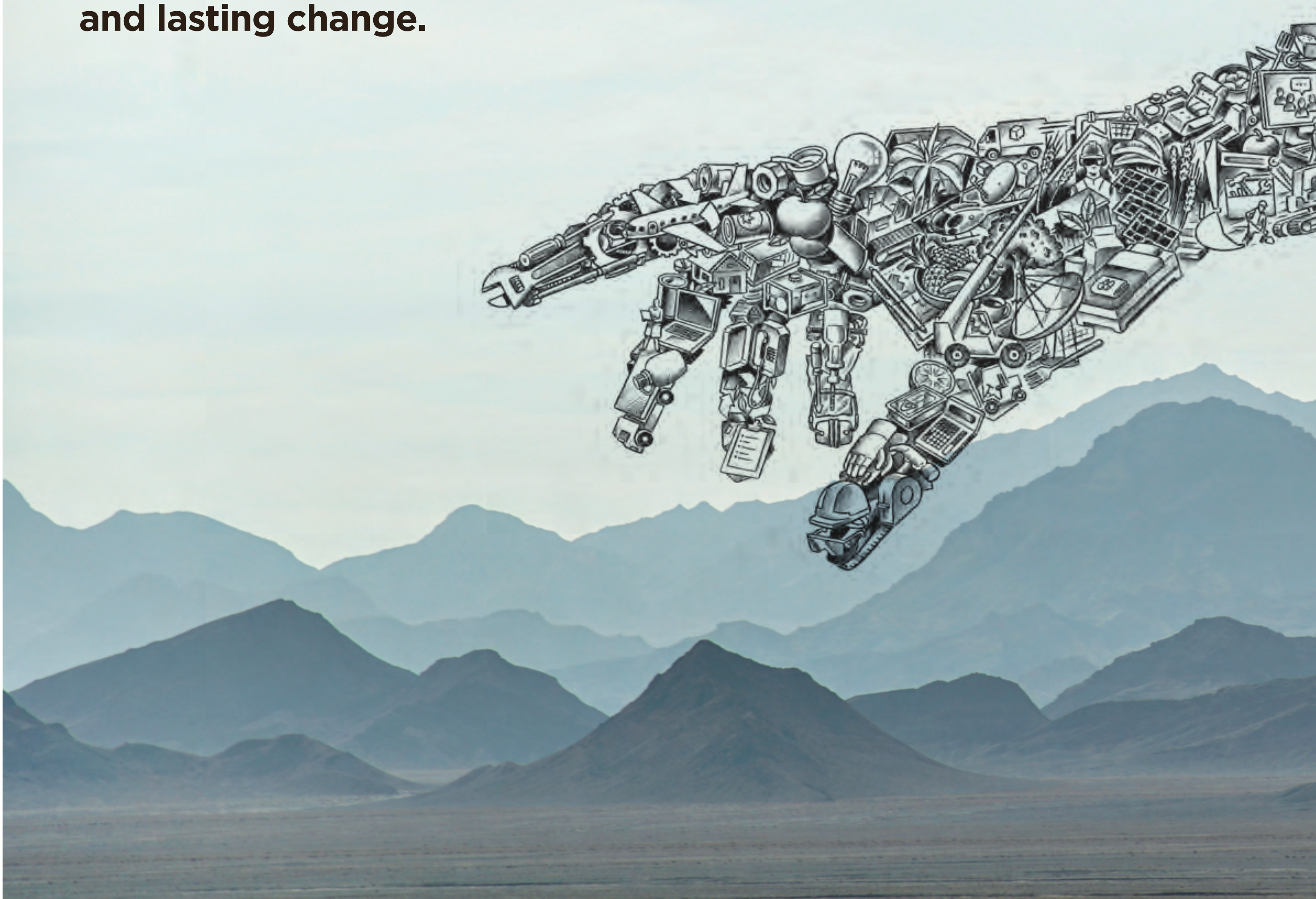
Through infrastructure and support services, we simplify project success for organisations that aim to make a difference.

Our vision

When we do this enough times, for enough clients, with enough quality, we will reach our vision to be the most reliable partner for projects with global impact.

Our purpose

We deliver immediate results and lasting change.



Our business model

This is what we do

A one-stop shop to simplify project success

We work to international standards with a risk-based approach to everything we do.

Supply chain.
We supply project critical equipment, goods, and machinery.

Construction.
We build temporary and permanent facilities and infrastructure.

Integrated Facilities Management ("IFM").
We look after the facilities and infrastructure our clients occupy, provide hospitality for their staff, and care for their investments in a sustainable way. Using our own resources gives us control over the quality and delivery of our services.

Our values

What guides us forward

Empowering.
At RA, the most important people are those who deliver on our promises to customers. Our business depends on individuals taking action on their own, applying their grit and determination to the task at hand. Therefore, we empower people to be proactive and take ownership of challenges. RA is a multi-cultural company with no room for discrimination. To succeed, we draw from co-operation between employees of different origin, race, gender, and age.

Inventive.
The work we do is often challenging, both difficult and risky, because of the location or the nature of the assignment. To succeed, we have a proven methodology and continually build expertise based on what we learn through our work. Almost always, finding a solution to the challenge at hand is about applying all our experience in an inventive way.

Responsible.
To earn and keep the trust of clients, employees, shareholders, and society, we make responsible choices regarding how we treat people, the environment, and the communities in which we operate. Everyone should be able to rely on RA to deliver on what we promise and set out to achieve.

Our capabilities

Why our customers can believe in what we promise.

We are focused.

This is what we do. Nothing else. This allows us to be the best at what we do. And we continue to build expertise, allowing us to act based on an ever-increasing amount of professional judgements and calculations.

We have experience.

Since 2004, we've worked with assignments in some of the world's most challenging places, such as Afghanistan, where we started, and in some of the most difficult situations in Africa. For every challenging situation, there is often a precedent, allowing us to draw on our experience.

We operate based on expertise.

We hire and train people for this purpose, and no other. We train and encourage them to take the right decisions, wherever they are. Our aim is to be better than anyone else at identifying risk.

Our offer is comprehensive. We offer supply chain services, facility management, and construction services – the complete package needed for comprehensive, high-quality mission support. We're not one of those things, we're all of them. And that is what makes us special.

Our outcomes

Our clients want results – fast.

And that is what we deliver.

But our ambitions reach further: we want to positively impact the societies and communities in which we operate.

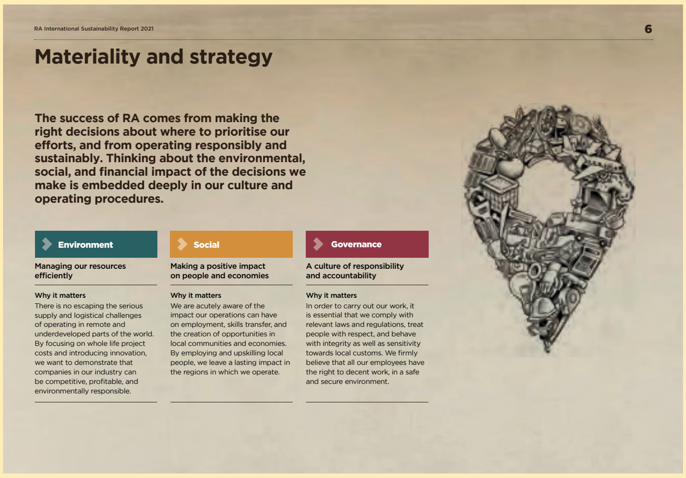
We improve lives and conditions by providing jobs, training, and education, and by supporting local small and medium-sized enterprises.

Anywhere we take on projects, we apply the highest standards, ensuring that we follow the principles of the UN Global Compact. Also, we have decided to cut our CO_2 emissions in accordance with the Paris Agreement – even in the most distant corners of the world. In addition, we respond to important community needs where we are present, based on the principle of doing "what we can, where we are."

We believe our purpose supports us in delivering long-term value to our shareholders.

2021 Sustainability Report

Our 2021 Sustainability Report describes ESG objectives and achievements. In addition, the report provides details of a materiality refresh we carried out in 2021, to update our strategy and ensure it continues to be aligned with our stakeholders' key concerns. Through this work we identified eight key focus areas for which we are setting specific targets to drive improvements.


RA International Sustainability Report 2021 6

Materiality and strategy

The success of RA comes from making the right decisions about where to prioritise our efforts, and from operating responsibly and sustainably. Thinking about the environmental, social, and financial impact of the decisions we make is embedded deeply in our culture and operating procedures.

Environment
Managing our resources efficiently
Why it matters
There is no escaping the serious supply and logistical challenges of operating in remote and underdeveloped parts of the world. By focusing on whole life project costs and introducing innovation, we want to demonstrate that companies in our industry can be competitive, profitable, and environmentally responsible.

Social
Making a positive impact on people and economies
Why it matters
We are acutely aware of the impact our operations can have on employment, skills transfer, and the creation of opportunities in local communities and economies. By employing and upskilling local people, we leave a lasting impact in the regions in which we operate.

Governance
A culture of responsibility and accountability
Why it matters
In order to carry out our work, it is essential that we comply with relevant laws and regulations, treat people with respect, and behave with integrity as well as sensitivity towards local customs. We firmly believe that all our employees have the right to decent work, in a safe and secure environment.

Chief Executive Officer's Review

Soraya Narfeldt | Chief Executive Officer

Overview

As we outlined in our pre-close trading statement, the second half of the year saw unprecedented operating constraints, causing inefficiencies and exceptional delays in executing projects, in tender issues, awards, and in project mobilisations. This impacted our profitability for the second half of 2021 and stalled our order book momentum.

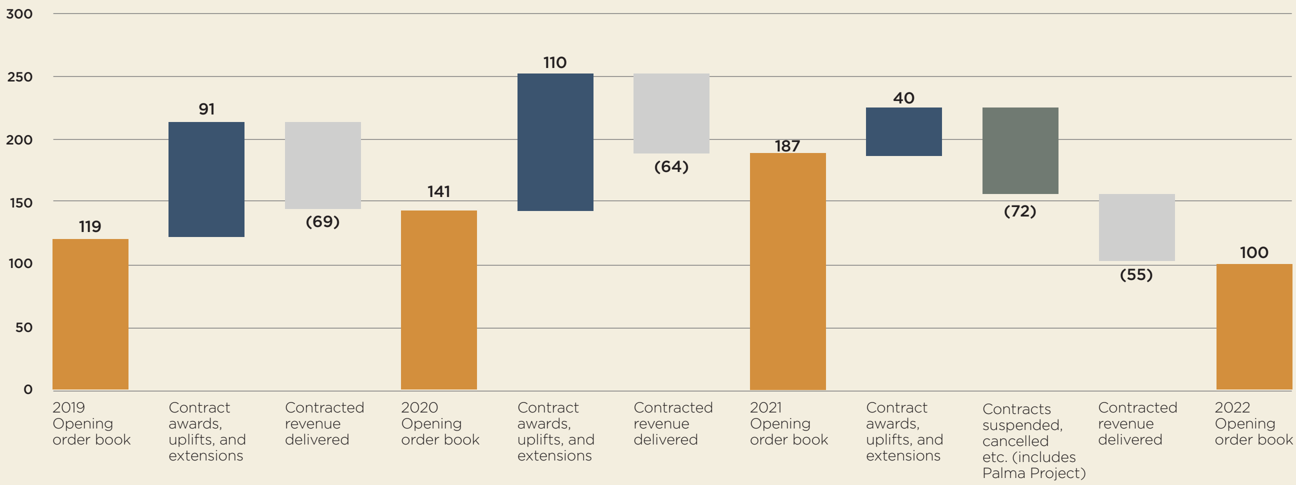
Whilst we are not reporting the financial performance we would want to for this period, it is primarily a function of the broader environment and events which are out of our control. Revenue of USD 54.6m and underlying EBITDA of USD 6.7m are markedly lower than the prior year and reflect the full-year impact of the pandemic and the events in Mozambique. The Group reported a loss before tax of USD 32.2m, which included a USD 31.5m non-underlying expense relating to Mozambique. Investors will be aware that this area was subject to an insurgency attack in March 2021 and, as at the time of these results, the local situation had not yet stabilised sufficiently to see sizable commercial activity restarting. We are working hard to realise value from our investments made relating to this project, which will support our cash position.

As we work through the residual challenges of the last two years, we should not lose sight of the strengths of the business.

To give further context to these headlines, 2021 was very disruptive from an operational perspective. Clearly, our customers' spending over the last two years has been focused on mitigating the impact of COVID-19 and less on project development. As a result, government and humanitarian agencies have suffered from staff shortages which impacted requests for proposals, bids, and project execution. In September 2021 we believed that these challenges were abating, however this view was superseded by a return to government-imposed lockdowns and restrictions which led to further delays and uncertainty.

Despite these ongoing challenges, we exited 2021 with an order book backlog of USD 100m, reflecting USD 40m of new contract awards, uplifts, and extensions, offset by the

Contract order book (USD'm)



force majeure declaration relating to the Palma Project and the subsequent removal of that contract from the order book.

Our pipeline activity remains very solid but given the extended delays we continue to experience and the current run-rate of new business awards and project starts, we are adopting a very conservative position in terms of forecasting the extent to which new project activity lands in the current financial year. We are confident that as and when a more normal operating environment returns, we will re-establish significant order book growth but the timelines for this are beyond our control, meriting the cautious approach.

The fundamental strengths of the business remain. We are delivering on some 20 high-value IFM projects which represent 56% of the order book and provide long-term visibility typically at above Group average profit margins. We are delivering on multiple construction projects, with many expected to be the first phase of much larger contracts. This is augmented by our supply chain activities which represent around 10% of order book, and again include projects of significant value.

In terms of an update on our operational involvement in the Cabo Delgado province in Mozambique, we continue to believe that given the considerable multi-national commercial investment and the significance to both Mozambique and the international community, the project will come to fruition – although timing is difficult to predict. Given the prevailing uncertainty, the Board has taken the prudent approach of impairing the assets and associated costs related to the project. Whilst we have taken this impairment charge, we are working hard to realise value from these assets, which would bolster our cash resources. We remain well-positioned to provide the originally planned services as and when they are required.

Clearly Group profitability and cash have been impacted by the prevailing environment but as Andrew details in his review, we have taken the requisite steps to strengthen our liquidity position and have sufficient resources to fulfil our project deployments and bid for the types of projects we want.

Our refreshed strategy plays to our strengths across significant market opportunities

We continue to drive long-term value by executing on our customer-led growth strategy underpinned by a core principle of doing business the right way. Our focus on sustainability is a key differentiator for us as our customers become increasingly aware of the benefits of incorporating environmental and social considerations into their projects.

While our commercial projects remain in the pipeline, and we will continue to bid for new contracts which meet our risk adjusted return profile, we have reflected on our strong track record and competitive advantage in supporting blue-chip customers in the humanitarian and government sectors relative to the emerging opportunity we have in the commercial sector.

We are particularly encouraged about the success and opportunities we have with western Governments, and where we are building a specialist capability with respect to supporting US Government ("USG") activity overseas. In 2021, this was evidenced by key contracts signed with the US Navy, USAID, and Cherokee Nation Mechanical. In addition, we are looking to prioritise work with UK Government departments including the Ministry of Defence, the Foreign, Commonwealth & Development Office, as well as other international government agencies.

The table below highlights this trajectory with a marked increase in Government revenues, particularly since 2020.

It is worth breaking this down further to illustrate the success we have established with US federal Government overseas budgets. This has been a strategic focus of the business over the last four to five years, has been a significant driver of our financial performance over the last couple of years, and is expected to contribute an increased proportion of Group revenue going forward.

Over the last two financial years, US Government related revenues have contributed approximately one-third of Group revenues. This figure was 25% in 2019 and below 10% prior to that. This growth reflects a targeted approach to business development, particularly with the US Department of Defense and the US Department of State, including USAID and the Bureau of Overseas Building Operations ("OBO") projects. These departments have contributed materially to the marked growth in Government revenues since 2020, including the following landmark projects:

- **USD 5.7m** contract to provide Training and Life Support Services in Central African Republic for the US Department of Defense,
- **USD 15.1m** Embassy Upgrade Project in East Africa for the US Department of State, and
- **USD 21.5m** contract to provide comprehensive life support and maintenance services at a joint USAID/ Embassy compound.

	2014	2015	2016	2017	2018	2019	2020	2021
Humanitarian	87%	81%	85%	74%	62%	55%	48%	48%
Government	6%	8%	9%	21%	31%	32%	44%	47%
Commercial	7%	11%	6%	4%	8%	12%	8%	5%

This success has been based on establishing partnerships with US companies to bid for and deliver US Government work, across a number of different contract frameworks:

- **Indefinite Delivery/Indefinite Quantity (“IDIQ”) Contract Vehicles**, of which our seat with ECC on the USD 249m IDIQ for design and construction services supporting the island of Diego Garcia is a good example,
- **Single Contracts**, where we deliver life support and construction contracts for Embassies and are presently executing projects on three continents,
- **Sole Source Teaming Agreements**, where we have a successful partnership with Cherokee Nation Mechanical, and
- **Broader partnerships and JVs**, including with IAP, who awarded us a USD 24.1m contract to procure and deliver food to multiple locations across Africa.

In 2021, we established a wholly owned US based subsidiary, RAFS, to bid directly on USG projects and accelerate growth in this area. RAFS has an independent Board of Directors and we have reallocated resources and personnel from our support hubs in Dubai and Kenya to the US business. Overall, we are investing USD 1.5m to USD 2.0m through 2023 in building our US capability through RAFS as we look to build on our USG momentum.

Strategically, RAFS allows us to be more competitive in our tenders and complements our existing relationships with organisations such as Cherokee Nation Mechanical and Sincerus where a partnership arrangement makes sense. Establishing RAFS has already broadened discussions and the scope of opportunities available to us given the clear advantages our proposition offers:

- track record to self-perform large scale USG contracts across the range of our services including through our “one-supplier” model,
- our offering is particularly competitive where we self-perform as we combine technical capability through past performance and a clear cost advantage,
- we operate in markets which are underserved by existing providers, and/or where US organisations look to partner with local sub-contractors that do not have the capability to deliver to requisite international standards, and
- our ability to offer additional value through our industry leading ESG credentials, the breadth and depth of our experience, including our humanitarian work, our reputation as acknowledged specialists in our field.

Overall, we expect government clients to become an increasingly important part of our business, providing high-quality earnings, decreasing the risk profile of our clients, and diversifying geographically through customer-led growth.

We continue to explore broader opportunities that play to our core strengths. For example, we are in discussions with DFIs such as the Development Finance Corporation, with a view to establish relationships as a project manager for DFI funded works. RA adds value through its social and environmental impact and strong governance. DFIs fund large infrastructure projects across Africa and Asia which fall within operational geographies. We are also exploring ECA funded projects. UKEF, the export credit agency of the British Government, has more than tripled its investment in Africa to GBP 2.3b.

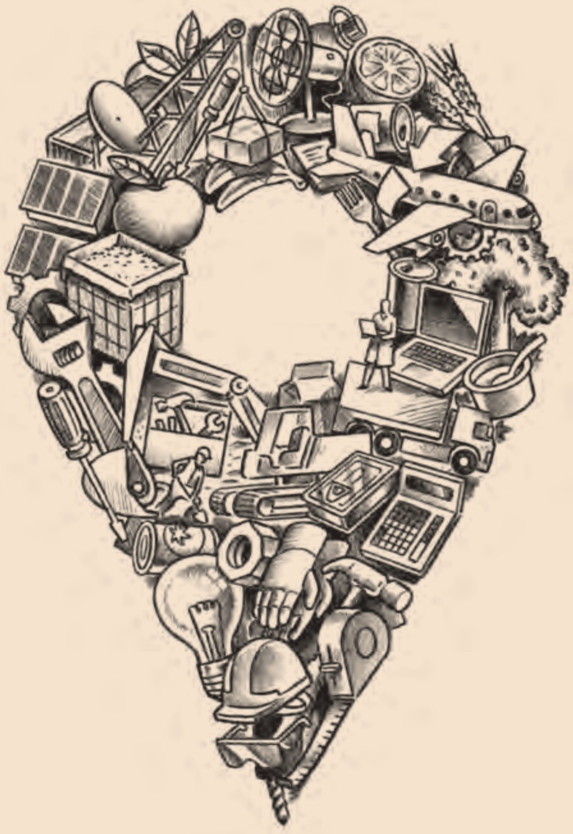
Current trading and outlook

We responded with agility and resilience to the major external challenges we faced in 2021 and delivered on significant projects for our clients, building our reputation as a trusted partner. Looking ahead, it remains difficult to forecast with real authority how the current year will play out but we are continuing to stabilise the business post the pandemic and its effects, and see the scope for a return to accelerated contract awards as and when a more normalised operating environment returns. In the meantime, we take great confidence in the strength of our offering, which is differentiated by our technical capability, proven ability to innovate and continue to perform under extraordinarily challenging circumstances, and by our attractive pricing, particularly where we self-perform.

As we execute on our plans, our main priorities for this year are to grow the pipeline, particularly with US federal Government departments, build balance sheet liquidity, and drive value from recent investment in our business, systems and processes. We thank shareholders for their patience over what has been a challenging period and we look forward to realising the value from supporting our customers as they emerge from the residual challenges of the last two years.

Soraya Narfeldt
Chief Executive Officer

26 May 2022



Case study

Managing COVID-19 in Somalia

Keeping services running during lockdown

Our commitment to our clients is Deliver. Regardless. Rarely has this been tested more than the last two years in Somalia, where we provide mission-critical support and facilities management services to a number of locations including a UN camp near the city of Baidoa in the South West State of the country.

Normally there is a regular flow of people between these sites and the city, however this changed suddenly with the outbreak of COVID-19. With one week's notice, restrictions on movement were imposed on all international and local people and camps were put on lockdown to limit the spread of the virus between the communities. Consequently, our own skilled personnel were locked down and had no way of moving between camps. Our supply chain processes were also affected as emergency supplies needed to be sourced and delivered with no human contact.

