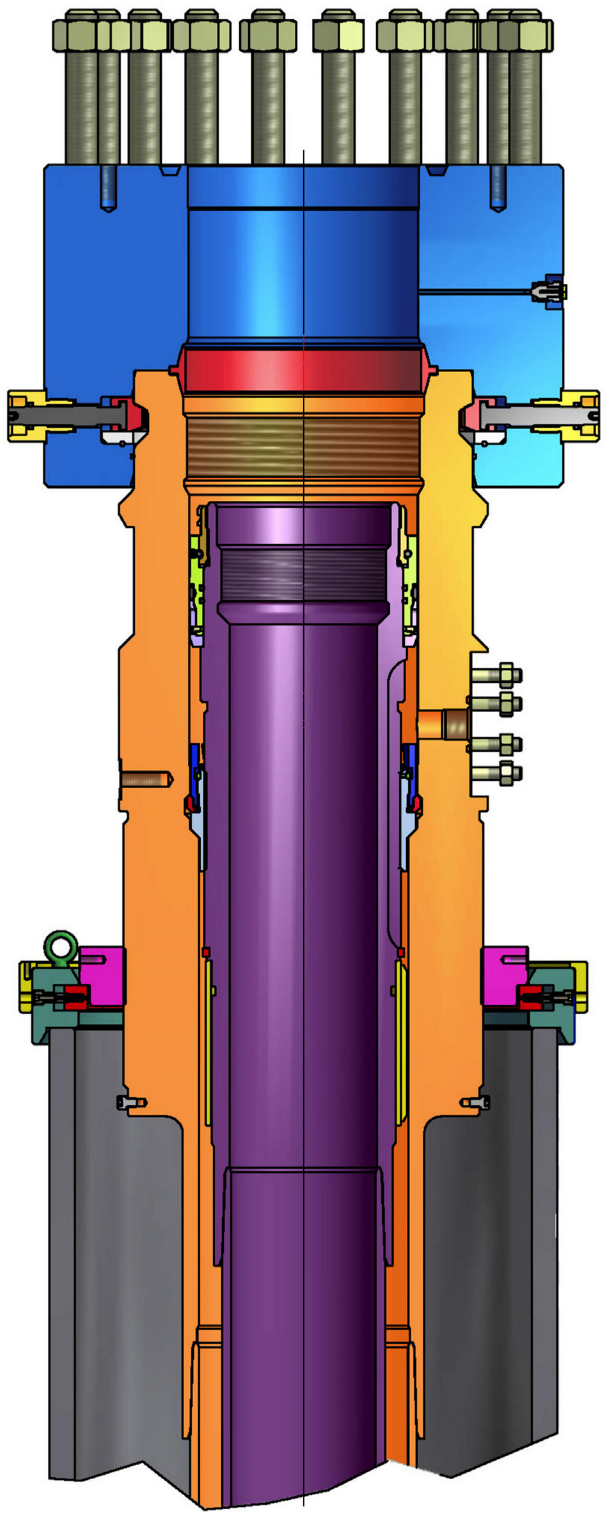
PLEXUS

safer performance | leak-proof | reduced costs

INTERIM RESULTS

31 DECEMBER 2021

Exact 10 Adjustable Rental Wellhead System for Jack-up Exploration Drilling



Plexus Holdings plc

21st March 2022

PLEXUS HOLDINGS PLC
INTERIM RESULTS FOR THE 6 MONTHS TO 31 DECEMBER 2021

Plexus Holdings plc, the AIM quoted oil and gas engineering services business and owner of the proprietary POS-GRIP® method of wellhead engineering, announces its interim results for the six months to 31 December 2021.

Financial Results

- Continuing operations sales revenue £734k (2020: £419k)
- Continuing operations EBITDA loss (£1,061k) (2020: £1,214k loss)
- Continuing operations loss before tax (£1,953k) (2020: £1,995k loss)
- Basic loss per share from continuing activities (1.94p) (2020: 1.99p loss)
- Cash of £3.38m (2020: £3.38m), and £3.29m (2020: £2.04m) drawn down from the Lombard banking facility
- The Group has £4.71m in financial assets (2020: £3.04m)
- Total assets of £26.3m (2020: £29.4m)
- Total liabilities of £5.3m (2020: £3.9m)

