

31 January 2023

**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 2022.

	<b>Six months to 31 Dec 2022 £'000</b>	Six months to 31 Dec 2021 £'000	% change	% change (constant currency*)
Total revenue	<b>945</b>	629	50.3%	47.5%
Cost of sales	<b>(268)</b>	(329)	-18.5%	-21.0%
Total expenses	<b>(1,523)</b>	(1,564)	-2.6%	-7.7%
Other income	<b>57</b>	-	100.0%	100.0%
EBITDA	<b>(789)</b>	(1,264)	37.6%	38.6%

*\*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 increased by 50.3% in reported currency and 47.5% at constant currency.
- Cost of sales decreased by 18.5% (21.0% constant currency) due to reduced labour and easing component costs in COGS for hardware sales.
- Total expenses decreased by 2.6% (7.7% at constant currency) as the Company continued to manage its discretionary costs.
- As at 31 December 2022, cash balance was £433,945 compared with £339,665 at 30 June 2022. Total assets as at 31 December 2022 were £2,572,399 whilst net assets were £1,826,295 compared with £2,735,272 as at 30 June 2022.
- UK achievements during the period include a 5-year contract with Angel Trains to install fully-automated hardware onto passenger trains and a new partnership with Ricardo PLC to identify and pursue opportunities in railway inspection and asset management.
- USA achievements include increasing sales engagements in the Class 1 Railroad market and continuing progress with key partners.
- Contracted revenue will be carried into the second half, with a satisfactory full year cash position expected.

**Ian Buddery, Chairman, Cordel, said:** "The interim results show a return to growth compared to the corresponding period last year, as we benefit from long term contracts secured earlier. We are pleased by the market's recognition of our technology advantages and confident we will add new contracts as 2023 progresses. We are managing the business to balance the requirements of growth opportunities while maintaining adequate cash reserves."

**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)

## Cordel Group PLC

### Review of operations by the Chief Executive Officer 31 December 2022

Cordel Group Plc ("the Group") the Artificial Intelligence platform for transport corridor analytics 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 ended 31 December 2022, the Company secured a significant new contract with Angel Trains, further strengthening our position in the UK rail market. The Company's engagement with USA railroads continues to improve, particularly following the release of our Automated Intelligent Clearance solution on 22 November 2022. Railways worldwide are seeking to replace dangerous human track inspections and reduce the carbon footprint of traditional clearance measurement methods, which include heavy and slow inspection trains.

The Company has simplified its operating structure by consolidating its Airsight Australia and Nextcore activities into Cordel operations. The primary investment focus is continuing the development of the Cordel Artificial Intelligence analytics platform.

Revenue for the half year is summarised as follows:

	<b>Six Months to 31 December 2022</b>	<b>Six Months to 31 December 2021</b>	<b>Change</b>
	<b>£ '000</b>	<b>£ '000</b>	
Airsight	0	229	
NextCore	116	194	-40%
Cordel	829	206	+302%
<b>Total Revenue</b>	<b>945</b>	<b>629</b>	<b>+50%</b>

Underlying EBITDA for the period was a loss of £0.789 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, UK, Japan and the USA. As of 31 December 2022, the Company had cash and receivables totalling £0.673 million.

#### 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 2022 and planned for 2023, is expected to produce further growth in recurring revenue.

Nicholas Smith  
Chief Executive Officer  
31 January 2023

**Cordel Group PLC**  
**Review of operations by the Chief Financial Officer**  
**31 December 2022**

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

	<b>Six Months to 31 December 2022 £ '000</b>	<b>Six Months to 31 December 2021 £ '000</b>	<b>Change</b>
Revenue from contracts with customers	945	629	+50.3%
<b>Total Revenue</b>	<b>945</b>	<b>629</b>	<b>+50.3%</b>
Direct Cost of sales	268	329	-18.5%
<b>Gross Margin</b>	<b>677</b>	<b>300</b>	<b>+125.7%</b>
Employee expenses	1,162	1,080	+7.6%
Occupancy expenses	14	12	+11.5%
Professional Fees	208	193	+8.1%
Other operational expenses	139	279	-50.1%
<b>Total expenses</b>	<b>1,523</b>	<b>1,564</b>	<b>-2.6%</b>
Other income	57	-	
Interest income	-	-	
<b>EBITDA (earnings before interest expenses, taxation, depreciation and amortisation adjusted for other one-off items)</b>	<b>(789)</b>	<b>(1,264)</b>	<b>+37.6%</b>
Depreciation	61	74	-17.6%
Finance Costs	5	6	-16.7%
Other non-operating costs	0	5	-
<b>Loss before income tax expenses</b>	<b>(855)</b>	<b>(1,349)</b>	<b>+36.6%</b>
Income tax	-	-	-
<b>Loss after income tax expense</b>	<b>(855)</b>	<b>(1,349)</b>	<b>+36.6%</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 increased by 50.3% to £0.945 million.