We needed to think and act fast so that we could continue delivering an uninterrupted service. We set about hiring interpreters and local tradesmen immediately, but unfortunately the skills we needed were not readily available. In response, we hired the low- or semi-skilled local labour that was available, and, with the aid of interpreters, we developed remote training and communication processes to keep operations running. Our skilled personnel oversaw daily activities via video link, and, for complex engineering tasks, we communicated sequenced task processes using interpreters, to explain every action.

Over the course of two years, we developed hundreds of hours of video and online training, and a full image library of every building and item of equipment to check their condition. Throughout all this, we focused on keeping the new staff motivated despite never meeting face-to-face, to ensure a high-quality service. The result is that we are proud that we developed a large team of well-trained and skilled local staff in Baidoa that we didn't have before, supporting our sustainability goals.

Our strategy

Our customer-led growth strategy continues to be a winning formula where we unlock value by being a "go to" company for projects that require specialist on the ground knowledge, or capability to execute difficult missions. We are confident in our abilities and have a powerful reputation amongst our customers.

We add value through our focus on doing business the right way. Our audiences are becoming more tuned into ESG needs, and our long-term advocacy to incorporate social and environmental considerations into projects is opening doors for us into new customers, projects, and geographies.

Over the last four years we have leveraged competitive advantage to drive shareholder returns, improving the quality of our earnings by winning larger, long-term contracts with a wider customer base of blue-chip, global clients.

Customer-led growth

We collaborate with our customers so that we become indispensable to delivering their mission.

Often, we begin our relationships with getting the right equipment to the right place at the right time – a challenge in itself. Alternatively, we construct a building or essential infrastructure, for which we also supply the required materials and staff.

We conduct detailed research and apply specialist local knowledge to anticipate our customers' needs. In doing so, we leverage our relationships into IFM contracts, looking after the equipment we supply, the buildings, and infrastructure we build, and supporting the people who use or occupy them.

This is what we mean by customer-led growth and why we are successful in leveraging short-term projects into long-term contracts with recurring revenues. We begin with a small project and grow with our customers, doing more work over longer periods of time in the countries where our customers already are and helping them in new missions in new territories. Our strong relationships and history with existing customers help us to win new customers in adjacent and complementary markets, through recommendation and because of our strong record.

Doing business the right way

We have built RA on honesty, transparency, equality, and a belief in doing things right. Our business exists to help customers do what they need to do successfully, in environments that are often complex, remote, and sometimes risky. We recognise that we are guests in the places where we work, and we conduct every project sensitively, safely, and supportively. Our aim is always to enhance the surrounding communities – improving their quality of life, infrastructure, economy, and prospects. Our presence may be temporary, but our impact is long lasting.

We apply this philosophy when deciding which clients and suppliers we work with, ensuring that they uphold the same values we have. We are selective in the projects we take on and the organisations we work with and for.

Our focus on sustainability is a key differentiator for RA in the marketplace, as customers are waking up to the long-term benefits of incorporating environmental and social considerations into their projects.

Leverage competitive advantage to drive shareholder returns

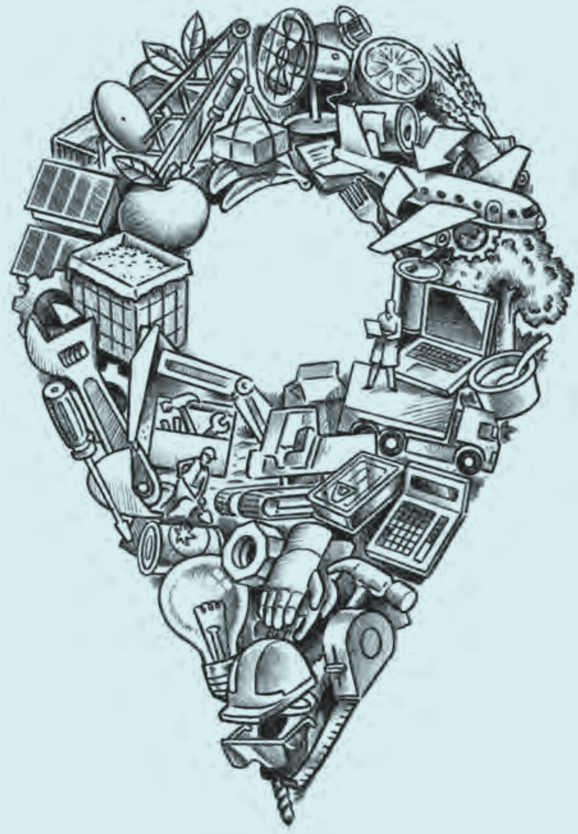
We have transformed our business in the last five years, leveraging our competitive advantage to diversify our client base, win larger and more long-term IFM contracts, and increase the average contract value.

COVID-19 and the security situation in Mozambique delayed the onset of certain commercial contracts which we were due to start in 2021. Whilst we have always been aware of the greater risk associated in working with commercial customers, these events have led us to be more selective in our approach towards this customer base.

In response, we are focusing on doing more work with western Governments where we believe we can leverage our long track record, one-stop-shop service offering and significant cost advantage. Overseas US and UK Government spend is providing a significant opportunity for RA, and we can leverage the work we already do for both, either directly, or through JVs, partnerships, or teaming agreements.

In 2021, we established RAFS, a wholly owned US subsidiary to develop opportunities to work directly with US Government agencies, offering full scale capability to underserved markets without the pricing premium. Although RAFS has only been operational since early 2022, it is already generating opportunities that were not available to us before.

We believe this approach will improve the quality of our earnings, enable us to sustain the higher margins that reflect the specialised nature our work, and establish a stronger financial baseline year on year to support further business growth to drive shareholder returns.



Case study
Customer-led growth

Everywhere with our clients

We are always ready to support our clients to deliver their missions no matter how challenging and extreme the location. In this way, we are growing alongside our clients. Our work takes us to remote areas infrequently visited by international businesses, as well as developed locations where our clients rely on us to deliver the goods and the services they need; on time, on budget, and to their exacting standards. Wherever we go, we are one step ahead, cutting through red tape, building a network of local suppliers and labour, while always being sensitive to local customs.

In 2021, our partnerships took us to Lebanon, South Korea, and the remote Indian Ocean Island of Diego Garcia.

Beirut, Lebanon

Client: Cherokee Nation Mechanical on behalf of US OBO

Project: Planning of US embassy security upgrade – design, prefabrication, and construction of five demountable guard towers.

Seoul, South Korea

Client: Cherokee Nation Mechanical on behalf of OBO

Project: Scoping and feasibility study for the construction of the new US embassy compound. In 2021, RA produced design recommendations, statements of work and cost estimates for the embassy annex and housing complexes, as well as the installation of new utility services, building upgrades, and demolition works. The project covers an area of 82.5 acres and includes a permitting guideline for environmental impact studies.

Diego Garcia, British Indian Ocean Territory

Client: US Facilities Engineering Systems Command Far East, Naval Facilities Engineering Systems Command ("NAVFAC"), partnering with ECC

Project: Successful bid, alongside ECC, for a Multiple Award Construction Contract ("MACC") for the US Navy Support Facility with a value of up to US 249m over five years. Future task orders include the design, construction, renovation, and repair and maintenance services for buildings, equipment, utilities, and infrastructure in and around the facility.

Key performance indicators

The Directors use a range of financial and non-financial KPIs as a measure of the Company's performance against its defined strategy.

Financial KPIs

Revenue (USD'm)

Definition

Revenue is defined as the amounts received or receivable for services delivered during the course of the year. In line with our strategy, we aim to grow our revenue by winning new clients, deepening existing client relationships, and cross-selling services to new and existing clients.

Performance

Our performance was impacted by a reduction in construction and supply chain revenue, as COVID-19 continued to impact service delivery on existing contracts as well as new contract awards that were imminent at the onset of COVID-19. The March attack in Mozambique and subsequent contract suspension led to the removal of USD 10m of IFM revenue during the year, despite this, IFM revenue remained consistent from prior year.

Dividend (pence per share)

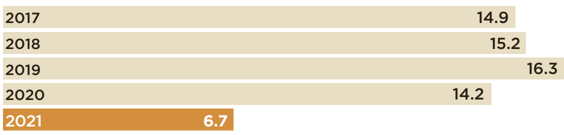
Definition

The dividend is the share of profits that the Company pays out to its shareholders. It is the Board's intention to maintain or increase the annual dividend whilst retaining sufficient working capital to meet the needs of the business and to fund continued growth.

Performance

The Board is not recommending the payment of a final dividend. The Board's intention is to reinstate the dividend as soon as is practicable, taking into consideration the financial strength of RA and its confidence in the future performance of the business.

Underlying EBITDA (USD'm)



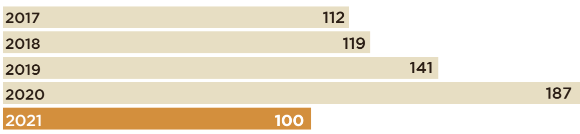
Definition

Management defines underlying EBITDA as operating profit adjusted for depreciation, share based payments, and costs which are considered to be unrelated to the Group's underlying trading performance. Underlying EBITDA facilitates comparisons of operating performance from period to period and company to company by eliminating potential differences caused by variations in capital structures, tax positions, and the age and booked depreciation on assets.

Performance

Profitability was affected by the decrease in revenue, as well as lower profit margins across all three service channels caused by non-recurring items, COVID-19 related operating inefficiencies, and inflation. See page 21 for more information.

Order book (USD'm)



Definition

The order book is the estimated value of future revenue expected to be recognised from the remaining performance obligations on existing contractual arrangements. It excludes framework agreements and contracts where the Company cannot estimate with sufficient certainty the expected value of specific task orders. See page 80 for further information related to the remaining performance obligations on existing contractual arrangements.

Performance

Despite a challenging business environment, we exited 2021 with an order book of USD 100m, reflecting USD 40m of new contract awards, uplifts, and extensions, offset by a reduction of USD 72m relating primarily to the Palma Project and its subsequent removal from the order book.

Non-financial KPIs

Local labour participation (%)

2017	67
2018	69
2019	61
2020	55
2021	42

Definition

Local labour participation measures the average percentage of full-time workers employed in their country of origin over the course of a calendar year. The Company aims to recruit and develop local people wherever it is practical to do so. We will often deploy a team of highly skilled international staff to mobilise new projects if the necessary skills are not available on the ground. This can cause variations in local labour participation while local hiring initiatives and training are ongoing and a handover to local staff is not yet complete.

Performance

Local labour participation at 42% in 2021 was well below previous years as a result of COVID-19 and instability in a number of countries where we have projects. In the context of our social ambitions, we are disappointed by the outcome. We expect the percentage to return to former levels in the future.

Lost time incident rate

2017	617
2018	150
2019	117
2020	59
2021	0

Definition

The lost time incident rate is the number of RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013) reportable accidents multiplied by 100,000 and divided by the average number of employees. Included within the types of accidents reportable under RIDDOR are injuries to workers which result in their absence from work for more than seven days. Prior to 2018, our HSE statistics included injuries to workers which resulted in their incapacitation for more than three days. The change in methodology, made so as to ensure the Group was fully compliant with RIDDOR reporting requirements, partially contributed to the decrease in Lost Time Incident Rate from 2017 to 2018.

Performance

In 2021, we had no reportable incidents under RIDDOR (2020: 1). This translates into a lost time incident rate of nil (2020: 59). In 2021, we paid particular attention to educating our staff on the importance of recording near misses as well as accidents, assuring them that the purpose is to learn and make improvements for everyone's benefit. As a result, ten reports of near misses were recorded during the year compared to one in 2020.

Financial Review

Andrew Bolter | Chief Financial Officer

Overview

Revenue of USD 54.6m and underlying EBITDA of USD 6.7m summarise our financial performance for the year.

Results are in line with the guidance we provided in a trading update on 16 February 2022 and reflect a challenging operating environment and the result of events taking place in Cabo Delgado, Mozambique which, in addition to having a material impact on our revenue and profitability in 2021, has significantly altered the makeup of our balance sheet.

We have addressed these challenges and the impact of the Palma Project both strategically, as Soraya has touched upon, but also from a financial standpoint. In 2022 we completed a USD 12.0m debt raise through the issuance of loan notes maturing in November 2024. As part of this exercise, USD 8.4m of the USD 10.0m of notes outstanding at 31 December 2021, maturing in the second half of 2022, were cancelled. Additionally, we have put in place a long-term working capital facility to support the business, if required, in implementing material new project awards.

In September 2021 we highlighted the significant increase in inventory caused by the suspension of the Palma Project and the corresponding impact on cash. The unwinding of this balance continues to progress (decrease of USD 0.6m since the end of H1 21) and we expect this to accelerate in 2022.

Overall, despite the external difficulties faced by the business during 2021, the Company remains in a strong position to bid for and execute large projects and significant opportunities remain to increase liquidity in 2022.

Financial highlights

	2021 USD'm	2020 USD'm
Revenue	54.6	64.4
Gross profit	12.0	18.8
Gross profit margin	22.0%	29.2%
Underlying EBITDA	6.7	14.2
Underlying EBITDA margin	12.3%	22.0%
(Loss)/Profit before tax	(32.2)	6.6
(Loss)/Profit before tax margin	(59.0%)	10.3%
EPS, basic (cents)	(18.7)	3.8
Underlying EPS, basic (cents)	0.1	5.6
Net debt/(cash) (end of period)	(1.5)	11.2

Revenue

Reported revenue for 2021 of USD 54.6m (2020: USD 64.4m) represents a USD 9.8m or 15% decrease year on year. This both contrasts the momentum the Company had entering 2020 with the challenging operating situation that has continued to develop since the onset of COVID-19 and highlights the financial impact of the events in Mozambique. As was communicated to the market shortly after the event in March, this project was anticipated to generate USD 10.0m of revenue in 2021.

In September 2021 we advised that we were encouraged by a recent uptick in construction contracts being awarded, which although relatively small in terms of contract value were seen as an important indicator of returning to a more normal operating environment. This led to construction revenue increasing by 23% in the second half of 2021, albeit full year construction revenue decreased by 26% when compared with 2020.

IFM revenue continues to be resilient and broadly constant from period-to-period. Lower income from our hotel facility in Somalia was offset by revenue from new contracts awarded during the year.

Consistent with prior year, approximately 75% of supply chain revenue was earned from long-term contracts, often three to five years in length.

	H2 2021 USD'm	H1 2021 USD'm	H2 2020 USD'm	H1 2020 USD'm
Integrated facilities management	15.8	15.4	15.3	15.9
Construction	8.0	6.2	8.4	10.7
Supply chain	4.6	4.6	5.3	8.8
Total Revenue	28.4	26.2	29.1	35.4

Profit margin

Gross margin in 2021 was 22.0% (2020: 29.2%), with a significant variance between H1 2021 and H2 2021 (29.2% and 15.5% respectively). Gross profit decreased by USD 6.8m when compared with 2020 and is reflective of:

	2021 USD'm
Decrease in revenue	2.4
Increased depreciation	0.9
Credit provision	0.5
Decrease in project margins – Construction	0.6
Decrease in project margins – IFM	2.2
Decrease in project margins – Supply Chain	0.2
Total	6.8

Decreased margins from construction activities resulted from a number of near nil margin contracts being executed in H2 2021 which relate to the initial phase of what may become much larger projects. General inefficiencies were also encountered given the fitful nature of project execution during the period.

Approximately half of the decrease attributed to IFM services relates to lower occupancy in our Somalia hotel facility, with the remainder being the effect of general inefficiencies and inflationary pressures.

In H2 2021 inflationary pressure was primarily seen on food and beverage imports and logistics costs, however in some locations we are seeing significant wage inflation as well. We have recently been successful in agreeing price increases on some IFM contracts, however, we anticipate continued margin pressure in 2022. We continue to work with our long-term suppliers, and plan to leverage our existing inventory holdings to mitigate inflationary effects where possible.

Reconciliation of (loss)/profit to underlying EBITDA

	2021 USD'm	2020 USD'm
(Loss)/Profit	(32.1)	6.6
Tax (benefit)/expense	(0.1)	0.1
(Loss)/Profit before tax	(32.2)	6.6
Finance costs	1.3	1.0
Investment income	(0.1)	(0.3)
Operating (loss)/profit	(30.9)	7.3
Non-underlying items	32.2	3.0
Underlying operating profit	1.3	10.4
Share based payments	0.5	0.1
Depreciation	4.9	3.7
Underlying EBITDA	6.7	14.2

Underlying EBITDA margin was 12.3% in 2021 (2020: 22.0%), reflecting lower gross margin and a USD 2.3m increase in administrative expenses driven by centralisation efforts enacted in 2020 and investment made in establishing RAFS during 2021. Outside of a planned investment in RAFS of between USD 1.5m to USD 2.0m, we anticipate the strategic shift to de-emphasise commercial projects will lead to administrative cost savings in 2022.

During the year, the Company incurred non-underlying costs of USD 32.2m (2020: USD 3.0m).

Non-underlying items

	2021 USD'm	2020 USD'm
COVID-19 costs	0.8	1.4
Other share based payments	—	1.2
Restructuring costs	—	0.3
Acquisition costs	—	0.2
Palma Project, Mozambique	31.5	—
Total non-underlying items	32.2	3.0

COVID-19 costs of USD 0.8m are almost entirely incremental staff costs and PPE relating to the pandemic. Further detail on these costs can be found in note 9 of the consolidated financial statements.

Non-underlying costs related to the Palma Project can broadly be classified into two categories, the impairment of assets related to the project, and incremental costs incurred by the Company as a direct result of the attack and subsequent project suspension.

Asset impairment

The full carrying value of Palma Project assets, totalling USD 25.6m has been impaired, however it is important to note that of this balance, we consider only USD 2.1m to be a realised loss while the remainder, USD 23.4m, has been impaired through the establishment of a provision. These assets will be assessed to establish if there is a basis for reversal of the impairment provision at each reporting date or when an event transpires which may indicate a material change in the value of these assets.

Of the USD 23.4m in assets where a provision has been established, USD 7.2m relates to equipment and material located within various secure storage locations in Africa and the Middle East ("Offsite Assets"). These assets were either on-route to Palma at the time of the March attack and diverted to or held at safe storage facilities, or assets which we were able to relocate from our Mozambique camp during the second half of 2021. Given the uncertainty as to when development activities will recommence in Northern Mozambique and the cost of storage, we believe it to be in the best interest of stakeholders that the Group sell these assets in the short term, both so as to recover maximum value and cease incurring storage costs. These assets may also be utilised in new projects during 2022.

The USD 2.1m that is considered permanently impaired is primarily made up of assets which have been damaged, stolen, or otherwise deemed unusable in the future. We have lodged an insurance claim relating to a significant portion of this balance and are currently in discussions with our insurers.

Incremental costs

In 2021, the Group incurred USD 4.5m in incremental costs directly related to the Mozambique attack and resulting contract suspension. These costs are primarily made up of logistics and storage charges relating to the Offsite Assets referenced above, but also include evacuation costs and mental health counselling provided to staff post incident.

The Group has also recorded a provision of USD 1.4m for unavoidable costs associated with the Offsite Assets. This provision will be reassessed as at the date of our 2022 interim reporting or as the Offsite Assets are disposed.

As with those assets identified as permanently impaired, we have lodged an insurance claim relating to a significant portion of incremental costs and are currently in discussions with our insurers.

Further details of these balances and the process we followed when assessing the level of impairment to be recorded can be found in note 9.

A breakup of the USD 31.5m non-underlying expense related to the Palma Project is below:

	2021 USD'm	2020 USD'm
Provision for asset impairment	23.4	—
Permanent asset impairment	2.1	—
Incremental costs incurred but unpaid	1.1	—
Provision for unavoidable costs	1.4	—
	28.0	—
Incremental costs incurred and paid	3.4	—
Total	31.5	—

Finance Costs net of Investment Revenue increased to USD 1.3m (2020: USD 0.7m) as the Company incurred a full year of interest expense related to loan notes issued in 2020 and 2021 and realised USD 0.2m less in foreign exchange gains. The average loan balance outstanding in 2021 was USD 7.1m compared with USD 2.1m in 2020.

Earnings per share

Basic loss per share was 18.7 cents in the current period (2020: 3.8 cents). Adjusting for non-underlying items, underlying earnings per share was 0.1 cents (2020: 5.6 cents).

Cash flow

Our cash balance decreased by USD 9.1m during the year (2020: decrease of USD 3.8m), primarily resulting from asset purchases and costs incurred relating to the Palma Project.

Summary cash flows

	2021 USD'm	2020 USD'm
Cash flows (used in)/generated from operations	(4.8)	21.3
Tax & end of service benefits paid	(0.2)	(0.2)
Net cash flows (used in)/from operating activities	(5.1)	21.1
Investing activities (excluding capital expenditure)	0.9	0.3
Capital expenditure	(3.5)	(24.5)
Net cash flows used in investing activities	(2.6)	(24.1)
Financing activities (excluding borrowings)	(5.2)	(6.8)
Proceeds from borrowing	3.9	6.1
Net cash flows used in financing activities	(1.3)	(0.7)
Net change in cash during the period	(9.1)	(3.8)

Cash outflows from operations were USD 4.8m in the year (2020: inflows of USD 21.3m) reflecting lower profitability and a variance of USD 16.5m in working capital adjustments (negative USD 7.8m in 2021 and positive USD 8.7m in 2020).

At the end of 2021, USD 3.4m of the USD 9.4m carrying value of inventory related to prefabricated camp assets purchased in 2020 and partially used in the Palma Project. The Company will utilise these assets on certain projects if they commence in 2022 but is also pursuing a sale which may lead to a significant cash benefit being realised. USD 3.2m of inventory which has been provided for, relates to Offsite Assets, which if sold, may also lead to a significant cash uplift.

	2021 USD'm	2020 USD'm
Gross inventory	12.7	9.1
Provision for asset impairment	(3.3)	—
Carrying value of inventory	9.4	9.1
Prefabricated camp assets	(3.4)	(2.1)
Normalised inventory balance	6.0	7.0

Trade receivables and accrued revenue increased by USD 4.5m as at the end of 2021 when compared with prior period. This variance is primarily due to timing with regards to invoicing and collection but does reflect a USD 2.1m build-up of accrued revenue relating to one UN construction project. The full balance has been invoiced in 2022.

