Annual Report 2022

Deliver. Regardless.

RA

Contents

In unfamiliar countries and cultures.

In remote locations.

In conflict areas.

Highlights

The results for 2022 are in line with our expectations. We faced a number of external challenges during the year, but we remain confident in our ability to restore RA to previous levels of profitability. This is being achieved by leveraging our strong leadership position in our principal services towards western Governments while implementing internal business-improvement measures.

Financial and operating highlights

USD 62.9m
Revenue
(2021: USD 54.6m)

USD 83m
Order book[1]
(2021: USD 100m)

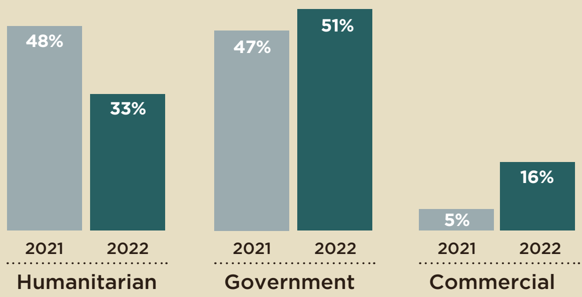
USD 0.6m
Underlying EBITDA
(2021: USD 6.7m)

USD 13.2m
Statutory loss
(2021: USD 32.1m)

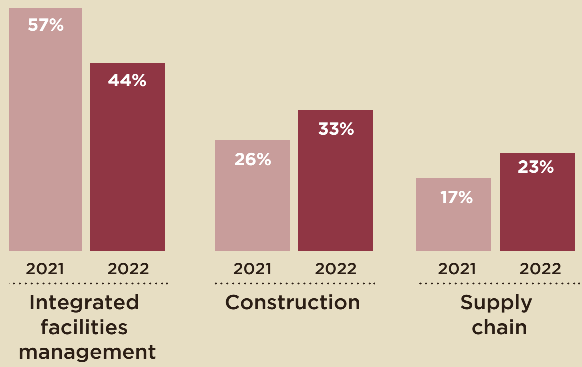
>90%
Revenue from long-term customers
(2021: >90%)

14
Number of operating countries
(2021: 13)

Revenue by sector



Revenue by service



Sustainability highlights

51%
Local labour participation
(2021: 42%)

Nil
Reportable incidents under RIDDOR
(2021: nil)

9,797.3 tCO_2e
Company-wide carbon[2]
(baseline)

1 The order book excludes potential revenue from the UK Ministry of Defence ("MoD") framework agreement announced on 30 September 2022 with a contract ceiling of GBP 35m and from the USD 249m framework contract relating to works for the US Government on Diego Garcia.
2 90% of operations.

The world of RA

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

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.

We have proven our capabilities in some of the toughest places on the face of the earth, from simple projects in conflict zones to complex projects in isolated areas with no infrastructure. Our model is based on a "one-supplier" approach – this not only gives customers greater comfort and assurance but also eliminates project inefficiency. Through detailed research, we know how to identify and overcome challenges.

This is what we do:

- **Construction**: design and construct buildings, roads, and other infrastructure needed for our clients' operations
- **Integrated facilities management**: 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 chain**: procure goods and use our global supply chain to bring these goods to the country of operation, and deliver to site providing Last Mile Logistics – even under the most challenging circumstances

1,368
Staff (2022 average)

45+
Nationalities

14
Countries

Who we do it for

We support international organisations through the delivery of complex projects in challenging environments.

The majority of our clients consist of humanitarian organisations, and western Government missions.

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 why we operate in many of the countries where we do.

Humanitarian organisations

Our work with humanitarian organisations is primarily based upon 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, ICC, and many other clients in the sector.

Western Governments

Frequently working alongside humanitarian organisations, western Governments are focused on advancing the rule of law and capacity building and supporting economic growth. Our clients are predominantly the US and UK Governments, with RA supporting, amongst others, the US State Department, including USAID, the US Department of Defense, the UK MoD, and the Foreign, Commonwealth and Development Office ("FCDO"). Increasingly, we are being asked to support government clients on missions across the world. See page 6 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.

Chair's statement

Sangita Shah | Non-Executive Chair

2022 was a testing year for the business.

The results for the year are in line with our expectations, but the year hasn't been without its trials. Whilst some of these challenges have been external in nature, and some reflect temporary factors that we expect to see reversed, it is important as a Board that we learn from these events and strengthen the underlying business where we have the opportunity to do so.

As a Board, we have looked to use this approach to guide the short-term and strategic priorities of the business. The main objectives set for the business are to restore profitability, improve the Company's liquidity position, and to build a stronger pipeline, in particular by leveraging the significant opportunity we have with UK and US Government clients.

We have allocated greater resources to target opportunities in the government space. We have a track record of securing work with these type of customers, but we are now looking to do this on a more equal footing, for example as a prime contractor and by securing seats directly on multi-year framework agreements. We are confident this is the right strategy, but we will only be successful if we execute on the opportunity with discipline and focus, identifying and securing contracts that are in our "sweet spot". This is the time for restoring stability to the business, focusing on what we do well and on opportunities where we have the strongest likelihood of success.

The award of new humanitarian contracts, typically multi-year Integrated Facilities Management ("IFM") contracts at attractive margins, has slowed and this has impacted our order book.

Whilst we expect the humanitarian side of our business to normalise, the lull is putting pressure on the near-term financial performance of the business. This highlights the importance of securing profitable work to mitigate this pressure and also makes us cautious on the outlook for the business for the year ahead.

Our commitment to sustainability and to doing business the right way remains fundamental to our approach. We are ahead of the curve with respect to this, and will continue to strengthen our leadership credentials in this space. Despite the near-term financial outlook, we are not going to cut corners or compromise our standards. It is an important differentiator for our employees and, over time, it will continue to build as an increasingly important differentiator for the types of customers we are looking to work with. RA International ("RA") as a business has made a widespread and significant social impact on disadvantaged people and communities since the business was founded by Soraya and Lars in 2004. They are pioneers in their approach and do it to drive lasting change.

I was delighted to welcome Paul Jaques to the Board in November 2022. Paul brings extensive and highly relevant experience across the government space, including through his distinguished service with the British Army. Together with the pedigree we have on the Board of RA Federal Services in the US, Paul's appointment strengthens our capability to build on our existing track record as a trusted partner with government clients. We look forward to drawing on our strengthened pool of governmental expertise as we deepen and broaden these relationships, in line with our refreshed growth strategy.

I would like to pay tribute to RA's people for their contribution to the business. It is evident on a daily basis how much you care about the business, the work that you do and the communities that we support. The Board is in a privileged position to be able to count on your professionalism, integrity, and tireless commitment, and on behalf of the Board, we thank you for this. I would also like to extend our thanks to Ian Henderson who retired from the Board in November 2022, having provided valuable counsel, including through the Company's IPO in 2018.

The business is undergoing transition as we look to build a stronger organisation that can realise the ambition we share for RA. We are confident in our strategy, but we caution that it is likely to take time for this strategy to feed through to sustained profitability. We recognise shareholders have been patient and we do not take this for granted. We are working hard to move the business forward and we appreciate their continued patience as we do this.

Sangita Shah | Non-Executive Chair

25 May 2023

Our market environment

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 excellence and have completed over USD 700m of contracts.

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.

The provision of services by private companies to western Governments and humanitarian organisations is an established global industry, with addressable budgets running in the hundreds of billions of Dollars for service providers like RA to target. Whilst governments and humanitarian priorities change, and overseas budgets can be flexed, the environment is also relatively stable, particularly in the context of other sectors of the global economy which are being fundamentally changed and disrupted. This creates a huge opportunity for RA but also requires a focused approach as these budgets attract significant attention across a wide range of specialist multinationals to localised operators.

Our strategy has been developed to target this vast opportunity effectively and efficiently. We highlight our strategic pillars to our approach that we see as fundamental to our success.

- **Growing with our customers**
- **Doing business the right way**
- **Leveraging our competitive strengths**

More information on our strategy can be found on page 14

These pillars guide our strategic priorities, our resource allocation, and our pipeline development work as we focus on the significant opportunities we have across our core markets. Through this focused approach, we are strengthening our market position as a leader in providing integrated solutions in Construction, Supply Chain and IFM in challenging locations, supporting western Governments and humanitarian and development agencies to deliver projects globally, building a more balanced and diversified business based on our core strengths. A key priority for the business is growing and strengthening the quality of our pipeline with western Governments, particularly US and UK Government departments where we have encouraging momentum. From a standing start, we have grown government revenues to be a significant part of the business – over 50% of revenue in 2022.

It is worth noting the extensive use of framework agreements, including IDIQ ("Indefinite Delivery, Indefinite Quantity") contracts and similar contract vehicles, by government departments. IDIQs streamline the contracting process into multi-year agreements and allow agencies to engage with a pre-approved list of companies on relatively short notice. Given the nature of these agreements, we do not add any value to the contract order book until such time as specific task orders are issued. This means that our order book at a point in time is not fully representative of the strategic progress we are making in building trusted partnerships with these clients. We are seeing the benefits of our focused approach to building our pipeline and we continue to see significant opportunities in our core markets.

Customer opportunity and response

Adding value to projects for humanitarian organisations

Our work with humanitarian organisations has been a key foundation of RA since the Company was established in 2004. Our activity has been and remains primarily based on supporting peacekeeping and stabilisation activities in challenging locations, with typical projects involving the set-up and management of camps under multi-year IFM contracts. Our biggest client in this sector is the United Nations Department of Peacekeeping Operations. Overall, RA has worked with 19 UN agencies, missions, and bodies, as well as the World Bank and other clients in the sector.

We are a trusted partner to these clients based on our near 20-year track record in delivering in environments that are challenging politically and/or geographically. We are proud of the difference we make in supporting local communities and improving local economies through our work with humanitarian clients.

The market for private sector delivery of humanitarian related services is very large, with a fragmented supply-side of contractors spanning global multinationals, local suppliers, and more bespoke suppliers such as RA, competing on technical competency and value. Delivering projects on time, within scope, and within budget is inherently challenging in the remote and challenging environments which are often relevant to supporting customers in this space. This makes managing commercial risk important in the bidding and execution stages of contracts. RA has the experience and on the ground know-how to bid effectively for projects and to deliver what's required to meet and exceed customer requirements.

Publicly available information on tenders in the Humanitarian sector is generally limited. This makes intelligence and understanding of which contracts are due for renewal an important part of sourcing tendering activity and building the pipeline. Our near 20-year involvement in supporting customers in this space gives us an excellent network of relationships and valuable intelligence of upcoming bid activity.

The Humanitarian sector is going through a lull in terms of bid tendering. RA is committed to remaining active in this space, and to securing commercially viable contracts. The response of competitors to this more challenging near-term environment may be to reallocate resources away from the sector or to price contracts to win at all costs. We believe RA's commitment to remaining active in the space and to being transparent with customers on "bidding for value" positions us for sustained success as the level of bidding activity normalises.

Building our platform with the US Government

We have worked with US Government ("USG") clients since 2004; our first contract award being with Dyncorp. Over the last few years we have actively grown this business, as a sub-contractor or partner to the likes of ECC, IAP, and Cherokee Nation. Key customers include the Bureau of Overseas Buildings Operations ("OBO"), the Department of Defense ("DoD"), the Department of State ("DoS"), and the US Agency for International Development ("USAID"), with estimated acquisition budgets in aggregate in the hundreds of billions of Dollars.

We have evolved our strategy to growing in this market, establishing RA Federal Services ("RA FS"), a wholly owned US subsidiary, with the objective of building a higher-quality pipeline. RA FS has taken seven years to develop from an idea to a reality with operations commencing in 2022. We are leveraging our past performance as a sub-contractor to self-perform and partner with other contractors on larger scale US Government contracts in markets where our competitors do not operate directly. These markets include central Asia, the Middle East, and Africa, which are spots RA is very comfortable with. In self-performing we are able to offer significant cost advantages in construction, logistics and supply chain, operations and maintenance, and life support services. Through RA FS we will also continue to adopt a partnership approach, with this agile approach playing to our strengths and extending our commercial reach.

A targeted approach is required by RA in addressing this deep and broad market. RA competes with a number of global players with considerable resources, so our approach needs to play to our strengths. Our near-term objectives are to secure contracts as a prime contractor in our "sweet spot". Construction activity for smaller embassies is a good example of this, where our initial involvement can lead to further work, including Supply Chain, IFM, and Construction projects for other embassies or consulates.

We are also focused on securing larger USG contracts. Large USG contracts are primarily awarded through framework agreements, which sees the top three to six companies selected to compete for individual Task Orders. For USG, the majority of the contract vehicles require the Company to have credentials which only US companies can hold. A major objective for RA FS, therefore, is to secure our position on more of these framework agreements, either as a prime contractor or partner. The five-year contract with US Navy Facilities Engineering Systems Command Far East, supporting their base on the island of Diego Garcia in the Indian Ocean, which we were awarded through our JV with ECC, the US-based global construction and environmental remediation contractor, is a good example of the type of contract vehicle we are targeting. The contract ceiling for this award is USD 249m and RA and ECC will compete together for individual task orders with four other awardees. Through RA FS, we can compete for seats on these contract vehicles either as a prime contractor or as a partner, depending on the circumstances.

Another significant opportunity for RA, and one which plays to our strengths, is partnering with organisations referred to as small, disadvantaged businesses ("SDBs"). A feature of the US Federal Government is the use of contracting assistance programmes, including the 8(a) Business Development programme, which targets the award of at least 5% of all federal contract Dollars (or roughly USD 50b in contracts), to SDBs. In 2022 contracts to SDBs exceeded the 5% target with USD 62.4b, or 11% of all contracting Dollars going to SDBs.

We partner with Cherokee Federal, the government contracting arm of Cherokee Nation and a SDB, to bid for government contracts on a global scale, often on a sole source basis. RA has been working with Cherokee since 2018 in South Sudan and the model of supporting SDBs as their operational arm in Africa has now been migrated to other companies who also have the same access to sole source contracts. These new SDBs have opened up access to different types of opportunities within our sweet spot. Using multiple SDBs allows us access to a larger pool of work.

Strengthening our competitive position with UK Government departments

Our relationship with the UK Government continues to grow since we delivered a short-term forward operating base in Oman for the UK Ministry of Defence ("MoD") in 2018. We have recently established and equipped a UK office which has been configured an equipped appropriately to operate within the UK defence operating model, and is staffed by suitably qualified and experienced personnel.

This approach supported us in winning a five-year global framework agreement in 2022 to provide operational support capability to the MoD with a ceiling value of GBP 35m. This is a landmark contract award for RA, where our success in delivering for the MOD on specific projects in challenging environments, has seen RA appointed as the MoD's global "problem solver", which sees RA being deployed to provide support requirements that fall outside the scope of existing contract vehicles.

We are also building relationships with the Foreign, Commonwealth and Development Office ("FCDO"). We recently secured a one-year GBP 3.3m contract in early 2023 with the FCDO to provide construction services relating to the refurbishment of the British High Commission in Gaborone, Botswana. The award highlighted our strong technical capability combined with a compelling value for money proposition. The project will be delivered without disrupting the important day-to-day workings of the British High Commission. Crucially for us, the project is employing around 40 local people. We are building our relationships further and currently have a number of tenders and pre-qualifications for other projects with the FCDO which, if we were to win, would take us into new territories.

Whilst the MoD and FCDO operate independently of each other, our differentiated approach aligns well with their common core values and objectives in awarding contracts:

- Past performance
- Technical capability
- Global alignment
- Value for money
- Working with small to medium enterprises
- Supporting the UK Government's Social Value Policy

The work we do to support the UK Government's Social Value Policy is a good example of our alignment. Since January 2021 it has been mandatory for UK Government entities to include ESG as part of their contracting tendering process. A good example of what this can mean in practice, is the MoD procurement decision-making process adopting the Social Value Model, which requires a minimum of 10% of the total tender evaluation weighting to be allocated to specific social value criteria. RA, as a respected leader in this field, ran a workshop for the MoD in Somalia to evaluate sustainability and the team was subsequently asked to present at a workshop in the UK to further this discussion. The UK is leading the way with respect to ESG legislation and transition, and we believe our commitment to this critical area stands us in good stead in strengthening our competitive position over time.

Chief Executive Officer's Review

Soraya Narfeldt | Chief Executive Officer

Our performance for FY22 was in line with expectations for the year.