### *Operating expenses*

Overall operating expenses decreased by £0.041 million compared to the corresponding period and staff expenses increased £0.081 million to £1.162 million. due to salary increase pressures.

Other costs reduced by £0.075 million due to the lower requirement for outsourced research work in the current period. The reallocation of processing costs from overheads to COGS increased processing COGS from £0.011 million to £0.075 million.

As at 31 December 2022, Cordel employed 25 full time equivalent staff across Australia, the UK and USA.

Underlying EBITDA for the period was a loss of £0.789 million compared to a loss of £1.264 million for the corresponding period ended December 2021.

Finance and other non-operating expenditure were £0.006 million for the period relating to the interest expenses.

The loss after tax for the period was £0.855 million, an improvement of 36.6% compared to loss of £1.349 million in the corresponding period ended December 2021.

### *Balance sheet, cash and working capital*

The Group balance sheet shows cash resources of £0.434 million and receivables of £0.239 million as at 31 December 2022. Cash inflow from operating activities was £0.020 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  
31 January 2023

**Cordel Group PLC**  
**Consolidated statements of profit and loss and other comprehensive income**  
**For the period ended 31 December 2022**

		Unaudited six months		Audited year
		ended 31 December		ended 30
	Note	2022	2021	June
		£	£	2022
				£
Revenue from contracts with customers	4	945,020	628,793	2,272,683
<b>Total Revenue</b>		<b>945,020</b>	<b>628,793</b>	<b>2,272,683</b>
Direct Cost of sale		(267,749)	(328,613)	(775,290)
<b>Gross Margin</b>		<b>677,271</b>	<b>300,180</b>	<b>1,497,393</b>
Employee expenses		(1,162,233)	(1,080,620)	(2,191,308)
Occupancy expenses		(13,587)	(12,181)	(29,338)
Professional Fees		(208,339)	(192,788)	(507,363)
Other operational expenses		(139,175)	(278,864)	(389,740)
<b>Total expenses</b>		<b>(1,523,334)</b>	<b>(1,564,453)</b>	<b>(3,117,749)</b>
Other income	5	57,080	-	596,765
Interest income		15	-	12
<b>EBITDA (earnings before interest expenses, taxation, depreciation and amortisation adjusted for other one-off items)</b>		<b>(788,968)</b>	<b>(1,264,272)</b>	<b>(1,023,579)</b>
Depreciation & Amortisation		(60,953)	(74,231)	(166,797)
Finance Costs		(5,160)	(5,469)	(14,398)
Other non-operating costs		(283)	(5,031)	-
<b>Loss before income tax expenses</b>		<b>(855,364)</b>	<b>(1,349,003)</b>	<b>(1,204,774)</b>
Income tax		-	-	4,081
<b>Loss after income tax expense for the period</b>		<b>(855,364)</b>	<b>(1,349,003)</b>	<b>(1,200,693)</b>
<b>Other comprehensive income</b>				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation		(53,613)	(4,560)	(77,879)
Share option reserve		-	-	59,048
Total comprehensive income for the period		(908,977)	(1,344,443)	1,132,551
<b>Loss for the period attributable to:</b>				
Non-controlling interest		-	-	-
Owners of Cordel Group plc		(855,364)	(1,349,003)	(1,200,693)
		(855,364)	(1,349,003)	(1,200,693)

Total comprehensive income for the period is attributable to:

Non-controlling interest		-	-	-
Owners of Cordel Group plc		(908,977)	(1,344,443)	1,132,551
		<u>(908,977)</u>	<u>(1,344,443)</u>	<u>1,132,551</u>
Basic earnings per share (pence per share)	15	(0.50)	(0.80)	(0.70)
Diluted earnings per share (pence per share)	15	(0.50)	(0.80)	(0.70)