We entered 2021 anticipating capital expenditure of between USD 7.0m and USD 10.0m, with the majority of spend relating to finalising the construction of our camp facility near Palma, Mozambique. Instead, as a result of the attack and contract suspension, capital expenditure for 2021 totalled USD 3.5m. Our underlying business is not particularly capital intensive; unless linked to a significant new project award, we anticipate 2022 capital expenditure to be between USD 1.0m and USD 2.0m.

Balance sheet and liquidity

Net assets at 31 December 2021 were USD 37.3m (2020: USD 72.1m). Our balance sheet has been reshaped by the events in Mozambique and related impairment charge and whilst we cannot impact the timing of recommencement of oil and gas development activities which may trigger a recovery of asset impairment, with considerable work already undertaken we are confident that significant opportunities exist to improve our liquidity profile in the short term. These primarily relate to the sale of the Offsite Assets and USD 3.4m prefabricated camp.

Breakdown of net assets

	2021 USD'm	2020 USD'm
Cash and cash equivalents	8.5	17.6
Loan notes	(10.0)	(6.5)
Net (debt)/cash	(1.5)	11.2
Net working capital	13.8	14.4
Non-current assets	30.9	51.0
Tangible owned assets	25.5	47.3
Right-to-use assets	5.4	3.5
Goodwill	—	0.1
Lease liabilities and end of service benefit	(5.9)	(4.5)
Net assets	37.3	72.1

During the second half of 2021, we raised USD 3.5m of debt under the Medium-Term Note ("MTN") programme launched in 2020. This debt was raised to ensure the Company maintained adequate available cash to execute certain large projects in the pipeline. In May 2022, we completed a refinancing and fundraising exercise to synchronise and extend the maturity of the loan notes issued under the MTN programme.

USD 12.0m of loan notes were issued, of which USD 8.4m relates to a refinancing of notes outstanding at 31 December 2021 and USD 3.6m relates to new investment. Notes issued in 2022 mature in November 2024.

Notes outstanding at 31 December 2021 which were not refinanced will be repaid in the second half of 2022 as per the original maturity date. Further details of the MTN programme and refinancing can be found in note 24 and 34 of the consolidated financial statements.

In addition to refinancing the MTNs, we have also established a GBP 10m long-term debt facility. This facility, while not expected to be utilised, provides us with increased available cash. Liquidity and available cash are often assessed by potential customers during the contract adjudication process. Given the above actions taken and possible cash benefits from the sale of fixed assets and inventory we remain satisfied, despite the financial impacts of the Palma Project, that both our cash position and liquidity profile as a whole are sufficient so that we can continue to bid for larger projects and have the financial capacity to mobilise multiple large projects simultaneously.

Dividend

The Board is not recommending the payment of a final dividend in line with its cautious approach to the prevailing environment. The Board's intention is to reinstate the dividend as soon as is practicable, taking into consideration the financial strength of RA and its confidence in its future performance.

Andrew Bolter
Chief Financial Officer

26 May 2022

Risk management

Refreshing our risk management framework

In 2021, RA refreshed its system for identifying, monitoring, and managing risk.

The Company takes a top-down and bottom-up approach to risk management. Identification of day-to-day risks are devolved to department level. The Legal Officer has responsibility for co-ordinating risk management and maintaining the Group Risk Register ("GRR").

The EMT monitor key risks as identified in the GRR, responding to changes in risk profile and making recommendations on existing and planned control measures to accept, avoid, reduce, or share identified risks. The Audit and Risk Committee provides additional oversight and recommendations to the Board who have ultimate responsibility for managing risk throughout the Group.

In 2021, RA established a GRAC to support the EMT in managing the principal risks that are most likely to have the largest negative impact on the business.

The Board

The Board reviews the Company's principal risks and uncertainties, ownership, accountability and mitigation strategies twice a year and promotes active engagement, informed debate, and constructive challenge.

Audit and Risk Committee

The Audit and Risk Committee considers the Company's risks at scheduled meetings (minimum two times per year) and ensures the Group's risks are properly understood, quantified, and appropriately managed by the Board. The GRR is submitted to the Audit and Risk Committee twice a year, unless there are material changes to risk profile.

Executive Management Team ("EMT")

The EMT discusses risks identified on the GRR on a quarterly basis or more as required. Recommendations on existing control measures and planned control measures are communicated to departments via the Legal Officer and GRAC.

Group Risk Register ("GRR")

The GRR includes risks that could materially threaten the Group's business model, future performance or prospects, solvency, liquidity, or reputation, or which could prevent the Company from delivering its strategic objectives.

The Company Legal Officer is responsible for compiling and maintaining the GRR.

Group Risk Assessment Committee ("GRAC")

The GRAC reviews the GRR ahead of scheduled EMT meetings and updates the EMT on the progress of implementing control measures, and if risks are increasing or decreasing in probability and/or magnitude.

The GRAC consists of at least one representative from each department and Country Managers.

Department* risk committees

The department risk committees conduct risk assessments to identify and describe all departmental risks, and existing control measures. Each risk is assigned a risk rating based on likelihood and impact. The committees put in place response plans, including planned control measures to be implemented if required, and assign Key Risk Indicators ("KRIs") to each identified risk. Named individuals are responsible for monitoring and reporting on KRIs on a quarterly basis to the Legal Officer.

The Legal Officer is responsible for compiling and maintaining all identified risks, regardless of likelihood or severity, and for monitoring KRIs.

Compilation of the Group Risk Register

The GRR is complied through a three-step process:

1. **Risk Assessment**: in which the risk is identified, categorised, and rated.
2. **Risk Management**: in which the existing control measures are identified, and new control measures are planned to the extent required.
3. **Risk Monitoring and Review**: in which the KRIs are identified and monitored.

Risk assessment and management:

Each department identifies its related risks and includes them in the Company risk register.

A rating matrix measures the probability and impact of each risk with inherent risk scores being calculated for each risk identified. A one to five rating is assigned to both the probability of a risk event occurring and to the impact magnitude. A risk rated as five on impact (catastrophic) would mean that there could be potential loss of life or the event could jeopardise business continuity.

There are three different risk scores in the GRR for each risk:

1. **Inherent Risk Score** – this measures the risk score without taking into account any mitigating controls/ factors which are currently in place or planned.
2. **Residual Risk Score taking into account existing control measures** – this measures the risk score after considering the mitigating controls/factors which are already in place.
3. **Residual Risk Score taking into account existing and planned control measures** – this measures the risk score after considering the mitigating controls/factors which are already in place and those which are currently being implemented.

*The Company comprises ten departments:

- Business development
- Construction
- Communications and Information Technology
- Governance, Risk Management, and Compliance
- Finance
- Human Resources
- Integrated Facilities Management
- Supply Chain
- Quality, Health, Safety, and Environment
- Sustainability

Risk scores are calculated by multiplying the risk probability by the risk impact (where one is low and five is high) to give a score out of 25.

IMPACT	1. HAS NEVER OCCURRED	2. RARELY OCCURS	3. ALWAYS POSSIBLE	4. HAS OCCURRED AND WILL LIKELY OCCUR AGAIN	5. OCCURS FREQUENTLY
5 CATASTROPHIC	5	10	15	20	25
4 SIGNIFICANT	4	8	12	16	20
3 MODERATE	3	6	9	12	15
2 MINOR	2	4	6	8	10
1 INSIGNIFICANT	1	3	4	3	5

LIKELIHOOD

Risk monitoring and review

KRIs are the mechanism RA uses to measure the increase or decrease of the risk score over a period of time. KRIs are identified for each risk and a responsible individual is assigned to capture this data.

Further rollout of risk management framework

In addition to functional Heads of Department, RA plans that each significant new project and country entered will also have its own risk register. This is to ensure that country and project related risks are fully understood and planned for before high-value or strategically important contracts are undertaken.

Principal risks

The GRR captures material risks known to the Group. Of these, ten risks were identified as principal risks which are considered to be the most impactful with respect to RA's business continuity, strategy, and performance.

Principal risks

Following the risk management framework refresh, the principal risks for RA are displayed in a different format to previous years. Risks are categorised into Group functions: operational, strategic, financial, and legal and compliance.

Strategic risks

Strategic risks are those that have the potential to impact on the Company's strategic priorities – to attract and retain profitable business and to grow the business sustainably, adversely impacting our financial performance and reputation in the marketplace. They could also affect our ability to operate in new and existing geographies, attract growth capital, and attract individuals with the necessary skills and talent.

Principal risks	Existing control measures	Planned control measures
1 **Major security incident due to working in insecure countries or locations**	We have security protocols, providers, and advisers in place at each operating location. We often co-live with and are guarded by the UN or our government clients. Our staff are often experienced at living and working in hostile environments. A crisis management team is in place and resources such as risk advisers and specialist country advisers are available. Crisis training is undertaken.	The EMT will conduct a quarterly security assessment of each country with corrections and changes actioned by the Country Manager. We plan to develop further our in-house security protocols and to introduce training days and dry runs of scenarios for all staff from field to Board level.
2 **Contracting with high risk counterparties**	Reference checks and third-party due diligence are undertaken through a global provider. Vendor prequalification procedures and supplier audits are undertaken.	Increase frequency of supplier visits and supplier information requests.
3 **Mispricing bids**	Robust review procedures coupled with on the ground presence and knowledge, as well as qualified subject matter experts who conduct research, ensures that accurate price information is provided.	Additional technical expertise is being allocated to the bid team to further increase the level of scrutiny performed during the tender review process.

Operational risks

A failure to manage our resources and respond to events effectively that result from our own actions or events that are beyond our control, such as adverse weather, political upheaval, violence, pandemic (COVID-19), climate change or war, and could impact our performance and reputation.

Principal risks	Existing control measures	Planned control measures
4 **Ineffective HSE policies and practices**	We constantly update our HSE policies and procedures. The HSE department holds regular "Tool Talks" to employees on site and we have quality control policies and procedures in place. We have multiple ISO accreditations (external audit).	The Health and Safety team are further tailoring HSE plans and procedures for each site/project.
5 **Challenge in finding employees who meet project requirements**	We have an internal recruitment team in place and local HR representatives on sites. We are building in higher rates into estimates for key international staff to allow recruitment to have a wider base of candidates. We train local staff in core areas. CV Request Forms are sent to Human Resources with a checklist of all the requirements.	We will intensify training for local employees. Human Resources will hire a training manager to increase formal training and promotion opportunities. We plan to create a database of screened CVs that cover at least 75% of positions that are usually requested in bids.
6 **Not meeting customer expectations resulting in tender loss or dissatisfied customers**	A proposal compliance matrix is circulated to all departments. We have strengthened the Quality Control function. The Contracts Manager liaises with the Project Manager and client to ensure a consistent view on what project success looks like.	Client requests will be formally logged by the business development team to ensure that all support and execution functions are fully briefed on all client commitments made.

Financial risks

Failure to impose strong financial controls may result in: inaccurate and delayed reporting of financial results, the inability to meet financial contractual reporting obligations, a heightened risk of error and fraud, poor quality data leading to poor business decisions, inaccurate forecasting, the failure to create a suitable capital structure, and an inability to make critical financial transactions. In turn this could lead to financial instability, potential business losses, and a negative impact on our reputation.

Principal risks	Existing control measures	Planned control measures
7 **Inadequate financial controls resulting in fraud or misappropriation of assets**	Strong Group financial controls are in place. Approved deviations from Group policies in operating locations are documented. Clear approval processes are in place for spend, issuance of purchase orders, bank actions, and other types of transactions. ERP access is limited to areas of responsibility only. External financial audits are conducted. Regular asset existence testing is carried out.	Procurement approval workflows are being automated to reduce the chance of unauthorised approvals taking place.
8 **Failure to appropriately manage cash flow resulting in the Group being unable to meet its financial commitments**	The Finance department conducts a weekly cash flow forecasting and review process, as well as a monthly long-term forecasting and review process. Accounts receivables are monitored weekly with immediate follow up on collections. Long-term relationships with customers help for better planning of collections, and long-term relationships with suppliers help to secure favourable payment terms. Standby finance facilities are available if required.	System enhancements are planned which will improve the visibility of project spend commitments to the finance team. This will lead to increased accuracy of cash forecasts.

Legal and compliance risks

Legal and compliance risks encompasses irresponsible or unethical behaviour. This can lead to breach of human rights, labour rights, inadequate health and safety measures leading to sickness, injury or death, issues relating to gender rights and child labour. This behaviour can arise from the actions of individual employees or as a result of a poor company culture. The result might be the loss of clients, inability to win new business, and loss of reputation.

Principal risks	Existing control measures	Planned control measures
9 **Bribery and corruption of counterparties and RA staff**	The Company has a gifts and hospitality policies (including a gift register). Periodical training is provided to employees. Cash disbursements are monitored. Limited cash is kept on hand. An external auditor is tasked to identify any anomalies and suspicious transactions and detailed monthly cost reviews are undertaken. A third-party due diligence and monitoring function is in place for counterparties.	Further limiting cash held at operational locations through continuing to centralise the Group's treasury function.
10 **Failure to abide by local and international laws and regulations**	HR policies are in place to safeguard ILO rights. We engage local law firms to provide advice and updates on new local laws and regulations. We appoint local accountants and audit firms to advise on tax compliance and financial matters.	We are implementing a comprehensive database of regulatory requirements by operating country. Monthly reviews will be undertaken to ensure upcoming filing deadlines are actioned.

Stakeholder engagement

The Board seeks to understand the expectations and interests of the Company's stakeholders, and to reflect these in the choices it makes towards securing the long-term success of the business.

Engagement with RA's stakeholders, including employees, clients, contractors, suppliers, and investors, forms a central part in the Company's decision-making process. The Board tailors its engagement approach to each stakeholder group to foster effective, sustainable, and mutually beneficial relationships.

The Board takes into consideration stakeholder interests within boardroom discussions in relation to strategy and planning. The Board considers how stakeholder expectations may be met and how the Board's decisions may impact stakeholder interests. Stakeholder expectations are determined through information gathered, either indirectly via management or through direct engagement. The priorities of each stakeholder group may change over time, depending on actions taken by the management or because of external factors.

This section of the report serves as our Section 172 (1) Statement of the Companies Act and should be read in conjunction with the Corporate Governance Report. The statement requires the Directors to act in a way that they consider, in good faith, would promote the success of the Company for the benefit of its members, considering the factors listed in Section 172.

Involving stakeholders in our ESG strategy refresh

In 2021, the Company undertook a comprehensive materiality review of its environmental, social, and governance priorities (ESG strategy refresh). As part of this, and with the help of external advisers, we carried out comprehensive interviews with representatives of each stakeholder group.

As well as identifying stakeholders' key ESG concerns, including climate change, the interviews also provided a forum for stakeholders to voice wider interests relating to the Group's operations, strategy, and the long-term prospects of the business. This process will be repeated in 2024.

More information can be found in the 2021 Sustainability Report.

How we engage	Key concerns	Activity in 2021
Employees		
In 2021, we employed on average 1,169 staff with more than 50 nationalities. Our employees are one of our primary assets, are integral in achieving our goals, and are a key resource in delivering our services. We offer competitive pay and rewarding careers to both international and local staff and apply best practice international employment standards for all.		
• Training, skills development, and education • Leadership engagement through site visits, presentations, and Toolbox Talks • Formulation of career paths • Freely available company policies and procedures • Staff engagement surveys • Personal development reviews and work appraisals • Newsletters and management updates • Team-building and social events	• Stable and long-term employment • Fair and timely pay and benefits • Working conditions • Human and labour rights • Health and safety • Diversity, inclusion, and equal opportunity • Involved leadership • Occupational health and safety, and mental wellbeing • Promotion opportunities and career development • Community engagement and local support	We promoted 5% of our local staff, representing 57% of all promotions across the Company, and increased the percentage of female employees from 10% in 2020 to 13%. All our affected staff were offered trauma counselling following events in Mozambique. Our Compliance Officer led training on RA's Code of Conduct and compliance awareness to all staff as well as sexual harassment prevention, third-party due diligence, and our firearms policy to relevant staff.
Customers		
We work with customers that share our values. Our customers are made up of UN organisations, NGOs, western Governments, and large commercial businesses working in remote areas. Strong relationships with customers is a vital part of our growth strategy. Over 90% of our revenue in 2021 was repeat business from existing customers. These long-term positive relationships strengthen our market position as existing customers recommend us to new clients and come to trust us to execute larger projects. Many of our customer relationships start with supply chain and/or construction contracts, which develop into long-term IFM service contracts. We carry out extensive research to understand our customers' needs and to anticipate the services they might need in the future.		
• Day-to-day working relationships and project management • Progress reports • Client meetings • Marketing and communications • Company website	• Close working relationships based on trust and quality of delivery • Delivery of projects on time, to the required quality and within budget • Working with organisations whose goals and values are aligned to their own • Upholding ABC, labour, and human rights • Health and safety • Support in meeting their own sustainability goals and commitment to net zero • Supply chain due diligence	Our focus on environmental, social, and governance factors is meeting our customers' needs to evidence their own sustainability commitments. We have started introducing alternative proposals within our bids which include sustainable options, offering multiple choices to our clients. We introduced key sustainability indicators relating to shared values, ESG alignment, and country-related risks within our project selection process. We are witnessing a growing confidence in our abilities, giving us access to broader opportunities, working as prime contractors to western Governments, and securing larger, more valuable contracts in more countries.

How we engage	Key concerns	Activity in 2021
Suppliers and partners		
We work with suppliers that share our values. Our suppliers and partners consist of international organisations, as well as local and regional suppliers, supporting us in delivering our objectives. We rely on our suppliers to help us to meet our needs on the ground, delivering essential materials, equipment, food, and services.		
• Initial supplier vetting and selection • Purchase orders, contracts, and master service agreements • Regular supplier follow-up • Regular supplier visits and audits • Regular product inspections	• Prompt payment of invoices • Regular day-to-day communication to allow for future planning and quick resolution of issues • Health and safety	To ensure we are only working with suppliers who adhere to our values, in 2021 we asked all our suppliers to submit updated and more substantial documentation to continue doing business with RA. All our suppliers have signed up to our Supplier Code of Conduct which was updated in 2021.
Local governments and communities		
We work to international standards, are signatories to the UN Global Compact, and have adopted the Quoted Companies Alliance Corporate Governance Code 2018. We operate side by side with local communities and work with local governments to secure any necessary permits and permissions. While our contracts are exclusively with western Governments and international organisations, engagement and good working relationships with local governments and communities provides us with our licence to operate in the locations where we have a presence. In some locations, we are an important source of employment, supporting families, local services, and institutions.		
• Regular contact through meetings and correspondence • Sustainability and Annual Reports • Working with local and international organisations to provide charitable support and assistance to local communities • Working with local community representatives • Participation in working groups • Supporting local and regional suppliers	• Regulatory compliance • Client and supplier due diligence • Local employment opportunities • Economic development, community investment, and support and engagement with charitable organisations • Human rights • Health and safety • Protection and enhancement of the environment • Local government engagement	We carried out a materiality and strategy refresh which included understanding the expectations and needs of governments and local communities. We also conducted a survey to understand fully our economic impact through the employment of local people, and the number of dependants each salary we pay supports.
Investors		
Our major shareholders are detailed on page 39 of this report and on our website. If needed, access to the capital markets provides RA with necessary funds to fuel growth. The Company recognises the significance of transparent and effective communications with shareholders.		
• The primary communication tool with investors is through the Regulatory News Service ("RNS"), on regulatory matters and matters of material substance • Regular meetings • Submission of management information and financial reporting • Presentations • Communication through briefings with management • Annual Report • AGM • Company website	• Financial performance and investor returns through capital gain and/or dividend • High standards of corporate governance • Ethical behaviour • Awareness of strategy and potential risks • Impact investment opportunities • Rising expectation of investment alignment to Paris Agreement and commitment to net zero across RA's entire operations	We gather feedback from all investor meetings to identify key concerns. In 2021, engagement with our investors focused on ESG concerns, which led to the Company further formalising the client selection process.

Corporate Governance

Board of Directors and Executive Management Team

The Board is responsible for formulating, reviewing, and approving the Company's strategy, budget, and corporate actions.

Sangita Shah
Non-Executive Chair

Date of appointment:
3 May 2018

Sangita is a qualified accountant and has extensive experience in corporate finance, journalism, and senior consultancy. Sangita brings with her a wealth of AIM listed and public market experience. She has held a number of senior roles within blue-chip organisations, including Unilever, Mars, Ernst & Young, and KPMG and is a past President of the Chartered Institute of Journalists. Sangita is also a regular consultant to a number of companies and to HM Cabinet Office. Sangita is a frequent keynote speaker in forums for the Windsor Leadership Trust, European Parliament, and European School of Management.

External appointments:
Non-Executive Chair of AIM traded Kinovo plc, Non-Executive director of Inspired plc, a director of NASDAQ listed Forward Industries Inc., a director to Global Reach Technology EMEA Limited, and a director of the Quoted Companies Alliance

Committee membership:
R A E (Chair)

Soraya Narfeldt
Chief Executive Officer

Date of appointment:
13 March 2018

Soraya founded RA International in 2004 with Lars Narfeldt after witnessing large organisations unable to provide a comprehensive range of services or manage or implement projects effectively when operating in remote locations. This resulted in inefficiencies that hindered the progress of peacekeeping, humanitarian, and commercial projects. Soraya has been selected as one of the most influential women leaders by Arabian Business three times and was also a finalist for the Ernst & Young Entrepreneur of the Year award in 2012. As a strong advocate and supporter of responsible business practices and community-based businesses, Soraya has contributed to several high-profile journals including the Forced Migration Review and has spoken at various international industry forums including the China Mining Summit, IPOA Annual Summit, and various UN global compact events as well as the WHO Vaccine summit in the EU. She has also consulted widely with officials in RA International's countries of operations on issues such as Corporate Social Responsibility and on Aid Funded Projects.

Lars Narfeldt
Chief Operating Officer

Date of appointment:
13 March 2018

Lars has served for over two decades in pivotal leadership and development roles in some of the world's most challenging environments. The first 15 years of his post university career were spent working with the Swedish government and the UN. He worked with SIDA in Palestine and with the UN in the Democratic Republic of Congo, Uzbekistan, Sierra Leone, Kosovo, Ivory Coast, and Afghanistan.