Overview

The last two years have been hugely challenging for the business with an unforeseen series of events starting from COVID-19 creating economic contraction worldwide, followed by the unexpected and devastating insurgency in Mozambique combined with the unprecedented rise in logistics and materials costs, which was further exasperated by the Ukrainian war and its inflationary impact on commodity pricing. While shareholder value has been impacted, RA has a strong leadership position in its principal services, both with government clients from the UK and in the US, as well as with UN peacekeeping operations around the world which have been built over the past 20 years. For this reason, the Board maintains its belief that shareholder value will recover and grow again in the future.

RA's skills have proved to be transferable from country to country as our know-how and a track record of successful delivery is relevant and required. Going forward, in pursuit of the strategy set out later in this report, RA will focus on growing its business within those areas where it has sustainable competitive advantage, whilst at the same time reducing costs by simplifying our organisational design and sharing common services across the Group. All this will be developed within a pragmatic framework, supported by focused, timely performance information that highlights unplanned exceptions at an early stage.

Our financial performance for FY22 is consistent with market expectations, with revenue of USD 63m and underlying EBITDA of USD 0.6m in line with the key themes we set out in the interim accounts in September 2022. This reflects a similar performance in the first and second halves of the year. We remain cautious on the near-term financial outlook for the business, given the timing of project awards and starts remain uncertain and ongoing gross margin pressure.

Despite this caution, our order book gives us good forward visibility and we have achieved significant milestones in winning long-term work with US and UK Government departments, a key focus of our growth strategy. We are building our pipeline, investing in our capability as a differentiated service provider to government and humanitarian clients and remain focused on restoring profitability, improving liquidity, and delivering sustained growth as these efforts bear fruit.

Summary of financial performance

Revenue grew by 15% year over year, with strong increases in Construction and Supply Chain more than offsetting an anticipated and temporary decline in IFM revenue. Construction revenue of USD 14.9m represents a particularly strong second half, with a number of construction contracts commencing in the third quarter of the year and scheduled to complete in the second quarter of the current financial year. Supply Chain revenue moderated to USD 4.7m in H2, a more typical run-rate after a strong first half bolstered by USD 4.5m of sales relating to camp assets. As expected, IFM revenue picked up in the second half and overall continues to be resilient and long term in nature. Construction is linked to our activity with government clients, as our initial engagement is often to provide construction related services to these clients. Our Supply Chain activity has also been increasingly linked to supplying clients in the Government sector.

Gross profit for the year reflects the fixed price nature of the majority of contracts we undertake, particularly for the Humanitarian sector. In the past, these have allowed for efficiencies to be realised over the long-term nature of the contracts but more recently this has exposed the business to significant inflationary pressure. As we work more with government customers, we anticipate cost plus contracts to be more prevalent.

A key short-term priority remains improving our liquidity and we continue to make progress in recovering value from the disposal of camp assets, including in relation to our operations in Palma, Mozambique, which were curtailed due to the 2021 terrorist insurgency in the region. In FY22, USD 4.5m of cash was realised from the sale of pre-fabricated camp assets held in inventory. This transaction will also significantly reduce future storage costs.

Overall, from a balance sheet perspective, the Company remains in a comfortable position to bid for and execute large projects, and opportunities remain to increase liquidity through further asset sales.

Contract awards, order book, and building the pipeline

During the year, we were awarded new contracts, uplifts, and extensions to existing contracts of USD 45m. IFM projects represent 47% of order book, with Construction 50% and Supply Chain 3%. New contract activity has been weighted to Construction projects with many anticipated to be the first phase of much larger contracts. The order book remains weighted to Humanitarian projects, albeit we expect the share of government activity to continue to increase over time. New contracts are being negotiated at improved rates which we expect will improve margins going forward.

In terms of recent contracts secured, we were delighted to be awarded the OSCC Framework Agreement with the UK Ministry of Defence ("MoD"), announced in September 2022. The contract appoints RA as the sole contractor to provide operational support capability to the MoD as their global "problem solver." The contract has a ceiling of GBP 35m and is for five years with two additional option years. This is excluded from our order book, until such time as specific task orders are awarded, but is clearly an important marker that the UK Government recognises our global capability. We were also delighted to close the year by securing landmark contract wins with the FCDO and to be awarded our first task orders with respect to our JV in Diego Garcia.

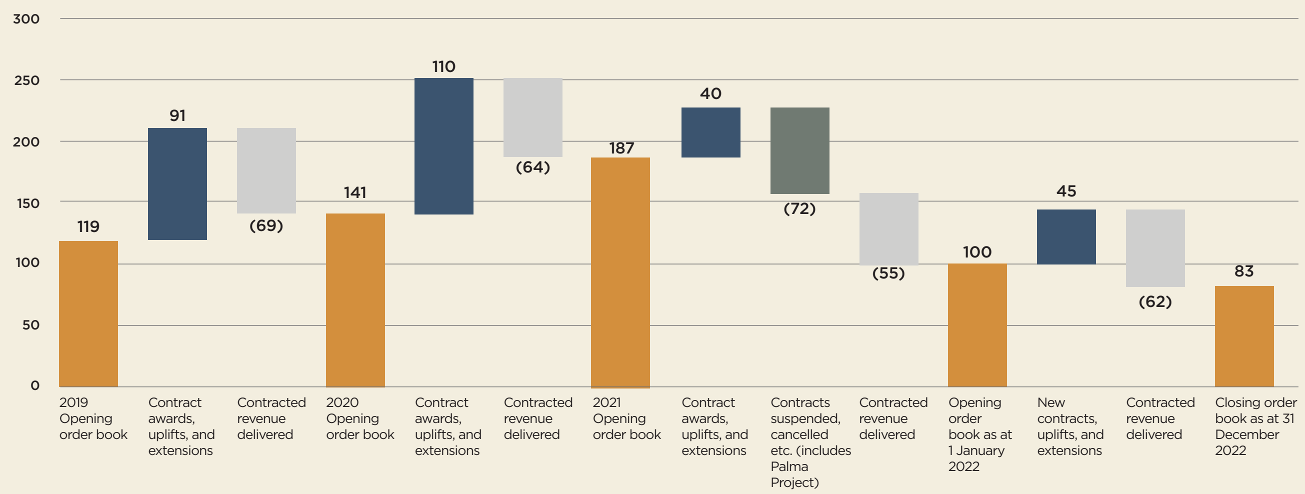
The award of the Botswana High Commission contract highlights how our operational capability is valued the FCDO. The strength of our technical proposal was our key differentiator, and this positions us well for further awards across the FCDO network.

Task orders were secured for work at the US Navy's base on Diego Garcia for an aggregate value of USD 8.2m. These contracts were awarded under the USD 249m framework agreement announced in September 2021, which sees RA International and our partner ECC compete for individual task orders with four other awardees. Whilst it has taken some time for the first contracts to be secured, these orders represent an important milestone for our partnership with ECC. Additional contracts have been awarded in 2023.

Framework agreements, such as the OSCC and Diego Garcia contracts, are a mechanism favoured by governments. A major focus of our business development activity going forward is securing RA's participation in these types of contract vehicles, which is consistent with building our platform as a prime contractor and recognised partner competing for large and multi-year government contracts. It is worth noting that whilst securing these contracts does not lead to an immediate uplift in our contract order book, they are important markers of the success of our strategic partnership approach with government clients and demonstrate the capability and value they see in working with us.

We are up and running with RA FS, our US subsidiary focused on securing work with US federal government clients worldwide, delivering contracts as a prime contractor. This builds on our track record and past performance with the main overseas federal agencies including the DoD, DoS, OBO, and USAID, which manage budgets in the billions of Dollars. Key opportunities in our "sweet spot" we are targeting include winning seats on Indefinite Delivery, Indefinite Quantity ("IDIQ") contracts, such as with Diego Garcia, winning contracts for smaller embassy or consulate construction work, and winning a seat on a DoD or DoS logistics contracts. We are also looking to develop our partnerships with the likes of small, disadvantaged businesses ("SDBs"), to whom the US Government allocates

Contract order book (USD'm)



between 5% and 10% of government spend. The visible pipeline with US projects is healthy and we are optimistic we will secure material contracts in the year ahead.

We continue to experience a slowdown in project tendering and awards in the Humanitarian sector. The timeline of awards is very uncertain with the default position remaining contract extensions rather than new awards. The challenges in this sector are short term and we remain committed to supporting Humanitarian projects. Humanitarian agencies overall do a good job, helping hundreds of millions of people a year, and they certainly save lives. The job they do will always be needed and we are confident that our support and unique deliverables will translate into contract awards over the course of the year.

Sustainability

Our commitment to sustainability and to doing business the right way remains fundamental to our approach and is an increasingly important competitive differentiator. We continue to be focused on the social value we can bring to communities, and champion the employment of local people to provide opportunities for personal growth and skills development. We were pleased to see an increase in the percentage of local staff we employ rebuild to 51% from 42% the previous year.

We continued to expand our environmental activities and our efforts are being recognised as having wider benefits to our customers' own sustainability goals, which are themselves increasingly being directed by legislation and bid requirements.

Having refreshed our material topics in 2021, last year we focused on setting KPIs against which we can begin to measure our progress. Some of these require new SOPs in order to gather data and to establish baselines against which we can set targets for the future.

The newly established ESG Committee has added additional oversight to our sustainability activities and has highlighted the need to bring greater focus to the mental wellbeing of our staff. Whilst we already do a lot of work in the area through our employment practices and occupational health and safety systems, we are looking at ways to enhance our provision in this area.

Summary and outlook

Our performance for FY22 was in line with market expectations for the year.

We have been through a very difficult period since 2021, which has had a major impact on the Group: reducing profitability, diverting management focus, and adding costs to dispose of assets relating to suspended or cancelled projects. We have now been able to assess the combined direct and indirect impacts of COVID-19 and the Palma incident on clients, contract awards, and the business as a whole, to guide our short-term and strategic priorities. We are refocusing our resources on strengthening our value proposition for western Government clients, and are now in a stronger position to compete and grow our business across the relevant overseas government budgets. Both the UK and US markets remain attractive in size and have significant future growth potential. RA has the capabilities, relationships, and global reputation for delivering complex projects and to bid for what are very specialised contracts.

We have taken significant steps in 2022 to stabilise the business and implement organisational change which we believe will drive business growth and enhance operational resilience.

We continue to focus on internal initiatives including cost control, efficiency, and cash discipline to restore profitability alongside growing the business in line with our strategic priorities. We expect to dispose of the majority of the Palma assets, eliminating storage costs, and reduce operating costs through business reorganisation. We have also repriced contracts to take into consideration rising prices. These initiatives should support higher margins going forward.

We have significantly strengthened the liquidity position of the Group in the current financial year and this is highlighted by the improvement in net debt to USD 3.0m as at 31 March 2023 from the USD 6.5m reported as at 31 December 2022. The improvement in our cash position is being driven by the unwinding of working capital balances and further recovery from the sale of previously impaired assets.

Our order book of USD 78m as at end March 2023 (which is broadly consistent with the December 2022 value) gives us good forward visibility. We have made good progress in the current financial year in securing notable high-quality contracts with blue-chip clients, albeit these can be in the form of framework agreements which are not included in the order book until task orders are issued. In addition, we are in the process of finalising the value of a major contract award which would result in a current order book in excess of USD 100m. New contract awards over recent years have been weighted to construction projects and we are now seeing more client confidence in awarding longer-term IFM contracts, which is driving our confidence in the outlook for order book growth. Whilst the timing of these awards and project starts remains difficult to judge, we are encouraged by this trend.

We remain cautious on the financial performance of the business for the current financial year and expect the business to remain broadly breakeven at the underlying EBITDA level. Overall, the business improvement measures outlined above, the improving confidence of our clients translating to a stronger run-rate of contract awards, and the work we are doing to strengthen our position with government clients are important drivers in restoring the levels of profitability the business has delivered previously.

Soraya Narfeldt | Chief Executive Officer

25 May 2023

Case study

Expanding relationships with UK Government departments

Our relationship with the UK Government continues to grow since we delivered a short-term forward operating base in Oman for the UK MoD in 2018.

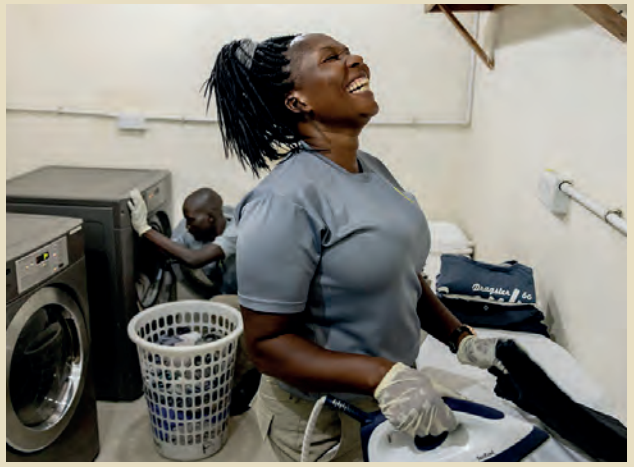
We have recently established a UK office with suitably qualified and experienced personnel to operate within the UK defence environment.

This development supported us in winning a five-year global framework agreement last year to provide operational support capability to the MoD with a ceiling value of GBP 35m.

This was soon followed by a one-year GBP 3.3m contract with the FCDO to provide Construction services relating to the refurbishment of the British High Commission in Gaborone, Botswana. The award highlighted our strong technical capability combined with a compelling value for money proposition. The project will be delivered without disrupting the important day-to-day workings of the British High Commission. Crucially for us, the project is employing around 40 local people.

We are building our relationships further and currently have a number of tenders and pre-qualification submissions outstanding for other projects with the FCDO which, if we were to win, would take us into new territories.

Our business model



This is what we do

A one-stop shop to simplify project success

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.

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

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 diverse and inclusive 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, Integrated Facilities 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.

Our strategy

“As a company that provides solutions for complex projects, we go where our clients want us to go.”

Our growth strategy is grouped into three pillars focused on our market opportunity, competitive advantage, and value we can bring to our stakeholders.

As we sought to stabilise the business through the residual challenges of the pandemic, our priorities for 2022 were to:

- Grow the pipeline, particularly with the Government sector. See page 6
- Enhance balance sheet liquidity. See page 24 for how this priority was met
- Reallocate resources and leverage the investment we have made in our business, systems, and processes

1. Customer-led growth.

Objective

Customers’ needs are often poorly met in the markets in which we operate – our model is based on a “one-supplier” approach – this not only gives customers greater comfort and assurance but also eliminates project inefficiency.

Often, 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 recommendations and because of our strong record of successful delivery.

We conduct detailed research into geographies where we believe our clients will require our services so as we can quickly establish on-the-ground capability. Our research is holistic and encapsulates not only facts and figures but historical and current affairs alongside the culture of the countries we operate in. Knowing how things really work is a key differentiator and a USP for clients such as the UK MoD and US Department of State. This information can significantly de-risk project delivery for our customers. 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.

Progress

Our work with UK Government departments highlights our effectiveness in building relationships and represents a significant opportunity for growth. In September 2022 we were awarded a global framework agreement with the UK MoD, which will see RA working closely with British military operational headquarters to provide operational support capability. As a result, RA has increased its UK presence to facilitate and oversee the delivery of this contract.

Our US subsidiary, RA FS, is operational, with an independent board of managers and suitably qualified workforce, delivering contracts on behalf of the US Government as a prime contractor.

2. Do business the right way.

Objective

We have a clear purpose, underpinned by our long-standing sustainability commitments, to do business the right way.

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 ESG legislation is becoming more widely adopted and is increasingly important to why customers want to work with us as we help them meet their sustainability and broader ESG objectives.

Progress

Following a materiality refresh and updating our strategy in 2021, our priority in 2022 was to engage all staff and clients in understanding and actively participating in the sustainability strategy as we expanded its reach. In some cases we are able to provide data for 2022 and targets have been set. Other KPIs require new systems and processes to be established in order to record and gather data. In these instances, baseline data will be published for the full year of 2023, from which we will set targets.

Certain environmental KPIs have begun reporting data per USD 1m revenue to give greater context to our progress as our business grows.

3. Leverage competitive advantage to drive shareholder returns.

Objective

We are one of the few full-service providers with a long track record supporting humanitarian and peacekeeping projects. We are leveraging this competitive advantage to grow our western Government client base, whilst continuing to expand and deepen relationships with clients in the Humanitarian sector.

