

1 February 2022

**Cordel Group PLC**  
("Cordel" or the "Company" or the "Group")

**Interim Results**

Cordel Group PLC (AIM: CRDL), the Artificial Intelligence platform for transport corridor analytics, announces unaudited results for the six months ending 31 December 2021, and the appointment of Mr Michael Turner to the (non-Board) role of Chief Revenue Officer (CRO).

	Six months to 31 December 2020 £'000	Six months to 31 December 2021 £'000	% change	% change (constant currency*)
Total revenue	728	629	-13%	-11%
Cost of sales	247	329	+33%	+38%
Total expenses	1,274	1,564	+23%	+27%
Other income	112	-		
EBITDA	(681)	(1,264)	-85%	-93%

*\*Constant currency reflects the results had the underlying transactional currencies, (i.e. USD, AUD and GBP) remained constant across the full financial year*

**Highlights:**

- Total revenue down 13% in reported currency and 11% at constant currency.
- Total expenses increased by 23% (27% at constant currency) as the Company invested in additional engineers and sales staff, in response to the large-scale contracts won in the UK and USA.
- As at 31 December 2021, cash balance was £935,049 and net assets were £2,488,337.
- Appointment of Mike Turner in a new leadership role, Chief Revenue Officer to strengthen the alignment between marketing, sales and customer support.
- UK achievements during the period include a six-and-a-half-year contract with Network Rail to replace the UK's National Gauging Database (NGD), a contract with Network Rail High Speed and Network Rail has approved Cordel technology for use in clearance gauging across the UK rail network.
- USA achievements include expansion of relationship with Class 1 Railroad customer and a partnership with leading US rail inspection company Holland, L.P to expand US market presence.
- Large backlog of work being carried into second half, Group targeting to be cash flow positive in fourth quarter.

**Ian Buddery, Chairman, Cordel, said:** "We have delivered positive progress with contract wins and exciting partnerships during the period, however, the interim results are currently running behind our plan. As stated in our December trading update, our business was impacted by Covid in the second half, with border closures in Australia and staff at our key customers in self-quarantine that delayed projects in the USA. However, the board has also recognised that we can benefit from adding significant customer facing expertise to better manage the large and complex customer accounts we are now dealing with which, in the period under review would have helped plan for and mitigate revenue slippage.

“Therefore, we have appointed a Chief Revenue Officer. The CRO will have direct involvement with customers to map their internal procurement processes, ensure disciplined sales management and deliver comprehensive account planning. We are delighted to have secured an experienced and capable individual to fill this new role, Mike Turner. Mike has been a highly successful senior sales manager in the software industry since 1994, working for major multi-nationals and early-stage businesses. Based in London, Mike will be responsible for all revenue across the Group and is tasked with securing more revenue and growth in line with shareholder expectations.

“Despite today’s results, we look forward with confidence. In the last six months, among other positive steps, we have been awarded a six-and-a-half-year contract with Network Rail to replace the UK’s National Gauging Database, expanded our relationship with a major US customer, and formed a partnership with Holland LP in the US. The Group is carrying a large backlog of work into the second half, which we expect to produce growth for the full year. We are targeting to be cashflow positive in the fourth quarter”.

#### **Enquiries:**

**Cordel Group PLC**

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#### **About Cordel**

Cordel offers a patented cloud-based platform for master data management and business analytics, together with specialist hardware and software for capturing, analysing and reporting on large datasets within the transport sector, employing sophisticated artificial intelligence algorithms.

Further information on the Company is available at: [www.cordel.ai](http://www.cordel.ai)

*The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.*

## Cordel Group plc

### Review of operations by the Chief Executive Officer 31 December 2021

Cordel Group Plc ("the Group") offers a patented cloud-based platform for master data management and business analytics, together with specialist hardware and software for capturing, analysing and reporting on large datasets within the transport and infrastructure sectors, employing sophisticated artificial intelligence algorithms.

#### Overview of results

During the half year the Company secured new contracts in the UK, USA and Australia, the majority of revenue from which will occur in 2022. Ongoing sales activity resulted in a large opportunity pipeline with further contracts expected to be secured in the June half.

Resources were invested in continuing development of the Cordel Artificial Intelligence analytics platform and in the development of a new Nextcore "Lumos" LiDAR product, released in December 2021.