As COO, Lars leads the Project Management Office and is responsible for day to-day operations across the Company. His role also encompasses setting the ESG strategy and leading the communications and marketing initiatives. He has been instrumental in developing the Company's strong brand equity with clients and in geographies and markets.

Committee membership:
E

Andrew Bolter
Chief Financial Officer

Date of appointment:
3 May 2018

Andrew is a Canadian Chartered Accountant and a Chartered Business Valuator with over 15 years of experience in senior financial management roles. He has worked with a number of growth stage businesses in both Canada and the UK, leading efforts to further professionalise firms in instances where they were seeking to attract capital, or post fund raising at the request of new shareholders.

Andrew joined from EY's Transaction Advisory Services Group where he was primarily responsible for assisting multi-national corporations to establish operations in the Middle East and Africa, assisting management in implementing organic and inorganic growth strategies. Andrew oversees the finance, human resources, information technology, and risk management departments of the Group.

Committee Key:
- R Remuneration
- A Audit and Risk
- E ESG

Alec Carstairs
Non-Executive Director

Date of appointment:
3 May 2018

Alec is a qualified chartered accountant with over 40 years' experience of advising companies ranging from new start-ups to multi-national corporations, principally in the oil and gas sector. During his 35 years at Ernst & Young he acted as Head of UK Oil and Gas Mergers and Acquisitions, Managing Partner of its Aberdeen office and was an elected member of the UK and EMEIA Governance Council. Alec has previously served as an independent Non-Executive Director of Ithaca Energy Inc. and was formerly President of the Aberdeen & Grampian Chamber of Commerce.

External appointments:
Director of Cela Consulting Limited and Director of Vine Trust

Committee membership:
A (Chair) E

Philip Haydn-Slater
Non-Executive Director

Date of appointment:
3 May 2018

Philip has over 35 years of City experience, principally within institutional sales with a number of well-known firms. Philip was co-founder of HD Capital Partners Ltd, where he was a Director for over five years. Prior to this he spent eight years as Head of Corporate Broking at WH Ireland Ltd. in London, where he was responsible for originating and managing the sales process for a range of transactions, including flotations and secondary placings for corporate clients on AIM and other international exchanges, largely in the resources sector. Philip has worked in both London and Sydney for financial organisations that include ABN Amro, Bankers Trust, James Capel & Co, and Bain Securities (Deutsche Bank) Sydney.

External appointments:
Non-Executive Chairman of RiverFort Global Opportunities plc.

Committee membership:
R (Chair) A

Ian Henderson
Non-Executive Director

Date of appointment:
3 May 2018

Ian is a qualified chartered accountant (ACA and FCA) and holds an LLB in Scots Law and an MA in Philosophy and Politics from Edinburgh University. Ian has had a distinguished career as an investment manager in London for over 35 years, during which time he managed, inter alia, JP Morgan's Natural Resources funds for over 20 years, which reached assets of over USD 10bn, and JP Morgan's Global Financials fund. Following his retirement as manager, Ian became an investment adviser for the JP Morgan Natural Resources funds before serving as a Non-Executive Director of Endeavour Mining Corporation, the TSX-V listed gold mining company operating in West Africa, and Bluejay Mining plc.

External appointments:
Non-Executive Director of BMO Capital Markets Limited

Committee membership:
R

Executive Management Team

The CEO, COO, CFO, and Business Development Director constitute the Group EMT. Each member is involved in operations, often down to the level of field implementation, and has experience working in remote locations and a deep understanding of the profound impact seemingly small problems can have on project delivery.

The EMT is supported by a committed team of management and senior staff spread across the Group. Country Managers are particularly important in ensuring that the right resources are in place and available to bring in projects on time, on budget, and to the right quality standards. This team of talented individuals all contribute to the growth of the business and are all committed to bringing about positive change to the local communities where we work.

In 2021, the Company established RAFS, a US domiciled subsidiary to bid for and execute projects for the US Government.

William Warnock, formally the Group's Director of US Business Development and member of the EMT, was transferred to the RAFS management team from 1 January 2022.

Chair's Corporate Governance Statement

Dear Shareholder,

I am pleased to introduce the corporate governance section of our report. The corporate governance section of our report explains how the Company's governance framework supports the principles of integrity, strong ethical values, and professionalism, which are integral to our business. As Non-Executive Chair of the Company, it is my responsibility to work with my fellow Board members to ensure that the Company embraces corporate governance and delivers the highest standards we can. It is within my role to manage the Board in the best interests of our many stakeholders. As we said last year, as a Board we believe that practising good corporate governance is essential for building a successful and sustainable business. Our commitment to good corporate governance has allowed us to build a healthy corporate culture throughout the organisation. The Board is fully supportive of embracing the highest levels of corporate governance possible.

The Company adopts the Quoted Companies Alliance Corporate Governance Code 2018 (the "QCA Code") which it believes to be the most appropriate recognised corporate governance code for RA International. The QCA has ten principles which the Company is required to adhere to and to make certain disclosures both within this report and on its website. The Company's website disclosures can be found at https://ragrpplc.co.uk/investors/corporate-governance/. Additional information relating to how we take into account wider stakeholder and social responsibilities can be found in the Company's Sustainability Report 2021, which can be found on the Company's website.

The importance of maintaining strong relationships and engaging with our shareholders continues, and we have an active investor relations and communications programme in place. The Board strives to ensure that there are numerous opportunities for investors to engage with both the Board and EMT. Due to COVID-19 the Company's 2021 Annual General Meeting ("AGM") was again held as a closed meeting and shareholders were encouraged to ask questions directly following the meeting. However, I am pleased to say that for the AGM to be held in 2022, we will be able to welcome back shareholders in person. We will also continue to offer a virtual option for shareholders to watch the AGM which I believe encourages engagement and participation by our shareholders.

We continue to have an open dialogue with all our stakeholders and seek to ensure that our strategy, business model, and performance are clearly understood. The EMT were virtually available to meet with institutional and retail shareholders and investment analysts, following the announcement of the Company's interim and final results.

Corporate governance framework

The Board

The Board retains full and effective control over the Company. The Company holds regular scheduled Board meetings throughout the year at which financial, operations, and other reports are considered and, where appropriate, voted on. Ad hoc Board meetings are held as and when the demands of the business requires. The Board is responsible for the Group's strategy, performance, key financial and compliance issues, approval of any major capital expenditure and the framework of internal controls. Individual Directors may engage outside advisers at the expense of the Company in appropriate circumstances. The Board is responsible for monitoring the activities of the EMT. The Directors believe that the Board as a whole has a broad range of commercial and professional skills which enable it to carry out its duties responsibly and effectively. Board members come from different cultural backgrounds spanning from countries in Africa, North America, and Europe. The Chair and CEO both identify as female (28.5% of the Board). The Company embraces diversity and is dedicated to encouraging inclusion without compromising professionalism, experience, and expertise.

At the date of this report, the Board has seven members comprising three Executive Directors and four Non-Executive Directors, and whose biographies and roles are set out on pages 32 to 33. The Non-Executive Directors bring an independent view to the Board and all of them are considered independent of management and free of any relationship that could materially interfere with the exercise of their independent judgement. The Chair has the responsibility of ensuring that the Board discharges its responsibilities and is also responsible for facilitating full and constructive contributions from each member of the Board in determination of the Group's strategy and overall commercial objectives.

Roles and responsibilities

Position	Roles and responsibilities
Chair	The Chair's role is part-time, she is a Non-Executive Director, and was considered independent on appointment. The Chair's primary responsibility is the leadership of the Board, showing objective judgement, promoting a culture of openness and debate, and ensuring the Board's effectiveness in all aspects of its role including maintaining effective communication with RA's shareholders and other stakeholders. The Chair is also responsible for ensuring the integrity, openness, and effectiveness of the Board/Executive relationship. This is effected through meetings, as well as through direct contact with other Board members. The Chair also has the responsibility, in conjunction with the Company Secretary, for ensuring that all Directors are aware of their duties and able to perform them. The Chair ensures that the Board Committees are appropriately structured.
Executive Management Team	The Chief Executive Officer is responsible for the day-to-day running of the Group's operations and for implementing the strategy agreed by the Board. She plays a pivotal role in developing and reviewing the strategy in consultation with the Board and executing it with the support of the EMT. The Chief Operating Officer is responsible for the Company's daily operations and Company's sustainability efforts. The Chief Financial Officer is responsible for the Company's financial controls and reporting to the Board.
Independent Non-Executive Directors	The Independent Non-Executive Directors bring independent judgement and have a particular responsibility to challenge independently and constructively the performance of Executive Management and to monitor the performance of the EMT in the delivery of agreed objectives and targets. In meeting this responsibility, the Independent Non-Executive Directors meet periodically without the EMT present, who must be satisfied with the integrity of the Group's financial statements and with the robustness of RA's internal control. The Independent Non-Executive Directors have the responsibility of ensuring that the Board discharges its responsibilities and is also responsible for facilitating full and constructive contributions from each member of the Board in determination of the Company's strategy and overall commercial objectives. The Independent Non-Executive Directors are required to be free from any relationships or circumstances which are likely to affect the independence of their judgement and undertake that they have sufficient time to discharge their responsibilities effectively.

Governance structure

The Company is committed to a corporate culture that is based on sound ethical values and behaviours and it seeks to instil these values across the organisation as a whole. The Board is fully committed to taking this responsibility very seriously.

The Company has adopted a code on dealings in securities which the Board regards as appropriate for an AIM listed company and is compliant with the UK Market Abuse Regulations. The Company takes all reasonable steps to ensure compliance by the Directors, employees, and agents with the provisions of the AIM rules relating to dealings in the Company's securities.

The Directors take the issue of bribery and corruption seriously. The Directors acknowledge that importance of ensuring that the Company, its employees, and those third parties to which the business engages with are operating within the requirements of the Bribery Act. The Company has adopted and implemented comprehensive anti-bribery and corruption policies and procedures (the "ABC Policies") and the Directors impose a zero-tolerance approach to non-compliance. It is the Executive Directors' responsibility to ensure that all of the Company's employees, in the various locations, are complying with the ABC policies and that the Company has in place adequate procedures to ensure that its partners, contractors, and suppliers do not engage in bribery or corrupt activity.

Culture and social responsibility

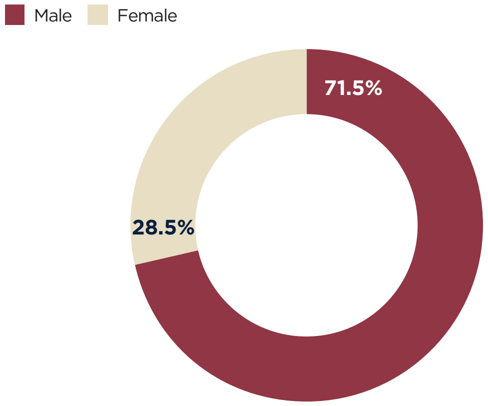
The Board believes that running a sustainable business should benefit everyone, including its customers, employees, and the host communities in locations in which the Company operates. Having a multi-cultural and multi-lingual workforce of people who are experienced with the way in which operations work in Africa and beyond is key to delivering this. Accordingly, the Company co-operates respectfully with people on the ground, building trust and goodwill; this has been especially important during this challenging year. The Company provides stable employment and training to local unskilled or semi-skilled labourers. To this end, the Company has a direct impact on the wellbeing of its employees' families, and on the local economy in general. Since 2008, the Company has been a signatory to the UN Global Compact, a non-binding United Nations pact that declares a commitment to adopting sustainable and socially responsible policies and to reporting on their implementation.

I am pleased to confirm that in an effort to continue the very good work of the Company on ESG, the Board established an ESG Committee in 2022 with the aim of increasing its oversight of ESG governance and practices, and focusing on developing and improving on the Company's ESG practices.

More information can be found in the Company's Sustainability Report 2021, which is available on the Company's website.

Board diversity

The Board recognises the benefits of diverse skill sets, capabilities, backgrounds, and experience to the effective functioning of the Board and delivery of strategy. Both the CEO and the Chair identify as female and represent 28.5% of the Board.



Matters reserved for the Board

The Board retains full and effective control over the Company and is responsible for the Company's strategy and key financial and compliance issues. There are certain matters that are reserved for the Board, and they include but are not limited to:

Strategy and management

Approval of: long-term objectives and commercial strategy, annual operating and capital expenditure budgets, extending the Company's activities into new business, and any decision to cease to operate all or any material part of the Company's business.

Structure and capital

Changes to the Company's capital structure, major changes to the Company's corporate structure, changes to the Company's management and control structure, changes to the Company's listing, alteration of the Company's Articles of Association, and changes to the Company's accounting reference date, registered name, or business name.

Financial reporting and controls

Approval of: half yearly results, interim management statements, preliminary announcement of the final results, Annual Reports and Accounts (including the corporate governance statement and remuneration report), dividend policy, declaration of any dividend, and significant changes in accounting policies or practices.

Finance

Raising new capital and confirmation of major financing facilities, and granting of security over any material Company asset.

Contracts

Major capital projects above USD 2.5m, all contracts above USD 7.0m or which are material strategically or by reason of size, contracts outside of the approved budget and not in the ordinary course of business, major investments including acquisitions or disposal of interests of more than 5% in the voting shares of any Company or the making of any takeover offer, and transactions with Directors or other related parties which are not in the ordinary course of business.

Communications

Ensuring satisfactory dialogue with shareholders based on the mutual understanding of objectives, approval of resolutions and corresponding documentation put forward to shareholders, approval of circulars, prospectuses and listing particulars, and approval of press releases concerning matters decided by the Board.

Board membership and other appointments

Changes to the structure, size and composition of the Board, Board appointments and membership of Board committees, succession planning, continuation in office of Directors at the end of their term of office or at any time including the suspension of termination of service, appointment or removal of the Company secretary, recommendation of external auditor appointment, appointment to boards of subsidiaries.

Delegation of authority

Division of responsibilities between the Chair, the Chief Executive, and Executive Directors, approval of delegated levels of authority, including the Chief Executive's authority limits, establishment of Board Committees and approval of terms of reference of Board Committees, and receiving reports from Board Committees on their activities.

Corporate governance matters

Undertaking reviews of the Board's own performance, that of its Committees and individual Directors, determining the independence of Non-Executive Directors, considering the balance of interests between shareholders, employees, customers, and the community, reviewing the Company's overall corporate governance arrangements, and authorising conflicts of interest where they are permitted by the Company's Articles of Association.

Other

Approval of Company policies, appointment or change of the Company's principal professional advisers and auditor, overall levels of insurance for the Company, material litigation, any decision likely to have a material impact on the Company from any perspective including, but not limited to, financial, operational, strategic, or reputational, matters reserved for Board decisions and which the Board considers suitable for delegation are contained in the terms of reference of its Committees, and the grant of options, warrants, or any other form of security convertible into shares.

For further details see the Company website.

Board Committees

The Board has three sub-Committees, namely the Audit and Risk Committee, the Remuneration Committee, and a new ESG Committee established in 2022, each with delegated responsibility to monitor their respective areas and to report back to the full Board. Board Committees operate under clearly defined terms of reference to ensure proper functioning of the Committees and effective application of best practice. Board Committees are required to report back to the Board following a Committee meeting.

The Remuneration Committee Report can be found on page 42 and the Audit and Risk Committee Report can be found on page 45. As the ESG Committee was established in 2022, no report is included for this year.

On behalf of the Board

Sangita Shah
Non-Executive Chair

26 May 2022

Review of the Board's effectiveness

How the Board operates

The Chair, in consultation with the CEO and Company Secretary, ensures that the Board functions effectively and has established Board processes designed for this purpose. Key aspects of these processes are outlined below.

The Board meets formally four times a year with ad hoc Board meetings as the business demands. There is a strong flow of communication between the Directors, and in particular between the CEO and Chair. The Board has a structured agenda for the year ensuring that all relevant matters are considered, with sufficient time allowed for discussion. Board meeting agendas are set in consultation with both the CEO and Chair, with consideration being given to both standing agenda items and the strategic and operational needs of the business. Comprehensive Board papers are circulated via board management software and well in advance of meetings, giving Directors ample time to review the documentation and enabling an effective meeting. Minutes are drawn up to reflect a true record of the discussions and decisions made. Resulting actions are tracked for appropriate delivery and follow-up.

In addition to scheduled meetings, the Board maintains regular electronic communications and makes further decisions by way of written resolutions to address largely procedural issues.

The Directors have a broad knowledge of the business and understand their duties as directors of a UK company quoted on AIM. The Directors have developed appropriate corporate governance procedures and look forward to building further on the governance structure already in place.

The Directors have access to the Company's Nominated Adviser ("NOMAD") who provides annual boardroom training. The Company Secretary helps keep the Board up to date on corporate governance matters and liaises with the NOMAD on areas of AIM requirements. The Company Secretary has frequent communication with both the Chair and CEO and is available to other members of the Board as required. The Directors also have access to the Company's auditor and lawyers and are able, at the Company's expense, to obtain advice from other external advisers if required.

Review of Board effectiveness

The Company makes an ongoing effort to improve on the existing processes that ensure Board effectiveness. The Board considers that its effectiveness and the individual performance of its Directors is vital to the success of the Company.

In keeping with the requirements of the QCA for a formal Board evaluation process, during 2021, the Company conducted its annual internal review of Board effectiveness. As part of the process, Directors were asked to evaluate the Board Meeting Structure, Membership & Functioning, Compensation, Culture & Ethics, and Corporate Governance. Following this, one-to-one interviews were held between the Chair and each Board member and a Board discussion was held as part of a Board strategy session to review and reflect on the findings. Actions to address the lessons learned are planned for 2022.

Board and Board Committee attendance at meetings during 2021

	Board meetings (4 scheduled)	Audit and Risk Committee meetings (3)	Remuneration Committee meetings (3)
Sangita Shah	4	3	3
Soraya Narfeldt	4	N/A	N/A
Lars Narfeldt	4	N/A	N/A
Andrew Bolter	4	N/A	N/A
Alec Carstairs	4	3	N/A
Ian Henderson	4	N/A	3
Philip Haydn-Slater	4	3	3

On behalf of the Board

Sangita Shah
Non-Executive Chair

26 May 2022

Directors' Report

Principal activities

The Company is a global provider of services in remote and challenging locations. It specialises in three service channels: construction, integrated facilities management, and supply chain. The Company has a strong and loyal customer base, largely comprising UN agencies, western Governments, and global corporations.

The Company provides comprehensive, flexible, mission critical support to its clients enabling them to focus on the delivery of their respective projects and services. The Company's focus on integrity and values alongside ongoing investment in people, locations, and operations has over time created a reliable and trusted brand within its sector.

A detailed explanation of the Company's principal activities and business model can be found on page 2 and page 9. respectively.

Results and dividends

During 2021, a final dividend payment of 1.35p per share was paid to shareholders of the Company on 8 July 2021.

The loss for the year ended 31 December 2021 was USD 32.1m.

The Board will not be recommending a final dividend in respect of the financial year ended 31 December 2021.

Directors

The Directors who served during the period and at the date of this Report are as follows:

		Appointment date
Sangita Shah	Non-Executive Chair	3 May 2018 to present
Soraya Narfeldt	Executive Director	13 March 2018 to present
Lars Narfeldt	Executive Director	13 March 2018 to present
Andrew Bolter	Executive Director	3 May 2018 to present
Alec Carstairs	Non-Executive Director	3 May 2018 to present
Ian Henderson	Non-Executive Director	3 May 2018 to present
Philip Haydn-Slater	Non-Executive Director	3 May 2018 to present

Substantial shareholders

As at 31 December 2021 the Company was aware of the following major shareholders representing 3% or more of voting rights attached to the issued ordinary share capital of the Company.

Soraya Narfeldt	55.80%
Lars Narfeldt	24.45%
Jupiter Asset Management Limited	6.02%

Directors' interests

The Directors who held office at 31 December 2021 had the following interests in the ordinary shares in the capital of the Company:

	No. of consolidated ordinary shares 2021
Sangita Shah	151,483
Soraya Narfeldt	95,857,145
Lars Narfeldt	42,000,000
Andrew Bolter	1,412,061
Alec Carstairs	108,743
Ian Henderson	–
Philip Haydn-Slater	100,000

Going concern

The financial information for the year to 31 December 2021 has been prepared assuming that the Company will continue as a going concern. Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations.

In assessing the basis of preparation of the financial statements the Board has undertaken a rigorous assessment of going concern, considering financial forecasts covering a period to 30 June 2023 and utilising scenario analysis to test the adequacy of the Group's liquidity. The primary uncertainties facing the business at present are related to the timing and success of contract awards, as well as the time frame and value at which unutilised fixed assets and inventory can be used or sold.

In addition to a Base Case scenario, additional scenarios were prepared which reflect the primary uncertainties facing the business. One forecasts a worst-case trading environment whereby the Group is not awarded any new contracts in the future. Another assumes that the Group is unable to sell or dispose of a significant value of currently unutilised assets and as a result continues to incur the related storage costs throughout the going concern period, additionally all working capital assumptions were assumed to deteriorate to levels unseen previously. Under all scenarios, the Group has concluded that it has sufficient cash reserves and facilities to fund trading, capital investment, and principal and interest repayments associated with loan notes maturing during the period.

During May 2022, the Group refinanced its debt so as to extend and synchronise the maturity date. Of the USD 10m loan notes outstanding at 31 December 2021, USD 1.6 were not refinanced and will be repaid utilising the USD 3.6 of new funding raised through this new programme. The loan notes now mature in November of 2024. The Group also has access to a GBP 10m long-term debt facility which is not expected to be utilised at any point throughout the going concern period.

Under all scenarios reviewed by the Board the Group continues to have sufficient cash reserves to operate for the foreseeable future. Any scenario whereby trading performance is worse than those modelled is considered to be remote given the level of committed contracted work in place. On that basis, the Board is therefore satisfied that it is appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Auditor

Each person who is a Director at the date of approval of this Annual Report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the auditor is unaware, and
- the Director has taken all steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This information is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Streamlined Energy and Carbon Reporting

The Directors are aware of the introduction of Streamlined Energy and Carbon Reporting Framework ("SECR"), which requires companies subject to SECR to include information relating to their energy use and associated Greenhouse Gas ("GHG") emissions. The Company, being categorised as an unquoted company under the UK Companies Act, is required to report only the UK energy use, and UK scope 1, scope 2, and scope 3 GHG emissions. Given RA has no physical trading operations located in the UK, the quantum for all categories for the current and prior period in the UK are nil.