Overseas US and UK Government spend is providing a significant opportunity for RA, and we can harness the work we already do for both, either directly, or through JVs, partnerships, or teaming agreements.

RA FS, our wholly owned US subsidiary, is tasked with developing opportunities to work directly with US Government agencies, offering full-scale capability to underserved markets without the pricing premium. Our UK office is dedicated to developing opportunities with the FCDO and UK MoD.

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

Progress

Working on US and UK Government contracts requires suitably qualified and experienced personnel, and specific governance processes. In 2022, we put all these in place. This is enabling us to develop relationships with Government agencies and navigate complex tender processes. We made key appointments in the US and UK, adjusted our governance systems where needed and established a UK office.

We increased our business development spend to secure both direct and indirect government contracts, which is beginning to deliver results. We have a number of submitted tenders on which we are waiting to hear the result.

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 is 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 considers stakeholder interests within boardroom discussions, how expectations may be met, and how decisions may impact their interests. 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 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. First, we explain some of the key decisions taken by the Board over the past year and how stakeholder interests were considered over the course of decision making. Then we outline in the form of tables how we engage with our stakeholders generally and the influence that such engagements have on our decision making as a Board.

Key decisions

1. Strategy shift

The Company made a strategic decision to focus the business and future growth on western Government funded contracts. The Company had already established itself as a trusted partner to the UK and US Governments, with Government sector revenue accounting for 51% in 2022 total revenue. We believe that our one-supplier model is a competitive advantage in this fragmented market and provides greater efficiency and cost advantages for our government clients compared to alternative partners.

To this end, we also invited Paul Jaques, Crown Representative of the Cabinet Office, to join the Board and strengthen our understanding of how our unique service offering can best benefit government clients.

2. Change in operational structure

Through open dialogue with our customers we constantly seek to understand how we can assist them better. As a result of our close customer relations, we changed our global operational structure to be able to work directly with US and UK Government departments. This resulted in the decision to form RA FS in 2021 and establish a UK office in 2022. Both require specific governance structures and are staffed by individuals with the necessary security clearance to conduct business with government departments.

RA FS is now also fully operational as a prime contractor and has developed a significant business pipeline throughout the year.

3. ESG Committee developments

Since establishing the ESG Committee in 2022, and in response to shareholder feedback, the Board has approved a framework and key policies in relation to client due diligence.

The ESG Committee has highlighted the Company's heightened responsibility towards the mental wellbeing of our people in the context of our staff who work in challenging environments, and away from home and families for prolonged periods of time. The Company already takes a holistic approach towards mental wellbeing, through employment practices and occupational health and safety measures. COVID-19 has shone a spotlight on areas where we could be doing more and, as a result, the ESG Committee is taking action to help direct the Company's strategy and the metrics used to measure performance in this area.

Employees

In 2022, we employed on average 1,368 staff with more than 45 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.

What is important to them

- Fair treatment and stable long-term employment
- Fair remuneration, benefits, and timely pay
- Training, skills development, and education
- Opportunities for advancement and rewarding careers
- Regular, relevant, and clear communication and engagement with management
- An inclusive employer that embraces diversity at all levels
- Health and safety, and mental wellbeing
- Opportunities to provide feedback
- Community engagement and local support

How we engage

Our leadership conduct regular site visits where they engage directly with employees and deliver presentations and Toolbox Talks. HR manages employees' career paths, personal development reviews, and work appraisals. Training, skills development, and education for low-skilled workers is managed at a local level by country managers. The Company publishes newsletters and management updates which are translated into the local language to ensure accessibility. We conduct regular team-building and social events, and employee engagement surveys.

Activity in 2022

- Roll out further surveys and focus groups to understand how we can improve our employee practices
- The ESG Committee recognised the importance of mental wellbeing in our staff and highlighted this as a focus area to develop initiatives and set metrics to measure performance

Customers

We conduct extensive research to understand our customers' needs and to anticipate the services they might need in the future.

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. Fostering strong relationships with customers is a vital part of our growth strategy. We grow the work we do with our existing customers and gain new business through their recommendations. Over 90% of our revenue in 2022 was repeat business.

What is important to them

- Delivery of projects on time, to the required quality and within budget
- Maintaining a close working relationship based on trust and quality of delivery
- Working with organisations whose goals and values are aligned to their own
- Responsible environmental and social practices that support them in meeting their own goals
- Health and safety
- Due diligence throughout the supply chain

How we engage

We interact with customers regularly in the normal course of business as well as submitting scheduled progress reports and attending formal client meetings, which provide a forum for regular feedback and ensuring that expectations are being met.

Activity in 2022

- Tailored governance practices to align with western Government requirements
- Joined the Carbon Disclosure Project at the request of a client
- Introduced Client Impact Assessments as part of client selection process
- Introduced supplier impact KPIs for tendering purposes

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.

Our suppliers help us to meet our requirements on the ground, delivering essential materials, equipment, food, and services.

What is important to them

- Prompt payment of invoices
- Regular day-to-day communication to allow for future planning and quick resolution of issues
- Health and safety

How we engage

We conduct a rigorous supplier vetting and selection process, and we procure services and materials through purchase orders, contracts, and master service agreements. All suppliers are required to complete Supplier Impact Assessments. We interact with suppliers regularly in the normal course of business and we conduct regular product inspections, visits, and audits.

Activity in 2022

- Appointed a new procurement officer and further centralised procurement management
- Regularised local and international supplier contracts and vetted over 1,200 suppliers
- Introduced procurement KPIs to grow the proportion of materials supplied locally and track savings achieved

Local governments and communities

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 most locations, we are an important source of employment, supporting families, local services, and institutions.

What is important to them

- Local employment opportunities, economic development, community investment, and support and engagement with local charitable organisations
- Human rights
- Regulatory compliance, health and safety, and protection and enhancement of the environment
- Local government engagement

How we engage

We maintain regular contact through meetings and correspondence with local governments and local community representatives. We support local and regional suppliers where we can and work with local and international organisations to provide charitable support and assistance to local communities.

Activity in 2022

- Employed an additional 220 local staff, increasing the percentage of local employees from 42% in 2021 to 51% in 2022
- Continued to provide training and skills development opportunities, promoting 4% of local staff

Investors

Our shareholders are the owners of the Company and the Board is accountable for Group performance.

Our investors have provided capital for growth, are a potential source of funding for future expansion opportunities, and are an important source of feedback on our business model and strategy. The Board aims to maximise shareholder value in a sustainable manner.

Our major shareholders are detailed on page 45 of this report and on our website. The percentage of shares not held in public hands is 80.85%.

What is important to them

- Financial performance and investor returns through capital gain and/or dividends
- High standards of corporate governance and ethical behaviour
- Regular engagement with management and understanding of strategy and potential risks
- Impact investment opportunities
- Information on ESG strategy and performance including climate change
- Responsible environmental and social activities
- Information on remuneration policy

How we engage

The primary communication tool with investors is through the Regulatory News Service ("RNS"), on regulatory matters and matters of material substance. We hold regular meetings with our current and prospective shareholders and deliver presentations to shareholders upon the release of our annual and interim results. We receive feedback from our investors via our brokers and investors relations advisers following investor engagement. This feedback was discussed and considered at our Board meetings.

Activity in 2022

- A summary of sustainability activities is included in this report, and is incorporated in our investor presentations, as well as our dedicated Sustainability Report
- Welcomed shareholders in person to our first hybrid AGM

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)

2018	54.8
2019	69.1
2020	64.4
2021	54.6
2022	62.9

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

Reported revenue for 2022 of USD 62.9m (2021: USD 54.6m) represents a USD 8.3m or 15% increase year on year. This includes USD 5.7m from new contracts under RA FS. Construction revenue increased by USD 7.1m to USD 21.3m (2021: USD 14.2m). IFM revenue was USD 27.4m (2021: USD 31.2m) as lower income from our hotel facility in Somalia continues to impact revenue from IFM services. Revenue from supply chain services was USD 14.2m (2021: USD 9.2m); a USD 5.0m increase year on year. During the year USD 4.5m was earned from the sale of camp assets that were held in inventory in FY22.

Dividend (pence per share)

2018	1.00
2019	1.25
2020	1.35
2021	nil
2022	nil

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)

2018	15.2
2019	16.3
2020	14.2
2021	6.7
2022	0.6

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

Underlying EBITDA was USD 0.6m in line with market expectations, and reflecting the impact of increased costs due to inflation on fixed price contracts. Underlying EBITDA margin was 0.9% in 2022 (2021: 12.3%), reflecting USD 6.8m lower gross margin and a USD 1.0m increase in administrative expenses driven by a full year of costs relating to RA FS, established during 2021.

Order book (USD'm)

2018	119
2019	141
2020	187
2021	100
2022	83

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 work. See page 88 for further information related to the remaining performance obligations on existing contractual arrangements.

Performance

Our order book gives us good forward visibility. During the year, we were awarded new contracts, uplifts, and extensions to existing contracts of USD 45m. IFM projects represent 47% of the order book, with Construction 50% and Supply Chain 3%. New contract activity has been weighted to Construction projects with many expected to be the first phase of much larger contracts. The order book remains weighted towards Humanitarian projects, albeit we expect the share of government activity to continue to increase over time.

Non-financial KPIs

Local labour participation (%)

2018	69
2019	61
2020	55
2021	42
2022	51

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 rebounded in 2022 reaching 51% compared to 42% in 2021, but was still well below a peak of 69% in 2018. We believe we will achieve our goal of 70% by 2027 as key clients continue to ease restrictions on local staff entering their camps in the post-pandemic period. However, there will always be short-term fluctuations at times when entering new countries and building local teams.

Lost time incident rate

2018	150
2019	117
2020	59
2021	nil
2022	nil

Definition

The lost time incident rate ("LTIR") 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.

Performance

We had nil reportable incidents under RIDDOR (2021: nil). The number of near misses recorded remained the same year on year at 10 (2021: 10).

Financial Review

Andrew Bolter | Chief Financial Officer

Overview

Revenue of USD 62.9m for the year ended 31 December 2022 and underlying EBITDA of USD 0.6m are consistent with the cautious view outlined at the time of our interim results in September 2022.

Profitability for the year was impacted significantly by inflationary cost pressure and related issues such as material shortages, impacting gross margin. Administrative expenses increased by USD 1.0m year over year, primarily a reflection of the full year cost impact of RA FS.

Stabilising the financial position of the business through increasing liquidity was a focus for the Group in 2022 and this continues into 2023. We completed a USD 14.0m debt refinancing in the year, with the notes being extended to the fourth quarter of 2024. Working capital movements returned to more normalised patterns in the second half of the year, with significant receivable balances unwinding in 2023. Additionally, capital expenditure incurred during the year of USD 0.6m (2021: USD 3.5m) was lower than expectations communicated mid-year, reflecting the modest ongoing maintenance requirements of the business. Overall, the current cash headroom and ongoing access to facilities, supports our liquidity position to fund existing and visible project activity.

Financial highlights

	2022 USD'm	2021 USD'm
Revenue	62.9	54.6
Gross profit	5.2	12.0
Gross profit margin	8.2%	22.0%
Underlying EBITDA	0.6	6.7
Underlying EBITDA margin	0.9%	12.3%
Loss before tax	(13.0)	(32.2)
Loss before tax margin	(20.7)%	(59.0)%
EPS, basic (cents)	(7.6)	(18.7)
Underlying EPS, basic (cents)	(5.2)	0.1
Net debt (end of period)	(6.5)	(1.5)

Revenue

Reported revenue for 2022 of USD 62.9m (2021: USD 54.6m) represents a USD 8.3m or 15% year-on-year increase. RA FS generated USD 5.7m in revenue from new contracts signed during the year and USD 4.5m was generated from the sale of prefabricated camp assets which had been purchased in 2020 and held in Mersin, Turkey.

Construction revenue increased by USD 7.1m to USD 21.3m (2021: USD 14.2m) with the majority of the positive variance relating to USD 4.4m of construction revenue generated by RA FS. Additionally, as our clients' staff returned to working at their overseas facilities, we received increased requests for renovation and expansion works of over USD 2.0m.

IFM revenue decreased by USD 3.8m to USD 27.4m (2021: USD 31.2m) and reflects the impact of lower occupancy from our hotel facility in Somalia. During the COVID-19 pandemic, many long-term tenancy contracts came to an end and were not renewed. While steady growth in occupancy has been seen since the start of 2022, it could take a number of years before levels seen pre-pandemic are achieved. This said, a recovery in IFM revenue is expected in 2023 resulting from increased IFM services performed for humanitarian clients, and improving hotel occupancy.

Revenue from supply chain services was USD 14.2m (2021: USD 9.2m). The USD 5.0m increase year on year is reflective of USD 4.5m earned from the sale of camp assets which were held in inventory as at the end of 2021.

Revenue by service channel:

	2022 USD'm	2021 USD'm
Integrated Facilities Management	27.4	31.2
Construction	21.3	14.2
Supply Chain	14.2	9.2
	62.9	54.6

Profit margin

Gross margin in 2022 was 8.3% (2021: 22.0%) reflecting continued inflationary pressure which has been affecting the business since the second half of 2021, impacting our main non-staff cost categories: food and beverage, fuel, logistics, construction materials, and consumables. While newly awarded contracts are generating improved margins, the effect of inflation on legacy projects worsened throughout 2022, further depressing these project margins and leading to losses generated on some long-term fixed price contracts. Decreased hotel occupancy also negatively affected gross margin during the year.

We continue to work with suppliers to reduce the impact of increasing cost of supplies, and with customers to agree contract uplifts where possible. With some customers we have been successful in agreeing rate increases during the contract term, and in other cases we are in the process of agreeing rate increases on contract renewal.

Reconciliation of loss to underlying EBITDA:

	2022 USD'm	2021 USD'm
Loss	(13.2)	(32.1)
Tax expense (credit)	0.2	(0.1)
Loss before tax	(13.0)	(32.2)
Finance costs	2.5	1.3
Investment income	(0.2)	(0.1)
Operating loss	(10.7)	(30.9)
Non-underlying items	4.2	32.2
Underlying operating (loss)/profit	(6.5)	1.3
Share based payments	0.5	0.5
Depreciation & impairment	6.6	4.9
Underlying EBITDA	0.6	6.7

Underlying EBITDA margin was 0.9% in 2022 (2021: 12.3%), reflecting lower gross margin and a USD 1.0m increase in administrative expenses driven by a full year of costs relating to RA FS, established during 2021.

During the year, the Company incurred non-underlying costs of USD 4.2m (2021: USD 32.2m).

Non-underlying items

	2022 USD'm	2021 USD'm
COVID-19 costs	—	0.8
Restructuring costs	3.5	—
Palma Project, Mozambique	0.7	31.5
	4.2	32.2

Restructuring costs relate to the strategic decision to redirect resources and investment towards growing our government and humanitarian business, as described in our 2021 Annual Report. These costs primarily arose from recording provisions against certain asset balances deemed unrecoverable as a result of this strategic shift.

Non-underlying expenses relating to the Palma Project consist of an incremental USD 1.1m of additional unavoidable costs which are expected to be incurred while the Group disposes of camp assets currently located in storage. This balance is offset by the recovery of impairment recognised in 2021. Recovery was generated both through the sale of assets and insurance proceeds.

Finance costs net of investment revenue increased to USD 2.3m (2021: USD 1.3m) due to fees relating to the refinancing undertaken during the year and interest charges. The average loan balance during the year was USD 11.5m (2021: USD 7.1m). The notes carry an annual fixed interest rate of 7.5% (2021: 7.0%) for GBP denominated notes and 8.0% (2021: 7.5%) for USD denominated notes with principal to be repaid as a bullet payment upon maturity in November 2024. Interest is paid on a quarterly basis.

Earnings per share

Basic loss per share was 7.6 cents in the current period (2021: 18.7 cents). Adjusting for non-underlying items, underlying loss per share was 5.2 cents (2021: earnings per share 0.1 cents).

Cash flow

Cash decreased by USD 1.1m during the year (2021: USD 9.1m).