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 2022**

		<b>Unaudited</b>		<b>Audited</b>
		<b>December 31</b>		<b>June 30</b>
	<b>Note</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>
		£	£	£
<b>Assets</b>				
<b>Non-current assets</b>				
Goodwill		1,223,403	1,223,403	1,223,403
Right to use assets		45,582	110,985	98,843
Property, plant & equipment		99,383	166,439	132,478
Deferred tax asset		157,405	-	234,842
Total non-current assets		<u>1,525,773</u>	<u>1,500,827</u>	<u>1,689,566</u>
<b>Current assets</b>				
Trade and other receivables	7	238,824	142,380	640,598
Other	8	373,857	588,239	915,737
Cash and cash equivalents		433,945	935,049	339,665
Total current assets		<u>1,046,626</u>	<u>1,665,668</u>	<u>1,896,000</u>
<b>Total Assets</b>		<u><b>2,572,399</b></u>	<u><b>3,166,495</b></u>	<u><b>3,585,566</b></u>
<b>Liabilities</b>				
<b>Non-Current liabilities</b>				
Lease Liabilities		15,126	75,155	62,392
Deferred tax		-	-	5,151
Total non-current liabilities		<u>15,126</u>	<u>75,155</u>	<u>67,543</u>
<b>Current liabilities</b>				
Trade and other payables	9	456,526	375,482	548,246
Unearned Income		11,363	10,581	-
Lease Liabilities		35,445	40,303	76,921
Borrowings		78,622	39,261	-
Employee benefits		149,022	137,376	157,584
Total current liabilities		<u>730,978</u>	<u>603,003</u>	<u>782,751</u>
<b>Net assets/(liabilities)</b>		<u><b>1,826,295</b></u>	<u><b>2,488,337</b></u>	<u><b>2,735,272</b></u>
<b>Equity</b>				
Share Capital		1,704,272	1,687,661	1,704,272
Share premium account		9,525,617	9,520,634	9,525,617
Other reserves	10	2,346,151	2,327,063	2,399,764
Accumulated losses		<u>(11,749,745)</u>	<u>(11,047,021)</u>	<u>(10,894,381)</u>
Equity/(deficiency) attributable to the owners of Cordel Group plc		1,826,295	2,488,337	2,735,272
Non-controlling interest		-	-	-
Total equity/(deficiency)		<u>1,826,295</u>	<u>2,488,337</u>	<u>2,735,272</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 31 January 2023. They were signed on its behalf by:

Ian Buddery  
Chairman  
31 January 2023

Jonathan Macleod  
Director  
31 January 2023

**Cordel Group PLC**  
**Consolidated statements of changes in equity**  
**For the period ended 31 December 2022**

<b>Unaudited six months ended 31 December 2021</b>	<b>Share Capital</b>	<b>Share premium account*</b>	<b>Other reserves</b>	<b>Accumulated Losses</b>	<b>Total Equity</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)
Total comprehensive income for the period	-	-	(4,559)	(1,349,003)	(1,353,562)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments (note 16)	-	-	-	-	-
Balance at 31 December 2021	1,687,661	9,520,634	2,327,063	(11,047,020)	2,488,338
<b>Unaudited six months ended 31 December 2022</b>	<b>Share Capital</b>	<b>Share premium account*</b>	<b>Other reserves</b>	<b>Accumulated Losses</b>	<b>Total Equity</b>
	£	£	£	£	£
Balance at 1 July 2022	1,704,272	9,525,617	2,399,764	(10,894,381)	2,735,272
Loss after income tax expense for the period	-	-	-	(855,364)	(855,364)
Other comprehensive income for the period, net of tax	-	-	(53,613)	-	(53,613)
Total comprehensive income for the period	-	-	(53,613)	(855,364)	(908,977)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments (note 16)	-	-	-	-	-
Balance at 31 December 2022	1,704,272	9,525,617	2,346,151	(11,749,745)	1,826,295

- ❖ 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 2022**

<b>Audited year ended 30 June 2022</b>	<b>Share Capital</b>	<b>Share premium account*</b>	<b>Other reserves</b>	<b>Accumulated Losses</b>	<b>Total deficiency in equity</b>
	£	£	£	£	£
Balance at 1 July 2021	1,687,661	9,520,634	2,331,622	(9,698,018)	3,841,900
Loss after income tax expense for the period	-	-	-	(1,200,693)	(1,200,693)
Other comprehensive income for the period, net of tax	-	-	68,142	4,330	72,472
Total comprehensive income for the period	-	-	68,142	(1,196,363)	(1,128,221)
<i>Transactions with owners in their capacity as owners:</i>					
Share Issue	16,611	4,983	-	-	21,594
Balance at 30 June 2022	1,704,272	9,525,617	2,399,764	(10,894,381)	2,735,272