Revenue for the half year is summarised as follows:

	<b>Six Months to 31 December 2021 £ '000</b>	<b>Six Months to 31 December 2020 £ '000</b>	<b>Change</b>
Airsight	229	147	+56%
NextCore	194	266	-27%
Cordel	206	315	-35%
<b>Total Revenue</b>	<b>629</b>	<b>728</b>	<b>-14%</b>

Underlying EBITDA for the period was a loss of £1.264 million.

#### Ongoing operations

The Company operates from offices in London, UK and Newcastle, Australia with staff in these locations and in the USA. The Company has customers in Australia, New Zealand, UK, Japan and the USA. As of 31 December 2021, the Company had cash and receivables totalling £1.08m.

#### Outlook

The Company continues to be awarded new contracts following competitive bid processes. This results in steady growth of the total mileage of railway track under long-term data management and, combined with new analytic services released in 2021 and planned for 2022, will produce growth in recurring revenue.

Nicholas Smith  
Chief Executive Officer  
1 February 2022

**Cordel Group PLC**  
**Review of operations by the Chief Financial Officer**  
**31 December 2021**

A summary of the Group's results are as follows:

	Six Months to 31 December 2021 £ '000	Six Months to 31 December 2020 £ '000	Change
Revenue from contracts with customers	629	728	-13%
<b>Total Revenue</b>	<b>629</b>	<b>728</b>	<b>-13%</b>
Direct Cost of sale	329	247	+33%
<b>Gross Margin</b>	<b>300</b>	<b>481</b>	<b>-38%</b>
Employee expenses	981	823	+19%
Occupancy expenses	12	10	+20%
Professional Fees	292	277	+5%
Other operational expenses	279	164	+70%
<b>Total expenses</b>	<b>1,564</b>	<b>1,274</b>	<b>+23%</b>
Other income	-	110	-100%
Interest income	-	2	-100%
<b>EBITDA (earnings before interest expenses, taxation, depreciation and amortisation adjusted for other one-off items)</b>	<b>(1,264)</b>	<b>(681)</b>	<b>-85%</b>
Depreciation	74	41	+80%
Finance Costs	6	6	-
Other non-operating costs	5	6	-16%
<b>Loss before income tax expenses</b>	<b>(1,349)</b>	<b>(734)</b>	<b>-84%</b>
Income tax	-	-	-
<b>Loss after income tax expense</b>	<b>(1,349)</b>	<b>(734)</b>	<b>-84%</b>

The above consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

*Revenue*

Total revenue for the period decreased by 13% to £0.63 million.

*Operating expenses*

Overall operating increased by £0.29 million compared to the previous corresponding period primarily as a result of increases in staff and external parties engaged in the development of the Cordel and Nextcore products. Staff expenses increased £0.16 million to £0.98 million. Insurance costs increased by 110% due to COVID-19 impacts on the global insurance market.

As at 31 December 2021, Cordel employed 33 staff across Australia, the UK and USA.

Underlying EBITDA for the period was a loss of £1.26 million, prior period was £0.68 million.

Finance and other non-operating expenditure were £0.011 million for the period relating to the amortisation of right to use assets, primarily property leases.

The loss after tax for the period was £1.35 million, an increase of 84% compared to £0.73 million in the previous corresponding period.

*Balance sheet, cash and working capital*

The Group balance sheet shows cash resources of £0.93 million and receivables of £0.14 million as at 31 December 2021. Cash outflow from operating activities was £0.54 million.

*Underlying basis of EBITDA*

The Group manages its operations by looking at the underlying EBITDA which excludes the impact of a number of one-off and non-cash items as this, in the Board's opinion, provides a more representative measure of the Group's performance. A reconciliation between the reported loss before tax and underlying EBITDA is included at note 6 to the financial statements.