Summary cash flows:

	2022 USD'm	2021 USD'm
Operating loss	(10.7)	(30.9)
Asset impairment	3.9	28.0
Depreciation	5.1	4.9
Other non-cash items pre-working capital adjustments	1.9	1.0
	0.2	3.0
Working capital adjustments	(1.6)	(7.8)
Tax & end of service benefits paid	(0.3)	(0.2)
Net cash flows used in operating activities	(1.7)	(5.1)
Investing activities (excluding Capital Expenditure)	0.6	0.9
Capital Expenditure	(0.6)	(3.5)
Net cash flows used in investing activities	(0.1)	(2.6)
Financing activities (excluding borrowings)	(3.3)	(5.2)
Net proceeds from borrowing	4.0	3.9
Net cash flows from/(used in) financing activities	0.7	(1.3)
Net change in cash during the period	(1.1)	(9.1)

Net cash outflows from operations were USD 1.7m (2021: USD 5.1m), primarily a result of working capital adjustments of USD 1.6m (2021: USD 7.8m). While a USD 2.1m cash benefit was realised from inventory levels decreasing, this benefit was more than offset by a decrease in trade payables.

Capex for the period was USD 0.6m (2021: USD 3.5m), lower than our previous expectations, and reflects the relatively low maintenance spend requirements of the business. Management plans to continue to exercise restraint in undertaking any significant capital expenditure not directly related to, and recoverable from, new contracts. During the year a nearly equivalent value of cash was raised through the sale of fixed assets, a trend which has continued into 2023.

Balance sheet and liquidity

Net assets at 31 December 2022 were USD 24.9m (2021: USD 37.3m).

Breakdown of net assets

	2022 USD'm	2021 USD'm
Cash and cash equivalents	7.5	8.5
Loan notes	(14.0)	(10.0)
Net debt	(6.5)	(1.5)
Net working capital	13.5	13.8
Non-current assets	24.0	30.9
Tangible owned assets	19.6	25.5
Right-to-use assets	4.4	5.4
Lease liabilities and end of service benefit	(6.1)	(5.9)
Net assets	24.9	37.3

During the year the Group raised USD 14.0m of debt under a new Medium-Term Note ("MTN") programme. The fundraising was undertaken in two tranches with USD 12.0m raised in the first half, and USD 2.0m raised in the second half of 2022. This debt was raised to refinance previously issued notes, and maintain adequate liquidity so as to comfortably bid for and execute certain large projects in the pipeline. The notes mature in November 2024.

We saw progress during the year in reducing our inventory and trade receivables balances which has continued into 2023. As at 31 December 2022, we continue to hold a provision against inventory originally purchased for the Palma Project. Whilst there has been discussions ongoing, the assets are yet to be disposed of.

Dividend

The Board is not recommending the payment of a final dividend in connection with the year ended 2022, however it is the Board's intention to reinstate the dividend as soon as is practicable, taking into consideration the financial strength of RA and confidence in its future performance.

Andrew Bolter | Chief Financial Officer

25 May 2023

Risk management

Risk management framework

The Company takes a top-down and bottom-up approach to risk management. Identification of day-to-day risks are devolved to department and country level. In 2022, risk registers for each significant new project and country entered were introduced. 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.

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.

Risk management at department and country level

- **Department risk committees:** conduct risk assessments to identify and describe all departmental risks, and existing control measures.
- **Country risk committees:** conduct risk assessments to identify and describe risks that can affect the business continuity of RA Group in each country of operation.

Each risk is assigned a risk rating based on likelihood and impact. The committees put in place response plans and assign Key Risk Indicators ("KRI") to each risk identified. Named individuals from these committees 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 ("GRR")

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 functional head of department identifies and assesses the risks within their department's purview that could impact the business continuity of the Group. The same exercise is conducted by country managers for each country of operation.

Projects with a value above USD 500,000 are subject to a risk assessment prior to the implementation stage. Before entering a new country of operation, a risk assessment exercise is conducted by the EMT to assess the relevant risks inherent in new market, and to evaluate the risk appetite in pursuing new opportunities in the geography.

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.

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.

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. The 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, locations, or with sensitive information**	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. Cyber-security measures have been intensified with multi-factor authentication required.	The EMT is to 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. Cyber-security insurance is being sourced which will also require enhanced testing of our IT systems.
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.	We are increasing the 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.	We are allocating additional technical expertise 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 effectively 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, 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 **Challenges in finding employees who meet project requirements**	We have an internal recruitment team in place and local HR representatives on sites. We are building 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 are intensifying training for local employees. 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 and our Contracts Manager liaises with our Project Managers and clients 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 communications 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 undertaken.	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. We recently hired a cost control engineer to better forecast and monitor project costs.	A new Enterprise Resource System is being implemented which will improve the visibility of project cost commitments. This will lead to increased accuracy of cash forecasts.

Legal and compliance risks

Legal and compliance risks encompass irresponsible or unethical behaviour. This can lead to a 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 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 costs reviews are undertaken. A third-party due diligence procedure and monitoring function is in place for counterparties.	Further limiting cash transactions and cash held at operational locations.
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. A comprehensive database of regulatory requirements by operating country is in place.	We are closing inactive or dormant subsidiary companies to limit potential exposure to non-compliance of regulatory or tax requirements.

Sustainability overview

Introduction

In 2022, we focused on building back in the wake of COVID-19 and an insurgent attack in Northern Mozambique. We resumed hiring local people – a cornerstone of our social ambitions and worked behind the scenes to make sure we remain at the forefront of sustainability in our industry and that environmental and social considerations are embedded throughout our governance processes. This year, at the request of our investors, we have incorporated an overview of our Sustainability Report in this document, focusing on key metrics and targets only.

In recognition of "Doing business the right way" as one of the Company's three strategic pillars, the Board established an ESG Committee in 2022 consisting of three Board members, to provide oversight of RA's sustainability agenda. The Committee meets quarterly and oversees the Group's sustainability strategy and execution. Day-to-day management is carried out by our dedicated Head of Sustainability, who co-ordinates all efforts across the organisation and is responsible for identifying and highlighting key concerns to relevant department heads. Sustainability matters are also discussed weekly at EMT meetings and in formal quarterly meetings. This top-down and bottom-up approach ensures that challenges and opportunities relevant to the Company are brought to the Board's attention and are supported further through our risk management processes which include key sustainability risks.

The additional oversight has highlighted the need to bring greater focus to the mental wellbeing of our staff. Whilst we already do much work in this area through our employment practices and occupational health and safety systems, we are looking at ways to enhance our provision in this area and set the metrics used to measure. To help us further, we conducted an Employee Engagement Survey in December 2022 amongst our international staff which has helped identify areas where we can make targeted improvements.

Since establishing the Committee, the Board has set its terms of reference, approved the focus area KPIs and targets, as well as established key policies in relation to client due diligence. The Committee is in the process of approving a more formalised carbon reduction plan, and supporting the development of mechanisms which will enable us to understand better the impact of our sustainability efforts on our operational performance.

While we are not required to report under the SECR Framework, we have been building our carbon footprint data since 2019, adding locations each year. This year we have collected emissions data for over 90% of our operations and are presenting our Company-wide carbon footprint to our stakeholders. We have also decided to report our environmental data per USD 1m revenue rather than per resident. Reporting in this way will give greater context due to the project-based nature of our business and the fluctuations in personnel we experience due to this. By using the metric of USD 1m revenue, we can analyse our carbon intensity more effectively as the business grows. In addition, we continue to report on our Mogadishu science-based targets, set in 2020.

We have much to look forward to, including introducing ways to capture data that will allow us to set baselines for new KPIs. Our Group strategy to increase our work with western Governments is taking us into more territories which will pose new challenges as well as opportunities in our environmental and social efforts. We will continue to lead by example and highlight what is possible when we all share similar values and work together for positive change. I would like to thank all RA staff for their commitment in engaging with our sustainability efforts on a daily basis.

Lars Narfeldt | Chief Operating Officer

25 May 2023

For full disclosure and approach to our priority environmental and social issues, please see our 2022 Sustainability Report at:

https://rainternationalservices.com/sustainability/

Sustainability strategy

The success of RA comes from making the right decisions about where to prioritise our effort, and from operating responsibly and sustainably. 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

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.

Our material issues

Our primary areas of activity are those identified as areas that require detailed disclosure due to their importance to our stakeholders.

We consider our secondary areas of activity equally important. For both, we assign KPIs, targets, and reporting schedules where appropriate, and named individuals responsible for their management.

Key:

Setting new KPIs and targets

Having completed a materiality refresh in 2021, our priority in 2022 was to train managers in our new strategy and to set KPIs for our primary and secondary focus areas of activity. We have included the most important new KPIs in this report. For further disclosure please refer to our dedicated Sustainability Report.

For some KPIs we were not able to set targets until we start to see year-on-year trends and do more research into industry standards. We want to ensure our targets are ambitious yet realistic, considering the challenging environments where we work. We have further KPIs in the pipeline; these require new systems and processes to be established to record and gather data and, once established, we will report these additional KPIs.

Environment

Minimising our environmental impact

We focus on whole-life cycle impacts, operating in a way that saves both money and the environment.

We recognise RA's contribution to climate change and consider the environmental impact of all our activities from the outset.

The Company relies on innovation, either through behavioural change, new processes, or new technology, to achieve its environmental reduction targets. To ensure the best outcomes, innovations are piloted and tested rigorously before being rolled out across RA's operations.

Priority issues

- Carbon emissions
- Energy use
- Materials and procurement
- Waste management
- Water and effluents management

Environmental KPIs

Mogadishu Scope 1 absolute emissions (tCO_2e)

2021	3,643
2022	3,128
2025 target	3,555[1]

Company-wide carbon footprint[2] (tCO_2e) (baseline)

2021	N/A
2022	9,797
Target	To be set

Company-wide carbon intensity (tCO_2e/USD 1m revenue) (baseline)

2021	N/A
2022	155.7
Target	To be set

Energy consumed (MWh/per USD 1m revenue) (baseline)

2021	N/A
2022	83.9
Target	2% reduction per annum

Energy self-generated from renewable sources (%)

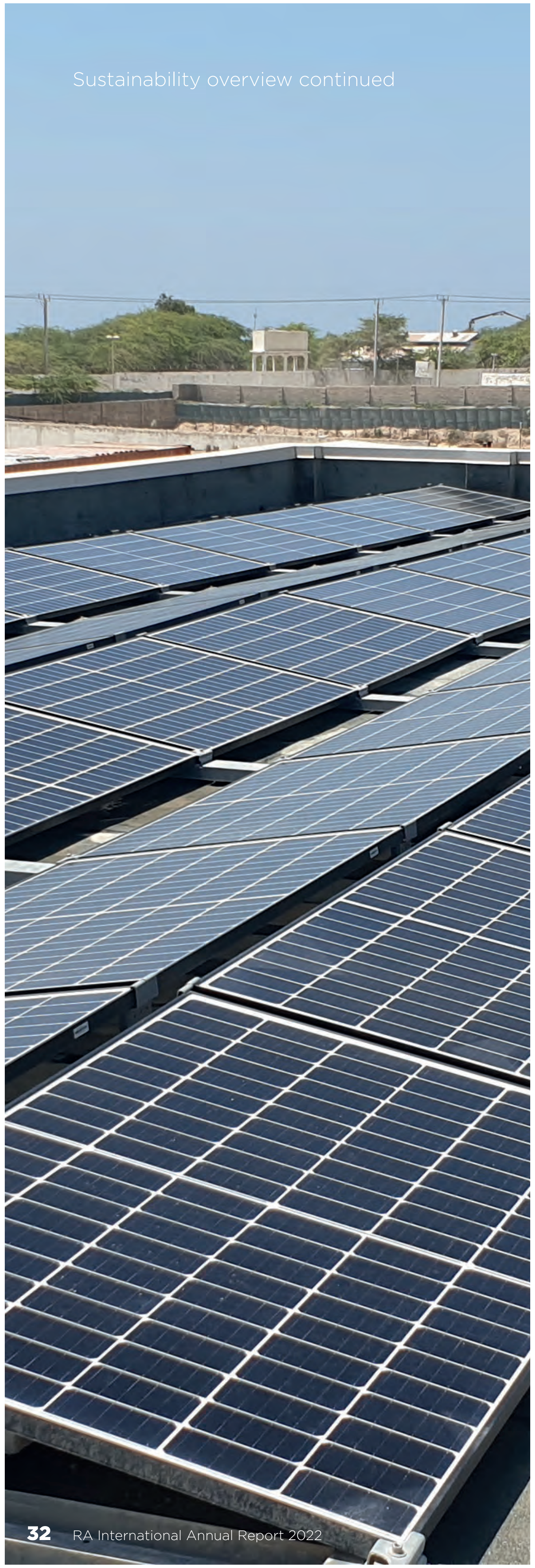
2021	3.4%
2022	3.0%
Target	To be set

Water consumed (m^3)

2021	44,027
2022	35,598
Target	To be set

Volume of water consumed per USD 1m revenue (m^3/USD 1m revenue) (baseli

2021	N/A
2022	570.9
Target	2% reduction per annum



Carbon footprint

We have been calculating our carbon footprint since 2019. Our data is independently verified by the UK-based environmental consulting firm, Green Element using GHG Protocol, the world's most widely used greenhouse gas accounting standard. Each year we have added countries of operations and additional Scope 3 emissions as data becomes available. Our 2022 carbon footprint now covers over 90% of our locations[3], so for the first year we are presenting our Company-wide carbon footprint to our stakeholders. A full breakdown of our carbon emissions by activity can be found in our dedicated Sustainability Report.

We are aware that we have relatively high carbon emissions since over 80% of the power we generate in our temporary camps comes from diesel generators. This is because when setting up temporary camps in emergency situations and remote locations we need to have a source of power that is easily procured, transportable, and maintained. Our operations team evaluates the best options on a case-by-case basis, and where we have more permanent camps, we install renewable energy options such as solar panels for electricity and solar water heaters.

Our Scope 3 emissions are also comparatively high, and includes a larger number of rotational flights for our international staff as well as the meals prepared when most of our workforce live on site throughout projects.

For 2023 we are working on creating SOPs to record our Scope 3 last mile logistics. As a company, we are required to move materials around the world, at times by air freight when we are moving goods to areas with limited infrastructure and high security risk. We are aware that these activities are highly carbon intensive and should, therefore, be reflected in our footprint.

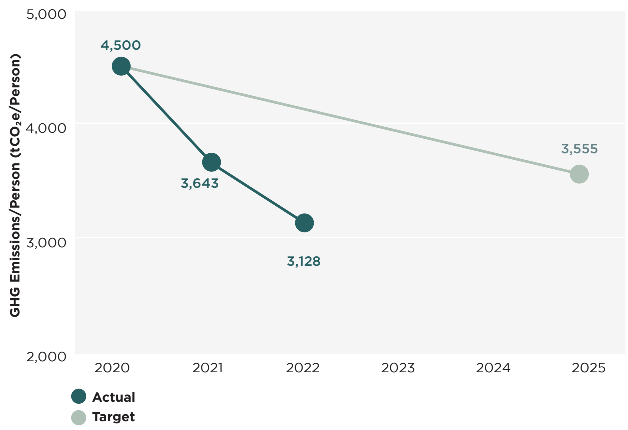
We will be analysing our operations to ensure, once last mile logistics is in place, we are now covering all relevant Scope 3 emissions for our operations. We are also in the process of developing our net zero roadmap. We recognise that initially we are likely to make fast progress with our carbon reduction plans, but thereafter advances will slow as our sector will need significant technology innovation that doesn't yet exist.

For these reasons, we have not yet set a target for our Company-wide footprint. Our strategy is to continue with our Mogadishu science-based target reduction plan which we set in 2020, whilst we build on our Scope 3 emission data collection to ensure our overall footprint is robust, at which point we will set Company-wide science-based targets.

1 90% of operations.
2 21% reduction from 2020 baseline emissions of 4,500 tCO_2e.
3 Mozambique has been placed outside of scope due to our principal project with The Afungi Liquefied Natural Gas Plant Project, Cabo Delgado being put on hold following the insurgent attacks in 2021.