Operational overview

- July 2021 - received the London Stock Exchange's Green Economy Mark
  - Awarded to companies and funds where 50% or more of their revenues are attributable to environmental solutions which contribute to the global green economy
  - Recognition of Plexus' 'through the BOP' (Blow-out Preventer) wellhead designs, as well as its POS-GRIP proprietary HG® metal-to-metal leak proof sealing system

- August 2021 - diversified future revenue stream by re-entering the Jack-up Exploration (Adjustable) Rental Wellhead market, through a collaboration agreement with Cameron International Corporation ("Cameron"), a Schlumberger company

- December 2021 - scope of surface production low-cost volume wellhead licencing agreement with Cameron expanded worldwide increasing the target market for Plexus' technology and royalty rates for the expanded activities
  - Terms and milestones of the previous agreement with Cameron announced 10 November 2020 include:
    - Non-Exclusive Agreement enabling Cameron to design, market and sell Plexus' POS-GRIP and HG metal-to-metal seal method of wellhead engineering for surface wellheads to its existing clients
    - Royalty payment in the range of 3% to 6% of the revenues generated from the sale, lease, or rental of surface wellheads
    - Cameron design, testing and preparation of marketing material underway and it is anticipated that sales activity will begin in the first half of the next financial year

- December 2021 – won a further contract with a leading North Sea Operator for the provision of a Plexus' POS-GRIP 10,000 psi leak proof "HG®" metal to metal sealing surface production wellhead, together with associated spares and valve equipment
    - Wellhead equipment on schedule for delivery by Q2 2022

- Global concern about methane emissions continues to gather momentum as part of the drive towards Net Zero and meeting ESG goals, and Plexus believes that leak proof equipment with scientifically proven long-term integrity will over time only become more relevant to oil and gas exploration and production activities

- The war in Ukraine has resulted in the suspension of sales and marketing activities in Russia with our licencee LLC Gusar ("Gusar") – further updates will follow as the tragic situation unfolds. The suspension is not expected to have a material impact on Plexus' financial trading performance in the year ending 30 June ("FY22") which the Board anticipates will remain in line with market expectations

Chief Executive Ben van Bilderbeek said: "Despite another challenging six months trading period in which COVID-19 continued to impact on the global economy, there is now at least a clear sign that the pandemic is beginning to subside, and although we must still all be vigilant, the economy is returning to some sort of normality. However, just as COVID recedes, what the world did not anticipate post period end, was Russia waging war on Ukraine and the ensuing tragic consequences that are ongoing; it is not yet clear what this will mean for the world, the oil and gas industry or our relationship with our Russian licensee Gusar where we have suspended business activities for the foreseeable future.

"Notwithstanding these challenging circumstances, we are pleased with our progress during the period both organically, with the winning of a further surface production wellhead contract for the North Sea, and strategically, with the strengthening of our relationship with Cameron with the signing of two new agreements. The first of these, signed in August enables Plexus to re-enter the exploration rental wellhead market sector where we had built up an excellent reputation within the industry over many years up until 2018 when the division was sold to TechnipFMC. The second agreement signed in December, expanded the scope of the existing Cameron license which now extends worldwide, whilst at the same time increasing royalty rates for an expanded set of activities.

"The deployment of our proprietary wellhead and associated equipment designs for surface and subsea applications remains a key focus, and we are already pursuing a number of new tender opportunities for exploration rental wellheads. Growing oil and gas supply constraints, combined with gas being recognised as the transition fuel of choice suggest that the UKCS and ECS still have an important role to play over the coming decades. Indeed, the Chancellor Rishi Sunak recently said that "We have resources in the North Sea, and we want to encourage investment in that because we're going to need natural gas as part of our transition to getting to NetZero". The revitalised recognition of the role hydrocarbons still have to play in the world economy has been underlined by Oystein Noreng, professor of petroleum economics at BI Norwegian School of Management in Oslo who has gone as far to say "We have misled ourselves that we will have windmills and solar and that will be it. But globally we are not out of the coal age; we are in the middle of the oil age and just starting the gas age".

"In addition to these opportunities, we are also confident that in the longer term our technology can play a crucial role in supporting emerging industries such as carbon capture, gas storage, hydrogen and geothermal. The unique combination of leak proof performance and long-term integrity, which can avoid expensive intervention and maintenance measures, is particularly important for such applications.

