30 September 2022

Harland & Wolff Group Holdings plc
("H&W" or the "Company" or the "Group")

Unaudited interim results for the six months ended 30 June 2022

Harland & Wolff Group Holdings plc (AIM: HARL), the UK-quoted company focused on strategic energy infrastructure, fabrication, shipbuilding and vessel repairs is pleased to present its unaudited interim results for the six-month period ended 30 June 2022. .

Key highlights:

- Revenues of £15.41 million; a three-and-a-half-fold increase from the previous year (30 June 2021: £4.14 million).
- Gross margin of 22% in line with Company's expectations for contracts delivered in the period despite inflationary pressures.
- Operating loss before depreciation, amortisation and financing costs of £14.06 million (30 June 2021: £8.16 million).
- Group corporate credit facility of $70 million signed in March 2022 with drawdowns being utilised to fund ongoing working capital requirements.
- With a series of contract announcements made post the half-year period (Cory Phase 1 and 2 as well the M55 Regeneration Programme), the Company's revenues will be weighted towards Q3 2022 and Q4 2022.
- Therefore, the Company continues to maintain its guidance of achieving revenues of between £65 million and £75 million at the end of FY22.

Operational Review

Cruise & Ferry Market
The Belfast repair dock was full during the first half of FY22. Whilst the ferry business has become a baseload form of revenue for the repair dock operations, the Company was pleased to welcome the Queen Victoria cruise vessel during this period. This was the Company's first major cruise dry docking which was successfully redelivered to the client.

The cruise market has fundamentally shifted after the Covid-19 pandemic. New build orders have either been postponed or cancelled entirely as cruise operators are increasingly preferring to repair and refurbish their existing fleet, which bodes well for the Company. On the back of the Queen Victoria contract, the Company has been negotiating a series of cruise vessel dockings with multiple owners with vessels arriving in Q1 2023.

Renewables
The Company continues to make inroads into the renewables market. After the announcement of the Scotwind auction results in in the first half of FY22, the Company is now formally engaged with a number of developers who have been awarded licences in the current auction round. Projects being developed consist of both fixed and floating wind structures and whilst large fabrication contracts are still between 18-24 months away (awaiting various permissions that developers need to secure prior to full scale fabrication), the Company expects to see a number of demonstrator models and prototypes being contracted for in Methil, Arnish and Belfast in FY23.

Saipem Contract
The Saipem contract for the fabrication of eight wind turbine generator jackets for the NNG project was signed in 2021 with a twelve-month completion period. The project has encountered delays due to a number of client materials arriving late and being defective in nature rendering them incapable of being used. Both parties (H&W and Saipem) have recognised the difficulties in meeting the project schedules due to these problems Therefore, a new agreement has been reached which will involve de-scoping the contract from eight jackets to four jackets. In recognition of the investments and fixed costs incurred by the Company for fabrication, a revised contract has been agreed for four jackets with a value of £23 million, in place of the original contract value of £26.50 million for eight jackets. The Company expects to deliver these

jackets in sequence through Q1 2023.

As a result of this, the Company has conducted a review of its future operations at both Methil and Arnish and whilst it remains important to bid for larger fabrication programmes (fixed and floating structures), the gestation period from the inquiry stage to the contract award stage can be as long as eighteen months. With a focus on generating as much revenue as possible and to build a consistent baseload of revenues, going forward, the Company will instead be focusing more heavily on smaller contract values of between c.£4 million and c.£10 million per contract for Methil and Arnish. These contracts will be for the fabrication of specific component parts, transition pieces, tubulars, pipework and other such bespoke items for large wind farm projects. The Company believes that servicing multiple clients with smaller orders simultaneously will reduce the dependence on one single, large client and will significantly de-risk the operations of both facilities.

Defence

With the award of the M55 contract, the Company is building its credentials within the defence market and is in negotiations with Prime Contractors for larger sub-contract programmes and, further, with the Ministry of Defence as Prime Contractor, in its own right, for smaller defence programmes. The ongoing geo-political upheaval in the Ukraine (and globally) has focussed Government's attention on boosting the country's defence capabilities and there is a growing cross-party desire to boost the country's sovereign capabilities for shipbuilding, ship repairs and ship refurbishments. In addition to defence spending, the Government has also committed to the build of the next generation of research, border patrol and other commercial vessels per the refreshed National Shipbuilding Strategy under the aegis of the National Shipbuilding Office. The Company believes that with the twin political agendas of shipbuilding and levelling-up, it is well positioned to bid for defence and government-related contracts as invitations to tender arise. .