Mogadishu science-based target progress

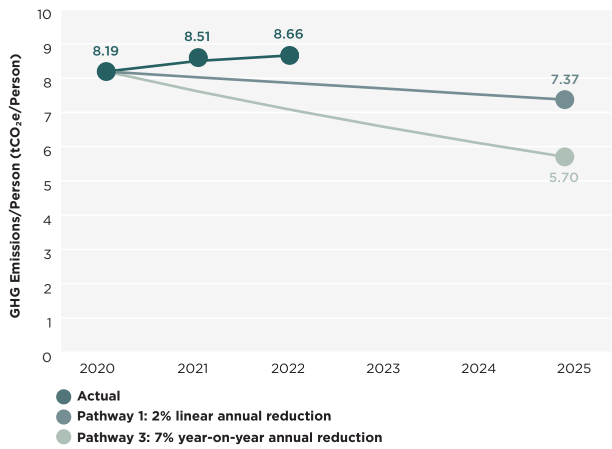
Scope 1 absolute emissions[1,2]



Base year 2020 tCO_2e *restated*	Current year 2022 tCO_2e		2025 target tCO_2e *restated*	2025 reduction target
4,500	3,128	-30.4%	3,555	-21%

Our target for 2025 was a reduction of 21%, so we are pleased to see that we have met our 2025 Science Based Targets initiative ("SBTi") target three years early. However, we are aware that our baseline was taken before the installation of our solar facility. Much of this decrease, therefore, is due to the addition of this renewable energy stream into our Mogadishu operations as well as a change in resident numbers at the compound. To continue this trajectory and reach the 2030 target of a 42% reduction, we must find additional innovative ways to reduce our reliance on diesel-generated power.

Scope 3 intensity[3] (emissions per resident[4] excluding leave travel)



Base year 2020 tCO_2e/ resident	Current year 2022 tCO_2e/ resident		2025 target tCO_2e/ resident (2% linear annual reduction by 2025)	2025 target tCO_2e/ resident (7% year-on-year annual reduction)
8.19	8.66	+5.74%	7.37	5.70

Scope 3 emissions per resident (excluding non-business related travel) increased from 8.5 tCO_2e in 2021 to 8.6 tCO_2e in 2022, an increase of 1.7%. Compared with the 2020 baseline, there has been a rise of 5.7 tCO_2e. We are not surprised by the rise in our Scope 3 intensity figures, considering the changes in our average resident number for the 2022 period (280: 2022 vs 404: 2021). Whilst some emissions reduce as resident numbers fall, our sites will always have a base operating requirement. We are committed to meeting our science-based targets so we must continue to analyse these emissions and make progress. This coming year we are keen to take a closer look at our food and beverage breakdown, particularly red meat consumption, as we know that over 40% of our Scope 3 emissions for Mogadishu come from these purchases.

In 2022, the SBTi updated its Scope 3 target guidance in line with the latest climate science, meaning 7% year-on-year reduction in intensity is now required for near-term targets. Our original target was 2% per annum, equating to a 10% reduction by 2025. We will continue using the 2% per annum pathway as an internal target but have restated our data to track against this new 7% year-on-year requirement.

This year we decided to also analyse our Scope 3 emissions on an absolute reduction basis. The results demonstrated that we would have surpassed the required SBTi target of 21%[5] with a reduction of 34.8% since 2020.

1 We generate all our energy in our Mogadishu operations, so we have no Scope 2 emissions.
2 Scope 1 emissions for 2020 and 2021 have been restated due to an amended refrigerant calculation method.
3 Includes indirect emissions for goods and services purchased to carry out our activities, notably emissions from food and drink, business air travel, and construction costs.
4 Average number of residents in Mogadishu: 2020: 454, 2021: 404, 2022: 280.
5 By 2025.

Social

Making a positive impact on people and economies

We want to leave a lasting legacy on the communities where we have projects. The greatest impact we can make is by providing local employment and offering equal opportunities to grow and develop skills through training and education. By taking this approach, we can have a direct economic impact on families and local communities.

Priority issues

- Equal opportunities
- Training and development
- Occupational health and safety
- Economic impact
- Community support

Social KPIs

Female employees within the RA workforce

2021	13%
2022	15%
2027 target	20%

Female employees at leadership level in Kenya, Dubai, and UK (baseline)

2021	N/A
2022	35%
2027 target	50%

International staff turnover rate (baseline)

2021	N/A
2022	10%
Annual target	8%

Average percentage of local staff employed

2021	42%
2022	51%
2027 target	70%

Percentage of local workforce promoted each year

2021	5%
2022	4%
Annual target	5%

Environmental pollution incidents (total number)[1]

2021	N/A
2022	3
Target	To be set

Products and services procured locally

2021	N/A
2022	56%
2027 target	65%

We have a diverse workforce of more than 45 nationalities and are committed to supporting our employees in achieving their full potential, irrespective of gender, disability, age, race, colour, nationality, sexual orientation, religion, or personal beliefs.

Last year, we reached our four-year goal to achieve 15% female participation from a baseline of 10% in 2019. In the context of our business, this is a considerable achievement where cultural barriers and the prospect of international staff spending long periods away from home in challenging locations can discourage women from working with us.

We have set an ambitious female participation target of 20% by 2027 and are taking action to make it more attractive for women to join our team. To measure our success, we have begun tracking new employees by gender.

At the leadership level[2] we are targeting full gender parity by 2027 from 35% females in 2022 in Nairobi, Dubai, and Kenya where there are fewer security and health challenges for women. Notably our Chair and CEO, the Company's two most senior leaders, are female.

Local labour participation rebounded in 2022 but was still well below a peak of 69% in 2018. We believe we will be able to achieve our goal of 70% by 2027 as key clients continue to ease restrictions on local staff entering their camps in the post-pandemic period. However, there will be short-term fluctuations at times when we enter new countries and build local teams.

Our aim is to offer long-term and rewarding careers to every employee. Promoting from within is a powerful tool for retaining our corporate culture, business continuity, and local development. On average we have promoted 3.5% of local staff each year over the last three years – ahead of our target of 2% each year.

We have long understood the benefits of local sourcing and we take every opportunity to do this. We are also conscious that we need access to reliable supplies that meet international quality standards and clients often stipulate the vendors we can use. Nonetheless, our commitment to local procurement supports economic growth through employment and taxes, and therefore we are looking to increase the percentage of products and services we procure over the coming years.

1 In the coming months we plan to split these incidents into low, medium, and high incidents and want to complete this process before setting targets.
2 Board, Executive Management Team, Heads of Department, mid-level management and supervisory roles.

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

Andrew is a Canadian Chartered Accountant, Chartered Business Valuator, and recently qualified as a Chartered Director. He has over 15 years of experience in senior financial management roles and 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 growth capital, or post fundraising at the request of new shareholders.

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 multinational 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) R

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)

Lieutenant General Paul Jaques CB CBE
Non-Executive Director

Date of appointment:
1 December 2022

Lieutenant General Paul Jaques CB CBE joined RA International as a Non-Executive Director on 1 December 2022. Prior to his retirement from the regular British Army in 2019, Paul served as Chief of Materiel (Land) in the Ministry of Defence ("MoD") and Quarter Master General for the Army. He was commissioned into the Royal Electrical and Mechanical Engineers in 1983 and has a wealth of experience commanding engineering, infrastructure, and logistic units on operations in the Middle East and Former Yugoslavia, and delivering complex programmes across the whole of Defence.

External appointments:
Crown Representative appointed by the Cabinet Office

Committee membership:
A E

Executive Management Team

The CEO, COO, and CFO constitute the Group Executive Management Team ("EMT"). Each member is involved in operations, often down to the level of field implementation, and has experience of 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 Company, at Head Office, Regional, Country, and Project level. 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.

RA Federal Services, LLC ("RA FS") is a US domiciled subsidiary formed to bid for and execute projects for the US Government and has its own Board of Managers consisting of five members. Each member of RA FS management has the necessary qualifications and experience to work with the US Department of State and Department of Defense, as well as large US Government prime contractors.

Corporate Governance Report

Dear Shareholder,

I am pleased to introduce the corporate governance section of our report. This section explains how the Company's governance framework supports the principles of integrity, strong ethical values, and professionalism, which are integral to our business. It is within my role as Non-Executive Chair of the Company to manage the Board in the best interests of our many stakeholders.

As a Board, we seek to ensure that the Company is committed to the highest standards of corporate governance and continually evaluates its policies, procedures, and structures to ensure they are fit for purpose. 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 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 2022, which can be found on the Company's website.

I am pleased that in June 2022, the Company was able to once again welcome its shareholders to meet at the AGM, which was held as a hybrid meeting. 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.

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 are available to meet with institutional and retail shareholders and investment analysts, following the announcement of the Company's interim and final results.

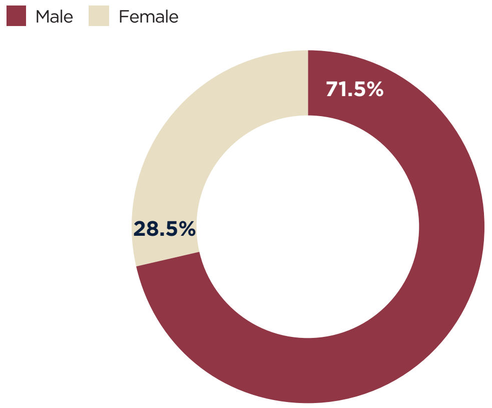
Corporate governance framework

The Board

The Board retains full and effective control over the Company and is accountable to the Company's shareholders for the long-term success of the Company. 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.

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 require. Individual Directors may engage external advisers at the expense of the Company in appropriate circumstances.

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 38 to 39. 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. Paul Jaques was asked to join the Board as an Independent Non-Executive Director ("INED") in December 2022 to strengthen our capability to build on our existing track record as a trusted partner with government clients. Ian Henderson stepped down from his INED position at the end of November 2022. 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.



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 are able to perform them. • The Chair ensures that the Board Committees are appropriately structured.
Executive Management Team	• The EMT is responsible for the delivery of the Company's strategy once agreed by the Board as a whole. • The Chief Executive Officer is responsible for the day-to-day running of the Group's operations and overseeing the Group's business development function. 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 sustainability efforts. • The Chief Financial Officer is responsible for the Company's financial controls and reporting to the Board in addition to managing internal resource departments: HR, IT and Governance, Compliance & Risk.
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 INEDs 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 INEDs 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 INEDs 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 the 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.

The Board adopts a retire by rotation policy, in which one-third of Directors retire and submit themselves for re-election each year at the AGM. New Directors are subject to election at the first AGM of the Company following their appointment. The maximum service length of any Non-Executive Director is nine years.

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. The Company provides stable employment and training to local unskilled or semi-skilled labourers and seeks to employ local talent wherever possible. To this end, the Company has a direct impact on the wellbeing of its employees' families, and on the local economy in general. Our ESG Committee has recognised the importance of mental wellbeing and the Committee's role in exercising effective oversight of this Company value.

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.

More information can be found in the Company's Sustainability Report 2022, which is available on the Company's website.

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 the ESG Committee, 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 and these are reviewed on an annual basis. Board Committees are required to report back to the Board following each Committee meeting.

The Remuneration Committee Report can be found on page 48, the Audit and Risk Committee Report can be found on page 50, and the ESG Committee Report can be found on page 52.

On behalf of the Board

Sangita Shah
Non-Executive Chair

25 May 2023

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 by the Company Secretary 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.

Time is reserved in each scheduled meeting's agenda for an external speaker to provide relevant specialist training and knowledge or help broaden horizons and instigate thinking outside the box. An annual strategy day is also scheduled to provide the Board with the opportunity to consider the overall strategic direction and objectives of the Company.

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.

Meetings are held between the Chair and the NEDs during the year, without the Executive Directors being present, to discuss appropriate matters as necessary.

The Directors have a broad knowledge of the business and understand their duties as directors of a UK company quoted on AIM. Both Executive and Non-Executive Directors are encouraged to undertake annual training in furtherance of their specific roles and general duties as a Director and to keep their skills up to date and relevant to the Company.

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 2022, 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. General themes were drawn out and a Board discussion was held to review and reflect on the findings. Further conversations and actions to address the lessons learned are planned for 2023.

Board and Board Committee attendance at meetings during 2022

	Board meetings (attended / possible)	Audit and Risk Committee meetings (attended / possible)	Remuneration Committee meetings (attended / possible)	ESG Committee meetings (attended / possible)
Sangita Shah	4 / 4	5 / 5	3 / 3	2 / 2
Soraya Narfeldt	4 / 4	N/A	N/A	N/A
Lars Narfeldt	4 / 4	N/A	N/A	2 / 2
Andrew Bolter	4 / 4	N/A	N/A	N/A
Alec Carstairs	3 / 4	5 / 5	N/A	2 / 2
Philip Haydn-Slater	4 / 4	4 / 5	3 / 3	N/A
Ian Henderson	3 / 3	N/A	3 / 3	N/A
Paul Jaques	1 / 1	N/A	N/A	N/A

On behalf of the Board

Sangita Shah | Non-Executive Chair
25 May 2023

Directors' Report

Principle activities

The Company is a global provider of services in remote and challenging locations. It specialises in three service channels: Construction, IFM, and Supply Chain. The Company has a strong and loyal customer base, largely comprising UN agencies and western Governments.

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 12 respectively.

Results and dividends

In 2022, the Board made a recommendation not to pay a final dividend to shareholders of the Company.

The loss for the year ended 31 December 2022 was USD 13.2m.

The Board will not be recommending a final dividend in respect of the financial year ended 31 December 2022.

Directors

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

Director	Role	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
Philip Haydn-Slater	Non-Executive Director	3 May 2018 to present
Ian Henderson	Non-Executive Director	3 May 2018 to 31 November 2022
Paul Jaques	Non-Executive Director	1 December 2022 to present

Substantial shareholders

As at 31 December 2022 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	55.22%
Lars Narfeldt	24.20%
Henry Spain Investment Services	6.01%
Jupiter Asset Management Limited	5.91%

Directors' interests

The Directors who held office at 31 December 2022 had the following interests in the ordinary shares in the capital of the Company:

	No. of Consolidated Ordinary Shares 2022
Sangita Shah	151,483
Soraya Narfeldt	95,857,145
Lars Narfeldt	42,000,000
Andrew Bolter	2,110,627
Alec Carstairs	108,743
Philip Haydn-Slater	100,000
Ian Henderson	–
Paul Jaques	–

Going concern

The financial information for the year to 31 December 2022 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 2024 (the going concern period) and utilising scenario analysis to test the adequacy of the Group's liquidity. As consistent with prior year, 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 downside scenarios were prepared which reflect the primary uncertainties facing the business. One assumes that the Group is unable to sell any unutilised assets and continues to incur the related storage costs until 30 September 2023. Another scenario forecasts a 25% decrease in the probability of the award of new contracts, a 10% reduction in gross margin earned from these contracts, and that the Group is unable to sell any unutilised assets and continues to incur the related storage costs until 30 September 2023. Under the most pessimistic downside scenario, Group revenue is approximately 96% of that reported in 2022 and underlying EBITDA margin is negative 1.8%.

Under all scenarios, the Group has concluded that it has sufficient cash reserves to fund trading, capital investment, and interest repayments associated with loan notes during the going concern period. If for any reason further liquidity is required during the going concern period, the Group could decline new project awards, or alter its cost base. These are considered controllable mitigating options that management could implement and would lead to an increase in liquidity.

A further Reverse Stress Test was also undertaken to determine what trading conditions would lead to the Group exhausting its available cash reserves during the gong concern period. It was determined that under a scenario whereby the Group is awarded no future contracts, and solely generates revenue from work that is currently contracted, the Group would not exhaust its available liquidity until October 2024 (which falls outside of the going concern period). This trading scenario is considered remote given the value of the current pipeline.

During the year, the Group completed a refinancing and fundraising exercise. The purpose of the exercise was to synchronise and extend the maturity of the USD 10.0m of loan notes issued by the Group during 2020 and 2021, which were due to mature in the second half of 2022. The original USD 10.0m of loan notes were replaced with USD 14.0m in new loan notes which mature in November of 2024. The Group also has access to a GBP 10.0m long-term debt facility which is not expected to be utilised under any scenarios modelled. The amount that can be drawn from this facility at any given time is dependent on the value of the Company's market capitalisation and other non-financial covenants.

Under all scenarios reviewed by the Board the Group continues to have sufficient cash reserves to operate throughout the going concern period. Any scenario whereby trading performance is worse than those modelled is considered to be remote given the level of committed contracted work in place. Additionally, controllable mitigations exist, as are noted above, which could be utilised to increase liquidity. On this basis, the Board is 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
- Each 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 s418 of the Companies Act 2006.