Robert Lojszczyk  
Chief Financial Officer  
1 February 2022

**Cordel Group plc**  
**Consolidated statements of profit and loss and other comprehensive income**  
**For the period ended 31 December 2021**

		Unaudited six months		Audited year
		ended 31 December		ended 30
	Note	2021	2020	June
		£	£	2021
				£
Revenue from contracts with customers	4	628,793	728,392	1,689,998
<b>Total Revenue</b>		<b>628,793</b>	<b>728,392</b>	<b>1,689,998</b>
Direct Cost of sale		(328,613)	(247,163)	(649,274)
<b>Gross Margin</b>		<b>300,181</b>	<b>481,229</b>	<b>1,040,724</b>
Employee expenses		(981,624)	(822,665)	(1,711,384)
Occupancy expenses		(12,181)	(10,397)	(21,898)
Professional Fees		(291,784)	(276,834)	(541,990)
Other operational expenses		(278,864)	(164,434)	(487,461)
<b>Total expenses</b>		<b>(1,564,453)</b>	<b>(1,274,329)</b>	<b>(1,722,009)</b>
Other income	5	-	109,522	616,760
Interest income		-	1,723	7,057
<b>EBITDA (earnings before interest expenses, taxation, depreciation and amortisation adjusted for other one-off items)</b>		<b>(1,264,272)</b>	<b>(681,855)</b>	<b>(1,098,192)</b>
Depreciation		(74,231)	(40,523)	(113,068)
Finance Costs		(5,469)	(5,837)	(11,112)
Other non-operating costs		(5,031)	(5,972)	-
<b>Loss before income tax expenses</b>		<b>(1,349,003)</b>	<b>(734,187)</b>	<b>(1,222,372)</b>
Income tax		-	-	200,551
<b>Loss after income tax expense for the period</b>		<b>(1,349,003)</b>	<b>(734,187)</b>	<b>(1,021,821)</b>
<b>Other comprehensive income</b>				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation		(4,560)	124,425	(20,699)
Share option reserve		-	-	72,148
Total comprehensive income for the period		<u>(1,344,443)</u>	<u>(609,762)</u>	<u>(970,372)</u>
<b>Loss for the period attributable to:</b>				
Non-controlling interest		-	-	-
Owners of Cordel Group plc		(1,349,003)	(734,187)	(1,021,821)
		<u>(1,349,003)</u>	<u>(734,187)</u>	<u>(1,021,821)</u>
Total comprehensive income for the period is attributable to:				
Non-controlling interest		-	-	-

Owners of Cordel Group plc		<u>(1,344,443)</u>	<u>(609,762)</u>	<u>(970,372)</u>
		<u>(1,344,443)</u>	<u>(609,762)</u>	<u>(970,372)</u>

Basic earnings per share (pence per share)	15	(0.80)	(0.50)	(0.61)
Diluted earnings per share (pence per share)	15	(0.80)	(0.50)	(0.61)

The above consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

**Cordel Group plc**  
**Consolidated balance sheet as at 31 December 2021**

	Note	Unaudited December 31		Audited June 30
		2021	2020	2021
		£	£	£
<b>Assets</b>				
<b>Non-current assets</b>				
Intangibles		1,223,403	1,223,403	1,223,403
Lease Assets		110,985	110,906	132,518
Property, plant & equipment		166,439	122,224	126,831
Total non-current assets		<u>1,500,827</u>	<u>1,456,533</u>	<u>1,482,752</u>
<b>Current assets</b>				
Trade and other receivables	7	142,380	223,518	522,212
Other	8	588,239	316,189	913,478
Cash and cash equivalents		935,049	849,898	1,538,150
Total current assets		<u>1,665,668</u>	<u>1,389,605</u>	<u>2,973,840</u>
<b>Total Assets</b>		<b><u>3,166,495</u></b>	<b><u>2,846,139</u></b>	<b><u>4,456,592</u></b>
<b>Liabilities</b>				
<b>Non-Current liabilities</b>				
Lease Liabilities		75,155	63,000	96,588
Total non-current liabilities		<u>75,155</u>	<u>63,000</u>	<u>96,588</u>
<b>Current liabilities</b>				
Trade and other payables	9	375,482	374,804	340,185
Unearned Income		10,581	25,963	10,680
Lease Liabilities		40,303	52,706	40,680
Borrowings		39,261	15,200	-
Employee benefits		137,376	78,205	126,558
Total current liabilities		<u>603,003</u>	<u>546,878</u>	<u>518,104</u>
<b>Net assets/(liabilities)</b>		<b><u>2,488,337</u></b>	<b><u>2,236,261</u></b>	<b><u>3,841,900</u></b>