The Company is formally engaged in the Fleet Solid Support Programme (FSS) under the Team Resolute umbrella with Navantia as the Prime Contractor and the Company as its sub-contractor. The final set of bid documents was delivered to the Ministry of Defence in July, with the preferred bidder being announced in Q4 2022. Whilst the Company remains optimistic that the preferred bidder status will be awarded to Team Resolute, the Company believes that there will be significant subcontract opportunities with other Primes should they be awarded preferred bidder status given the lack of capacity in other UK yards. The Company will make an announcement on the outcome of the FSS decision when known.

Commercial

The commercial fabrication market has started showing signs of growth and the Company sees significant opportunities both for fabrication and vessel repairs. Post the half-year end, the Company signed two contracts with the Cory Group (Cory Phases 1 and 2) for the build and fabrication of 23 barges in Belfast. Due to the ongoing Russia-Ukraine crisis and associated sanctions, the Company withdrew from the tendering process of a series of oil and LNG tankers with either Russian ownership or links to ultimate Russian beneficial ownership. The Company continues to open up other avenues and is seeing significant traction for its dry-docking operations for tankers, FPSOs and LNG carriers under European and American ownership.

Energy

The Company successfully completed two energy-related projects from its Arnish facility in the first half of the year; structures for an oil and gas project in the Black Sea and fabrication of super duplex structures for a nuclear power plant in the UK. Following the success of both projects, repeat contracts are currently being scoped out. The Ukraine crisis has highlighted the need for self-reliance with regards to energy supplies.

The Company's assets are strategically located to major North Sea developments and discussions are ongoing in relation to contracts for life of field extensions, new exploration programmes and support for the fast-growing renewables market by repurposing existing offshore platforms. As with the Renewables vertical, whilst the Company is bidding for larger contracts that have a longer gestation period, the Company continues to pursue smaller contracts that are awarded quickly and can keep both revenues and working capital moving.

Islandmagee Gas Storage Project

The Islandmagee gas storage project has come to the forefront of attention given the structural shortage of gas storage in the UK and volatile gas prices. Whilst full scale operation is still a few years away, this project has highlighted the length of time it takes to develop key strategic infrastructure and the inefficiencies surrounding the development of such projects. Moreover, the project has also highlighted the growing importance of the need for flexible storage that can be future proofed and made capable of transitioning into hydrogen storage, which will be another major pinch point in a hydrogenled economy.

The Company is currently in a judicial review process in relation to the grant of the project's marine licence. Court hearing dates have been set for November 2022. As previously stated, the Company is afforded confidence from its legal counsel that the judicial review will find in the Company's favour. The Islandmagee gas storage project continues to remain the Company's flagship energy project and discussions are continuing with counterparties, from oil and gas majors to Government, to determine the most appropriate methodology to monetise the gas store.

Financial overview

For the period ended 30 June 2022, the Company's consolidated revenues stood at £15.41 million (30 June 2021: £4.14 million) representing a three-and-a-half-fold increase from the comparative period last year. The gross profit for the period stood at £3.38 million (30 June 2021: £1.39 million) representing a gross margin percentage of 22%. Margins are in line with our expectations. As we move into the next phase of the Company's growth cycle, with the onset of large fabrication contracts, we expect to develop an optimum mix of contracts within the portfolio to ensure gross margins achieve our optimum level.

As with every other business, there are significant inflationary pressures to manage and navigate at present. We are, as far as possible, reducing our exposure to the volatility in steel prices by requesting for client-delivered materials therefore de-risking the procurement process for the Company. Where we are required to acquire steel, our contracts are typically structured on a floating price with the costs being passed directly to the client. Our goal remains to develop an optimum blend of work across the four sites, in order to maintain our gross margin target of approximately 25%. However, we are operating in a highly volatile environment at present and will not be able to pass on all labour and energy related cost increases to every client. We are working with each client on a case-by-case basis to mitigate these cost increases and structure a risk and cost sharing mechanism that is mutually beneficial to both parties.