Streamlined Energy and Carbon Reporting

The Directors are aware of the introduction of the Streamlined Energy and Carbon Reporting ("SECR") Framework, 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. During 2022 and the previous year, RA had no physical trading operations located in the UK. As a result, 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. A summary of the Company's emissions reduction strategy and reporting can be found on pages 31 to 33.

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 35.

Please refer to our Section 172 Statement, specifically pages 16 to 19, 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 Shah
Non-Executive Chair

25 May 2023

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 ("IAS") in conformity with the requirements of the Companies Act 2006 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 IAS 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
- 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

25 May 2023

Remuneration Committee Report

Key activities:

- Determined Executive pay rise and bonuses in respect of 2021
- Considered bonus targets for 2022 and determined unsuitability to award bonuses for the year due to the prevailing environment
- Engaged with a third-party remuneration consultant on the formation of a Company-wide bonus policy

The Remuneration Committee is a standing committee of the Board of the Company and is comprised of three INEDs, whose names and profiles are set out on pages 38 to 39. 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, is 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 2022. Members' attendance records are disclosed in the Corporate Governance Report on page 44 contained in this Annual Report.

Executive Directors' service contracts

Details of the Company's Directors' service contracts are indicated below:

Director	Effective term	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
Paul Jaques	1 December 2022	1 December 2022	3 years

*Resigned 30 November 2022.

Notwithstanding the above terms, the Company's policy is that every year at the AGM one-third of Directors will retire and stand for re-election. 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 2022 AGM.

The maximum number of terms that any INED 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 2022 GBP'000	Total 2021 GBP'000
Executive					
Soraya Narfeldt	340	16	18	374	349
Lars Narfeldt	232	22	11	265	236
Andrew Bolter	268	11	156	435	288
Non-Executive					
Sangita Shah	86	—	—	86	84
Alec Carstairs	54	—	—	54	53
Philip Haydn-Slater	54	—	—	54	53
Ian Henderson	61	—	—	61	53
Paul Jaques	4	—	—	4	—
Total	**1,099**	**49**	**185**	**1,333**	**1,116**

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 Pounds at a rate of 1 UAE Dirham: GBP 0.2217, being the average exchange rate during 2022.

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 and LTIP 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 plans which provides for the grant of options to employees of the Company. The Board believes that both the Scheme is an effective mechanism to incentivise key employees of the Company.

There were no outstanding performance options granted to the Executive Directors as at 31 December 2022.

The Company's stock price was GBP 13.50p as at the close of 31 December 2022.

Non-Executive Directors

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

Non-Executive Directors	Fees (GBP)
Sangita Shah	86,000
Alec Carstairs	54,000
Philip Haydn-Slater	54,000
Ian Henderson	61,000
Paul Jaques	4,000

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
- 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
Chair of the Remuneration Committee

25 May 2023

Audit and Risk Committee Report

Key activities:

- Reviewed and approved the Company's 2022 Interim Report
- Reviewed and approved the 2022 audit plan presented by the Company's auditor
- Reviewed the independence and competence of the Company's auditor, Ernst & Young
- Navigated the Mozambique impairment review in consultation with the Company's auditor
- Review and approval of Alternative Performance Measures ("APMs")

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 INEDs whose names and profiles are set out on pages 38 to 39. 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 38, is invited to attend meetings.

The Committee has engaged Ernst & Young LLP ("EY") to act as the external auditor and they are also invited to attend Committee meetings, unless they have 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 2022, the Audit and Risk Committee met five times and the members' attendance record at Committee meetings during the financial year is set out in the Corporate Governance Report on page 44.

Further to its establishment in 2021, the Group Risk Register has been submitted to and consistently reviewed by the Audit and Risk Committee. The risk management framework was further developed in 2022, and the remit and duties of the Executive Group Risk Assessment Committee and its relationships to other parts of the business further defined.

The Audit and Risk Committee has considered the Company's internal controls, 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.

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 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 2022 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 81.

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
- Any matters that may significantly affect the independence of the external auditor

Alec Carstairs

Chairman of the Audit and Risk Committee

25 May 2023

Environment, Social, Governance Committee Report

Key activities:

- Established ESG Committee and held first meetings
- Oversaw establishment and implementation of key ESG policies and processes, including recognising the importance of mental wellbeing in the context of RA's operations and in light of events in the last two years

Established by the Board in May 2022, the ESG Committee is responsible for ensuring and overseeing the creation and implementation of environmental, social, and governance policies and practices, that they are effective in supporting the sustainability strategy; for ensuring that ESG performance is aligned to the Company's purpose, values, and long-term strategy; and for assessing emerging ESG issues, challenges, and opportunities relevant to the Company and bringing them to the Board's attention as necessary.

RA engages with its stakeholders through various meetings and communications. More details are set out in our Section 172 Statement on pages 16 to 19.

The Committee held two meetings in 2022. The first priority was to align all ESG endeavours under the Company's purpose and vision. This set the basis from which the sustainability strategy is formed and executed. Through the year, this was further built upon as the Committee oversaw the production of key underlying policies and procedures, such as the client assessment scorecard and carbon reduction plan. The Committee recognised the importance of mental wellbeing to the delivery of RA's services and has highlighted this as a key area of focus.

Having refreshed our materiality in 2021, the objective in 2022 was to set targets against each material topic in order to deliver the sustainability strategy. A summary of progress is detailed on pages 29 to 35 of this report and a more comprehensive report on the activity and performance of the Company against the sustainability strategy is available in the 2022 Sustainability Report which is available on the Company website.

Sangita Shah

Chair of the ESG Committee

25 May 2023

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 2022 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 2022 which comprise:

Group	Parent company
Consolidated statement of financial position as at 31 December 2022	Statement of financial position as at 31 December 2022
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 12 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 33 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 2024. Adverse scenarios have been modelled including delay in new significant contracts and deterioration of margin assumptions in their forecasts, in order to incorporate severe but plausible changes in key assumptions to the forecasted liquidity of the Group.
- We have tested the factors and assumptions included in each modelled scenario for the cash forecast by evaluating the reasonableness of all key assumptions through assessing their consistency with current and historic trading performance, our understanding and experience of the business and other areas of the audit, including management's impairment assessments. We also ensured these assumptions were consistent with the budget approved by the board.
- We challenged the appropriateness of the methods used to calculate the cash forecasts.
- We evaluated the mitigating factors included in the cash forecasts that are within the control of the Group. 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 verified actual cash position in May 2023 and credit facilities available to the Group, as well as assumptions applied with respect to utilisation of these facilities. Matters outside of the going concern review period were also considered in relation to plans for future capital repayments of loan notes.
- In order to assess management's forecasting accuracy, we have compared the prior year budgets against actual.
- We have performed reverse stress testing, principally related to delays in contract execution and provision of FM services reducing both revenue and margin generated, in order to identify what factors, either in isolation or in combination with other factors, would lead to the Group utilising all cash reserves 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.

Our key observations

The Group is forecasting to return to profitability and generating positive cashflows during the going concern period ending 30 June 2024. Throughout the going concern period the Group forecast to maintain adequate cash reserves in their base case. The downside and reverse stress scenarios prepared by the Group indicate that the Group would need to be exposed to significant downsides impacting both revenue and profits generated in order to extinguish available cash. In this scenario, which management consider remote, management have concluded that the impact can be mitigated by further cash and cost saving measures which are within their control during the going concern period.

Conclusion

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 2024.

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 4 components and audit procedures on specific balances for a further 3 components. • The components where we performed full or specific audit procedures accounted for 81% of Loss before tax, 99 % of Revenue and 96% 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 • Impairment of Investments and recoverability of intercompany receivables in the parent company balance sheet
Materiality	• Overall group materiality of USD 314,000 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. We take into account size, risk profile, the organisation of the group and effectiveness of group-wide controls and changes in the business environment when assessing the level of work to be performed at each company.

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, of the 15 reporting components of the Group, we selected 7 components covering entities within Somalia, South Sudan, UK, USA, Dubai, Central African Republic and Berkshire, which represent the principal business units within the Group.

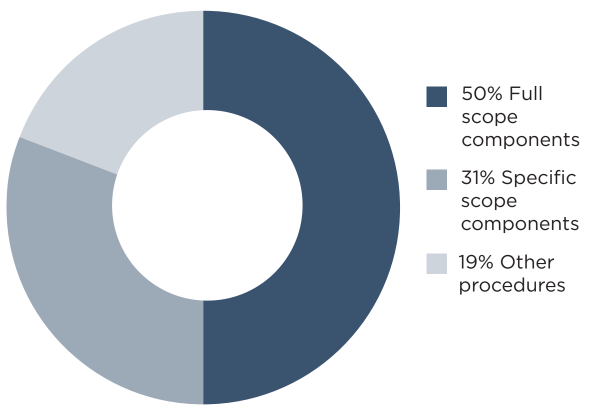
Of the 7 components selected, we performed an audit of the complete financial information of 4 components ("full scope components") which were selected based on their size or risk characteristics. For the remaining 3 components ("specific scope components"), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

The reporting components where we performed audit procedures accounted for 81% (2021: 100%) of the Group's Loss before tax, 94% (2021: 100%) of the Group's Revenue and 96% (2021: 100%) of the Group's Total assets. For the current year, the full scope components contributed 50% (2021: 11%) of the Group's Loss before tax, 70% (2021: 81%) of the Group's Revenue and 86% (2021: 75%) of the Group's Total assets. The specific scope component contributed 31% (2021: 26%) of the Group's Loss before tax, 24% (2021: 7%) of the Group's Revenue and 10% (2021: 9%) of the Group's Total assets. The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the Group.

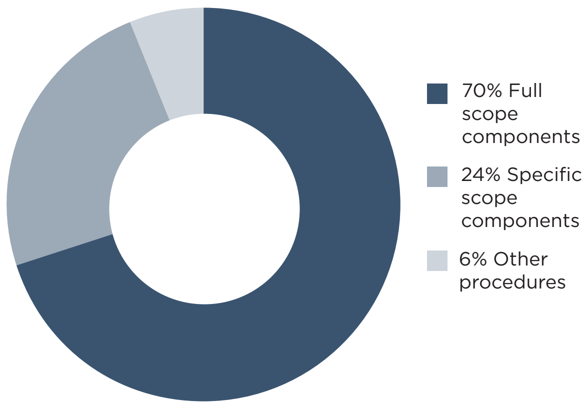
Of the remaining 8 components that together represent 6% of the Group's revenue, 3 components are individually greater than the Group's overall materiality of USD 295,000. For these 3 components, we performed procedures which tested their revenue balances in order to increase our scope for this account. For all the 8 components, we performed other procedures, including analytical and desktop review procedures as well as testing of consolidation journals and intercompany eliminations to respond to any potential risks of material misstatement to the Group financial statements.

The charts below illustrate the coverage obtained from the work performed by our audit teams.

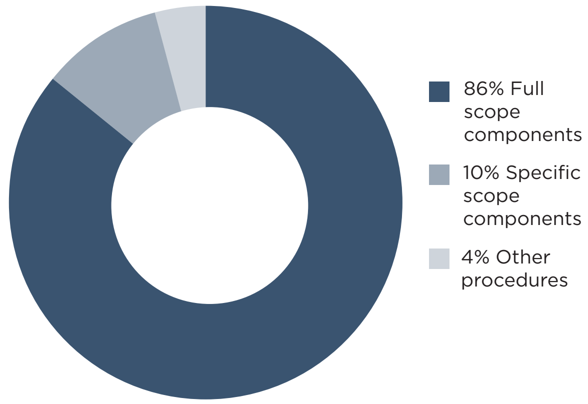
Loss before tax



Revenue



Total assets



Changes from the prior year

In the prior year, we considered the full population as a whole instead of considering the granular locations to better reflect risks and scale in particular geographies.

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 material future impacts from climate change on their operations. This is explained on page 67 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.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

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.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Risk of misstatement due to management override, fraud and error, specifically around revenue recognition. **Refer to Accounting policies (page 70) and Notes 5, 6 and 7 of the Consolidated Financial Statements (page 74)** 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 27.4m), Construction (USD 21.3m) and Supply chain (USD 14.2m) (see accounting policies Note 4). 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.	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 and specific scope audit procedures over this risk area in 6 locations, which covered 91% of the risk amount. We also performed specified procedures over the revenue balance in 3 locations, which covered 8% of the risk amount.**	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.

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 (and Notes 5 and 6 of the Consolidated Financial Statements (page 70)** 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 **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
Impairment of Investments and recoverability of intercompany receivables in the parent company balance sheet **Refer to Accounting policies and Note 4 of the Company only Financial Statements (page 97)** The carrying value of the investment in subsidiaries of USD 28.6m (2021: USD 50.0m) and the intercompany receivables of USD 5.9m (2021: USD 5.7m) held on the parent Company balance sheet have been assessed for impairment by reference to IAS 36 'Impairment of Assets' and IFRS 9 'Financial instruments' respectively. The market capitalisation of the Group at year end was below the pre impaired carrying value of the parent Company's investment in subsidiaries. Judgement is therefore required as to whether the investment value should be impaired and whether the intercompany receivable is recoverable. In assessing the carrying value of the investment in subsidiaries, management assessed fair value with reference to the group's market capitalisation and value in use (with reference to discounted cashflows consistent with their going concern assessment). An impairment charge of USD 21.8m (FY21: USD Nil) has been recognised in relation to the investment in subsidiaries and a loan loss allowance of USD Nil (FY21: USD Nil) has been recognised in relation to intercompany balances. In assessing the recoverability of the intercompany receivable, management considered the liquidity of associated subsidiary undertakings and expected future settlements forecast.	**To respond to this key audit matter, we have:** • Obtained an understanding of the relevant controls in place around the methodologies used to assess the carrying value of the investment in subsidiaries and the recoverability of intercompany receivables; • Tested the mechanical accuracy of management's model; • Assessed the methodology applied in reviewing the investments for impairment and assessing the recoverability of intercompany balances, with reference to the requirements of IAS 36 Impairment of Assets and IFRS 9 Financial instruments respectively; • Compared the economic value of the Group implied by the investment to the Group's market capitalisation over FY22 and considered the consistency of management's forecasts with other areas of the audit and going concern; • Evaluated the counterparty's ability to repay the balance and the plans in place for the for the settlement of the balance post year end; and • Evaluated the appropriateness of the Company's disclosures regarding the investment impairment and intercompany recoverability. **We performed full scope audit procedures over this risk area.**	We communicated to the Audit Committee that: Based on the audit procedures performed, we concluded that managements impairment assessment of investments and intercompany receivables were performed in line with requirements of IAS 36 and IFRS 9 and have been applied consistently. We are satisfied that the impairment recorded and carrying value of the investments in subsidiaries and intercompany receivables at 31 December 2022 are presented at fair market value. In addition, we concluded that disclosures in the financial statements were free from material misstatement.

Our key audit matters identified in FY22 are consistent with FY21 with one exception. Impairment of investments and recoverability of intercompany receivables in the parent company has been identified as a key audit matter in the current year. This was the result of an impairment trigger being identified, due to the reduction in the market capitalisation of the Group such that, at year end, the market capitalisation was below the investment in subsidiaries' carrying value.

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 planning materiality for the Group to be USD 295,000 (2021: USD 273,000), which is 0.5% (2021: 0.5%) of revenue. We believe that revenue provides us with better basis of what's important to users of the financial statements to determine growth and performance of the Group.

We determined planning materiality for the Parent Company to be USD 536,000 (2021: USD 556,000), which is 1% (2021: 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.

During the course of our audit, we reassessed our planning materiality for the Group based on the final results position. This resulted in final materiality being assessed at USD 314,000, which is an increase of USD 19,000. Parent Company planning materiality was also reassessed to USD 344,000, which a decrease of USD 192,000.

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% (2021: 75%) of our planning materiality, namely 2022: USD 221,000 (2021: USD 205,000). 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.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was USD 21,000 to USD 150,000 (2021: USD 205,000).

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 (2021: USD 14,000), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. Our reporting threshold was updated after reassessing materiality to USD 15,000, being 5% of our final materiality.