However, the Directors recognise RA's contribution to climate change, and consider the environmental impact of all its activities. The Company reduces its emissions by setting strategies that focus on the largest contributors across each of its business segments and offices. Since 2018, the Company has calculated its carbon footprint (using the GHG Protocol and having data independently verified) in a select number of representative locations - currently Dubai, Mogadishu, Juba, Khartoum, and Nairobi. Total carbon emissions in 2021 for calculated sites were 7,941 tCO_2e. In Mogadishu and Dubai, where there is comparative data for 2020, total carbon emissions reduced by 11% to 7,172 tCO_2e (2020: 8,030 tCO_2e).

In 2020, the Company set science-based targets for its Mogadishu operations, one of its most established locations, with the goal by 2025 to reduce Scope 1 emissions by 21% and Scope 3 emissions by 2% per resident per year. Full details can be found the Company's 2021 Sustainability Report.

The Audit Committee makes recommendations to the Board on the principal risks of relevance to the business. Climate-related issues are considered in terms of potential for contribution to these principal risks. The issues considered include both the risk of physical disruption to the business from climate change, and the risks and opportunities as the global economy transitions to significantly lower carbon emissions. In the current period, the Audit Committee concluded that climate-related risks did not rise to the level of a principal risk.

Strategic Report

The Company is required by the Companies Act 2006 to include a Strategic Report in its Annual Report. The information that fulfils this requirement can be found on pages 1 to 30.

Please refer to our Section 172 Statement, specifically page 28, for evidence of the Directors' engagement with suppliers, customers, and others during the financial year.

Signed by order of the Directors

On behalf of the Board

Sangita Chair
Chair

26 May 2022

Directors' Responsibility Statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare Group and Company financial statements for each financial year. The Directors are required by the AIM Rules of the London Stock Exchange to prepare Group financial statements in accordance with UK adopted international accounting standards and have elected under company law to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice ("United Kingdom Accounting Standards and applicable law"), including Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101").

The Company financial statements are required by law and international accounting standards in conformity with the requirements of the Companies Act 2006 to present fairly the financial position and performance of the Company.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Company for that period.

In preparing each of the Group and Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable,
- for the Group financial statements, state whether they have been prepared in accordance with UK adopted international accounting standards and, for the Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Company financial statements,
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business, and
- provide additional disclosures when compliance with the specific requirements in IFRSs, and in respect of the parent company financial statements, FRS 101, is insufficient to enable users to understand the impact of particular transactions, other events and/or conditions of the Group and Company financial position and financial performance.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of Board

Andrew Bolter
Chief Financial Officer

26 May 2022

Remuneration Committee Report

Key activities:

- Three committee meetings were held in 2021.
- Engaged a third-party remuneration consultant on the formation of a Long Term Incentive Plan (“LTIP”).
- Further advice was sought in response to the impact of the events in Mozambique and the options granted under the LTIP were subsequently cancelled.

The Remuneration Committee is a standing committee of the Board of the Company and is comprised of three independent Non-Executive Directors, whose names and profiles are set out on pages 32 and 33. It is the Remuneration Committee’s responsibility to review the performance of the Executive Directors and to make recommendations to the Board on matters relating to their remuneration and terms of service.

The Remuneration Committee assists the Board in discharging its oversight responsibilities relating to the attraction, compensation, evaluation, and retention of Executive Directors and key senior management employees. It aims to ensure that the Company’s remuneration policy attracts and retains employees with the right skills and expertise needed to enable the Company to achieve its goals and strategies and that fair and competitive compensation, with appropriate performance incentives, are awarded.

The Remuneration Committee aims to ensure that the Company’s remuneration policy is aligned with and promotes the implementation of the Company’s strategy and effective risk management for the long term and all employees and Executive Directors are appropriately remunerated. The Remuneration Committee also makes recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any employee share option scheme or equity incentive plans in operation from time to time.

The Remuneration Committee held three meetings during 2021. Members’ attendance records are disclosed in the Corporate Governance Report on page 38 contained in this Annual Report.

Executive Directors’ service contracts

The Company’s policy on Directors’ service contracts are indicated below:

Director	Date of appointment	Notice period
Soraya Narfeldt	29 June 2018	6 months
Lars Narfeldt	29 June 2018	6 months
Andrew Bolter	29 June 2018	6 months

Non-Executive letters of appointment

Director	Start of initial term	Start of current term	Appointment term
Sangita Shah	29 June 2018	29 June 2021	3 years
Alec Carstairs	29 June 2018	29 June 2021	3 years
Ian Henderson	29 June 2018	29 June 2021	3 years
Philip Haydn-Slater	29 June 2018	29 June 2021	3 years

Notwithstanding the above terms, the Company’s policy is that each Director will retire and stand for re-election at the AGM every three years by rotation. This is in line with corporate governance best practice. Sangita Shah and Alec Carstairs were re-elected at the 2021 AGM. All other Directors were last re-elected at the 2019 AGM.

The maximum number of terms that any Independent Non-Executive Director may serve is three (totalling nine years’ service).

Directors' remuneration

	Fees/basic salary[1] GBP'000	Benefits in kind GBP'000	Other remuneration[2] GBP'000	Total 2021 GBP'000	Total 2020 GBP'000
Executive					
Soraya Narfeldt	302	13	34	349	342
Lars Narfeldt	207	18	11	236	216
Andrew Bolter	238	8	42	288	487
Non-Executive					
Sangita Shah	84	—	—	84	82
Alec Carstairs	53	—	—	53	52
Philip Haydn-Slater	53	—	—	53	52
Ian Henderson	53	—	—	53	52
Total	**990**	**39**	**87**	**1,116**	**1,283**

1 The Executive Directors each have two employment contracts with the Company. One with the Company in connection with their role as a Director, and another with a subsidiary reflecting their role as a member of Executive Management. The above figure denotes the total base salary for both employment contracts. Executive Management contracts are denominated in United Arab Emirate Dirhams and have been converted to GBP at a rate of 1 UAE Dirham: GBP 0.1986, being the average exchange rate during 2021.

2 Other remuneration includes end of service benefits which are defined in note 4 of the annual financial statements and share based payments which are detailed in note 13.

Directors' share options

The Directors recognise the need to attract, incentivise and retain employees and the importance of ensuring that all employees are well motivated and are able to identify closely with the performance of the Company. To that end, the Company introduced the Share Option Scheme 2018 ("Scheme") under which options may be granted to eligible employees from time to time.

Option awards under the Scheme provide eligible employees the right to acquire a certain number of ordinary shares in the Company in the future, subject to the satisfaction of any specified performance conditions set at the discretion of the Remuneration Committee. The Scheme is a UK non-tax advantaged, discretionary share option plan which provides for the grant of options to employees of the Company. The Board believes that the Scheme is an effective mechanism to incentivise key employees of the Company.

Outstanding performance options granted to the Executive Directors as at 31 December 2021 are as set out below:

Option holder	Date of grant	Share options	Option exercise period (with performance conditions)	Exercise price GBP
Andrew Bolter	29 June 2018	1,304,347	From the fourth anniversary of Admission to the sixth anniversary of Admission	0.10

The vesting of options granted are conditional on continuous employment and the achievement of a hurdle total shareholder return as at the end of the four-year performance period.

If at the end of the performance period, the performance condition is not satisfied, the option will immediately lapse and cease to be exercisable.

The Company's stock price was 50.00 pence as at the close of 31 December 2021.

Non-Executive Directors

The below represents the annual fees paid to the Non-Executive Directors.

Non-Executive Directors	Fees GBP'000
Sangita Shah	84
Alec Carstairs	53
Philip Haydn-Slater	53
Ian Henderson	53

Consideration by the Directors of matters relating to Directors' remuneration

The Remuneration Committee is responsible for making recommendations to the Board regarding the framework for the remuneration of the Executive Directors and other members of the EMT. The Committee works within its terms of reference, and its role includes:

- determining and agreeing with the Board the Remuneration Policy for all Executive Directors and under guidance of the Executive Directors, other members of the EMT,
- ensuring Executive Director Remuneration packages are competitive,
- determining whether annual bonus payments should be made and approving levels for individual Executive Directors,
- determining each year whether any awards/grants should be made under the incentive schemes and the value of such awards,
- considering any new long-term incentive scheme awards and performance criteria, and
- agreeing Directors' service contracts and notice periods.

The Company is committed to maintaining an open and transparent dialogue with shareholders on all aspects of remuneration within the Company.

Philip Haydn-Slater
Remuneration Committee Chairman

26 May 2022

Audit and Risk Committee Report

Key activities:

- Reviewed and approved the Company's 2021 Interim Report.
- Reviewed and approved the 2021 audit plan presented by the Company's auditor.
- Reviewed the independence and competence of the Company's auditor, Ernst & Young.
- Oversaw the establishment of the Group Risk Register and relevant processes.

The Audit and Risk Committee is responsible for reviewing and monitoring the effectiveness of the Company's financial reporting, internal control policies and procedures for the identification, assessment, and reporting of risk. The latter two areas are integral to the Company's core management processes and the Committee devotes significant time to reviewing reports from the EMT and external auditor relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Company. The Audit and Risk Committee is also responsible for overseeing the relationship with the external auditor.

An essential part of the integrity of the financial statements lies around the key assumptions, estimates, and judgements to be made. The Committee reviews key judgements prior to publication of the financial statements at both the end of the financial year and at the end of the six-month interim period, as well as considering significant issues throughout the year. In particular, this includes reviewing any subjective material assumptions within the Company's activities to enable an appropriate determination of asset valuation, provisioning and the accounting treatment thereof. The Audit and Risk Committee reviewed and was satisfied that the judgements exercised by management on material items contained within the Report and financial statements are reasonable.

The Audit and Risk Committee comprises of three independent Non-Executive Directors whose names and profiles are set out on pages 32 and 33. This includes at least one "financial expert" as defined within meaning of Sarbanes-Oxley, being Alec Carstairs, the Committee Chair. Although not a member of the Audit and Risk Committee, the Chief Financial Officer, whose name and profile is set out on page 32, is invited to attend meetings.

The Committee has engaged Ernst & Young LLP ("EY") to act as the external auditor and it is also invited to attend Committee meetings, unless it has a conflict of interest. The Audit and Risk Committee also meets with the auditor without management in attendance.

The Audit and Risk Committee has committed to meet no less than three times in each financial year and has unrestricted access to the Company's external auditor. In 2021, the Audit and Risk Committee met three times and the members' attendance record at Committee meetings during the financial year is set out in the Corporate Governance Report on page 38.

The Audit and Risk Committee has considered the Company's internal control and risk management policies and systems, their effectiveness, and the requirements for an internal audit function in the context of the Company's overall risk management system. The Audit and Risk Committee is satisfied that the Company does not currently require an internal audit function, however, it will continue to periodically review the situation.

The Audit and Risk Committee has responsibility for reviewing the adequacy and security of the Company's arrangements for its employees and contractors to raise concerns about possible wrongdoing in financial reporting, fraud, and bribery, and ensure that appropriate follow-up action is taken. No issues have been highlighted.

The external auditor, EY, was reappointed during the financial year by shareholders at the Company's AGM. The Audit and Risk Committee undertakes a comprehensive review of the quality, effectiveness, value, and independence of the audit provided by EY each year, seeking the views of the wider Board. The Committee considered several factors when determining the effectiveness of the external auditor, including: the overall quality and scope of the audit; the audit partner and team; communication and engagement with the Audit and Risk Committee, both formal and informal, and how issues were reported, followed up, and resolved; the independence of EY and whether an appropriate level of challenge and scepticism existed in their work.

The Committee also sought the views of key members of the finance team and senior management on the audit process and the quality and experience of the audit partner. Their feedback confirmed that EY had performed well during 2021 and had provided an appropriate level of challenge to management.

EY has indicated its willingness to continue in office and a resolution will be proposed at the Annual General Meeting to reappoint it as auditor and to determine its remuneration.

The total fees paid to the Company's auditor in the year are shown on page 73.

The Company used separate advisers for taxation.

Responsibilities

The Committee reviews and makes recommendations to the Board on:

- any change in accounting policies,
- decisions requiring a major element of judgement and risk,
- compliance with accounting standards and legal and regulatory requirements,
- disclosures in the interim and Annual Report and financial statements,
- reviewing the effectiveness of the Company's financial and internal controls,
- any significant concerns of the external auditor about the conduct, results, or overall outcome of the annual audit of the Company, and
- any matters that may significantly affect the independence of the external auditor.

Alec Carstairs

Chairman of the Audit and Risk Committee

26 May 2022

Financial Report

Independent Auditor's Report to the members of RA International Group Plc

Opinion

In our opinion:

- RA International Group plc's Group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2021 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of RA International Group plc (the "parent company") and its subsidiaries (the "Group") for the year ended 31 December 2021 which comprise:

Group	Parent company
Consolidated statement of financial position as at 31 December 2021	Statement of financial position as at 31 December 2021
Consolidated income statement for the year then ended	Statement of changes in equity for the year then ended
Consolidated statement of comprehensive income for the year then ended	Related notes 1 to 8 to the financial statements, including a summary of significant accounting policies
Consolidated statement of changes in equity for the year then ended	
Consolidated statement of cash flows for the year then ended	
Related notes 1 to 34 to the financial statements, including a summary of significant accounting policies	

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group and parent company's ability to continue to adopt the going concern basis of accounting included:

- In conjunction with our walkthrough of the Group's financial close process, we confirmed our understanding of management's Going Concern assessment process and also engaged with management early to ensure all key factors were considered in their assessment.
- We obtained management's going concern assessment, including the cash forecasts and models for the going concern period ending 30 June 2023. The Group has modelled adverse scenarios, to incorporate severe but plausible changes in key assumptions to the forecasted liquidity of the Group. These include delay of all new contract awards until 2023 as well as deterioration of working capital assumptions.
- We challenged key assumptions included in each modelled scenario for the cash forecast and have considered the impact of Covid-19 included in each forecasted scenario.

- We considered the appropriateness of the methods used to calculate the cash forecasts and determined through inspection and testing of the methodology and calculations that the methods utilised were appropriately sophisticated to be able to make an assessment for the entity.
- We considered the mitigating factors included in the cash forecasts that are within the control of the Group, which included potential deferral of capital expenditure. This included our review of the Group's non-operating cash outflows and evaluating the Group's ability to control these outflows as mitigating actions if required. We also verified actual current cash positions and credit facilities available to the Group, as well as assumptions applied with respect to utilisation and capital repayments of loan notes.
- In order to assess management's forecasting accuracy, we have compared the prior year budgets against actual.
- We assessed reverse stress testing, principally related to further delays in contract execution, in order to identify what factors, either in isolation or in combination with other factors, would lead to the Group utilising all liquidity during the going concern period.

We reviewed the Group's going concern disclosures included in the annual report in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and parent company's ability to continue as a going concern for from when the financial statements are authorised for issue until 30 June 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	• We performed an audit of the complete financial information of all components. • The components where we performed full audit procedures accounted for 100% of profit before tax 100% of revenue and 100% of total assets.
Key audit matters	• Risk of misstatement due to management override, fraud and error, specifically around revenue recognition. • Risk of non-compliance with laws and regulations. • Recoverability of assets in Mozambique.
Materiality	• Overall Group materiality of USD 273,000 which represents 0.5% of revenue.

An overview of the scope of the parent company and Group audits

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. All trading activity is managed and reported through the Group's Dubai subsidiary, and we have classified this entity as full scope providing 100% coverage of the Group's trading activities. We take into account size, risk profile, the organisation of the Group and effectiveness of group-wide controls, changes in the business environment and other factors when assessing the level of work to be performed.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, we designated the Dubai entity as full scope and performed an audit of the complete financial information.

The reporting components where we performed audit procedures accounted for 100% (2020: 100%) of the Group's Profit before tax, 100% (2020: 100%) of the Group's Revenue and 100% (2020: 100%) of the Group's Total assets.

All audit work performed for the purposes of the audit was undertaken by the Group audit team.

Climate change

The Group has determined that there are no future impacts from climate change on their operations. This is explained on page 40 in the directors' report which forms part of the "Other information," rather than the audited financial statements. Our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated.

Our audit effort in considering climate change was focused on evaluating management's assessment that there is no impact of climate change risk, the adequacy of the disclosures in the financial statements and the conclusion that no issues were identified that would impact carrying values of assets with indefinite and long lives or have any other impact on the financial statements. We also challenged the directors' considerations of climate change in their assessment of going concern and associated disclosures.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Risk</th><th>Our response to the risk</th><th>Key observations communicated to the Audit Committee</th></tr>
<tr><td>Risk of misstatement due to management override, fraud and error, specifically around revenue recognition.

Refer to Accounting policies (page 62) and Notes 5 and 6 of the Consolidated Financial Statements (page 67)

Auditing standards require that we consider the risk of fraud or management override of internal controls in relation to revenue recognition.

The Group generates revenue through 3 service channels: Integrated facilities management (USD 31.2m), Construction (USD 14.2m) and Supply chain (USD 9.2m) (see accounting policies Note 4, page 62). We recognise that sales arrangements vary depending on the service being provided with accommodation and supply requiring minimal judgement. Accordingly, we focussed on construction and longer-term services contracts.

The complexity and judgments are mainly related to estimation of the cost to complete of the projects, expected revenues and the related percentage of completion which the group applies for recognizing revenues. The determination of the cost to complete impacts the value and timing of revenue and profit recognised over the life of the project, and is the key area of judgement and estimation that could have a material impact on the financial statements.</td><td>Our principal audit procedures included:

• Performing walkthroughs of the different revenue cycles to gain an understanding of when the revenue should be recognised, identification and assessment of judgements or assumptions applied.

• Obtaining an understanding of the key internal controls which support the project management and accounting. These included the percentage of completion, estimates to complete for both revenue and costs and provisions for loss making projects or unbilled receivables.

• Detailed substantive procedures on individually significant projects as well as high risk projects, such as loss making or higher risk locations. Our procedures included challenging assumptions and estimates applied by management and substantiating transactions with underlying documents including contracts and change orders.

• Utilising computer assisted data analytics techniques to examine the correlation of revenue streams through debtors to cash; highlighting anomalies and non-routine transactions and perform focused procedures on these transactions.

• Enquires of non-finance staff, to challenge our understanding and accounting applied on open or active projects at year end. Discussions with CEO, COO, in-country management team and project managers.

• Detailed manual journal entry testing and review of top side entries, applying particular focus to individually unusual and/or material revenue manual journals.

• Review of management's assessment of IFRS 15 applied to new contracts and challenging key assumptions applied in their assessment to ensure consistent application of standard and accounting policies.

We performed full scope audit procedures over this risk area.</td><td>We communicated to the Audit Committee that:

As a result of procedures performed, no instances of management override were identified.

We also concluded that revenue recognition accounting policies adopted are in line with requirements of IFRS15 and have been applied consistently.

In addition, we concluded that disclosures in the financial statements were free from material misstatement.</td></tr>
</table>

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Risk of non-compliance with laws and regulations *Refer to Accounting policies Note 4 of the Consolidated Financial Statements (page 62)* Auditing standards require that we consider the risk of non-compliance with laws and regulations on the financial statements. RA international operate in countries that rank amongst the highest on the Transparency International Corruption Perceptions Index and have limited legal structures. Both factors increase the risk of corruption and bribery. There is a risk that if the controls and policies in place are not sufficient to prevent or detect bribery or instances of corruption, there could be a material impact on the financial statements due to unrecorded liabilities or impact of reputational risk such as recoverability of assets or continued revenue / profit generation.	Our principal audit procedures included: • Enquiries of management (including the Group's Legal Counsel, Group Compliance Manager, CEO, COO and CFO) as well as the Audit Committee, as to whether the entity is in compliance with such laws and regulations. • Review of company policies and procedures related to risk management, including Anti Bribery & Corruption ("ABC") and whistleblowing policies. • Review of board minutes, inspection of correspondence, if any, with the relevant licensing or regulatory authorities, review of significant contracts (including external advice on legal, tax and jurisdiction specific matters). • Performance of targeted procedures on the procurement process: o Walkthrough of the expenditure cycle to gain an understanding of different procurement processes and controls in place to address risks associated with ABC. o Using data analytical tools to identify unusual journal postings originating from cash (such as manual cash payments and receipts) o Detailed testing of cash payments and higher risk expenditure (including travel and entertainment, advances and bonuses). *We performed full scope audit procedures over this risk area.*	We communicated to the Audit Committee that: Based on the audit procedures performed, no instances of non-compliance with laws and regulations were identified.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Recoverability of assets in Mozambique *Refer to Accounting policies Note 4 of the Consolidated Financial Statements (page 62)* On-going political unrest and insurgence in Mozambique, resulted in force majeure being imposed on the Group's contract to provide services into the country. As a result an additional risk associated with recoverability of assets held in country was identified. Auditing standards require that we consider the risk of recoverability of assets. Management performed a detailed assessment of all assets held in Mozambique, to determine options available to the Group regarding realising any future economic benefit and subsequent impact on carrying value of associated assets. An impairment of USD 25.6m has been recorded in the current period (refer to note 9).	Our principal audit procedures included: • Review and challenge of management's IAS36 - Impairment of assets, assessment of Mozambique assets, including application of IAS36 triggers for impairment and conclusion regarding recoverable amount of assets as at 31 December 2021. • Develop an understanding of the situation in Mozambique through engagement with local EY Mozambique team and regular review of news and governmental reports (including any announcements related to project). • Reviewed and challenged managements assessment under IAS37 – Provisions. Contingent Liabilities and Contingent Assets, to record a provision for unavoidable costs related to the disposal of offsite assets related to their Mozambique activities. • Enquiries and challenge of management (including CEO, COO, CFO and Non-Executive Directors), as to assumptions and judgements taken. • Review activities post year end, including plans and activities related to assets held in country and corroborate to third party evidence (where appropriate). • Review the disclosures in the financial statements related to this matter to ensure they are complete and appropriate. *We performed full scope audit procedures over this risk area.*	We communicated to the Audit Committee that: As a result of procedures performed, we concurred with the impairment of assets and provision for unavoidable costs recorded. We also concluded that disclosures in the financial statements were free from material misstatement.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be USD 273,000 (2020: USD 331,000), which is 0.5% of Revenue (2020: 5% of profit before tax). We have changed our basis for materiality for the current year, moving from a profit before tax measure to a revenue measure. Despite the fall in profit before tax, we note that the overall size of the business, demonstrated by revenue, has remained broadly consistent with the prior year therefore the change in basis for materiality was deemed appropriate. Revenue is deemed an important benchmark for users to determine growth and performance of the Group.