The operating loss (including depreciation and amortisation) for the period stood at £14.06 million (30 June 2021: £8.17 million). This loss reflects an increase in the number of personnel and overall overheads, reflecting the need to service five assets (Belfast, Appledore, Methil, Arnish and London). Operating losses included increased non-capitalised insurance, IT, recruitment, legal and asset maintenance costs on a much larger asset base relative to the comparative period.

The Group now has one of the largest fabrication footprints in the country, two of the largest dry docks in Europe and two of the largest specialist fabrication sites in the UK. Having acquired these assets out of administration, we have had to undertake an accelerated programme of repairs and maintenance, as well as build up our core staff strength in order to be able to bid for and win large value contracts. Today, it is pleasing to see all our sites fully operational, with each one winning work and servicing clients, both new and repeat.

Whilst we continue to focus on a conservative level of cash burn relative to our physical size, general overheads and non-project related costs have increased over the period. Administrative expenses for the period stood at £16.43 million (30 June 2021: £8.77 million) which was due to our broader asset base and our strategy to service, grow and maintain a developing business.

On 9 March 2022, we announced that we had entered into a group-wide $70 million Green Term Loan Facility with affiliates of Riverstone Credit Partners, LLC ("RCP"), a dedicated credit investment platform managed by Riverstone Holdings LLC and focused on entities engaged in building infrastructure and providing infrastructure services to generate, transport, store and distribute both renewable and conventional sources of energy. The Facility is there to support growth and supplement the Company's working capital requirements.

The Facility is split into two tranches:

- A committed facility of $35 million
- An uncommitted accordion facility of up to $35 million

The Company has utilised the first tranche of $35 million and has commenced discussions with RCP on the activation of the second tranche accordion and converting a portion of that uncommitted facility into a committed facility. This upsized facility will principally be used for paying down the Appledore deferred consideration in its entirety and for ongoing working capital needs of the Company.

Outlook

Going into the second half of the current financial year, we are seeing a significant increase in revenues from the key projects that were contracted at the beginning of Q3 2022.

In addition, Q4 2022 is the beginning of the peak cruise and ferry repair season and we already have a number of repair contracts in place. Key contracts such as the Saipem contract, Cory barges and the M55 Regeneration Programme continue to be executed at pace, all of which will provide baseload revenue visibility for the remainder of this year and next.

The Company continues to maintain its guidance of achieving revenues of between £65 million and £75 million at the end of FY22. Furthermore, we have significantly increased our forward backlog* position to £100m.

John Wood, CEO of Harland & Wolff Group Holdings plc, commented:

"Our business model and strategy remain robust and has been validated not only by the fact that we are now operational in all five markets, but also by external counterparties such as Riverstone who have invested on the basis of a sound business strategy. We have a growing reputation in our markets and I remain very optimistic about the trajectory of the Company.

After a slow start this year, we have now gained significant momentum with the rapid execution of three major contracts. As we announce these interim results, we have a backlog of over £100 million, a record level for the Company, affording us strong future visibility of revenue."

**Backlog is defined as confirmed contracted revenues for future periods.*

This announcement contains inside information.

For further information, please visit www.harland-wolff.com or contact:

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About Harland & Wolff

Harland & Wolff is a multisite fabrication company, operating in the maritime and offshore industry through five markets: commercial, cruise and ferry, defence, energy and renewables and six services: technical services, fabrication and construction, decommissioning, repair and maintenance, in-service support and conversion.

Its Belfast yard is one of Europe's largest heavy engineering facilities, with deep water access, two of Europe's largest drydocks, ample quayside and vast fabrication halls. As a result of the acquisition of Harland & Wolff (Appledore) in August 2020, the company has been able to capitalise on opportunities at both ends of the ship-repair and shipbuilding markets where there will be significant demand.

In February 2021, the company acquired the assets of two Scottish-based yards along the east and west coasts. Now known as Harland & Wolff (Methil) and Harland & Wolff (Arnish), these facilities will focus on fabrication work within the renewables, energy and defence sectors.