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 2022**

	<b>Unaudited six months</b>		<b>Audited</b>
	<b>ended December 31</b>		<b>year</b>
	<b>2022</b>	<b>2021</b>	<b>ended June</b>
	<b>£</b>	<b>£</b>	<b>2022</b>
			<b>£</b>
<b>Cash flows from operating activities</b>			
Loss before income tax expense for the period	(855,364)	(1,349,003)	(1,200,693)
Adjustments for:			
Depreciation and amortisation	60,953	74,231	166,797
Loss/(Gain) on disposal of equipment	-	-	11,880
Share option reserve	-	-	65,378
Foreign exchange differences	283	5,031	(5,436)
Interest received	(15)	-	(12)
Interest and other finance costs	5,160	5,469	14,398
	<u>(788,983)</u>	<u>(1,264,272)</u>	<u>(949,688)</u>
Change in operating assets and liabilities:			
Decrease/(increase) in inventories	92,604	(72,520)	(56,787)
Decrease/(increase) in trade and other receivables	401,774	482,456	(118,386)
Decrease/(increase) in right to use assets	53,261	(21,878)	-
Decrease/(increase) in other operating assets	449,276	397,217	(180,316)
(Decrease)/Increase in trade and other payables	(123,294)	(107,959)	208,061
(Decrease)/Increase in other liabilities	6,212	39,162	25,496
(Decrease)/Increase in lease liabilities	(56,748)	(21,811)	-
(Decrease)/Increase in employee benefits	(8,562)	36,296	-
	<u>25,540</u>	<u>(533,309)</u>	<u>(1,069,620)</u>
Interest Received	15	-	12
Interest and other finance costs paid	(5,160)	(5,469)	(3,464)
Net cash used in operating activities	<u>20,395</u>	<u>(538,778)</u>	<u>(1,073,720)</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	(45,432)	(90,508)	(160,240)
Proceeds from disposal of fixed asset	36,378	-	7,601
Net cash used in investing activities	<u>(9,054)</u>	<u>(90,508)</u>	<u>152,640</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	-	-	21,595
Interest on lease payments	-	-	(10,934)
Payment for/(Repayment of) lease arrangements	(56,201)	-	2,044
Proceeds from borrowings	103,076	-	-

Net cash from financing activities	46,875	-	12,705
Net increase/(decrease) in cash and cash equivalents	58,216	(629,286)	(1,213,007)
Cash and cash equivalents at the beginning of the financial period	339,655	1,538,150	1,538,150
Effects of exchange rate changes on cash and cash equivalents	36,074	26,185	14,522
Cash and cash equivalents at the end of the financial period	433,945	935,049	339,665

Included in the decrease of trade and other payables during the year ended 30 June 2022 were lease payments of £50,732 (2021: £37,093).

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 2022**

**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 31 January 2023. 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 2022 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 2022 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
	2022	2021	ended
	£	£	June 30
			2022
			£
Airsight	0	229,034	329,343
Nextcore	115,636	193,554	438,197
Cordel	829,384	206,206	1,505,143
Revenue from contracts with customers	945,020	628,793	2,272,683

#### *Disaggregation of revenue*

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

	Unaudited six months		Audited
	ended December 31		year
	2022	2021	ended
	£	£	June 30
			2022
			£
<i>Geographical regions</i>			
United Kingdom	659,997	117,507	976,650
Australia/New Zealand	235,734	401,871	937,852
United States of America	49,289	38,905	135,542
Canada	-	-	51,741
Asia	-	70,510	170,898
Europe	-	-	-
	945,020	628,793	2,272,683

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>2022</b>	<b>2021</b>	<b>ended June</b>
	£	£	<b>30</b>
			<b>2022</b>
Government grants and rebates	20,585	-	587,934
Other Income	36,510	-	8,831
	<u>57,095</u>	<u>-</u>	<u>596,765</u>

**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>2022</b>	<b>2021</b>	<b>ended June</b>
	£	£	<b>30</b>
			<b>2022</b>
<b>EBITDA reconciliation</b>			
Loss before income tax	(855,364)	(1,349,003)	(1,204,774)
Less: Interest revenue	(15)	-	(12)
Add: Interest expense	5,160	5,469	14,398
Add: Depreciation and amortisation	60,953	74,231	166,797
Add: Other non-operating costs	283	5,031	-
EBITDA	<u>(788,983)</u>	<u>(1,264,272)</u>	<u>(1,023,591)</u>