"Moreover, in the last six months, the importance of aiming for a net-zero future has never been more apparent, with the November COP26 summit in Glasgow putting the spotlight on another opportunity: decommissioning.

Left unplugged, oil and gas wells are at risk of leaking methane into the atmosphere, which currently accounts for at least 25% of global warming. All of this indicates that if natural gas is now viewed as a key transitional energy source in the shift to a sustainable future, then exploration and production methods must be conducted as responsibly as possible, and that should mean that leak proof equipment of whatever nature should be used whenever and wherever possible throughout the supply chain.

“Despite opportunities finally emerging after an extended industry downturn, we undoubtedly face obstacles: historically, the industry has not been the most forward-thinking; project financing is getting harder; funding in the decommissioning space has been constrained; and as a small ‘disruptive technology provider’ we can sometimes be regarded as an inconvenient and ‘riskier’ partner.

“However, I believe that the tide is now turning. New oil and gas exploration and production drilling activities are increasing, oil is back at record prices and meeting ESG requirements is no longer optional, with regulation and investor sentiment becoming ever more rigorous. If they are to survive, companies will also need to explore alternative options to reach NetZero such as carbon capture and storage and the use of depleted formations, and geothermal power where Plexus is assessing ways in which its technology can be adapted to deliver unique solutions. With superior, leak-free technology at its core, escalating organic opportunities, strengthening blue-chip partnerships, dynamic R&D advances, our re-entering of the Jack-up exploration wellhead rental business, and with ESG goals on the agenda of governments worldwide, I am increasingly confident that Plexus has reached a tipping point that positions us well to rebuild significant value to shareholders over the next 18 months.”

Chairman’s Statement

Business Progress and Operating Review

Plexus remains well-positioned to benefit from the opportunities being created by the supply-demand deficit facing the oil and gas industry. There is continued pressure for oil and gas operators to increase production from existing wells whilst improving their green credentials, and we believe this will have to extend to increased exploration activity. A Shell presentation last month titled “Shell LNG Outlook 2022” supports this view and warned that an LNG supply-demand gap was set to emerge in the mid-2020s, especially as many countries rebound from the economic impact of the coronavirus pandemic. Shell’s CEO van Beurden went as far to say that “We are struggling as an industry to keep up with supply”.

Evidence is building that the supply-demand deficit is awakening investment activity by the large oil and gas exploration and production companies, even before the war in Ukraine. Rystad Energy analysts have reported that global oil and gas investment will increase by $26bn this year to $628bn, and in the meantime drilling rig use is climbing with some recent reports indicating a circa 50% increase in North America and internationally. Eni head Claudio Descalzi said the imbalance predated the pandemic and was a result of falling investment since 2015, and it is now clear that this needs to be addressed, especially for natural gas where Plexus wellhead equipment and products excel.

Plexus’ wellheads, which have been used in over 400 gas wells globally, are leakproof, deliver operational time savings, have lower maintenance costs, and importantly, can significantly reduce the escape of methane gas – increasing safety for personnel, and limiting the negative impact on the environment. In recognition of the Company’s ongoing commitment to improving standards in the oil and gas industry through the development and implementation of innovative green technologies, on 21 July 2021, Plexus received the London Stock Exchange’s Green Economy Mark, an accolade awarded to companies and funds where 50% or more of their revenues are attributable to environmental solutions.

On 9 August 2021, the Company announced that it was to re-enter the Jack-up Exploration (Adjustable) Rental Wellhead market, through a Co-operation Agreement with Cameron. Under the terms of the Agreement, Cameron will licence and transfer Plexus' original designed Exact-15 ("Exact") system rental wellhead inventory and Centric-15 ("Centric") mudline system equipment, as well as provide manufacturing support. Cameron will also assist Plexus with sales leads generation and market insight through a formal Sales Advisory Board. Plexus will contract directly with customers, manage the full job execution cycle using its in-house field technicians and infrastructure, and will assume responsibility for the maintenance, repairs, and logistics of the equipment provided. Plexus will pay Cameron a licence royalty fee based on revenue generated from the sale and rental of the licenced equipment. This is an important strategic move for Plexus and returns the Company to a business sector it understands very well and in which it has a proven track record.

During the reporting period, the Company announced that it had won a contract with a leading North Sea operator for the provision of Plexus' POS-GRIP 10,000 psi leak-proof "HG" metal to metal sealing surface production wellhead, together with associated spares, and valve equipment. This is a cash generative, short-term contract of 120 days, with a tiered payment structure, and deliverable by Q2 2022. Plexus is pleased to report that this contract will be delivered on time and with revenues as anticipated.