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 set out on pages 1-52, 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 47, 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: 25 May 2023

Consolidated statement of comprehensive income

For the year ended 31 December 2022

	Notes	2022 USD'000	2021 USD'000
Revenue	7	62,917	54,595
Cost of sales	9	(57,717)	(42,050)
Credit provision	20	—	(505)
Gross profit		5,200	12,040
Administrative expenses	9	(11,695)	(10,719)
Underlying operating (loss)/profit		(6,495)	1,321
Non-underlying items	9	(4,217)	(32,222)
Operating loss		(10,712)	(30,901)
Investment revenue		206	55
Finance costs		(2,491)	(1,314)
Loss before tax		(12,997)	(32,160)
Tax (expense)/credit	11	(169)	80
Loss and total comprehensive income for the year		(13,166)	(32,080)
Basic earnings per share (cents)	12	(7.6)	(18.7)
Diluted earnings per share (cents)	12	(7.6)	(18.5)

Consolidated statement of financial position

As at 31 December 2022

	Notes	2022 USD'000	2021 USD'000
Assets			
Non-current assets			
Property, plant, and equipment	16	19,590	25,512
Right-of-use assets	17	4,421	5,374
Goodwill	18	—	—
		24,011	30,886
Current assets			
Inventories	19	5,154	9,397
Trade and other receivables	20	16,389	16,522
Cash and cash equivalents	21	7,514	8,532
		29,057	34,451
Total assets		53,068	65,337
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)
Share based payment reserve		574	534
Retained earnings		(457)	13,223
Total equity		24,868	37,309
Non-current liabilities			
Loan notes	24	14,000	—
Lease liabilities	25	4,556	5,206
Employees' end of service benefits	26	928	731
		19,484	5,937
Current liabilities			
Loan notes	24	—	10,000
Lease liabilities	25	650	834
Trade and other payables	27	6,974	9,835
Provisions	28	1,092	1,422
		8,716	22,091
Total liabilities		28,200	28,028
Total equity and liabilities		53,068	65,337

The financial statements were approved by the Board of Directors on 25 May 2023 and signed on its behalf by:

Soraya Narfeldt
CEO

Andrew Bolter
CFO

The attached notes 1 to 33 form part of the Consolidated Financial Statements.

Consolidated statement of changes in equity

For the year ended 31 December 2022

	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 2021	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
Total comprehensive income for the period	—	—	—	—	—	(13,166)	(13,166)
Share based payments (note 13)	—	—	—	—	311	—	311
Non-cash employee compensation (note 13)	—	—	—	981	—	(608)	373
Lapsed share options (note 13)	—	—	—	—	(94)	94	—
Issuance of treasury shares (note 23)	—	—	—	218	(177)	—	41
As at 31 December 2022	24,300	18,254	(17,803)	—	574	(457)	24,868

Consolidated statement of cash flows

For the year ended 31 December 2022

	Notes	2022 USD'000	2021 USD'000
Operating activities			
Operating loss		(10,712)	(30,901)
Adjustments for non-cash and other items:			
Depreciation and impairment of property, plant, and equipment	16,17	6,566	4,855
Profit on disposal of property, plant, and equipment	16	(3)	(16)
Unrealised differences on translation of foreign balances		(35)	133
Provision for employees' end of service benefits	26	526	433
Share based payments	13	489	487
Non-underlying items	9	3,334	28,035
		165	3,026
Working capital adjustments:			
Inventories		2,067	(5,071)
Trade and other receivables		(257)	(4,284)
Trade and other payables		(3,362)	1,513
Cash flows used in operations		(1,387)	(4,816)
Tax paid	11	—	(20)
Employees' end of service benefits paid	26	(329)	(219)
Net cash flows used in operating activities		(1,716)	(5,055)
Investing activities			
Investment revenue received		206	55
Purchase of property, plant, and equipment	16	(618)	(3,478)
Proceeds from disposal of property, plant, and equipment	16	359	823
Net cash flows used in investing activities		(53)	(2,600)
Financing activities			
Repayment of borrowings	24	(11,500)	—
Proceeds from borrowings	24	15,500	3,916
Repayment of lease liabilities	25	(834)	(742)
Finance costs paid		(2,491)	(1,314)
Dividends paid	14	—	(3,206)
Proceeds from share options exercised		41	34
Net cash flows generated from/(used in) financing activities		716	(1,312)
Net decrease in cash and cash equivalents		(1,053)	(8,967)
Cash and cash equivalents as at start of the period	21	8,532	17,632
Effect of foreign exchange on cash and cash equivalents		35	(133)
Cash and cash equivalents as at end of the period	21	7,514	8,532

Notes to the consolidated financial statements

For the year ended 31 December 2022

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 2024 (the going concern period) and utilising scenario analysis to test the adequacy of the Group's liquidity. As consistent with prior year, 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 downside scenarios were prepared which reflect the primary uncertainties facing the business. One assumes that the Group is unable to sell any unutilised assets and continues to incur the related storage costs until 30 September 2023. Another scenario forecasts a 25% decrease in the probability of the award of new contracts, a 10% reduction in gross margin earned from these contracts, and that the Group is unable to sell any unutilised assets and continues to incur the related storage costs until 30 September 2023. Under the most pessimistic downside scenario, Group revenue is approximately 96% of that reported in 2022 and underlying EBITDA margin is negative 1.8%.

Under all scenarios, the Group has concluded that it has sufficient cash reserves to fund trading, capital investment, and interest repayments associated with loan notes during the going concern period. If for any reason further liquidity is required during the going concern period, the Group could decline new project awards, or alter its cost base. These are considered controllable mitigating options that management could implement and would lead to an increase in liquidity.

A further Reverse Stress Test was also undertaken to determine what trading conditions would lead to the Group exhausting its available cash reserves during the going concern period. It was determined that under a scenario whereby the Group is awarded no future contracts, and solely generates revenue from work that is currently contracted, the Group would not exhaust its available liquidity until October 2024 (which falls outside of the going concern period). This trading scenario is considered remote given the value of the current pipeline.

During the year, the Group completed a refinancing and fundraising exercise. The purpose of the exercise was to synchronise and extend the maturity of the USD 10.0m of loan notes issued by the Group during 2020 and 2021, which were due to mature in the second half of 2022. The original USD 10.0m of loan notes were replaced with USD 14.0m in new loan notes which mature in November of 2024. The Group also has access to a GBP 10.0m long-term debt facility which is not expected to be utilised under any scenarios modelled. The amount that can be drawn from this facility at any given time is dependent on the value of the Company's market capitalisation and other non-financial covenants.

Under all scenarios reviewed by the Board the Group continues to have sufficient cash reserves to operate throughout the going concern period. Any scenario whereby trading performance is worse than those modelled is considered to be remote given the level of committed contracted work in place. Additionally, controllable mitigations exist, as are noted above, which could be utilised to increase liquidity. On this basis, the Board is 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 2022.

3 Basis of consolidation

The financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2022. 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.

Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

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 2022 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.

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.

The accuracy of percentage-of-completion estimates has a material impact on the amount of revenue and related profit recognised. As at 31 December 2022, USD 2,031,000 of accrued revenue had been calculated using the percentage-of-completion method (2021: USD 3,837,000).

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 to conclude on the fair value of these assets at 31 December 2021, the Group 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 was expected that these assets were to be fully disposed of by December 2022, however it is now expected that this will extend to September 2023. Given the limited market for these assets the exact timing of disposal is considered uncertain.

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:

	2022 USD'000	2021 USD'000
Integrated facilities management	27,411	31,162
Construction	21,276	14,221
Supply chain	14,230	9,212
	62,917	54,595

Revenue by recognition timing:

	2022 USD'000	2021 USD'000
Revenue recognised over time	48,160	41,320
Revenue recognised at a point in time	14,757	13,275
	62,917	54,595

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:

	2022 USD'000	2021 USD'000
Africa	61,012	52,357
Other	1,905	2,238
	62,917	54,595

Non-current assets by geographic area:

	2022 USD'000	2021 USD'000
Africa	22,223	28,448
Other	1,788	2,438
	24,011	30,886

Revenue split by customer

	2022 %	2021 %
Customer A	19	25
Customer F	12	11
Customer E	10	14
Customer B	10	6
Customer D	9	10
Customer H	8	4
Customer I	7	—
Other	25	30
	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%	3rd floor, J&C Building, PO Box 362, Road Town, Torola Virgin Islands (British) VG110
RASB Holdings Limited	British Virgin Islands	100%	3rd 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
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
Al Mutaheda Al-Alamia Ltd.	Libya	100%	Suq El Jumah – Tripoli Libya
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
RA Facilities Services 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 International Poland	Poland	100%	UL. MŁYŃSKA, numer 16, lokal 8 PIĘTRO, kod poczt. 61-730, poczta POZNAŃ
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, Khartoum, 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 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

Name of the entity	Country of incorporation	Beneficial ownership	Registered address
RA Federal Services LLC	United States of America	100%	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

* During the year, Royal Food Solutions S.A was renamed as RA Facilities Services S.A.

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

RA International Global Operations Limited, registered number 12672019 is exempt from the requirements of Company Act 2006 relating to the audit of individual accounts by virtue of Section 479A.

9 Loss for the period

Loss for the period is stated after charging:

	2022 USD'000	2021 USD'000
Staff costs	24,382	22,088
Materials	24,079	12,887
Depreciation of property, plant, and equipment	5,110	4,855
Impairment of property, plant, and equipment	1,456	—

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

Non-underlying items

	2022 USD'000	2021 USD'000
COVID-19 costs	—	765
Restructuring costs	3,502	—
Palma Project, Mozambique	715	31,457
	4,217	32,222

COVID-19 costs

These costs were incurred due to the COVID-19 pandemic and primarily comprise of incremental staff costs and PPE. 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 (2022: USD nil; 2021: USD 374,000). 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 (2022: USD nil; 2021: USD 391,000). 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.

In 2022, the Company chose not to classify COVID-19 costs as a non-underlying item, instead treating these expenses as consistent with costs arising from other incidences of disease and illness.

Restructuring costs

In 2022, the CODM made a decision to significantly alter Group Strategy, choosing to focus corporate efforts and resources towards growing revenue from western Government customers. This was a fundamental and significant change that has a material effect on the nature and focus of the entity's operations and led to a number of initiatives which resulted in costs being incurred to restructure the organisation.

These expenses include USD 3,139,000 relating to a provision recorded against assets purchased and held for projects which were to be executed for Commercial customers and that are no longer deemed recoverable. Additionally, USD 363,000 relates to staff restructuring costs.

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, in the prior year the Group incurred significant incremental costs and impaired assets which are associated with the Palma Project.

	2022 USD'000	2021 USD'000
Provision for asset impairment	—	23,410
Permanent asset impairment	—	2,145
Incremental costs incurred but unpaid	—	1,058
Provision for unavoidable costs	1,092	1,422
	1,092	28,035
Incremental costs incurred and paid	237	3,422
	1,329	31,457
Reversal of asset impairment	(614)	—
	715	31,457

Provision for asset impairment

As at the date of the prior year accounts, the force majeure was still in place and development work has not recommenced. While the security situation had improved, and commercial activity was returning to the Palma area, Total had 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, it was determined that there remained significant uncertainty as to when the force majeure will be lifted and what RA's role will be in the recommenced development works.

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 decided to recognise a provision to impair the full value of assets relating to the Palma Project in the prior year. The provision for impairment is still held as at the date of these accounts given that the force majeure has not been lifted.

The CODM will continue to 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. There was no permanent asset impairment relating to the Palma Project in the year ended 31 December 2022.

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.

In 2022, storage and other related incremental costs increased significantly due to inflation. As a result, additional costs of USD 237,000 were incurred during the year.

Provision for unavoidable costs
In the prior year, the Group recorded a provision of USD 1,422,000 relating to unavoidable costs associated with the Offsite Assets. The provision was utilised in full during the year and an additional USD 1,092,000 has been recognised as a provision in 2022 which is expected to be utilised in 2023.

Reversal of asset impairment
During the year, a number of Palma Project assets were disposed of, generating proceeds of USD 114,000. These assets had been fully impaired in 2021 and as a result, the disposal resulted in a recovery of USD 114,000 which has been recorded in the current year. In addition, property insurance proceeds of USD 500,000 were confirmed as being payable to the Company from its insurers. This amount relates to a claim filed by the Company in 2021 relating to the theft and vandalism of its assets in Palma, Mozambique. These assets were indicated as being permanently impaired in 2021.

The Group reassessed the recoverable amount of all impaired assets and deemed there was no further reversals necessary.

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

	2022 USD'000	2021 USD'000
Fees for the audit of the Company annual accounts	188	164
Fees for the audit of the subsidiary annual accounts	75	74
Additional fee for the prior year audit of the Group annual accounts	25	—
Total audit fees	288	238
Total non-audit fees	—	—

10 Employee expenses

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

	2022	2021
Directors	7	7
Executive management	5	5
Staff	1,356	1,157
	1,368	1,169

The aggregate remuneration of the above employees was:

	2022 USD'000	2021 USD'000
Wages and salaries	19,820	17,804
Social security costs	148	153
Share based payments	684	487
	20,652	18,444

The remuneration of the Directors and other key management personnel of the Group are detailed in note 32.

11 Tax

The tax expense/(credit) on the loss for the year is as follows:

	2022 USD'000	2021 USD'000
Current tax:		
UK corporation tax on loss for the year	—	—
Non-UK corporation tax	169	80
Adjustment for prior years	—	(160)
Tax expense/(credit) for the year	169	(80)

Factors affecting the tax expense/(credit)

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

	2022 USD'000	2021 USD'000
Loss before tax	(12,997)	(32,160)
Expected tax credit based on the standard average rate of corporation tax in the UK of 19% (2021: 19%)	(2,469)	(6,110)
Effects of:		
Deferred tax asset not recognised	115	105
Exemptions and foreign tax rate difference	2,523	6,085
Adjustment for prior years	—	(160)
Tax expense/(credit) for the year	169	(80)

The Group benefits from tax exemptions granted to its customers who are predominantly governments and large intragovernmental organisations. The CODM is not aware of any factors 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.

The Group has USD 3,463,000 of unused tax losses, available indefinitely, for which no deferred tax asset has been recognised.

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.

	2022	2021
Loss for the period (USD'000)	(13,166)	(32,080)
Basic weighted average number of ordinary shares	172,601,934	171,660,947
Effect of employee share options	728,394	1,447,842
Diluted weighted average number of shares	173,330,328	173,108,789
Basic earnings per share (cents)	(7.6)	(18.7)
Diluted earnings per share (cents)	(7.6)	(18.5)

13 Share based payment expense

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

	2022 USD'000	2021 USD'000
Performance share plan	—	16
Employee retention share plan	311	471
Other share based payments	178	—
Other share based payments – non-underlying	195	—
	684	487

Performance Share Plan

On Admission, the Company introduced a Performance Share Plan ("PSP") whereby options may be granted to eligible employees. Awards vested 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. The TSR was not achieved, resulting in the shares lapsing in the 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 2022	Number of options 2021
2018	PSP	29 June 2022	0.10	—	2,065,216
2020	ERSP	1 May 2021	0.10	—	31,280
	ERSP	1 May 2022	0.10	229,710	549,869
	ERSP	1 May 2023	0.10	671,510	824,800
2021	ERSP	1 May 2021	0.10	17,212	17,212
	ERSP	1 May 2022	0.10	47,776	84,520
	ERSP	1 May 2023	0.10	107,243	151,830
	ERSP	1 May 2024	0.10	83,413	150,292
2022	ERSP	1 Dec 2022	0.22	741,457	—
	ERSP	1 Dec 2023	0.22	741,457	—
	ERSP	1 Dec 2024	0.22	741,457	—
	ERSP	1 May 2023	0.10	130,920	—
	ERSP	1 May 2024	0.10	261,840	—
	ERSP	1 May 2025	0.10	392,760	—
				4,166,755	3,875,019

The weighted average remaining contractual life for the shares options outstanding as at 31 December 2022 is 0.9 years (2021: 1 year).

	Number of options 2022	Weighted average exercise price 2022 GBP	Number of options 2021	Weighted average exercise price 2021 GBP
Outstanding at 1 January	3,875,019	0.10	3,811,540	0.10
Granted during the year	3,009,891	0.18	458,348	0.10
Exercised during the year	(324,463)	0.10	(243,653)	0.10
Forfeited during the year	(328,476)	0.10	(151,216)	0.10
Lapsed during the year	(2,065,216)	0.10	—	0.10
Outstanding at 31 December	4,166,755	0.16	3,875,019	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 nil (2021: USD 16,000) was recognised in administrative expenses for the fiscal year ended 2022.