**Equity**

Share Capital		1,687,661	1,460,854	1,687,661
Share premium account		9,520,634	7,781,192	9,520,634
Other reserves	10	2,327,063	2,404,599	2,331,622
		(11,047,021	(9,410,384	(9,698,017
Accumulated losses		)	)	)
Equity/(deficiency) attributable to the owners of Cordel Group plc		2,488,337	2,236,261	3,841,900
Non-controlling interest		-	-	-
Total equity/(deficiency)		<u>2,488,337</u>	<u>2,236,261</u>	<u>3,841,900</u>

The above consolidated balance sheet should be read in conjunction with the accompanying notes

The interim financial statements of Cordel Group plc (company number 1109701 (England and Wales)) were approved by the Board of Directors and authorised for issue on 1 February 2022. They were signed on its behalf by:

Ian Buddery  
Chairman  
1 February 2022

Jonathan Macleod  
Director  
1 February 2022

**Cordel Group plc**  
**Consolidated statements of changes in equity**  
**For the period ended 31 December 2021**

<b>Unaudited six months ended</b>	<b>Share Capital</b>	<b>Share premiu m accoun t*</b>	<b>Other reserve s</b>	<b>Accumulate d Losses</b>	<b>Total deficienc y in equity</b>
<b>31 December 2020</b>	£	£	£	£	£
Balance at 1 July 2020	1,460,854	7,781,192	2,280,174	(8,676,197)	2,846,023
Loss after income tax expense for the period	-	-	-	(734,187)	(734,187)
Other comprehensive income for the period, net of tax	-	-	124,425	-	124,425
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>124,425</b>	<b>(734,187)</b>	<b>609,762</b>
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments (note 16)	-	-	-	-	-
<b>Balance at 31 December 2020</b>	<b>1,460,854</b>	<b>7,781,192</b>	<b>2,404,599</b>	<b>(9,410,384)</b>	<b>2,236,261</b>
<b>Unaudited six months ended</b>	<b>Share Capital</b>	<b>Share premium account*</b>	<b>Other reserves</b>	<b>Accumulated Losses</b>	<b>Total Deficiency in equity</b>
<b>31 December 2021</b>	£	£	£	£	£
Balance at 1 July 2021	1,687,661	9,520,634	2,331,622	(9,698,017)	3,841,900
Loss after income tax expense for the period	-	-	-	(1,349,003)	(1,349,003)
Other comprehensive income for the period, net of tax	-	-	(4,559)	-	(4,559)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(4,559)</b>	<b>(1,349,003)</b>	<b>(1,353,562)</b>
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments (note 16)	-	-	-	-	-
<b>Balance at 31 December 2021</b>	<b>1,687,661</b>	<b>9,520,634</b>	<b>2,327,063</b>	<b>(11,047,021)</b>	<b>2,488,337</b>

❖ The share premium account is used to recognise the difference between the issued share capital at nominal value and the share capital received, net of transaction costs.

**Cordel Group plc**  
**Consolidated statements of changes in equity (cont'd)**  
**For the period ended 31 December 2021**

<b>Audited year ended</b>	<b>Share Capital</b>	<b>Share premium account *</b>	<b>Other reserves</b>	<b>Accumulated Losses</b>	<b>Total deficiency in equity</b>
<b>30 June 2021</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance at 1 July 2020	1,460,854	7,781,192	2,280,174	(8,676,197)	2,846,023
Loss after income tax expense for the period	-	-	-	(1,021,821)	(1,021,821)
Other comprehensive income for the period, net of tax	-	-	51,449	-	51,449
Total comprehensive income for the period	-	-	51,449	(1,021,821)	(970,372)
<i>Transactions with owners in their capacity as owners:</i>					
Share Issue	226,807	1,739,442	-	-	1,966,248
Balance at 30 June 2021	1,687,661	9,520,634	2,331,622	(9,698,017)	3,841,900