Key functions that support our operations are Human Resources ('HR'), Quality Health and Safety ('QHSE'), Information Technology ('IT') and Intellectual Property (IP').

The Company maintains its Competency Management System through an internally developed system 'Competency@Plexus' ('C@P'). This is monitored and accredited by OPITO, the training and qualifications standards board. The annual monitoring audit was successfully conducted in September 2021, full accreditation was maintained with no findings raised by the auditor.

QHSE is an important function of the Company and Plexus' strong track record enables it to demonstrate a high degree of compliance and credibility in the oil and gas industry. Without the appropriate certifications, it would not be possible for Plexus to be considered for certain contract awards by operators. With this in mind, and with a commitment to provide a safe, practical, and competent workplace for our employees, management has developed and adopted very rigorous QHSE procedures in this field. In September 2021 the Company achieved six consecutive years of zero lost time incidents ('LTIs') and, following successful audits, Plexus has retained its API Q1 and ISO 45001 certifications.

The Group has continued to follow Government COVID-19 guidelines, with a gradual transition from working from home during the pandemic towards a full time return to the office. Plexus has been able to rely on robust IT and security systems to ensure that neither work performance nor data security has been compromised during this period.

We continue to develop our suite of IP both through patent protection and ongoing research and development. Capitalised R&D salary costs for the 6 months ended 31 December 2021 was £223k.

Interim Results

Plexus' results for the six months to December 2021, and the activities carried out during this period, reflect the Group's ongoing strategy of moving towards the development of new revenue streams and new markets.

Continuing operations revenue for the six-month period ended 31 December 2021 increased to £734k, compared to the previous year's figure of £419k following an increase in operational activity.

During the period Plexus continued to focus on preserving Group cash by minimising spending, and controlling investment on capex, opex and non-essential R&D, without compromising operations.

Continuing activities administrative expenses have decreased for the six months to December 2021 to £2.51m (2020: £2.64m). Personnel numbers, including non-executive board members are broadly in line with the prior year at 38 (2020: 36). This staff structure has balanced the anticipation of ongoing and future organic operational opportunities, particularly with the move back into the rental wellhead exploration market, and development and support for our POS-GRIP IP-led strategy involving external partners and licensees, against the need to carefully manage the Group's costs and cash resources. The current staff levels are around the minimum required to maintain the operational infrastructure that has been developed to date, including maintaining the Group's Business Management System, and retaining all relevant and necessary accreditations, in addition to meeting operational requirements.

For continuing operations, the Group has reported a loss of £2.0m in the period which is in line with the prior year. The loss comes after absorbing depreciation and amortisation costs of circa £0.8m.

The Group has not provided for a charge to UK Corporation Tax at the prevailing rate of 19%. This is consistent with the prior year.

Basic loss per share for continuing operations was 1.94p per share which compares to a 1.99p loss per share for the same period last year.

The balance sheet continues to remain strong, with the current level of intangible and tangible property, plant and equipment asset values at £9.4m and £2.8m respectively illustrating the amount of cumulative investment that has been made in the business. Total asset values at the end of the period stood at £26.3m.

As at 31 December 2021, the Group had cash and cash equivalents of £3.4m, financial assets with a value of £4.7m and had drawn down £3.3m on a Lombard banking facility provided by EFG.

Outlook

It is now widely accepted that the transition to clean energies will take several decades, with natural gas being recognised as the key transitional hydrocarbon energy source. It is hard to believe that mid-pandemic in 2020, demand for oil plummeted and traders were paying buyers to take storage of oil, and that Brent crude was trading at US$23, a historical low. At the same time global oil and gas investments fell from US$780 billion in 2019 to US$680 billion. Moving to the present, as economies recover post pandemic, global energy demand together with uncertainties surrounding established supply sources has resulted in huge price increases particularly in relation to gas. In the UK gas prices have for practically two decades traded around 50p per therm and lower, and this month, magnified by the Ukraine crisis gas briefly hit over 550p per therm.