We determined materiality for the Parent Company to be USD 556,000 (2020: USD 588,000), which is 1% (2020: 1%) of total equity. The Parent company is non-trading and principal activity that of a holding company; therefore we consider it appropriate to adopt equity as basis for materiality as this is considered the key performance metric of users of accounts.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2020: 75%) of our planning materiality, namely USD 205,000 (2019: USD 248,000). We have set performance materiality at this percentage due to various considerations including the past history of misstatements, our ability to assess the likelihood of misstatements, the effectiveness of the internal control environment and other factors affecting the entity and its financial reporting.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of USD 14,000 (2020: USD 22,000), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 41, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are those that relate to the reporting framework (IFRS, Companies Act 2006, AIM Listing Rules) and the relevant tax compliance regulations in the jurisdictions in which the Group operates. In addition, we concluded that there are certain significant laws and regulations in relation to health and safety, employee matters and anti- bribery and corruptions practices.
- We understood how the Group is complying with those frameworks by making enquiries of management, those responsible for legal and compliance procedures and the Company Secretary. We corroborated our enquiries through our review of Board minutes, papers provided to the Audit Committee and correspondence received from regulatory bodies and noted that there was no contradictory evidence.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by meeting with management, including within various parts of the business, to understand where they considered there was susceptibility to fraud. We also considered performance targets and the potential for management to manage earnings or influence the perceptions of analysts. Where this risk was considered to be higher, we performed audit procedures to address each identified fraud risk. Areas identified the greatest potential for fraud included revenue recognition and in common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. Based on this understanding we designed audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries of management (including CEO, COO, CFO, Non-Executive Directors and internal legal counsel), review of the Group's policies and procedures related to risk management, review of board minutes, inspection of correspondence, if any, with the relevant licensing or regulatory authorities, and review of significant contracts. Further details of the procedures performed, and our observations are included in the Key Audit Matters section of this report.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures included a review of board minutes to identify any non-compliance with laws and regulations, a review of the reporting to the Audit Committee on compliance with regulations, enquiries of legal Counsel and management as well as utilisation of data analytical tools to review for potential non-compliance with laws and regulations with a focus on manual journals and transactions which have heightened risk by nature. Further details of the procedures performed, and our observations are included in the Key audit matters section of this report.

A further description of our responsibilities for the audit of the financial statements is located on the

Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Paul Copland (Senior statutory auditor)

for and on behalf of Ernst & Young LLP,
Statutory Auditor
Edinburgh

Date: 26 May 2022

Consolidated statement of comprehensive income

For the year ended 31 December 2021

	Notes	2021 USD'000	2020 USD'000
Revenue	7	54,595	64,441
Cost of sales	9	(42,050)	(45,647)
Credit provision	20	(505)	–
Gross profit		12,040	18,794
Administrative expenses	9	(10,719)	(8,429)
Underlying operating profit		1,321	10,365
Non-underlying items	9	(32,222)	(3,046)
Operating (loss)/profit		(30,901)	7,319
Investment revenue		55	278
Finance costs		(1,314)	(970)
(Loss)/Profit before tax		(32,160)	6,627
Tax benefit/(expense)	11	80	(61)
(Loss)/Profit and total comprehensive income for the year		(32,080)	6,566
Basic earnings per share (cents)	12	(18.7)	3.8
Diluted earnings per share (cents)	12	(18.5)	3.8

Consolidated statement of financial position

As at 31 December 2021

	Notes	2021 USD'000	2020 USD'000
Assets			
Non-current assets			
Property, plant, and equipment	16	25,512	47,358
Right-of-use assets	17	5,374	3,528
Goodwill	18	—	138
		30,886	51,024
Current assets			
Inventories	19	9,397	9,142
Trade and other receivables	20	16,522	12,666
Cash and cash equivalents	21	8,532	17,632
		34,451	39,440
Total assets		65,337	90,464
Equity and liabilities			
Equity			
Share capital	22	24,300	24,300
Share premium		18,254	18,254
Merger reserve		(17,803)	(17,803)
Treasury shares	23	(1,199)	(1,363)
Share based payment reserve		534	177
Retained earnings		13,223	48,509
Total equity		37,309	72,074
Non-current liabilities			
Loan notes	24	—	6,471
Lease liabilities	25	5,206	3,720
Employees' end of service benefits	26	731	517
		5,937	10,708
Current liabilities			
Loan notes	24	10,000	—
Lease liabilities	25	834	318
Trade and other payables	27	9,835	7,364
Provisions	28	1,422	—
		22,091	7,682
Total liabilities		28,028	18,390
Total equity and liabilities		65,337	90,464

The financial statements were approved by the Board of Directors on 26 May 2022 and signed on its behalf by:

Soraya Narfeldt
CEO

Andrew Bolter
CFO

The attached notes 1 to 34 form part of the consolidated financial statements.

Consolidated statement in changes in equity

For the year ended 31 December 2021

	Share capital USD'000	Share premium USD'000	Merger reserve USD'000	Treasury shares USD'000	Share based payment reserve USD'000	Retained earnings USD'000	Total USD'000
As at 1 January 2020	24,300	18,254	(17,803)	—	47	44,685	69,483
Total comprehensive income for the period	—	—	—	—	—	6,566	6,566
Share based payments (note 13)	—	—	—	—	130	—	130
Dividends declared and paid (note 14)	—	—	—	—	—	(2,674)	(2,674)
Purchase of treasury shares (note 23)	—	—	—	(2,600)	—	—	(2,600)
Issuance of treasury shares (note 23)	—	—	—	1,237	—	(68)	1,169
As at 31 December 2020	24,300	18,254	(17,803)	(1,363)	177	48,509	72,074
Total comprehensive income for the period	—	—	—	—	—	(32,080)	(32,080)
Share based payments (note 13)	—	—	—	—	487	—	487
Dividends declared and paid (note 14)	—	—	—	—	—	(3,206)	(3,206)
Issuance of treasury shares (note 23)	—	—	—	164	(130)	—	34
As at 31 December 2021	24,300	18,254	(17,803)	(1,199)	534	13,223	37,309

Consolidated statement of cash flows

For the year ended 31 December 2021

	Notes	2021 USD'000	2020 USD'000
Operating activities			
Operating (loss)/profit		(30,901)	7,319
Adjustments for non-cash and other items:			
Depreciation on property, plant, and equipment	16, 17	4,855	3,731
(Profit)/Loss on disposal of property, plant, and equipment	16	(16)	93
Unrealised differences on translation of foreign balances		133	5
Provision for employees' end of service benefits	26	433	209
Share based payments	13	487	1,299
Non-underlying items – Palma Project, Mozambique	9	28,035	—
		3,026	12,656
Working capital adjustments:			
Inventories		(5,071)	(2,964)
Trade and other receivables		(4,284)	12,240
Trade and other payables		1,513	(616)
Cash flows (used in)/generated from operations		(4,816)	21,316
Tax paid	11	(20)	(117)
Employees' end of service benefits paid	26	(219)	(83)
Net cash flows (used in)/from operating activities		(5,055)	21,116
Investing activities			
Investment revenue received		55	278
Purchase of property, plant, and equipment	16	(3,478)	(24,450)
Proceeds from disposal of property, plant, and equipment	16	823	24
Net cash flows used in investing activities		(2,600)	(24,148)
Financing activities			
Proceeds from borrowings	24	3,916	6,084
Repayment of lease liabilities	25	(742)	(564)
Finance costs paid		(1,314)	(970)
Dividends paid	14	(3,206)	(2,674)
Purchase of treasury shares	23	—	(2,600)
Proceeds from share options exercised	23	34	—
Net cash flows used in financing activities		(1,312)	(724)
Net decrease in cash and cash equivalents		(8,967)	(3,756)
Cash and cash equivalents as at start of the period	21	17,632	21,393
Effect of foreign exchange on cash and cash equivalents		(133)	(5)
Cash and cash equivalents as at end of the period	21	8,532	17,632

Notes to the consolidated financial statements

For the year ended 31 December 2021

1 Corporate information

The principal activity of RA International Group plc (the "Company") and its subsidiaries (together the "Group") is providing services in demanding and remote areas. These services include construction, integrated facilities management, and supply chain services.

The Company was incorporated on 13 March 2018 as a public company in England and Wales under registration number 11252957. The address of its registered office is One Fleet Place, London, EC4M 7WS.

2 Basis of preparation

The consolidated financial statements have been prepared in accordance with UK adopted international accounting standards. They have been prepared under the historical cost basis and have been presented in United States Dollars ("USD"). All values are rounded to the nearest thousand (USD'000), except where otherwise indicated.

Going concern

In assessing the basis of preparation of the financial statements the Board has undertaken a rigorous assessment of going concern, considering financial forecasts covering a period to 30 June 2023 and utilising scenario analysis to test the adequacy of the Group's liquidity. The primary uncertainties facing the business at present are related to the timing and success of contract awards, as well as the time frame and value at which unutilised fixed assets and inventory can be used or sold.

In addition to a Base Case scenario, additional scenarios were prepared which reflect the primary uncertainties facing the business. One forecasts a worst-case trading environment whereby the Group is not awarded any new contracts in the future. Another assumes that the Group is unable to sell or dispose of a significant value of currently unutilised assets and as a result continues to incur the related storage costs throughout the going concern period, additionally all working capital assumptions were assumed to deteriorate to levels unseen previously. Under all scenarios, the Group has concluded that it has sufficient cash reserves and facilities to fund trading, capital investment, and principal and interest repayments associated with loan notes maturing during the period.

During May 2022, the Group refinanced its debt so as to extend and synchronise the maturity date. Of the USD 10m loan notes outstanding at 31 December 2021, USD 1.6m were not refinanced and will be repaid utilising the USD 3.6m of new funding raised through this new programme. The loan notes now mature in November of 2024. The Group also has access to a GBP 10m long-term debt facility which is not expected to be utilised at any point throughout the going concern period.

Under all scenarios reviewed by the Board the Group continues to have sufficient cash reserves to operate for the foreseeable future. Any scenario whereby trading performance is worse than those modelled is considered to be remote given the level of committed contracted work in place. On that basis, the Board is therefore satisfied that it is appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Climate change

In preparing the financial statements, the management has considered the impact of the physical and transition risks of climate change and identified this as an emerging risk but have concluded that it does not have a material impact on the recognition and measurement of the assets and liabilities in these financial statements as at 31 December 2021.

3 Basis of consolidation

The financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee),
- exposure, or rights, to variable returns from its involvement with the investee, and
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee,
- rights arising from other contractual arrangements, and
- the Group's voting rights and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Company loses control over the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of a subsidiary to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

If the Company loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest, and other components of equity while any resultant gain or loss is recognised in the profit or loss. Any investment retained is recognised at fair value.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at the fair value on the acquisition date. The net identifiable assets acquired, and liabilities assumed are recorded at their respective fair values on the acquisition date. Acquisition-related costs are expensed as incurred and included in acquisition costs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date.

4 Significant accounting policies

Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is acting as a principal in all its revenue arrangements.

Sale of goods (supply chain)

Revenue from the sale of goods and the related logistics services is recognised when control of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Construction

Typically, revenue from construction contracts is recognised at a point in time when performance obligations have been met. Generally, this is the same time at which client acceptance has been received. Dependent on the nature of the contracts, in some cases revenue is recognised over time using the percentage of completion method on the basis that the performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date. Contract revenue corresponds to the initial amount of revenue agreed in the contract and any variations in contract work, claims, and incentive payments are recognised only to the extent that it is highly probable that they will result in revenue, and they are capable of being reliably measured.

Services (integrated facilities management)

Revenue from providing services is recognised over time, applying the time elapsed method for accommodation and similar services to measure progress towards complete satisfaction of the service, as the customers simultaneously receive and consume the benefits provided by the Group.

Cost of sales

Cost of sales represent costs directly incurred or related to the revenue generating activities of the Group, including staff costs, materials, and depreciation.

Contract balances

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional, meaning only the passage of time is required before payment of the consideration is due.

Accrued revenue

Accrued revenue represents the right to consideration in exchange for goods or services transferred to a customer in connection with fulfilling contractual performance obligations. If the Group performs by transferring goods or services to a customer before invoicing, accrued revenue is recognised in an amount equal to the earned consideration that is conditional on invoicing. Once an invoice has been accepted by the customer accrued revenue is reclassified as a trade receivable.

Customer advances

If a customer pays consideration before the Group transfers goods or services to the customer, a customer advance is recognised when the payment is received by the Group. Customer advances are recognised as revenue when the Group meets its obligations to the customer.

Borrowing costs

Borrowing costs directly attributable to the construction of an asset are capitalised as part of the cost of the asset. Capitalisation commences when the Group incurs costs for the asset, incurs borrowing costs and undertakes activities that are necessary to prepare the asset for its intended use or sale. Capitalisation ceases when the asset is ready for use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that are incurred in connection with the borrowing of funds.

Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Property, plant, and equipment

Property, plant, and equipment are stated at cost less accumulated depreciation and any impairment in value. Capital work-in-progress is not depreciated until the asset is ready for use. Depreciation is calculated on a straight line basis over the estimated useful lives. At the end of the useful life, assets are deemed to have no residual value. Contract specific assets are depreciated over the lesser of the length of the project, or the useful life of the asset. The useful life of general property, plant, and equipment is as follows:

Buildings	Lesser of 5 to 20 years and term of land lease
Machinery, motor vehicles, furniture, and equipment	2 to 10 years
Leasehold improvements	Lesser of 10 years and term of lease

The carrying values of property, plant, and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down, with the write down recorded in profit or loss to their recoverable amount, being the greater of their fair value less costs to sell and their value in use.

Expenditure incurred to replace a component of an item of property, plant, and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant, and equipment. All other expenditure is recognised in profit or loss as the expense is incurred.

An item of property, plant, and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the profit or loss in the year the asset is derecognised.

Assets' residual values, useful lives, and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

Goodwill

Goodwill is stated as cost less accumulated impairment losses. Cost is calculated as the total consideration transferred less net assets acquired.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs include those expenses incurred in bringing each product to its present location and condition. Cost is calculated using the weighted average method. Net realisable value is based on estimated selling price less any further costs expected to be incurred in disposal.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and balances with banks, which are readily convertible to known amounts of cash and have a maturity of three months or less from the date of acquisition. This definition is also used for the consolidated cash flow statement.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use. An asset's recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used, maximising the use of observable inputs. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecasts generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Financial instruments

i) Financial assets

Initial recognition and measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

Subsequent measurement
Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

Other receivables are subsequently measured at amortised cost.

Derecognition of financial assets
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the asset has expired.

Impairment of financial assets
The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next twelve months (a twelve-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. When arriving at the ECL we consider historical credit loss experience including any adjustments for forward-looking factors specific to the debtors and the economic environment.

A financial asset is deemed to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Income from financial assets
Investment revenue relates to interest income accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

ii) Financial liabilities

Initial recognition and measurement
Financial liabilities are initially recognised at fair value and subsequently classified at fair value through profit or loss, loans and borrowings, or payables. Loans and borrowings and payables are recognised net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and loan notes.

Subsequent measurement
The measurement of financial liabilities depends on their classification as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as held at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Loans and payables
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged, cancelled, or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

Leases
Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability. The cost of right-of-use assets includes the amount of lease liabilities recognised and initial direct costs incurred. Right-of-use assets are depreciated on a straight line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payment made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or a change in the lease payments.

Short-term leases and leases on low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of twelve months or less from the commencement date). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight line basis over the lease term.

Employees' end of service benefits
The Group provides end of service benefits to its employees in accordance with local labour laws. The entitlement to these benefits is based upon the employee's final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. The Group accounts for these benefits as a defined contribution plan under IAS 19.

Treasury shares
Treasury shares are held as a deduction from equity and are held at cost price.

Share based payments
Employees (including senior executives) of the Group receive remuneration in the form of share based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are provided in note 13.

That cost is recognised in employee benefits expense, included in administrative expenses, together with a corresponding increase in equity (share based payment reserve), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Contingencies

Contingent liabilities are not recognised in the financial statements, they are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

Foreign currencies

The Group's financial statements are presented in USD, which is the functional currency of all Group companies. Items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange prevailing at the reporting date. All differences are taken to profit or loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Foreign currency share capital (including any related share premium or additional paid-in capital) is translated using the exchange rates as at the dates of the initial transaction. The value is not remeasured.

5 Changes in accounting policies and disclosures

New and amended standards and interpretations

Amendments and interpretations that apply for the first time in 2021 do not have a significant impact on the financial statements of the Group. The Group has not early adopted any standards, interpretations, or amendments that have been issued but are not yet effective.

Presentation of Consolidated Statement of Financial Position

Property, plant, and equipment ("PPE") as presented in the prior period on the face of the balance sheet includes a USD 3,528,000 reclassification to Right-of-Use Assets ("ROU") as a result of a presentational change where ROU is now separately disclosed. PPE as at 1 January 2020 would have been USD 26,081,000 on a similar basis. A third balance sheet for the beginning of the preceding period (1 January 2020) has not been presented on the basis that the information does not have a material effect on the information already presented for the Group.

6 Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates, and assumptions that may affect the reported amount of assets and liabilities, revenue, expenses, disclosure of contingent liabilities, and the resultant provisions and fair values. Such estimates are necessarily based on assumptions about several factors and actual results may differ from reported amounts.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

a) Judgements

Use of Alternative Performance Measures

IAS 1 requires material items to be disclosed separately in a way that enables users to assess the quality of a company's profitability. In practice, these are commonly referred to as "exceptional" items, but this is not a concept defined by IFRS and therefore there is a level of judgement involved in arriving at an Alternative Performance Measure ("APM") which excludes such exceptional items. The Group refers to these as non-underlying items and considers items suitable for separate presentation that are outside normal operations and are material to the results of the Group either by virtue of size or nature. See note 9 for further details on specific balances which are classified as non-underlying items.

b) Estimates and assumptions

Percentage of completion

The Group primarily uses the output percentage-of-completion method when accounting for contract revenue on its long-term construction contracts. Use of the percentage-of-completion method requires the Group to estimate the progress of contracts based on surveys of work performed. The Group has determined this basis of revenue recognition is the best available measure on such contracts and where possible seeks customer verification of percentage-of-completion calculations as at financial reporting dates.

The accuracy of percentage-of-completion estimates has a material impact on the amount of revenue and related profit recognised. As at 31 December 2021, USD 3,837,000 of accrued revenue had been calculated using the percentage-of-completion method (2020: USD 1,083,000), of which USD 845,000 is supported by customer verifications (2020: USD 398,000).

Revisions to profit or loss arising from changes in estimates are accounted for in the period when the changes occur.

IFRS 16 – interest rate

In some jurisdictions where the Group holds long-term leases, the incremental borrowing rate is not readily determinable. As a result, the incremental borrowing rate is estimated with reference to risk adjusted rates in other jurisdictions where a market rate is determinable, and the Group's cost of funding.

Provision for asset impairment

In March 2021, insurgents attacked the town of Palma, Mozambique. This led to Total Energies ("Total") suspending their development works in the region and declaring force majeure. As a result, the Group's contract to build and operate a 1,800-person camp was suspended (the Palma Project). At the time of the attack, RA had purchased substantially all of the assets required to complete the project and was approximately two weeks from commencing revenue generating activities.

As a result of this catastrophic event and the lack of evidence of this time to conclude on the fair value of these assets, the Group has impaired the full carrying value of assets which are associated with the Palma Project. Further details of this impairment charge can be found in note 9.

Provision for unavoidable costs

Following the March 2021 attack on Palma, Mozambique the Group began incurring unavoidable costs relating to the Offsite Assets. It is estimated that these assets will be fully disposed of by December 2022.

7 Segmental information

For management purposes, the Group is organised into one segment based on its products and services, which is the provision of services in demanding and remote areas. Accordingly, the Group only has one reportable segment. The Group's Chief Operating Decision Maker ("CODM") monitors the operating results of the business as a single unit for the purpose of making decisions about resource allocation and assessing performance. The CODM is considered to be the Board of Directors.

Operating segments

Revenue, operating results, assets, and liabilities presented in the financial statements relate to the provision of services in demanding and remote areas.

Revenue by service channel:

	2021 USD'000	2020 USD'000
Integrated facilities management	31,162	31,265
Construction	14,221	19,085
Supply chain	9,212	14,091
	54,595	64,441

Revenue by recognition timing:

	2021 USD'000	2020 USD'000
Revenue recognised over time	41,320	40,118
Revenue recognised at a point in time	13,275	24,323
	54,595	64,441

Geographic segment

The Group primarily operates in Africa and as such the CODM considers Africa and Other locations to be the only geographic segments of the Group. The below geography split is based on the location of project implementation.

Revenue by geographic area of project implementation:

	2021 USD'000	2020 USD'000
Africa	52,357	61,161
Other	2,238	3,280
	54,595	64,441

Non-current assets by geographic area:

	2021 USD'000	2020 USD'000
Africa	28,448	47,687
Other	2,438	3,337
	30,886	51,024

Revenue split by customer

	2021 %	2020 %
Customer A	25	24
Customer E	14	10
Customer F	11	10
Customer D	10	9
Customer G	9	9
Customer B	6	7
Customer H	4	—
Customer C	1	4
Other	20	27
	100	100

8 Group information

The Company operates through its subsidiaries, listed below, which are legally or beneficially, directly or indirectly owned and controlled by the Company.