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

**Cordel Group plc**  
**Consolidated statements of cash flows**  
**For the period ended 31 December 2021**

	<b>Unaudited six months</b>		<b>Audited</b>
	<b>ended December 31</b>		<b>year</b>
	<b>2021</b>	<b>2020</b>	<b>ended June</b>
	<b>£</b>	<b>£</b>	<b>30</b>
			<b>2021</b>
			<b>£</b>
<b>Cash flows from operating activities</b>			
Loss before income tax expense for the period	(1,349,003)	(734,187)	(1,021,821)
Adjustments for:			
Depreciation and amortisation	74,231	40,523	113,068
Loss/(Gain) on disposal of equipment	-	-	1,272
Share option reserve	-	-	72,148
Foreign exchange differences	5,031	-	(14,791)
Interest received	-	(1,723)	(7,057)
Interest and other finance costs	5,469	5,837	11,112
	<u>(1,264,272)</u>	<u>(689,550)</u>	<u>(846,069)</u>
Change in operating assets and liabilities:			
Increase in inventories	(72,520)	(126,236)	(54,982)
Decrease/(increase) in trade and other receivables	482,456	218,142	(340,369)
Increase/(decrease) in lease assets	(21,878)	(14,822)	-
Decrease/(increase) in other operating assets	397,217	(2,594)	(411,435)
(Decrease)/Increase in trade and other payables	(107,959)	(41,651)	86,771
Decrease in other liabilities	39,162	-	(243,373)
Increase/(decrease) in lease liabilities	(21,811)	(13,809)	-
Increase (decrease) in employee benefits	36,296	(11,098)	-
	<u>(533,309)</u>	<u>(681,618)</u>	<u>(1,809,457)</u>
Interest Received	-	1,723	7,057
Interest and other finance costs paid	(5,469)	(5,837)	(3,366)
Net cash used in operating activities	<u>(538,778)</u>	<u>(685,732)</u>	<u>(1,805,765)</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	(90,508)	(72,438)	(158,496)
Net cash used in investing activities	<u>(90,508)</u>	<u>(72,438)</u>	<u>(155,784)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	-	-	1,966,248
Interest on lease payments	-	-	(7,747)
Repayment lease arrangements	-	(11,069)	(18,394)
Net cash from financing activities	<u>-</u>	<u>(11,069)</u>	<u>(1,940,107)</u>

Net increase/(decrease) in cash and cash equivalents	(629,286)	(769,239)	(21,442)
Cash and cash equivalents at the beginning of the financial period	1,538,150	1,564,267	1,564,267
Effects of exchange rate changes on cash and cash equivalents	26,185	54,870	(4,675)
Cash and cash equivalents at the end of the financial period	<u>935,049</u>	<u>849,898</u>	<u>1,538,150</u>

The above consolidated statements of cash flows should be read in conjunction with the accompanying notes

**Cordel Group plc**  
**Notes to the consolidated financial statements**  
**For the period ended 31 December 2021**

**Note 1. General information**

The financial statements cover Cordel Group plc ('Company') as a consolidated entity consisting of Cordel Group plc and the entities it controlled at the end of, or during, the period (referred to as the 'Group'). The financial statements are presented in Pounds Sterling, which is Cordel Group plc's functional and presentation currency.

The Company was incorporated on 6 December 2017 as a private company, Maestrano Group Limited. On 11 May 2018, the Company converted to a public company, Maestrano Group plc and on 30 May 2018 was admitted onto the Alternative Investment Market ('AIM'). On 19 April 2018, as part of a group reorganisation, the Company acquired 100% of the ordinary shares of Maestrano Pty Ltd from the existing shareholders and became the immediate and ultimate parent of the Group. On 31 October 2019, Maestrano Group plc acquired 100% of the shares in Airsight Holdings Pty Limited, an Australian based company.

On the 18 November 2021, Maestrano Group plc changed its name to Cordel Group plc.

Cordel Group plc is a listed public company limited by shares, incorporated and domiciled in England and Wales. Its registered office and principal place of business are:

**Registered office**

10 John Street  
London WC1N 2EB  
United Kingdom

**Principal place of business**

2/2 Frost Drive  
Mayfield West NSW 2304  
Australia

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements. The financial statements were authorised for issue, in accordance with a resolution of directors, on 1 February 2022. The directors have the power to amend and reissue the financial statements.

**Note 2. Significant accounting policies**

These financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with International Accounting Standards IAS 34 'Interim Financial Reporting'.

These interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the Company during the interim reporting period.