At the same time, the oil price shot up earlier this month to circa US$139 a barrel before settling closer to $100. In response to this growing demand, and the need for the West to diversify its strategic supply sources, both oil and gas investments are showing signs of a strong recovery for example in terms of growing rig utilisation, and this will translate into more activity for oil services companies. Importantly, natural gas is likely to be used for a longer period as a transition fuel while renewable energies mature technologically and economically. This endorsement was underlined by the BBC in a report in early February, confirming that the European Commission had decided to classify gas as a 'sustainable investment' if it meets certain targets.

Perhaps none of this should be such a surprise in a world where fossil fuels combined make up 83% of the energy mix, and oil and gas alone account for 56%. These are fast declining assets once they are producing, and our industry needs to invest enough to offset the 5m to 6m barrels per day (‘b/d’) normal rate of decline. Hardly a surprise therefore that Opec said earlier in the year that demand for its oil in 2022 will be about 1mn b/d higher than last year, and that longer term Opec sees current global demand of 100m b/d rising to 108m b/d, or 28 per cent of energy requirements by 2045. It would appear that a combination of an over assumption that a COVID ‘shackled’ global economy was pointing to ongoing lower energy use, combined with an ‘overshoot’ of green initiatives resulting in a sharp pivot away from hydrocarbons has all conspired to create energy supply constraints that perhaps should have been better anticipated.

The upshot of all this is that despite current aspirations, hydrocarbons have a role to play in the transition to NetZero and are likely to remain an important part of the world’s energy mix for much longer than some pundits had predicted. These challenges have of course been sadly magnified by the war in Ukraine, and the realisation that Europe’s dependence on Russian oil and gas is not strategically sensible or acceptable. For oil services companies such developments point to a better future than many would liked to have believed, and is evidenced by a recent green light given by the Government for six North Sea oil and gas projects to proceed later this year. Further, the Prime Minister has just announced the setting up of an energy task force headed up by two industry experts to boost the UK’s oil and gas supplies which will include the North Sea.

There will still however rightly be a push for operators to be greener, safer and to use technology to optimise wells and reduce harmful emissions. Perhaps, it is unsurprising that the USA has led the clean agenda by pledging US$1.15 billion to clean up orphaned oil and gas wells, and we are hopeful that other countries will follow suit, although Plexus has always maintained that the prevention of such environmental issues is far better than supposed cures which are not guaranteed, especially for the long term. A key backdrop to these developments is that Plexus owns an extensive IP suite which has and will continue to deliver innovative solutions for the oil and gas industry, and which can also involve retrofitting of bespoke equipment. This has been recognised by our licensees, and we will be doing everything we can to capitalise on this important asset.

In summary, Plexus believes it will benefit from strong market drivers across the oil and gas industry, including the demand for oil and gas being likely to outstrip supply for some time. This, coupled with the recognition that gas will continue to play a key transitional role in the provision of sustainable green energy makes us optimistic about the future as drilling activities gain a new momentum.

J Jeffrey Thrall
Non-Executive Chairman
18 March 2022

Plexus Holdings Plc
Unaudited Interim Consolidated Statement of Comprehensive Income
For the Six Months Ended 31 December 2021

	Six months to 31 December 2021 £'000	Six months to 31 December 2020 £'000	Year to 30 June 2021 £'000
Revenue	734	419	2,017
Cost of sales	(130)	(36)	(1,062)
Gross profit	604	383	955
Administrative expenses	(2,512)	(2,641)	(5,501)
Operating loss	**(1,908)**	**(2,258)**	**(4,546)**
Finance income	81	106	143
Finance costs	(159)	(40)	(103)
Other income	11	180	211
Share in profit of associate	22	17	(77)
Loss before taxation	**(1,953)**	**(1,995)**	**(4,372)**
Income tax credit (note 6)	-	-	262
Loss after taxation from continuing operations	**(1,953)**	**(1,995)**	**(4,110)**
Loss after taxation from discontinued operations	**-**	**-**	**(392)**
Loss for Year	(1,953)	(1,995)	(4,502)
Other comprehensive income	-	-	-
Total comprehensive income	**(1,953)**	**(1,995)**	**(4,502)**
Loss per share (note 7)			
Basic from continuing operations	**(1.94p)**	**(1.99p)**	**(4.09p)**
Diluted from continuing operations	**(1.94p)**	**(1.99p)**	**(4.09p)**
Basic from discontinued operations	**-**	**-**	**(0.39p)**
Diluted from discontinued operations	**-**	**-**	**(0.39p)**