In addition to Harland & Wolff, it owns the Islandmagee gas storage project, which is capable of providing 25% of the UK's natural gas storage capacity and which would benefit the Northern Irish economy as a whole when completed.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2022

	Notes	Six months to 30 June 2022 Unaudited £	Six months to 30 June 2021 Unaudited £
Continuing operations			
Revenue		15,413,527	4,143,863
Cost of sales		(12,031,833)	(2,748,683)
Gross profit		**3,381,694**	**1,395,180**
Management and administrative expenses		(16,432,799)	(8,769,630)
Other income		337,960	412,169
Depreciation and amortisation		(1,354,540)	(1,206,248)
Operating loss		**(14,067,685)**	**(8,168,529)**
Finance income		-	205
Finance costs		(3,580,205)	(1,166,505)
Loss before taxation		(17,647,890)	(9,334,829)
Taxation		-	-
Loss for the period		(17,647,890)	(9,334,829)
Total comprehensive loss for the period attributable to:			
Owners of the company		(17,647,890)	(9,334,829)
Earnings Per Share			
Basic and diluted	2	(10.83)	(10.45)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Notes	30 June 2022 Unaudited £	30 June 2021 Unaudited £
Non-current assets			
Intangible assets	3	12,055,457	11,880,556
Property, plant and equipment	4	24,437,365	19,345,086
Right of use assets	5	12,580,662	13,330,726
Total non-current assets		49,073,484	44,556,368
Current assets			
Inventories		9,005,144	3,268,144
Trade and other receivables	6	10,637,686	2,415,917
Cash and cash equivalents		2,290,311	5,724,990
Total current assets		21,933,141	11,409,051
Current liabilities			
Trade and other payables	7	(29,783,848)	(13,323,733)
Loans and borrowings	8	(6,902,000)	(599,060)
Lease liabilities	8	(1,499,946)	(1,302,492)
Total current liabilities		(38,185,794)	(15,225,285)
Net current liabilities		(16,252,653)	(3,816,234)
Non-current liabilities			
Loans and borrowings	8	(15,126,074)	(2,090,000)
Lease liabilities	8	(13,891,686)	(13,867,903)
Financial liability	8	(200,000)	(200,000)
Total non-current liabilities		(29,217,760)	(16,157,903)
Net assets		3,603,072	24,582,231
Shareholders' funds			
Share capital		12,444,734	12,032,879
Share premium		58,736,711	52,114,865
Merger reserve		8,988,112	8,988,112
Share based payment reserve		379,904	233,332
Revaluation reserve		6,074,895	6,074,895
Retained earnings		(83,021,284)	(54,861,852)
Total equity		3,603,072	24,582,230

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

	Share capital	Share premium	Revaluation Reserve	Merger reserve	Share based payment reserve	Retained earnings	Total equity
	£	£	£	£	£	£	£
Balance at 1 January 2021 (Unaudited)	11,465,301	33,961,603	6,074,895	8,988,112	125,673	(45,527,023)	15,088,561
Loss for the period	-	-	-	-	-	(9,334,829)	(9,334,829)
Total comprehensive expense for the period	-	-	-	-	-	(9,334,829)	(9,334,829)
Transactions with owners recorded directly in equity:							
Shares issued	567,578	18,153,262	-	-	-	-	18,720,840
Share option expense	-	-	-	-	107,659	-	107,659
Balance at 30 June 2021 (Unaudited)	12,032,879	52,114,865	6,074,895	8,988,112	233,332	(54,861,852)	24,582,231
Balance at 1 January 2022 (Audited)	12,444,734	58,736,711	6,074,895	8,988,112	360,501	(65,373,396)	21,231,557
Loss for the period	-	-	-	-	-	(17,647,890)	(17,647,890)
Total comprehensive expense for the period	-	-	-	-	-	(17,647,890)	(17,647,890)
Transactions with owners recorded directly in equity:							
Share option expense	-	-	-	-	19,403	-	19,403
Balance at 30 June 2022 (Unaudited)	12,444,734	58,736,711	6,074,895	8,988,112	379,904	(83,021,286)	3,603,070

CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2022

	Six months to 30 June 2022 Unaudited £	Six months to 30 June 2021 Unaudited £
Cash flows from operating activities		
Loss for the period	(17,647,890)	(9,334,829)
Adjustments to cash flows from non-cash items:		
Depreciation and amortisation	1,354,540	1,206,248
Foreign exchange loss	101,337	-
Finance costs	3,580,205	1,166,505
Share option expense	19,403	107,659
	(12,592,405)	(6,854,417)
Working capital adjustments:		
Increase in inventories	(7,828,503)	(2,239,759)
Increase in trade and other receivables	(3,811,742)	(768,898)
Increase/(decrease) in trade and other payables	7,673,315	(917,449)
Net cash outflows from operating activities	**(16,559,335)**	**(10,780,523)**
Cash flows from investing activities		
Acquisitions of property, plant and equipment	(680,716)	(1,184,405)
Acquisitions of intangible assets	(133,813)	(387,998)
Net cash outflows from investing activities	**(814,529)**	**(1,572,403)**
Cash flows from financing activities		
Proceeds from issue of shares, net of share issue costs	-	15,233,881
Proceeds from borrowings, net of debt issuance costs	20,155,203	-
Repayment of borrowings and lease liabilities	(4,549,580)	(333,311)
Interest paid	(1,219,450)	(963,955)
Net cash inflows from financing activities	**14,386,173**	**13,936,614**
Net (decrease)/increase in cash and cash equivalents	**(2,987,691)**	**1,583,688**
Cash and cash equivalents at the start of the period	5,278,002	4,141,302
Cash and cash equivalents at the end of the period	**2,290,311**	**5,724,990**

NOTES TO THE INTERIM RESULTS
For the six months ended 30 June 2022

1. Accounting policies

Basis of preparation
The interim financial information in this report has been prepared using accounting policies consistent with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). IFRS is subject to amendment and interpretation by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee and there is an ongoing process of review and endorsement by the European Commission. The financial information has been prepared on the basis of IFRS that the Directors expect to be adopted by the European Union and applicable as at 30 June 2022.

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

A copy of the statutory accounts of the Company for the 17-month period ended 31 December 2021 has been delivered to the Registrar of Companies. The audit report on these accounts is unqualified and did not contain a statement under Sections 498(2) or (3) of the Companies Act 2006.

The financial information for the six months ended 30 June 2022 and 30 June 2021 is unaudited.

The Group has chosen not to adopt IAS 34 “Interim Financial Statements” in preparing the interim financial information’.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the 17-month period ended 31 December 2021, which was prepared under IFRS as adopted by the EU, and any public announcements made by Harland & Wolff Group Holdings plc during the interim reporting period.

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

The same accounting policies, presentation and methods of computation are followed in preparing the interim financial information as were applied in preparation of the Group’s financial statements for the 17-month period ended 31 December 2021.

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

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

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

NOTES TO THE INTERIM RESULTS
For the six months ended 30 June 2022

1. Accounting policies (continued)

Going concern

The interim results have been prepared on a going concern basis. During the six months ended 30 June 2022 the Group announced that it secured the build of eleven barges for the Cory Group valued at £8.40 million over a period of 10 months and has also secured, on 13 July 2022, its first major defence contract with the refurbishment of the M55 Minehunter, the contract valued at circa £55 million and to be completed within 24 months. Further, the Company announced a further contract worth £9.60 million on 19 July 2022 for an additional twelve barges for the Cory Group. Additionally, there is a strong pipeline of opportunities across the five markets that the Group is involved in that management seeks to convert into firm contracts. However, given the uncertainty surrounding bid success and the relative lack of bid to success history, management have prepared a worst-case scenario in respect of their going concern assumptions. This assumes no bid contract wins and that the sole revenue generated by the Group will arise from the existing contracts that are currently being fulfilled at the various facilities within the Group. The scenario includes all expected costs associated with such works as well as the repayment of all liabilities that fall due and takes into account all cost savings and process efficiencies considered achievable. Based on this worst case forecast scenario the directors have a reasonable expectation that the Group has access to adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the interim results for the six months ended 30 June 2022.

2. Earnings per share

	Six months to 30 June 2022 Unaudited £	Six months to 30 June 2021 Unaudited £
The loss for the purposes of basic and diluted earnings per share being the net loss attributable to equity shareholders		
Continuing operations	(17,647,890)	(9,334,829)
Number of shares		
Weighted average number of ordinary shares for the purpose of:		
Basic earnings per share	162,887,840	89,336,977
Basic and diluted earnings per share		
Continuing operations	(10.83)	(10.45)