**New or amended Accounting Standards and Interpretations adopted**

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### Going concern

The financial statements have been prepared assuming the Group will continue as a going concern. Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future. In assessing whether the going concern assumption is appropriate, the directors have considered the Group's existing working capital and are of the opinion that the Group has adequate resources to undertake its planned program of activities for the 12 months from the date of approval of these financial statements. Further details of the directors' considerations in relation to going concern are included in the directors' report.

### Note 3. Operating segments

#### *Identification of reportable operating segments*

The Group operates in one segment being provision of data integration and analytic services. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The operating segment information is the same information as provided throughout the consolidated financial statements and are therefore not duplicated.

### Note 4. Revenue from contracts with customers

	Unaudited six months		Audited
	ended December 31		year
	2021	2020	ended
	£	£	June 30
Airsight	229,034	146,868	2021
Nextcore	193,554	266,425	£
Cordel	206,206	315,099	345,663
			462,849
Revenue from contracts with customers	628,793	728,392	881,486

#### *Disaggregation of revenue*

The disaggregation of revenue from contracts with customers is as follows:

<i>Geographical regions</i>	Unaudited six months		Audited
	ended December 31		year
	2021	2020	ended June
	£	£	30
United Kingdom	117,507	129,964	2021
Australia/New Zealand	401,871	506,299	£
United States of America	38,905	(16,614)	421,895
Asia	70,510	86,078	1,035,136
Europe	-	22,664	(9,828)
	628,793	728,392	220,368
			22,427
	628,793	728,392	1,689,998

Enterprise implementation and enterprise subscriber income are recognised as revenue over time as opposed to a point in time. Airsight revenue is recognised when work has been completed and invoiced.

<b>Note 5. Other income</b>	<b>Unaudited six months</b>		<b>Audited</b>
	<b>ended December 31</b>		<b>year</b>
	<b>2021</b>	<b>2020</b>	<b>ended June</b>
	<b>£</b>	<b>£</b>	<b>30</b>
			<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Government grants and rebates	-	109,522	600,819
Other Income	-	-	15,941
	-	109,522	616,760

In FY2021 Government grants and rebates predominantly related to Australian and NSW Government support for the COVID-19 pandemic

**Note 6. EBITDA reconciliation (earnings before interest expense, taxation, depreciation and amortisation)**

	<b>Unaudited six months</b>		<b>Audited</b>
	<b>ended December 31</b>		<b>year</b>
	<b>2021</b>	<b>2020</b>	<b>ended June</b>
	<b>£</b>	<b>£</b>	<b>30</b>
			<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>EBITDA reconciliation</b>			
Loss before income tax	(1,349,003)	(734,187)	(1,222,372)
Less: Interest revenue	-	-	(7,057)
Add: Interest expense	5,469	5,837	11,112
Add: Depreciation and amortisation	74,231	40,523	113,067
Add: Other non-operating costs	5,031	-	-
<b>EBITDA</b>	<b>(1,264,272)</b>	<b>(687,827)</b>	<b>(1,105,248)</b>

	<b>Unaudited six months</b>		<b>Audited</b>
	<b>ended December 31</b>		<b>year</b>
	<b>2021</b>	<b>2020</b>	<b>ended June</b>
	<b>£</b>	<b>£</b>	<b>30</b>
			<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Underlying EBITDA reconciliation</b>			
EBITDA	(1,264,272)	(687,827)	(1,105,248)
IPO	-	-	-
Restructuring costs and Enterprise Investment Scheme set-up costs; acquisition costs	-	5,972	-
<b>Underlying EBITDA</b>	<b>(1,264,272)</b>	<b>(681,855)</b>	<b>(1,105,248)</b>

The financial statements include both the statutory financial statements and additional performance measures of EBITDA and Underlying EBITDA. The directors believe these additional measures provide useful information on the underlying trend in operational performance going forward without these unusual and other one-off items.