Plexus Holdings PLC
Unaudited Interim Consolidated Statement of Financial Position
As at 31 December 2021

	31 December 2021 £'000	31 December 2020 £'000	30 June 2021 £'000
ASSETS			
Goodwill	767	767	767
Intangible assets	9,435	9,920	9,644
Property, plant and equipment (note 9)	2,798	3,076	2,961
Non-current financial asset	4,705	3,044	3,042
Investment in associate	743	865	721
Deferred tax asset	1,899	2,130	1,899
Other Receivables	-	-	-
Right of use asset	1,093	1,397	1,245
Total non-current assets	21,440	21,199	20,279
Inventories	663	1,385	575
Trade and other receivables	852	3,396	1,051
Current income tax asset	-	-	-
Cash and cash equivalents	3,379	3,384	5,175
Total current assets	4,894	8,165	6,801
TOTAL ASSETS	26,334	29,364	27,080
EQUITY AND LIABILITIES			
Called up share capital (note 12)	1,054	1,054	1,054
Shares held in treasury	(2,500)	(2,500)	(2,500)
Share based payments reserve	674	674	674
Retained earnings	21,811	26,271	23,764
Total equity attributable to equity holders of the parent	21,039	25,499	22,992
Lease liabilities	1,015	1,220	1,085
Total non-current liabilities	1,015	1,220	1,085
Trade and other payables	670	1,239	643
Bank Lombard facility	3,294	1,094	2,044
Current income tax liability	-	-	-
Lease liabilities	316	312	316
Total current liabilities	4,280	2,645	3,003
Total liabilities	5,295	3,865	4,085
TOTAL EQUITY AND LIABILITIES	26,334	29,364	27,080

Plexus Holdings Plc
Unaudited Interim Statement of Change in Equity
For the Six Months Ended 31 December 2021

	Called Up Share Capital	Shares Held in Treasury	Share Based Payments Reserve	Retained Earnings	Total
Balance as at 30 June 2020	**1,054**	**(2,500)**	**674**	**28,266**	**27,494**
Total comprehensive income for the year	–	–	–	(4,502)	(4,502)
Balance as at 30 June 2021	**1,054**	**(2,500)**	**674**	**23,764**	**22,992**
Total comprehensive income for the period	–	–	–	(1,953)	(1,953)
Balance as at 31 December 2021	**1,054**	**(2,500)**	**674**	**21,811**	**21,039**

Plexus Holdings Plc
Unaudited Interim Statement of Cash Flows
For the Six months ended 31 December 2021

	Six months to 31 December 2021	Six months to 31 December 2020	Year to 30 June 2021
	£ 000's	£ 000's	£ 000's
Cash flows from operating activities			
Loss before taxation from continuing activities	(1,953)	(1,995)	(4,372)
Loss before taxation from discontinued activities	-	-	20
Loss before tax	(1,953)	(1,995)	(4,352)
Adjustments for:			
Depreciation, amortisation and impairment charges	838	864	1,701
Gain on disposal of property, plant and equipment	(1)	(1)	(1)
Fair value adjustment of on financial assets	112	(41)	19
Lease liability re-assessment	-	-	25
Share in (profit) / loss of associate	(22)	(17)	77
Other income	(11)	(180)	(123)
Investment income	(81)	(65)	(143)
Interest expense	47	40	84
Changes in working capital:			
(Increase) / decrease in inventories	(88)	(515)	295
Decrease / (increase) in trade and other receivables	199	(414)	(255)
Increase / (decrease) in trade and other payables	27	461	(135)
Cash used in operating activities	(933)	(1,863)	(2,808)
Net income taxes received	-	76	157
Net cash used in operating activities	(933)	(1,787)	(2,651)
Cash flows from investing activities			
Funds invested in financial instruments	(1,775)	(8)	(66)
Other income	11	180	123
Dividend received from associate	-	50	100
Purchase of intangible assets	(252)	(53)	(235)
Deferred proceeds from sale of discontinued operation	-	-	2,186
Interest and investment income received	81	65	143
Purchase of property, plant and equipment	(62)	(58)	(170)
Net proceeds from of sale of property, plant and equipment	2	1	1
Net cash (used) / generated from investing activities	(1,995)	177	2,082

Plexus Holdings Plc
Unaudited Interim Statement of Cash Flows (continued)
For the Six months ended 31 December 2021

Cash flows from financing activities			
Drawdown of banking facility	1,250	1,094	2,044
Repayments of lease liability	(87)	(147)	(342)
Interest paid	(31)	(40)	(45)
Net cash inflow / (outflow) from financing activities	1,132	907	1,657
Net decrease in cash and cash equivalents	(1,796)	(703)	1,088
Cash and cash equivalents at brought forward	5,175	4,087	4,087
Cash and cash equivalents carried forward	3,379	3,384	5,175

Notes to the Interim Report December 2021

1. This interim financial information does not constitute statutory accounts as defined in section 435 of the Companies Act 2006 and is unaudited.