NOTES TO THE INTERIM RESULTS
For the six months ended 30 June 2022

3. Intangible assets

	Artefacts	Trademarks	Gas storage development	Development costs	Project costs	Total
	£	£	£	£		£
Cost						
At 1 January 2022	647,395	863,192	10,028,338	55,000	334,177	11,928,102
Additions	-	-	133,813	-	-	133,813
At 30 June 2022	647,395	863,192	10,162,151	55,000	334,177	12,061,915
Amortisation						
At 1 January 2022	-	-	-	5,083	-	5,083
Amortisation charge	-	-	-	1,375	-	1,375
At 30 June 2022	-	-	-	6,458	-	6,458
Net book value						
At 30 June 2022	647,395	863,192	10,162,151	48,542	334,177	12,055,457
At 31 December 2021	647,395	863,192	10,028,338	49,917	334,177	11,923,019

4. Property, plant and equipment

	Land and buildings	Office equipment	Motor vehicles	Plant and machinery	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2022	11,951,519	274,975	554,517	15,200,892	27,981,903
Additions	-	-	-	680,716	680,716
At 30 June 2022	11,951,519	274,975	554,517	15,881,608	28,662,619
Depreciation					
At 1 January 2022	881,940	136,424	118,842	2,109,915	3,247,121
Charge for the period	214,064	22,542	28,082	713,445	978,133
At 30 June 2022	1,096,004	158,966	146,924	2,823,360	4,225,254
Carrying amount					
At 30 June 2022	10,855,515	116,009	407,593	13,058,248	24,437,365
At 31 December 2021	11,069,579	138,551	435,675	13,090,977	24,734,782

NOTES TO THE INTERIM RESULTS
For the six months ended 30 June 2022

5. Right of use assets

	Property
	£
Cost or valuation	
At 1 January 2022	14,301,897
Additions	-
At 30 June 2022	14,301,897
Depreciation	
At 1 January 2022	1,346,204
Charge for the period	375,031
At 30 June 2022	1,721,235
Carrying amount	
At 30 June 2022	12,580,662
At 31 December 2021	12,955,693

6. Trade and other receivables

	30 June 2022 Unaudited	30 June 2021 Unaudited
	£	£
Trade receivables	2,411,008	292,644
Accrued Income	5,532,511	103,793
Other receivables	1,060,560	1,396,695
Prepayments	1,633,607	622,786
	10,637,686	**2,415,917**

7. Trade and other payables

	30 June 2022 Unaudited	30 June 2021 Unaudited
	£	£
Trade payables	17,814,372	3,431,788
Social security and other taxes	2,707,543	2,783,818
Outstanding defined contribution pension costs	118,092	63,335
Other payables	153,560	340,868
Accruals and deferred income	8,990,280	6,703,923
	29,783,848	**13,323,733**

8. Financial liabilities

	30 June 2022 Unaudited £	30 June 2021 Unaudited £
Current liabilities:		
Loan facility	6,902,000	-
Lease liabilities - right of use	1,499,946	1,302,492
Costain Loan	-	599,060
	8,401,946	**1,901,552**
Non-current liabilities:		
Loan facility	15,126,074	-
Lease liabilities - right of use	13,891,686	13,867,903
Moyle Investments	200,000	200,000
Other borrowings	-	2,090,000
	29,217,760	**16,157,903**

Loan Facility
The Company entered into a group-wide loan facility on 9 March 2022 with affiliates of Riverstone Credit Partners, LLC (“RCP”), split into a committed facility of $35 million and an uncommitted accordion facility of up to $35 million. The facility matures on 9 September 2023 and has an interest rate of the published 90 day Secured Overnight Financing Rate (the “SOFR”) plus 9% per annum, with the floor of the SOFR set at 1%. The Company may elect to extend the maturity date by six months at a time up to three times for a final maturity date no later than 9 March 2025.

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

9. Seasonal trend analysis
The Company normally observes a seasonal trend of ferry and cruise repairs being conducted over the winter period in preparation for summer sailings. However, given the effects of the lockdowns as a result of the COVID-19 pandemic, major ferry clients deferred their winter 2020 works into summer and autumn 2021. Whilst the effects of the lockdown slowly dissipate, we envisage seasonal normality to be the norm going forward. There are no particular seasonal variations observed within the other markets.

10. Dividend
The Directors do not recommend payment of a dividend for the period to 30 June 2022.

11. Publication of the interim report
This interim report is available on the Company’s website https://www.harland-wolff.com