**Note 7. Current assets - trade and other receivables**

	Unaudited six months ended December 31		Audited year ended June 30
	2021	2020	2021
	£	£	£
Trade receivables	94,113	223,518	456,929
Other receivables	48,267	-	65,283
	<u>142,380</u>	<u>223,518</u>	<u>522,212</u>

**Note 8. Current assets – other**

	Unaudited six months ended December 31		Audited year ended June 30
	2021	2020	2021
	£	£	£
Prepayments	113,744	54,677	95,420
Inventory	262,674	261,512	190,154
R&D tax offset refundable	-	-	414,102
Deferred tax asset	211,821	-	213,802
	<u>588,239</u>	<u>316,189</u>	<u>913,478</u>

**Note 9. Current liabilities - trade and other payables**

	Unaudited six months ended December 31		Audited year ended June 30
	2021	2020	2021
	£	£	£
Trade payables	221,351	342,539	139,616
Accrued expenses	60,098	32,480	166,546
Other payables	94,033	(214)	34,023
	<u>375,482</u>	<u>374,804</u>	<u>340,185</u>

**Note 10. Equity - other reserves**

	Unaudited six months ended December 31		Audited year ended June 30
	2021	2020	2021
	£	£	£
Foreign currency reserve	365,075	514,759	369,635
Share-based payments reserve	72,148	-	72,148
Capital reorganisation reserve	1,889,840	1,889,840	1,889,840
	<u>2,327,063</u>	<u>2,404,599</u>	<u>2,331,623</u>

*Movements in reserves*

Movements in each class of reserve during the current financial period are set out below:

**Unaudited six months ended 31 December**

	<b>Foreign Currency £</b>	<b>Share- based payments £</b>	<b>Capital reorganisation £</b>	<b>Total £</b>
Balance as at 1 July 2021	369,635	72,148	1,889,840	2,331,623
Foreign currency translation	(4,560)	-	-	(4,560)
Share-based payment	-	-	-	-
Balance at 31 December 2021	<u>365,075</u>	<u>72,148</u>	<u>1,889,840</u>	<u>2,327,063</u>

**Note 11. Equity – dividends**

There were no dividends paid, recommended or declared during the current or previous financial period.

**Note 12. Fair value measurement**

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

**Note 13. Related party transactions**

*Parent entity*

The parent entity and ultimate parent entity is Cordel Group plc. There is no ultimate controlling party.

*Transactions with related parties*

There were no transactions with related parties during the current and previous financial period.

*Receivable from and payable to related parties*

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

*Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

**Note 15. Earnings per share**

	<b>Unaudited six months ended December 31</b>		<b>Audited year ended June 30</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Loss after income tax	(1,349,003)	(734,187)	(1,021,821)
Non-controlling interest	-	-	-

Loss after income tax attributable to the owners of Cordel Group plc	(1,349,003)	(734,187)	(1,021,821)
	<b>Number</b>	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	168,766,075	149,754,537	168,766,075
Weighted average number of ordinary shares used in calculating diluted earnings per share	168,766,075	149,754,537	168,766,075
	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
Basic earnings per share	(0.80)	(0.49)	(0.61)
Diluted earnings per share	(0.80)	(0.49)	(0.61)

Options and convertible notes have not been included in the diluted earnings per share as they are anti-dilutive

### Note 16. Share-based payments

A share option plan has been established by the Group, whereby the Group may, at the discretion of the Board of Directors, grant options over the ordinary shares in the Company to certain key management personnel and staff of the Group. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Board of Directors.

Set out below are summaries of options granted currently under the plan in 2021:

Grant date	Expiry date	Exercise price	Balance at the start of the period	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the period
1/07/2019	30/06/2029	£ 0.0130	0	5,082,222	1,411,111	-	3,671,111
13/03/2020	13/03/2030	£ 0.0200	0	800,000	-	-	800,000
17/04/2020	17/09/2030	£ 0.0180	0	2,082,500	-	-	2,082,500
04/05/2020	4/05/2030	£ 0.0190	0	2,000,000	-	-	2,000,000
24/09/2020	24/09/2030	£ 0.1000	0	2,000,000	-	-	2,000,000
24/11/2020	24/11/2030	£ 0.1000	0	1,000,000	-	-	1,000,000
10/08/2021	10/08/2031	£ 0.1250	0	250,000	-	-	250,000
30/11/2021	30/11/2031	£ 0.1280	0	100,000	-	-	100,000
10/08/2021	10/08/2031	£ 0.1250	0	50,000	-	-	50,000
12/08/2021	12/08/2031	£ 0.1250	0	100,000	-	-	100,000

### Note 17. Events after the reporting period

No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.