The comparative figures for the financial year ended 30 June 2021 are not the Company's statutory accounts for that financial year. Those accounts have been reported on by the company's auditors, Crowe U.K. LLP, and delivered to the registrar of companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The interim financial information is compliant with IAS 34 – Interim Financial Reporting.

The accounting policies are based on current International Financial Reporting Standards ("IFRS"), International Financial Reporting Interpretation Committee ("IFRIC") interpretations and current International Accounting Standards Board ("IASB") exposure drafts that are expected to be issued as final standards and adopted by the EU such that they are effective for the year ending 30 June 2022. These standards are subject to on-going review and endorsement by the EU and further IFRIC interpretations and may therefore be subject to change.

2. Except as described below the accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 30 June 2021 and which are also expected to apply for 30 June 2022.

The changes in accounting policy set out below will also be reflected in the Group's consolidated financial statements for the year ending 30 June 2022.

Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

A number of other amendments to standards not yet endorsed include:

- Classification of liabilities as current or non-current (Amendments to IAS 1)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimate (Amendments to IAS 8)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

The Directors have considered those standards, amendments and interpretations, which have not been applied in the financial statements but are relevant to the Group's operations, that are in issue but not yet effective and do not consider that they will have a material impact on the future results of the Group.

3. This interim report was approved by the board of directors on 18 March 2022.

4. The directors do not recommend payment of an interim dividend in relation to this reporting period.

5. There were no other gains or losses to be recognised in the financial period other than those reflected in the Statement of Comprehensive Income.

6. No corporation tax provision has been provided for the six months ended 31 December 2021 (2020: nil). As a result, there is no effective rate of tax for the six months ended 31 December 2021 (2020: 0%).

7. Basic earnings per share are based on the weighted average of ordinary shares in issue during the half-year of 100,435,744 (2020: 100,435,744).

8. The Group derives revenue from the sale of its POS-GRIP friction-grip technology and associated products, and licence income derived from its various licensing agreements. These income streams are all derived from the utilisation of the technology which the Group believes is its only segment. Business activity is not subject to seasonal fluctuations.

9. Property plant and equipment

	Buildings £000	Tenant Improvements £000	Equipment £000	Assets under construction £000	Motor vehicles £000	Total £000
Cost						
As at 30 June 2020	**3,740**	**714**	**5,393**	**-**	**17**	**9,864**
Additions	-	-	42	128	-	170
Transfers	-	-	128	(128)	-	-
Disposals	-	-	(2)	-	-	(2)
As at 30 June 2021	**3,740**	**714**	**5,561**	**-**	**17**	**10,032**
Additions	-	-	43	19	-	62
Transfers	-	-	19	(19)	-	-
Disposals	-	-	-	-	-	-
As at 31 December 2021	**3,740**	**714**	**5,623**	**-**	**17**	**10,094**
Depreciation						
As at 30 June 2020	**1,490**	**525**	**4,569**	**-**	**7**	**6,591**
Charge for the year	153	41	284	-	4	482
On disposals	-	-	(2)	-	-	(2)
As at 30 June 2021	**1,643**	**566**	**4,851**	**-**	**11**	**7,071**
Charge for the year	76	17	130	-	2	225
On disposals	-	-	-	-	-	-
As at 31 December 2021	**1,719**	**583**	**4,981**	**-**	**13**	**7,296**
Net book value						
As at 31 December 2021	**2,021**	**131**	**642**	**-**	**4**	**2,798**
As at 30 June 2021	2,097	148	710	-	6	2,961

10. Investments

	£'000
Investment in associate at 30 June 2020	**898**
Share of profit for the period	(77)
Dividends received	(100)
Investment in associate at 30 June 2021	**721**
Share of profit for the period	22
Investment in associate at 31 December 2021	**743**

On 14 December 2018 Plexus Ocean Systems Limited acquired a 49% interest in Kincardine Manufacturing Services Limited ('KMS') for a consideration of £735k plus associated legal fees. KMS is a precision engineering company which serves the oil and gas industry. This is viewed as a long-term strategic investment by Plexus. KMS is based at Sky House, Spurryhillock Industrial Estate, Stonehaven, Aberdeenshire AB39 2NH.