The extent of the Company's beneficial ownership and the principal activities of the subsidiaries are as follows:

Name of the entity	Country of incorporation	Beneficial ownership	Registered address
RA Africa Holdings Limited	British Virgin Islands	100%	3rd floor, J&C Building, PO Box 362, Road Town, Torola Virgin Islands (British) VG110
RA International Commercial Services Limited	British Virgin Islands	100%	3th floor, J&C Building, PO Box 362, Road Town, Torola Virgin Islands (British) VG110
RASB Holdings Limited	British Virgin Islands	100%	3th floor, J&C Building, PO Box 362, Road Town, Torola Virgin Islands (British) VG110
RA International Limited	Cameroon	100%	537 Rue Njo-Njo, Bonaprisi, PO Box 1245, Douala, Cameroon
RA International RCA	Central African Republic	100%	Avenue des Martyrs, Bangui, Central African Republic
RA International Chad	Chad	100%	N'djamena, Chad
RA International DRC SARL	Democratic Republic of Congo	100%	Kinshasa, Sis No106, Boulevard Du 30 Juin, Dans La Commune De La Gombe EN RD, Congo

Name of the entity	Country of incorporation	Beneficial ownership	Registered address
RA Property ApS	Denmark	100%	Tuborg Boulevard 12, 4 DK-2900 Hellerup, Denmark
RA International Guyana Inc.	Guyana	100%	210 New Market Street, Georgetown, Guyana
Raints Kenya Limited	Kenya	100%	The Pavilion 6th Floor, Lower Kabete Road, Westlands, PO Box 2691-00621, Nairobi, Kenya
RA International SARL	Lebanon	100%	Beirut Souks, Souk El Dahab, section no 1144, plot no 1479, Beirut, Lebanon
RA International Limited	Malawi	100%	Hanover House, Hanover Avenue, Independence Drive, Blantyre, Malawi
Raints Mali	Mali	100%	Bamako-Niarela Immeuble Sodies Appartement C/7, Mali
RA International Limitada	Mozambique	100%	Distrito KAMPFUMO, Bairro Sommarchield, Rua. Jose Graverinha, no 198, R/C, Maputo, Mozambique
Royal Food Solutions S.A	Mozambique	100%	Distrito Urbano 1, Bairro Central, Rua do Sol, 23 Maputo, Mozambique
RA International Niger	Niger	100%	Niamey, Quartier Cite Piudriere, Avenue du Damergou, CI-48, Niger
RA Contracting and Facility Management LLC	Qatar	100%	63 Aniza, Doustor St. 905, Salam International, Qatar
RA International*	Somalia	100%	Mogadishu, Somalia
RA International FZCO	South Sudan	100%	Plot no. 705, Block 3-K South, Airport Road, Hai Matar South Sudan
Reconstruction and Assistance Company Ltd	Sudan	100%	115 First Quarter Graif west-Khartoum, Kharthoum, Republic of Sudan
RA International Limited	Tanzania	100%	369 Toure Drive, Oysterbay, PO Box 62, Dar Es Salaam, Tanzania
RA International FZCO	UAE	100%	Office Number S101221O39, Jebel Ali Free Zone, Dubai, United Arab Emirates
RA International General Trading LLC	UAE	100%	Building 41, 3B Street, Al Quoz Industrial Area 1, PO Box 115774, Dubai, United Arab Emirates
RA SB Ltd.	UAE	100%	RAK International Corporate Centre, Ras Al Khaimah, United Arab Emirates
RA International Global Operations Limited	UK	100%	1 Fleet Place, London, EC4M 7WS, United Kingdom
RA International Limited	Uganda	100%	4th Floor, Acacia Mall, Plot 14-18, Cooper Road, Kololo, Kampala, Uganda
REMSCO Uganda (SMC) Limited	Uganda	100%	4th Floor, Acacia Mall, Plot 14-18, Cooper Road, Kololo, Kampala, Uganda
RA Federal Services LLC	United States of America	100%	3411 Silverside Road, Tatnall Building #104, Wilmington, DE 19810
RA-RME LLC	United States of America	67%	3411 Silverside Road, Tatnall Building #104, Wilmington, DE 19810
Berkshire General Insurance Limited	United States of America	100%	1 Church Street, 5th Floor, Burlington, Chittenden, Vermont, 05401, United States of America

* RA International in Somalia is not an incorporated legal entity.

9 Loss/Profit for the period

Loss/Profit for the period is stated after charging:

	2021 USD'000	2020 USD'000
Staff costs	22,088	19,845
Materials	12,887	17,571
Depreciation	4,855	3,731

Staff costs relate to wages and salaries plus directly attributable expenses.

Non-underlying items

	2021 USD'000	2020 USD'000
Acquisition costs	—	175
COVID-19 costs	765	1,433
Restructuring costs	—	269
Other share based payments (note 13)	—	1,169
Palma Project, Mozambique	31,457	—
	32,222	3,046

Acquisition costs

Costs incurred by the Group related to corporate acquisitions are expensed as incurred. Acquisition costs mainly comprise professional fees and travel costs. The acquisition of new companies is not considered to be part of the Group's normal operations, and therefore management has chosen to disclose these costs separately on the basis as that outlined above. Acquisition costs in 2020 relate to potential corporate acquisitions which were being explored in the first half of the 2020. These transactions were halted for various reasons including the incremental level of uncertainty COVID-19 added to target operating forecasts.

COVID-19 costs

These costs were incurred due to the COVID-19 pandemic and primarily comprise of incremental staff costs and PPE. These incremental staff costs relate to staff salaries paid to employees unable to work due to local lockdowns or international travel restrictions preventing their access to worksites (2021: USD 374,000; 2020: USD 853,000) and discretionary payments made to employees working throughout the pandemic (2021: nil; 2020: USD 388,000). All payments made were non-contracted and at the discretion of executive management. Incremental project costs associated with PPE consumption and COVID-19 testing are also included in this balance (2021: USD 391,000; 2020: USD 192,000). General inefficiencies experienced as a result of COVID-19 have not been included given the high level of judgement inherent in undertaking this exercise and as a result, continue to be included within cost of sales.

Restructuring costs

In 2020, the Group closed two offices in the United Arab Emirates and consolidated all country staff into a larger corporate office ("Head Office"). In addition, the Group relocated staff from other geographical locations to Head Office. This restructuring exercise was completed in 2020.

Palma Project, Mozambique

In March 2021, insurgents attacked the town of Palma, Mozambique. This led to Total suspending their development works in the region and declaring force majeure. As a result, the Group's contract to build and operate a 1800-person camp was suspended (the Palma Project). At the time of the attack, RA had purchased substantially all of the assets required to complete the project and was approximately two weeks from commencing revenue generating activities.

As a result of this catastrophic event, the Group has incurred significant incremental costs and impaired assets which are associated with the Palma Project.

	2021 USD'000	2020 USD'000
Provision for asset impairment	23,410	—
Permanent asset impairment	2,145	—
Incremental costs incurred but unpaid	1,058	—
Provision for unavoidable costs	1,422	—
Total of non-cash charges	28,035	—
Incremental costs incurred and paid	3,422	—
	31,457	—

Provision for asset impairment

As at the date of these accounts, the force majeure is still in place and development work has not recommenced. While the security situation has improved, and commercial activity is returning to the Palma area, Total has recently indicated that while they are committed to restarting works in the region, they are not undertaking any works at present, and they will re-evaluate the situation so as to assess if there are conditions to return. These conditions include a sustained level of security in the region, and the return of the local population to normal living conditions.

Following a number of conversations with a wide range of third parties directly or indirectly involved in returning security to the Cabo Delgado region, the CODM is hopeful that the conditions for Total's return will be met and development works will recommence. However, there remains significant uncertainty as to when the force majeure will be lifted and what RA's role will be in the recommenced development works. The Group stands well placed to benefit from the restart of activities in the region given the investment made in the area, but at this stage, given the variables indicated above, the CODM cannot reasonably attribute a fair value to these assets.

Given this uncertainty, and in accordance with IAS 36, after a significant amount of deliberation both as a board and with third-party advisers, the CODM has decided to recognise a provision to impair the full value of assets relating to the Palma Project.

The CODM will undertake regular assessments to establish if there is a basis for reversal of the impairment provision (recovery). These assessments will be made at least every six months or when an event transpires which may indicate a material change in the value of the Palma Project assets.

The Palma Project assets can be divided into three separate groups:

1) Palma Assets

The Palma Assets relate to the land, infrastructure, and other assets located within the RA Camp facility near the town of Palma, Mozambique. As at the time these accounts were published, the security situation in Cabo Delgado province remains volatile and significant security measures must be taken to access the camp facility. Given the assets are not currently generating a commercial return, the uncertainty regarding the future commercial returns from these assets, and the lack of a ready market for the Palma Assets, an impairment provision has been established equal to their carrying value.

2) Offsite Assets

These consist of equipment and material located within various secure storage locations in Africa and the Middle East. Although the best use of the Offsite Assets is on the Palma Project, given the uncertainty as to when Total will recommence development activities, the CODM believe it to be in the best interest of stakeholders that the Group dispose of these assets in the short term so as to cease incurring unavoidable costs.

Given the nature, location and customs status of the Offsite Assets, a limited market exists for these items. As a result, an impairment provision has been established for the full carrying value of the assets.

3) Other Assets

These consist of non-tangible assets such as tax and receivable balances. The Group has recorded an impairment provision in relation to the full value of tax assets and other balances that have been deemed unrecoverable as a result of the March 2021 attack.

The below table provides a breakup of these balances by asset class:

	Fixed Assets USD'000	Inventory USD'000	Other Assets USD'000	Total USD'000
Palma Assets	15,257	137	—	15,394
Offsite Assets	4,050	3,177	—	7,227
Other Assets	—	—	789	789
	19,307	3,314	789	23,410

Permanent asset impairment

While the Group's camp facility near Palma Mozambique was not directly attacked, at the time of the attack the Group incurred impairment losses resulting from the theft or vandalism of its assets. The Group has also incurred losses when disposing of assets which were originally purchased for use on the Palma Project. These losses, incurred during 2021, are permanent and as a result, there is no need to reassess the value of these assets in the future. Permanent impairment losses relating to the Palma Project totalled USD 2,145,000 as at 31 December 2021. Included in this balance is USD 138,000 relating to the impairment of goodwill.

Incremental costs

As at 31 December 2021, the Group had incurred USD 4,480,000 in incremental costs directly related to the March 2021 attack on Palma, Mozambique and the resulting suspension of development activities by Total. These expenses primarily relate to logistics, storage, and security costs, but also include costs such as staff evacuation and mental health counselling provided to staff. At the time of the attack, a significant value of assets were on-route to Palma and post attack, it was no longer possible to safely offload goods in the Palma area. As a result, goods had to be stored in their current locations in Europe, the Middle East, and East Africa, or where possible, shipped to more economical storage locations. Of these incremental costs USD 3,422,000 were paid for during 2021 and USD 1,058,000 were accrued but unpaid as at 31 December 2021.

Provision for unavoidable costs

The Group has recorded a provision of USD 1,422,000 relating to unavoidable costs associated with the Offsite Assets. Management anticipates that the Offsite Assets will be fully disposed of by December 2022.

Auditor compensation

Amounts paid or payable by the Group in respect of audit and non-audit services to the auditor are shown below.

	2021 USD'000	2020 USD'000
Fees for the audit of the Company annual accounts	164	138
Fees for the audit of the subsidiary annual accounts	74	72
Additional fee for the prior year audit of the Group annual accounts	—	45
Total audit fees	238	255
Non-audit related services	—	—

10 Employee expenses

The average number of employees (including Directors) employed during the period was:

	2021	2020
Directors	7	7
Executive management	5	6
Staff	1,157	1,645
	1,169	1,658

The aggregate remuneration of the above employees was:

	2021 USD'000	2020 USD'000
Wages and salaries	17,804	18,200
Social security costs	153	95
Share based payments	487	1,299
	18,444	19,594

The remuneration of the Directors and other key management personnel of the Group are detailed in note 31.

11 Tax

The tax charge on the (loss)/profit for the year is as follows:

	2021 USD'000	2020 USD'000
Current tax:		
UK corporation tax on (loss)/profit for the year	—	—
Non-UK corporation tax	80	61
Adjustment for prior years	(160)	—
Tax charge for the year	(80)	61

Factors affecting the tax charge

The tax assessed for the year varies from the standard rate of corporation tax in the UK. The difference is explained below:

	2021 USD'000	2020 USD'000
(Loss)/Profit before tax	(32,160)	6,627
Expected tax charge based on the standard average rate of corporation tax in the UK of 19% (2020: 19%)	(6,110)	1,259
Effects of:		
Deferred tax asset not recognised	105	102
Exemptions and foreign tax rate difference	6,085	(1,300)
Adjustment for prior years	(160)	—
Tax charge for the year	(80)	61

The Group benefits from tax exemptions granted to its customers who are predominantly governments and large intragovernmental organisations, as well as zero corporate tax rates in certain countries of operation. The CODM is not aware of any factors that indicate the tax rates in these countries will materially change in future periods or that tax exemptions granted will no longer be available to the Group.

The main rate of UK corporation tax is 19% and will increase to 25% on 1 April 2023. The expected impact as a result of this change is not considered material for the Group.

12 Earnings per share

The Group presents basic earnings per share (“EPS”) data for its ordinary shares. Basic EPS is calculated by dividing the profit attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	2021	2020
(Loss)/Profit for the period (USD’000)	(32,080)	6,566
Basic weighted average number of ordinary shares	171,660,947	172,451,137
Effect of employee share options	1,447,842	1,407,232
Diluted weighted average number of shares	173,108,789	173,858,369
Basic earnings per share (cents)	(18.7)	3.8
Diluted earnings per share (cents)	(18.5)	3.8

13 Share based payment expense

The Group recognised the following expenses related to equity-settled payment transactions:

	2021 USD’000	2020 USD’000
Performance share plan	16	31
Employee retention share plan	471	99
Other share based payments	—	1,169
	487	1,299

Performance Share Plan

On Admission, the Company introduced a Performance Share Plan (“PSP”) whereby options may be granted to eligible employees. Awards vest after a performance period of four years subject to continuous employment and the achievement of a hurdle total shareholder return (“TSR”) as at the end of the performance period.

Employee Retention Share Plan

In October 2020, the Company introduced an Employee Retention Share Plan (“ERSP”) and granted share options to a number of senior employees. Awards vest annually subject to continuous employment. There are no TSR linked vesting conditions associated with these options.

At 31 December, the following unexercised share options to acquire ordinary shares under the PSP and ERSP were outstanding:

Year of grant	Share plan	Vesting date	Exercise price GBP	Number of options 2021	Number of options 2020
2018	PSP	29 June 2022	0.10	2,065,216	2,065,216
2020	ERSP	1 May 2021	0.10	31,280	291,054
	ERSP	1 May 2022	0.10	549,869	582,108
	ERSP	1 May 2023	0.10	824,800	873,162
2021	ERSP	1 May 2021	0.10	17,212	—
	ERSP	1 May 2022	0.10	84,520	—
	ERSP	1 May 2023	0.10	151,830	—
	ERSP	1 May 2024	0.10	150,292	—
				3,875,019	3,811,540

The weighted average remaining contractual life for the share options outstanding as at 31 December 2021 is 0.5 years (2020: 0.5 years) and 1.0 years (2020: 1.9 years) for the PSP and ERSP respectively.

	Number of options 2021	Weighted average exercise price 2021 GBP	Number of options 2020	Weighted average exercise price 2020 GBP
Outstanding at 1 January	3,811,540	0.10	2,826,085	0.10
Granted during the year	458,348	0.10	1,843,047	0.10
Exercised during the year	(243,653)	0.10	—	0.10
Forfeited during the year	(151,216)	0.10	(857,592)	0.10
Outstanding at 31 December	3,875,019	0.10	3,811,540	0.10

Options issued under the PSP were valued using the Monte Carlo Simulation model using the following inputs:

	Weighted average share price	Expected volatility	Risk free rate
2018	56p (USD 0.74)	10.10%	1.24%

This method is considered to be the most appropriate for valuing options granted under schemes where there are changes in performance conditions by which the options are measured, such as for TSR based awards. The fair value of the options at the grant date was USD 96,000 and a charge of USD 16,000 (2020: USD 31,000) was recognised in administrative expenses for the fiscal year ended 2021.

Options issued under the ERSP were valued using the Black Scholes model using the following inputs:

	Weighted average share price	Expected volatility	Risk free rate
2020	49p (USD 0.64)	49.70%	0.00%
2021	49p (USD 0.68)	48.60%	0.00%

The total fair value of the options at the grant date was USD 919,000. A charge of USD 117,000 (2020: USD 35,000) was recognised in cost of sales and USD 354,000 (2020: USD 64,000) was recognised in administrative expenses for the fiscal year ended 2021. The expected volatility input utilised represents the historic volatility of the share price of the Company since Admission.

Other share based payments

On 19 October 2020, the Company agreed to issue a total of 1,840,449 restricted ordinary shares (the "Restricted Shares") to senior members of staff, including certain persons discharging managerial responsibilities. The Restricted Shares are subject to a six-month lock-in from the date of issue, during which they cannot be sold or transferred. Ordinary shares issued pursuant to the award of the Restricted Shares were satisfied from the pool of ordinary shares held in Treasury. The fair value of the shares on the grant date was GBP 0.49 (USD 0.64) per share. A charge of USD 1,169,000 was recognised as a non-underlying item given the non-reoccurring nature of this transaction and since the discretionary awards are not part of the formal share based payment performance plan of the Company.

Warrants

On Admission, in exchange for brokerage services provided to the Company during its IPO, the Company issued a warrant instrument granting its primary broker the right to subscribe for 671,514 ordinary shares of the Company. The warrants are exercisable for five years from the date of Admission at a subscription price of GBP 0.728 (USD 0.923) per ordinary share. They are non-transferrable and are subject to typical anti-dilution rights to adjust on a proportional basis for share consolidations, share splits, and stock dividends. The Company used the Black Scholes model to value the warrants at the grant date. The fair value of the warrants is nil.

14 Dividends

During the period, a dividend of 1.35p (USD 0.02) per share (171,662,973 shares) totalling GBP 2,317,000 (USD 3,206,000) was declared and paid (2020: 1.25p (USD 0.02) per share (173,575,741 shares) totalling GBP 2,170,000 (USD 2,674,000)).

15 Alternative performance measures

APMs used by the Group are defined below along with a reconciliation from each APM to its IFRS equivalent, and an explanation of the purpose and usefulness of each APM. APMs are non-IFRS measures.

In general, APMs are presented externally to meet investors' requirements for further clarity and transparency of the Group's financial performance. APMs are also used internally by management to evaluate business performance and for budgeting and forecasting purposes.

	2021 USD'000	2020 USD'000
(Loss)/Profit	(32,080)	6,566
Tax benefit/(expense)	(80)	61
(Loss)/Profit before tax	(32,160)	6,627
Finance costs	1,314	970
Investment income	(55)	(278)
Operating (loss)/profit	(30,901)	7,319
Non-underlying items	32,222	3,046
Underlying operating profit	1,321	10,365
Share based payment expense	487	130
Depreciation	4,855	3,731
Underlying EBITDA	6,663	14,226

Underlying Operating Profit ("UOP")

The Group uses UOP as an alternative measure to Operating Profit to allow comparison of the profitability of its operations across financial periods. UOP is calculated as Operating Profit adjusted for costs which are considered to be unrelated to the Group's underlying trading performance.

Underlying Operating Margin is calculated as UOP divided by revenue.

Underlying EBITDA

Management defines Underlying EBITDA as Operating Profit adjusted for depreciation, share based payments, and costs which are considered to be unrelated to the Group's underlying trading performance. Underlying EBITDA facilitates comparisons of operating performance from period to period and company to company by eliminating potential differences caused by variations in capital structures, tax positions, and the age and booked depreciation on assets.

Underlying EPS

Underlying EPS reflects underlying operating profit after deducting net finance costs and taxation, divided by the weighted average number of ordinary shares outstanding during the period. This alternative measure of EPS enables shareholder return from the underlying business operations to be better evaluated across periods.

	2021 cents	2020 cents
Reported EPS, basic	(18.7)	3.8
Impact of non-underlying items	18.8	1.8
Underlying EPS, basic	0.1	5.6
Reported EPS, diluted	(18.5)	3.8
Impact of non-underlying items	18.6	1.7
Underlying EPS, diluted	0.1	5.5

Net cash

Net cash represents cash less overdraft balances, term loans, and notes outstanding. This is a commonly used metric, helpful to stakeholders when analysing the business. Negative net cash is referred to a net debt position.

16 Property, plant, and equipment

	Land and buildings USD'000	Machinery, motor vehicles, furniture, and equipment USD'000	Leasehold improve-ments USD'000	Total USD'000
Cost:				
At 1 January 2021	38,973	15,497	1,192	55,662
Additions	2,526	774	178	3,478
Disposals	(1,580)	(2,156)	—	(3,736)
At 31 December 2021	39,919	14,115	1,370	55,404
Depreciation:				
At 1 January 2021	2,432	5,754	118	8,304
Charge for the year	1,416	2,294	247	3,957
Relating to disposals	(125)	(1,747)	—	(1,872)
Provision for impairment	17,715	1,788	—	19,503
At 31 December 2021	21,438	8,089	365	29,892
Net carrying amount:				
At 31 December 2021	18,481	6,026	1,005	25,512

	Land and buildings USD'000	Machinery, motor vehicles, furniture, and equipment USD'000	Leasehold improve-ments USD'000	Total USD'000
Cost:				
At 1 January 2020	16,605	14,892	471	31,968
Additions	22,372	1,206	872	24,450
Disposals	(4)	(601)	(151)	(756)
At 31 December 2020	38,973	15,497	1,192	55,662
Depreciation:				
At 1 January 2020	1,475	4,290	122	5,887
Charge for the year	961	2,030	65	3,056
Relating to disposals	(4)	(566)	(69)	(639)
At 31 December 2020	2,432	5,754	118	8,304
Net carrying amount:				
At 31 December 2020	36,541	9,743	1,074	47,358

During the year, capitalised interest of USD 114,000 was included in Land and Buildings (2020: USD 136,000), representing 22% of borrowing costs (2020: 100%). From 1 April 2021, upon the suspension of construction activities in Palma, Mozambique, the Group ceased capitalising interest relating to the Palma Camp development.