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%
2022	22p (USD 0.28)	46.80%	1.69%

The total fair value of the options at the grant date was USD 1,100,000. A charge of USD 66,000 (2021: USD 117,000) was recognised in cost of sales and USD 245,000 (2021: USD 369,000) was recognised in administrative expenses for the fiscal year ended 2022. The expected volatility input utilised represents the historic volatility of the share price of the Company since Admission.

Other share based payments

On 26 July 2022, the Company agreed to issue a total of 1,459,435 ordinary shares to senior members of staff, including certain persons discharging managerial responsibilities. Ordinary shares issued pursuant to the award were satisfied from the pool of ordinary shares held in Treasury. The fair value of the shares on the grant date was GBP 0.21 (USD 0.25) per share. A total charge of USD 373,000 was recognised, with USD 178,000 recognised as an administrative expense and USD 195,000 recognised as a non-underlying restructuring cost given the non-reoccurring nature of the transaction.

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 USD nil (2021: USD nil).

14 Dividends

During the period, no dividend was declared and paid (2021: 1.35p (USD 0.02) per share (171,662,973 shares) totalling GBP 2,317,000 (USD 3,206,000)).

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.

	2022 USD'000	2021 USD'000
Loss	(13,166)	(32,080)
Tax expense/(credit)	169	(80)
Loss before tax	(12,997)	(32,160)
Finance costs	2,491	1,314
Investment income	(206)	(55)
Operating loss	(10,712)	(30,901)
Non-underlying items	4,217	32,222
Underlying operating (loss)/profit	(6,495)	1,321
Share based payment expense	489	487
Depreciation	5,110	4,855
Impairment	1,456	
Underlying EBITDA	560	6,663

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.

	2022 cents	2021 cents
Reported EPS, basic	(7.6)	(18.7)
Impact of non-underlying items	2.4	18.8
Underlying EPS, basic	(5.2)	0.1
Reported EPS, diluted	(7.6)	(18.5)
Impact of non-underlying items	2.4	18.6
Underlying EPS, diluted	(5.2)	0.1

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 as 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 2022	39,919	14,115	1,370	55,404
Additions	194	424	—	618
Disposals	(788)	(856)	—	(1,644)
At 31 December 2022	39,325	13,683	1,370	54,378
Depreciation:				
At 1 January 2022	21,438	8,089	365	29,892
Charge for the year	2,040	1,893	237	4,170
Relating to disposals	(226)	(491)	—	(717)
Provision for impairment	528	915	—	1,443
At 31 December 2022	23,780	10,406	602	34,788
Net carrying amount:				
At 31 December 2022	15,545	3,277	768	19,590

	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

During the year, capitalised interest of USD nil was included in Land and Buildings (2021: USD 114,000), representing 0% of borrowing costs (2021: 22%). From 1 April 2021, upon the suspension of construction activities in Palma, Mozambique, the Group ceased capitalising interest relating to the Palma Camp development.

A provision for impairment of USD 1,443,000 was recorded during 2022 (2021: nil). This balance resulted from the value of certain assets, located in one location, being deemed unrecoverable as at 31 December 2022. In determining this provision, the CODM reviewed both the likelihood of recovery through continued use, and the recoverable value through sale.

17 Right-of-use assets

	2022 USD'000	2021 USD'000
Cost:		
At 1 January	7,887	5,143
Additions	—	2,744
At 31 December	7,887	7,887
Depreciation:		
At 1 January	2,513	1,615
Charge for the year	940	898
Provision for impairment	13	—
At 31 December	3,466	2,513
Net carrying amount:		
At 31 December	4,421	5,374

Information related to lease liabilities is available in note 25.

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

	2022 USD'000	2021 USD'000
Short-term leases	715	1,308

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

18 Goodwill

	2022 USD'000	2021 USD'000
As at 1 January	—	138
Impairment	—	(138)
As at 31 December	—	—

19 Inventories

	2022 USD'000	2021 USD'000
Materials and consumables	4,442	8,123
Goods-in-transit	712	1,274
	5,154	9,397

A provision of USD 3,139,000 was recognised during the year relating to the write-off of assets purchased and held for projects which were to be executed for Commercial customers and that are no longer deemed recoverable (2021: USD nil).

20 Trade and other receivables

	2022 USD'000	2021 USD'000
Trade receivables	10,697	8,942
Accrued revenue	3,765	5,281
Deposits	112	112
Prepayments	514	1,039
Other receivables	1,301	1,148
	16,389	16,522

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 (2021: 100%).

As at 31 December the transaction price allocated to remaining performance obligations was USD 83,000,000 (2021: USD 100,000,000). 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:

	2022 USD'000	2021 USD'000
Not past due	5,609	5,855
Overdue by less than 30 days	3,705	1,509
Overdue by between 30 and 60 days	831	294
Overdue by more than 60 days	552	1,284
	10,697	8,942

Trade receivables are non-interest bearing and generally have payment terms of 30 days. An ECL of USD nil was recorded as at 31 December 2022 (2021: USD 505,000). 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 7,514,000 (2021: USD 8,532,000).

22 Share capital

	2022 USD'000	2021 USD'000
Authorised, issued and fully paid		
173,575,741 shares (2021: 173,575,741 shares) of GBP 0.10p (2021: GBP 0.10p) each	24,300	24,300

23 Treasury shares

	2022 Number	2022 USD'000	2021 Number	2021 USD'000
As at 1 January	1,783,898	1,199	2,027,551	1,363
Issued in the period (note 13)	(1,783,898)	(1,199)	(243,653)	(164)
As at 31 December	—	—	1,783,898	1,199

24 Loan notes

The table below summarises the loan notes:

	2022 USD'000	2021 USD'000
As at 1 January	10,000	6,471
Additions	15,500	3,529
Repayments	(11,500)	—
As at 31 December	14,000	10,000
Current	—	10,000
Non-current	14,000	—

During the year, the Group completed a refinancing and fundraising exercise. The purpose of the exercise was to synchronise and extend the maturity of the USD 10,000,000 of loan notes issued by the Group during 2020 and 2021, which were due to mature in the second half of 2022. The original USD 10,000,000 of loan notes were replaced with USD 14,000,000 in new loan notes issued to retail investors. These notes carry an annual fixed interest rate of 7.50% (2021: 7.00%) for GBP denominated notes and 8.00% (2021: 7.50%) for USD denominated notes. The term of the note issuance is up to 30 months with principal to be repaid as a bullet payment upon maturity in November 2024. Interest is paid on a quarterly basis.

25 Lease liabilities

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

	2022 USD'000	2021 USD'000
As at 1 January	6,040	4,038
Additions	—	2,744
Interest	476	527
Payments	(1,310)	(1,269)
As at 31 December	5,206	6,040
Current	650	834
Non-current	4,556	5,206

Interest of USD 476,000 (2021: USD 527,000) 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:

	2022 USD'000	2021 USD'000
3 months or less	124	102
3 to 12 months	526	732
1 to 5 years	1,746	2,125
Over 5 years	2,810	3,081
	5,206	6,040

The Group had total cash outflows relating to leases of USD 2,025,000 in 2022 (2021: USD 2,577,000). 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:

	2022 USD'000	2021 USD'000
As at 1 January	731	517
Provided during the year	526	433
End of service benefits paid	(329)	(219)
As at 31 December	928	731

27 Trade and other payables

	2022 USD'000	2021 USD'000
Trade payables	3,744	6,478
Accrued expenses	2,309	2,702
Accrued tax expense	388	161
Customer advances	533	494
	6,974	9,835

All customer advances recorded at 31 December 2021 were subsequently recognised as revenue in 2022 and all customer advances held at 31 December 2022 were subsequently recognised as revenue in 2023.

28 Provisions

	2022 USD'000	2021 USD'000
As at 1 January	1,422	—
Provided during the year	1,092	1,422
Utilised during the year	(1,422)	
As at 31 December	1,092	1,422

Following the March 2021 attack on Palma, Mozambique the Group began incurring unavoidable costs relating to the Offsite Assets. All assets are expected to be disposed of in 2023.

A USD 1,092,000 (2021: USD 1,422,000) provision relating to these costs was recorded in 2022, with the full charge being reflected in the consolidated statement of comprehensive income.

29 Changes in liabilities arising from financing activities

	1 January 2022 USD'000	Cash flows USD'000	New leases USD'000	Other USD'000	31 December 2022 USD'000
Non-current liabilities					
Loan notes	—	14,000	—	—	14,000
Lease liabilities	5,206	—	—	(650)	4,556
Current liabilities					
Loan notes	10,000	(10,000)	—	—	—
Lease liabilities	834	(1,310)	—	1,126	650
	16,040	2,690	—	476	19,206

	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

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 2022, the Group held foreign cash and cash equivalents of GBP 364,000 (USD 440,000). Additionally, the Group held GBP denominated loans of GBP 1,970,000 (USD 2,382,000). UK Pound Sterling is primarily held by the Group to settle payment obligations denominated in GBP. As at 31 December 2021, the Group held GBP 1,067,000 (USD 1,441,000) and GBP denominated loans of GBP 1,354,000 (USD 1,787,000).

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 financial institutions 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 61% of outstanding trade receivables at 31 December 2022 (2021: 63%).

Receivables split by customer:

	2022 %	2021 %
Customer B	22	17
Customer A	19	5
Customer D	14	21
Customer H	11	—
Customer C	7	8
Customer I	7	4
Customer E	—	14
Customer F	—	6
Other	20	25
	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 2022

	Less than 3 months USD'000	3 to 6 months USD'000	6 to 12 months USD'000	12 to 24 months USD'000	Total USD'000
Loan notes	—	—	—	14,000	14,000
Trade payables	3,744	—	—	—	3,744
	3,744	—	—	14,000	17,744

As at 31 December 2021

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

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 2022 amounted to USD 10,000,000 (2021: USD 10,000,000) and carry interest of 1m Term SOFR +3.50% per annum (2021: 1m LIBOR +3.50%). The facilities require a 100% cash margin guarantee to be paid upfront.

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 2022.

Capital comprises share capital, share premium, merger reserve, treasury shares, share based payment reserve, and retained earnings and is measured at USD 24,868,000 as at 31 December 2022 (2021: USD 37,309,000).

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 (2021: USD nil). No outstanding balances with related parties are included in the consolidated statement of financial position at 31 December 2022 (2021: USD nil).

32 Compensation

Compensation of key management personnel

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

	2022 USD'000	2021 USD'000
Short-term benefits	1,379	1,874
Stock based compensation	373	16
	1,752	1,890

The key management personnel comprise of 3 (2021: 5) individuals. Included in key management personnel are 3 (2021: 3) Directors.

Compensation of Directors

The remuneration of Directors during the year was as follows:

	2022 USD'000	2021 USD'000
Short-term benefits	1,574	1,611
Stock based compensation	178	9
	1,752	1,620

Highest paid Director

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

	2022 USD'000	2021 USD'000
Short-term benefits	393	490
Stock based compensation	178	—
	571	490

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.

Company statement of financial position

As at 31 December 2022

	Notes	2022 USD'000	2021 USD'000
Assets			
Non-current assets			
Investments	4	28,606	50,047
Loan to subsidiary	5	1,000	—
		29,606	50,047
Current assets			
Trade and other receivables	6	5,984	5,754
Cash and cash equivalents		157	113
		6,141	5,867
Total assets		35,747	55,914
Equity and liabilities			
Equity			
Share capital	7	24,300	24,300
Share premium		18,254	18,254
Merger reserve			9,897
Treasury shares	8	—	(1,199)
Share based payment reserve		574	534
Retained earnings		(8,680)	3,819
Total equity		34,448	55,605
Liabilities			
Non-current liabilities			
Loan from subsidiary	9	1,000	—
		1,000	—
Current liabilities			
Trade and other payables	10	299	309
Total liabilities		1,299	309
Total equity and liabilities		35,747	55,914

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 22,396,351 (2021: USD 553,000).

The financial statements of the Company (registration number 11252957) were approved by the Board of Directors on 25 May 2023 and signed on its behalf by:

Soraya Narfeldt
CEO

Andrew Bolter
CFO

The attached notes 1 to 12 form part of the financial statements.

Company statement of changes in equity

For the year ended 31 December 2022

	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 2021	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 8)	—	—	—	164	(130)	—	34
As at 31 December 2021	24,300	18,254	9,897	(1,199)	534	3,819	55,605
Total comprehensive income for the period	—	—	—	—	—	(22,396)	(22,396)
Share based payments	—	—	—	—	311	—	311
Issuance of treasury shares (note 8)	—	—	—	218	(177)	—	41
Lapsed share options	—	—	—	—	(94)	—	(94)
Non-cash employee compensation	—	—	—	981	—	—	981
Transfer of reserve	—	—	(9,897)	—	—	9,897	—
As at 31 December 2022	24,300	18,254	—	—	574	(8,680)	34,448

Notes to the Company financial statements

For the year ended 31 December 2022

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) paragraphs 30 and 31 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors";

(f) paragraph 17 of 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.

Merger reserve
A merger reserve is a non-distributable reserve often arising from a share for share exchange transaction, such as that undertaken by the Company in 2018. The merger reserve is held at carrying value and may be transferred to distributable reserves upon the disposal, write down, depreciation, amortisation, or diminution in value or impairment of the related asset.

3 Employee expenses

The average number of employees employed during the period was:

	2022	2021
Directors	7	7

The aggregate remuneration of the above employees was:

	2022 USD'000	2021 USD'000
Wages and salaries	447	469
Social security costs	53	53
	500	522

4 Investments

	2022 USD'000	2021 USD'000
As at 1 January	50,047	50,047
Additions	350	—
Diminution in value	(21,791)	—
As at 31 December	28,606	50,047

During the year, the Company established a provision of USD 21,791,000 relating to diminution in value of the investment as at 31 December 2022. The impairment has been calculated with reference to the Company's market capitalisation at the year end date, adjusted to reflect cost of disposal in order to determine the recoverable amount of the investments on a fair value less cost to sell basis. No adjustment has been made to reflect control premium however a 10% increase/decrease in the share price would result in a USD 2.8 million decrease/increase to the impairment provision.

Additionally, the Company invested USD 350,000 in RA Federal Services LLC, a 100% owned subsidiary.

5 Loan to subsidiary

	2022 USD'000	2021 USD'000
As at 1 January	—	—
Additions	1,000	—
As at 31 December	1,000	—

During the year, the Company advanced a loan of USD 1,000,000 to a subsidiary. This note carries an annual fixed interest rate of 9.56%. 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 to be received on an annual basis.

6 Trade and other receivables

	2022 USD'000	2021 USD'000
Prepayments	67	18
Due from subsidiary	5,879	5,703
VAT recoverable	38	33
	5,984	5,754

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

7 Share capital

	2022 Number	2022 USD'000	2021 Number	2021 USD'000
Authorised, issued, and fully paid:				
Ordinary shares of GBP 0.10p each	173,575,741	24,300	173,575,741	24,300

8 Treasury shares

	2022 Number	2022 USD'000	2021 Number	2021 USD'000
As at 1 January	2,027,551	1,363	2,027,551	1,363
Issued in the period	(2,027,551)	(1,363)	(243,653)	(164)
As at 31 December	—	—	1,783,898	1,199

9 Loan from subsidiary

	2022 USD'000	2021 USD'000
As at 1 January	—	—
Additions	1,000	—
As at 31 December	1,000	—

During the year, the Company subscribed to a loan from a subsidiary for USD 1,000,000. This note carries an annual fixed interest rate 9.56%. 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 an annual basis.

10 Trade and other payables

	2022 USD'000	2021 USD'000
Trade payables	176	146
Accruals	123	163
	299	309

11 Related party transactions

The Directors have taken advantage of the exemption under paragraph 8(j) and 8(k) of FRS101 and have not disclosed transactions with other wholly owned Group undertakings. There are no other related party transactions.

12 Subsequent events

In May 2023, the Board of Directors agreed to commence the process to convert the USD 18,254,000 balance of share premium to distributable reserves. This conversion is subject to requisite shareholder and statutory approvals being granted. If these approvals are received, it is anticipated this process will be completed by 31 December 2023.

Shareholder information

For the year ended 31 December 2022

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Website
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Registered number
11252957

Legal entity identifier code
213800N6RTATELJU6797

Listing information
AIM, London
Symbol: RAI

Date of Annual General Meeting
28 June 2023

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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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