Following the investment Graham Stevens, Plexus' Finance Director was appointed to the board of KMS. The company remains under the control and influence of the 51% majority shareholders.

The summary financial information of KMS, extracted on a 100% basis from the accounts for the year to 31 December 2021 is as follows:

	2021 £'000
Assets	2,747
Liabilities	1,802
Revenue	2,819
Loss after tax	(143)

11. Discontinued operations

	Six months to 31 December 2021	Six months to 31 December 2020	Year to 30 June 2021
	£'000	£'000	£'000
Revenue	-	-	-
Expenses	-	-	20
(Loss)/Profit before tax of discontinued operations	-	-	20
Income tax credit	-	-	(412)
(Loss)/Profit after tax of discontinued operations	-	-	(392)

12. Share Capital

	Six months to 31 December 2021	Six months to 31 December 2020	Year to 30 June 2021
	£'000	£'000	£'000
Authorised:			
Equity: 110,000,000 (June 2021 & Dec 2020: 110,000,000) Ordinary shares of 1p each	**1,100**	1,100	1,100
Allotted, called up and fully paid:			
Equity: 105,386,239 (June 2021 & Dec 2020: 105,386,239)	**1,054**	1,054	1,054

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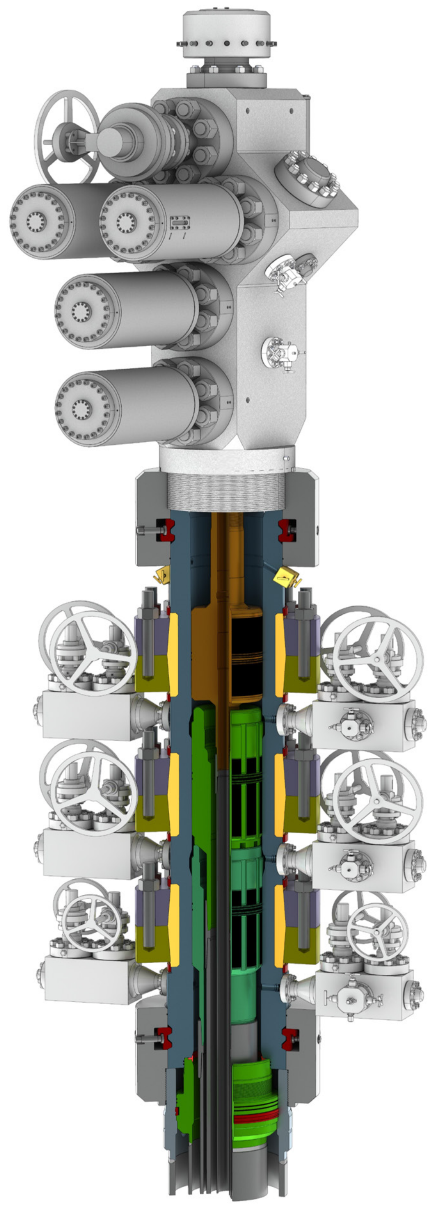
A POS-GRIP® Production Wellhead System and Tree



POS-GRIP® Technology –

Offers a simple and robust metal-to-metal annular seal system for wellheads. "HG" (Hot-Gas) seals consist of integral radiused seal bumps, that interact directly with the wellhead bore, minimising leak paths by eliminating the need for separate sealing components. A high amount of preload, delivered by external squeezing of the wellhead housing, achieves simultaneous horizontal actuation of multiple metal annular seals, which act over a long interface area to calibrated levels of stress, incorporating elements of Hertzian Stress Theory. Once energised, POS-GRIP load-rings eliminate axial movement at the seal interface, rendering POS-GRIP wellheads "leak-proof" and "maintenance-free", over the life-cycle of a well. The option to match materials at the seal interface can prevent bi-metallic corrosion, and the use of multiple seals allows management of chemical degradation.

Plexus Holdings plc

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Interim Results to December 2021