17 Right-of-use assets

	2021 USD'000	2020 USD'000
Cost:		
At 1 January	5,143	3,375
Additions	2,744	1,768
Disposals	—	—
At 31 December	7,887	5,143
Depreciation:		
At 1 January	1,615	940
Charge for the year	898	675
Relating to disposals	—	—
At 31 December	2,513	1,615
Net carrying amount:		
At 31 December	5,374	3,528

Information related to lease liabilities is available in note 25.

The table below indicates the rents resulting from lease contracts which are not capitalised and are therefore expensed in the year.

	2021 USD'000	2020 USD'000
Short-term leases	1,308	1,112

Short-term leases include amounts paid for vehicles and heavy equipment rental, as well as short-term property leases.

18 Goodwill

	2021 USD'000	2020 USD'000
As at 1 January	138	138
Impairment	(138)	—
As at 31 December	—	138

19 Inventories

	2021 USD'000	2020 USD'000
Materials and consumables	8,123	8,166
Goods-in-transit	1,274	976
	9,397	9,142

A provision of USD 3,314,000 has been recognised in 2021 reflecting the cost of inventory relating to Palma, Mozambique (2020: nil). See note 9.

20 Trade and other receivables

	2021 USD'000	2020 USD'000
Trade receivables	8,942	7,319
Accrued revenue	5,281	2,410
Deposits	112	116
Prepayments	1,039	1,021
Other receivables	1,148	1,800
	16,522	12,666

Invoices are generally raised on a monthly basis, upon completion, or part completion of performance obligations as agreed with the customer on a contract by contract basis.

During the year 100% of accrued revenue was subsequently billed and transferred to trade receivables from the opening unbilled balance in the period (2020: 100%).

As at 31 December the transaction price allocated to remaining performance obligations was USD 100,000,000 (2020: USD 187,000,000). This represents revenue expected to be recognised in subsequent periods arising on existing contractual arrangements. The Group has not taken the practical expedient in IFRS 15.121 not to disclose information about performance obligations that have original expected durations of one year or less and therefore no consideration from contracts with customers is excluded from these amounts. All revenue is expected to be recognised within the next five years.

As at 31 December the ageing of trade receivables was as follows:

	2021 USD'000	2020 USD'000
Not past due	5,855	5,184
Overdue by less than 30 days	1,509	938
Overdue by between 30 and 60 days	294	653
Overdue by more than 60 days	1,284	544
	8,942	7,319

Trade receivables are non-interest bearing and generally have payment terms of 30 days. An ECL of USD 505,000 was recorded as at 31 December 2021 (2020: nil). All other receivables are expected, on the basis of past experience, to be fully recoverable.

21 Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprised of cash at bank of USD 8,532,000 (2020: USD 17,632,000).

22 Share capital

	2021 USD'000	2020 USD'000
Authorised, issued and fully paid		
173,575,741 shares (2020: 173,575,741 shares) of GBP 0.10 (2020: GBP 0.10) each	24,300	24,300

23 Treasury shares

	2021 Number	2021 USD'000	2020 Number	2020 USD'000
As at 1 January	2,027,551	1,363	—	—
Acquired in the period	—	—	3,868,000	2,600
Issued in the period (note 13)	(243,653)	(164)	(1,840,449)	(1,237)
As at 31 December	1,783,898	1,199	2,027,551	1,363

24 Loan notes

The table below summarises the loan notes:

	2021 USD'000	2020 USD'000
As at 1 January	6,471	—
Additions	3,529	6,471
As at 31 December	10,000	6,471
Current	10,000	—
Non-current	—	6,471

During the year loan notes were issued to retail investors. These notes carry an annual fixed interest rate of 7.00% (2020: 7.00%) for GBP denominated notes and 7.50% (2020: 7.50%) for USD denominated notes. The term of the note issuance is up to 24 months with principal to be repaid as a bullet payment upon maturity. Interest is paid on a quarterly basis, semi-annual basis, or at maturity, at the option of the investor. At 31 December 2020, USD 387,000 was included in Other Receivables relating to loan notes committed but where cash was not yet received. This cash was received shortly after year end and is included in 2021 proceeds from borrowings in the statement of cash flows.

25 Lease liabilities

Movements in the provision recognised in the consolidated statement of financial position are as follows:

	2021 USD'000	2020 USD'000
As at 1 January	4,038	2,834
Additions	2,744	1,768
Interest	527	533
Payments	(1,269)	(1,097)
As at 31 December	6,040	4,038
Current	834	318
Non-current	5,206	3,720

Interest of USD 527,000 (2020: USD 533,000) relating to the above lease liabilities has been included in Finance Costs for the year.

As at 31 December the maturity profile of lease liabilities was as follows:

	2021 USD'000	2020 USD'000
3 months or less	102	92
3 to 12 months	732	226
1 to 5 years	2,125	2,000
Over 5 years	3,081	1,720
	6,040	4,038

The Group had total cash outflows relating to leases of USD 2,577,000 in 2021 (2020: USD 2,209,000). This is the total of short-term lease payments from note 17 and payments from note 25.

26 Employees' end of service benefits

Movements in the provision recognised in the consolidated statement of financial position are as follows:

	2021 USD'000	2020 USD'000
As at 1 January	517	391
Provided during the year	433	209
End of service benefits paid	(219)	(83)
As at 31 December	731	517

27 Trade and other payables

	2021 USD'000	2020 USD'000
Accounts payable	6,478	5,163
Accrued expenses	2,702	1,931
Accrued tax expense	161	182
Customer advances	494	88
	9,835	7,364

All customer advances recorded at 31 December 2020 were subsequently recognised as revenue in 2021 and all customer advances held at 31 December 2021 were subsequently recognised as revenue in 2022.

28 Provisions

	2021 USD'000	2020 USD'000
As at 1 January	—	—
Provided during the year	1,422	—
As at 31 December	1,422	—

Following the March 2021 attack on Palma, Mozambique the Group began incurring unavoidable costs relating to the Offsite Assets. It is estimated that these assets will be fully disposed of by December 2022.

A USD 1,422,000 provision relating to these costs was recorded in 2021, with the full charge being reflected in the consolidated statement of comprehensive income.

29 Changes in liabilities arising from financing activities

	1 January 2021 USD'000	Cash flows USD'000	New leases USD'000	Other USD'000	31 December 2021 USD'000
Non-current liabilities					
Loan notes	6,471	3,529	—	(10,000)	—
Lease liabilities	3,720	—	2,184	(698)	5,206
Current liabilities					
Loan notes	—	—	—	10,000	10,000
Lease liabilities	318	(1,269)	560	1,225	834
	10,509	2,260	2,744	527	16,040

	1 January 2020 USD'000	Cash flows USD'000	New leases USD'000	Other USD'000	31 December 2020 USD'000
Non-current liabilities					
Loan notes	—	6,084	—	387	6,471
Lease liabilities	2,397	—	1,642	(319)	3,720
Current liabilities					
Loan notes	—	—	—	—	—
Lease liabilities	437	(1,097)	126	852	318
	2,834	4,987	1,768	920	10,509

The "Other" column includes the effect of reclassification of non-current portion of leases to current due to the passage of time, the effect of contracted loan note amounts not yet received, and the effect of accrued interest not yet paid.

30 Financial risk management objectives and policies

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group was not exposed to any significant interest rate risk on its interest-bearing liabilities.

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities when revenue or expenses are denominated in a different currency from the Group's functional currency, as well as cash and cash equivalents held in foreign currency accounts.

At 31 December 2021, the Group held foreign cash and cash equivalents of GBP 1,067,000 (USD 1,441,000). Additionally, the Group held GBP denominated loans of GBP 1,354,000 (USD 1,787,000). UK Pound Sterling is primarily held by the Group to settle payment obligations denominated in GBP. As at 31 December 2020, the Group held GBP 2,270,000 (USD 3,099,000) and GBP denominated loans of GBP 982,000 (USD 1,341,000).

The Group's exposure to foreign currency variances for all other currencies is not material.

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group is exposed to credit risk on its bank balances and receivables.

The Group seeks to limit its credit risk with respect to banks by only dealing with reputable banks as determined by the CODM and with respect to customers by only dealing with creditworthy customers and continuously monitoring outstanding receivables. The Company's five largest customers account for 63% of outstanding accounts receivable at 31 December 2021 (2020: 54%).

Receivables split by customer

	2021 %	2020 %
Customer D	21	16
Customer B	17	14
Customer E	14	15
Customer C	8	3
Customer F	6	12
Customer A	5	7
Other	29	33
	100	100

No material credit risk is deemed to exist due to the nature of the Group's customers, who are predominantly governments and large intragovernmental organisations.

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group limits its liquidity risk by ensuring bank facilities are available.

The Group's terms of sale generally require amounts to be paid within 30 days of the date of sale. Trade payables are settled depending on the supplier credit terms, which are generally 30 days from the date of delivery of goods or services.

As at 31 December the maturity profile of trade payables and loan notes was as follows:

As at 31 December 2021

	Less than 3 months USD'000	3 to 12 months USD'000	3 to 12 months USD'000	12 to 24 months USD'000	Total USD'000
Loan notes	—	—	10,000	—	10,000
Trade payable	6,478	—	—	—	6,478
	6,478	—	10,000	—	16,478

As at 31 December 2020

	Less than 3 months USD'000	3 to 12 months USD'000	3 to 12 months USD'000	12 to 24 months USD'000	Total USD'000
Loan notes	—	—	—	6,471	6,471
Trade payable	5,163	—	—	—	5,163
	5,163	—	—	6,471	11,634

Liabilities falling due within twelve months are recognised as current on the consolidated statement of financial position. Liabilities falling due after twelve months are recognised as non-current.

The unutilised bank overdraft facilities at 31 December 2021 amounted to USD 10,000,000 (2020: USD 2,000,000) and carry interest of 1m LIBOR +3.50% per annum (2020: 1m LIBOR +3.50%).

The Group manages its liquidity risk by maintaining significant cash reserves.

The Group's cash and cash equivalents balance is substantially all held in institutions holding a Moody's long-term deposit rating of Aa3 or above.

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it in light of changes in business conditions.

No changes were made in the objectives, policies, or processes during the year ended 31 December 2021.

Capital comprises share capital, share premium, merger reserve, treasury shares, share based payment reserve, and retained earnings and is measured at USD 37,309,000 as at 31 December 2021 (2020: USD 72,074,000).

31 Related party disclosures

Related parties represent shareholders, Directors, and key management personnel of the Group, and entities controlled, jointly controlled, or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

There were no transactions with related parties during the year (2020: nil). No outstanding balances with related parties are included in the consolidated statement of financial position at 31 December 2021 (2020: nil).

32 Compensation

Compensation of key management personnel

The remuneration of key management during the year was as follows:

	2021 USD'000	2020 USD'000
Short-term benefits	1,874	1,734
Stock based compensation	16	1,200
	1,890	2,934

The key management personnel comprise of 5 (2020: 6) individuals. Included in key management personnel are 3 (2020: 3) Directors.

Compensation of Directors
The remuneration of Directors during the year was as follows:

	2021 USD'000	2020 USD'000
Short-term benefits	1,611	1,312
Stock based compensation	9	340
	1,620	1,652

Highest paid Director
The remuneration of the highest paid Director during the year was as follows:

	2021 USD'000	2020 USD'000
Short-term benefits	490	276
Stock based compensation	—	340
	490	616

The amount disclosed in the tables is the amount recognised as an expense during the reporting year related to key management personnel and Directors of the Group.

33 Standards issued but not yet effective
No other standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are expected to have a material impact on the Group.

34 Subsequent events
During May 2022, the Group completed a refinancing and fundraising exercise. The purpose of the exercise was to synchronise and extend the maturity of the USD 10m of loan notes issued by the Group during 2020 and 2021, which were due to mature in the second half of 2022.

A total of USD 12.0m in loan notes were issued to retail investors. These notes carry an annual fixed interest rate of 7.50% for GBP denominated notes and 8.00% for USD denominated notes.

The term of the note issuance is 30 months with principal to be repaid as a bullet payment upon maturity in November 2024. Interest is paid on a quarterly basis.

Of the USD 12.0m notes issued, USD 8.4m relates to a refinancing of notes outstanding at 31 December 2021 and USD 3.6m relates to new investment.

Notes outstanding at 31 December 2021 which were not refinanced as part of the May 2022 issuance will be repaid in the second half of 2022 as per the original maturity date.

Company statement of financial position

As at 31 December 2021

	Notes	2021 USD'000	2020 USD'000
Assets			
Non-current assets			
Investments		50,047	50,047
Current assets			
Trade and other receivables	4	5,754	8,009
Cash and cash equivalents		113	933
		5,867	8,942
Total assets		55,914	58,989
Equity and liabilities			
Equity			
Share capital	5	24,300	24,300
Share premium		18,254	18,254
Merger reserve		9,897	9,897
Treasury shares	6	(1,199)	(1,363)
Share based payment reserve		534	177
Retained earnings		3,819	7,578
Total equity		55,605	58,843
Current liabilities			
Trade and other payables	7	309	146
Total equity and liabilities		55,914	58,989

The Company has taken the exemption conferred by Section 408 of the Companies Act 2006 not to publish the profit and loss of the parent company within these accounts. The result for the Company for the year was a loss of USD 553,000 (2020: USD 536,000).

The financial statements of the Company (registration number 11252957) were approved by the Board of Directors on 26 May 2022 and signed on its behalf by:

Soraya Narfeldt
CEO

Andrew Bolter
CFO

The attached notes 1 to 8 form part of the financial statements.

Company statement of changes in equity

For the year ended 31 December 2021

	Share capital USD'000	Share premium USD'000	Merger reserve USD'000	Treasury shares USD'000	Share based payment reserve USD'000	Retained earnings USD'000	Total USD'000
As at 1 January 2020	24,300	18,254	9,897	—	47	10,788	63,286
Total comprehensive income for the period	—	—	—	—	—	(536)	(536)
Share based payments	—	—	—	—	130	—	130
Dividends declared and paid	—	—	—	—	—	(2,674)	(2,674)
Purchase of treasury shares (note 6)	—	—	—	(2,600)	—	—	(2,600)
Issuance of treasury shares (note 6)	—	—	—	1,237	—	—	1,237
As at 31 December 2020	24,300	18,254	9,897	(1,363)	177	7,578	58,843
Total comprehensive income for the period	—	—	—	—	—	(553)	(553)
Share based payments	—	—	—	—	487	—	487
Dividends declared and paid	—	—	—	—	—	(3,206)	(3,206)
Issuance of treasury shares (note 6)	—	—	—	164	(130)	—	34
As at 31 December 2021	24,300	18,254	9,897	(1,199)	534	3,819	55,605

Notes to the company financial statements

For the year ended 31 December 2021

1 Basis of preparation

The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and the Companies Act 2006), including Financial Reporting Standard 101 “Reduced Disclosure Framework” (“FRS 101”) under the historical cost basis and have been presented in USD, being the functional currency of the Company.

The Company has applied a number of exemptions available under FRS 101. Specifically, the requirement(s) of:

(a) paragraphs 91-99 of IFRS 13 “Fair Value Measurement”,

(b) paragraph 38 of IAS 1 “Presentation of Financial Statements” to present comparative information in respect of paragraph 79(a)(iv) of IAS 1,

(c) paragraphs 10(d), 10(f), and 134-136 of IAS 1 “Presentation of Financial Statements”,

(d) IAS 7 “Statement of Cash Flows”,

(e) 30 and 31 of IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”,

(f) 17 of IAS 24 “Related Party Disclosures” and IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member, and

(g) paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 “Impairment of Assets”.

2 Significant accounting policies

Except noted below, all accounting policies applied to the Company are consistent with that of the Group.

Investments
Investments held by the Company are stated at cost less provision for diminution in value.

3 Employee expenses

The average number of employees employed during the period was:

	2021	2020
Directors	7	7

The aggregate remuneration of the above employees was:

	2021 USD’000	2020 USD’000
Wages and salaries	469	410
Social security costs	53	46
	522	456

4 Trade and other receivables

	2021 USD’000	2020 USD’000
Prepayments	18	83
Due from subsidiary	5,703	7,878
VAT recoverable	33	48
	5,754	8,009

Amounts due from subsidiary represent amounts due from RA International FZCO, an immediate subsidiary, and are non-interest bearing and payable on demand.

5 Share capital

	2021 Number	2021 USD'000	2020 Number	2020 USD'000
Authorised, issued, and fully paid:				
Ordinary shares of GBP 0.10p each	173,575,741	24,300	173,575,741	24,300

6 Treasury shares

	2021 Number	2021 USD'000	2020 Number	2020 USD'000
As at 1 January	2,027,551	1,363	—	—
Acquired in the period	—	—	3,868,000	2,600
Issued in the period	(243,653)	(164)	(1,840,449)	(1,237)
As at 31 December	1,783,898	1,199	2,027,551	1,363

7 Trade and other payables

	2021 USD'000	2020 USD'000
Trade payables	146	44
Accruals	163	102
	309	146

8 Related party transactions

The Directors have taken advantage of the exemption under paragraph 8(j) and 8(k) of FRS 101 and have not disclosed transactions with other wholly owned Group undertakings. There are no other related party transactions.

Shareholder information

For the year ended 31 December 2021

Corporate information

Registered office
One Fleet Place
London
EC4M 7WS

Website
www.raints.com

Registered number
11252957

Legal entity identifier code
213800N6RTATELJU6797

Listing information
AIM, London
Symbol: RAI

Date of Annual General Meeting
29 June 2022

ADVISERS:

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EC2V 7QR

Solicitors to the Company
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One Fleet Place
London
EC4M 7WS

Auditor
Ernst & Young LLP
144 Morrison St
Edinburgh
EH3 8EX

Investor and media relations
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50 Brown Street
Manchester
M2 2JT

Registrars
Equiniti Limited
Aspect House
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Lancing
BN99 6DA

Company Secretary
Elemental Company Secretary Limited
27 Old Gloucester Street
London
WC1N 3AX

Shareholder queries

The investors section of our website contains a wide range of information of interest to institutional and private investors, including: latest news and press releases, Annual Reports, investor presentations and Sustainability Reports.

For investor queries please email: investors@raints.com

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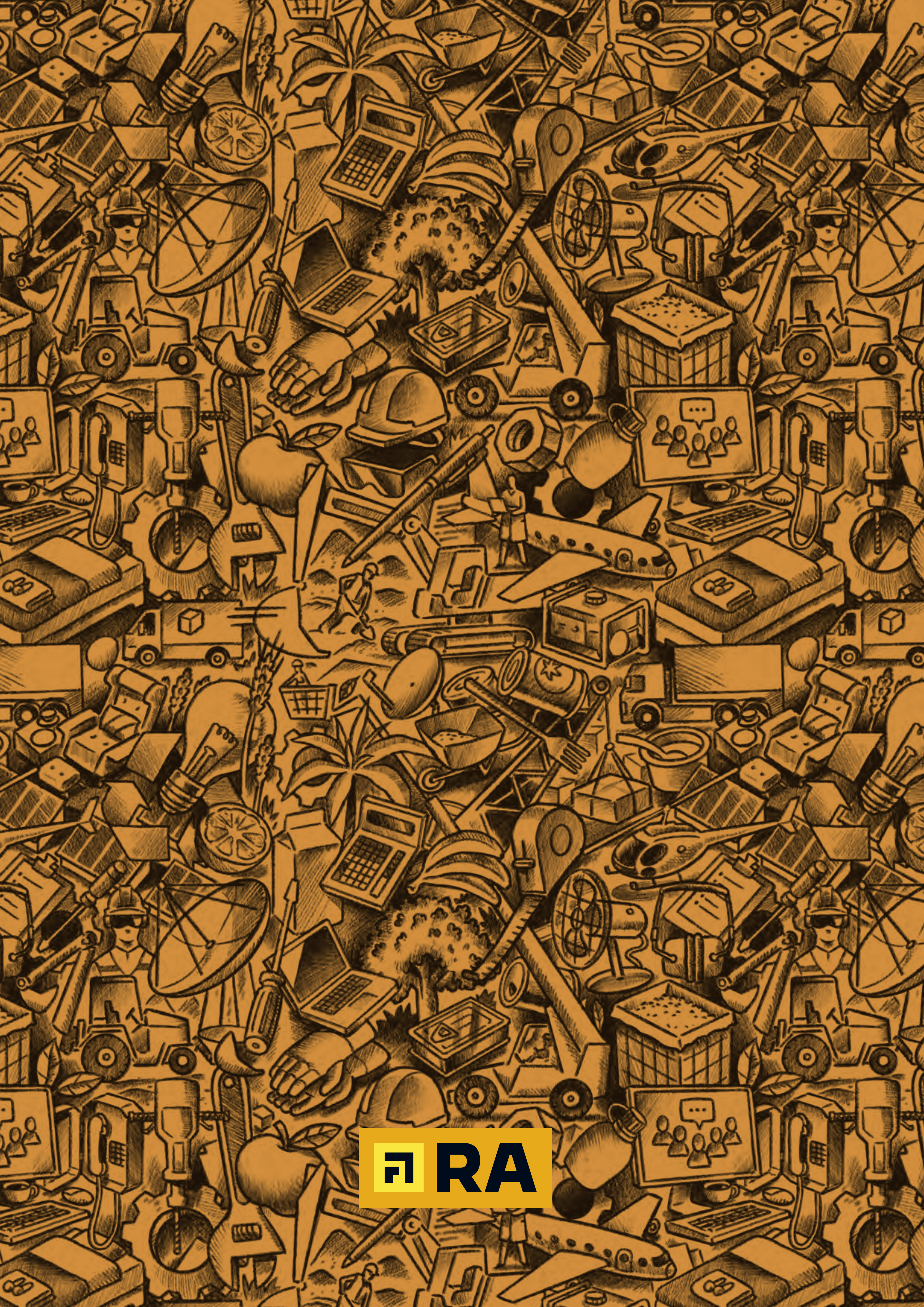
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