	<b>Unaudited six months</b>		<b>Audited</b>
	<b>ended December 31</b>		<b>year</b>
	<b>2022</b>	<b>2021</b>	<b>ended June</b>
	£	£	<b>30</b>
			<b>2022</b>
<b>Underlying EBITDA reconciliation</b>			
EBITDA	(788,983)	(1,264,272)	(1,023,591)
IPO	-	-	-
Underlying EBITDA	<u>(788,983)</u>	<u>(1,264,272)</u>	<u>(1,023,591)</u>

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**

	<b>Unaudited six months</b>		<b>Audited year</b>
	<b>ended December 31</b>		<b>ended June</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>
	£	£	£
Trade receivables	238,824	94,113	640,598
Other receivables	-	48,267	-
	<u>238,824</u>	<u>142,380</u>	<u>640,598</u>

**Note 8. Current assets – other**

	<b>Unaudited six months</b>		<b>Audited year</b>
	<b>ended December 31</b>		<b>ended June</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>
	£	£	£
Prepayments	219,521	113,744	114,384
Inventory	154,336	262,674	246,940
R&D tax offset refundable	-	-	554,413
Deferred tax asset	-	211,821	-
	<u>373,857</u>	<u>588,239</u>	<u>915,737</u>

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

	<b>Unaudited six months</b>		<b>Audited year</b>
	<b>ended December 31</b>		<b>ended June</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>
	£	£	£
Trade payables	171,579	221,351	386,381
Accrued expenses	172,898	60,098	151,498
Other payables	112,049	94,033	10,367
	<u>456,526</u>	<u>375,482</u>	<u>548,246</u>

**Note 10. Equity - other reserves**

	<b>Unaudited six months</b>		<b>Audited year</b>
	<b>ended December 31</b>		<b>ended June</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>
	£	£	£
Foreign currency reserve	325,115	365,075	378,728
Share-based payments reserve	131,196	72,148	131,196
Capital reorganisation reserve	1,889,840	1,889,840	1,889,840
	<u>2,346,151</u>	<u>2,327,063</u>	<u>2,399,764</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 2022**

	<b>Foreign Currency £</b>	<b>Share- based payments £</b>	<b>Capital reorganisation £</b>	<b>Total £</b>
Balance as at 1 July 2022	378,728	131,196	1,889,840	2,399,764
Foreign currency translation	(53,613)	-	-	(53,613)
Share-based payment	-	-	-	-
Balance at 31 December 2022	<u>325,115</u>	<u>131,196</u>	<u>1,889,840</u>	<u>2,346,151</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*

Ian Buddery was remunerated through his personal service company during the 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</b>		<b>Audited year</b>
	<b>ended December 31</b>		<b>ended June</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>
	£	£	£
Loss after income tax	(855,364)	(1,349,003)	(1,200,693)
Non-controlling interest	-	-	-
Loss after income tax attributable to the owners of Cordel Group plc	(855,364)	(1,349,003)	(1,200,693)
	<b>Number</b>	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	170,427,186	168,766,075	170,427,186
Weighted average number of ordinary shares used in calculating diluted earnings per share	170,427,186	168,766,075	170,427,186
	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
Basic earnings per share	(0.50)	(0.80)	(0.70)
Diluted earnings per share	(0.50)	(0.80)	(0.70)

**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 is a summary of the options granted currently under the plan:

<b>2023</b>							
<b>Grant date</b>	<b>Expiry Date</b>	<b>Exercise price</b>	<b>Balance at the start of the year</b>	<b>Granted</b>	<b>Exercised</b>	<b>Cancelled</b>	<b>Balance at the end of the period</b>
1/07/2019	1/07/2029	£ 0.013	3,421,111				3,421,111
13/03/2020	13/03/2030	£ 0.020	800,000				800,000
17/04/2020	17/04/2030	£ 0.018	2,082,500				2,082,500
4/05/2020	4/05/2030	£ 0.018	2,000,000				2,000,000
3/11/2020	3/11/2030	£ 0.010	2,000,000				2,000,000
24/11/2020	24/11/2030	£ 0.010	1,000,000				1,000,000
10/08/2021	10/08/2031	£ 0.125	300,000				300,000
30/11/2021	30/11/2031	£ 0.128	100,000				100,000
2/02/2022	2/02/2032	£ 0.108	2,000,000				2,000,000
11/11/2022	11/11/2032	£ 0.070		500,000			500,000
			13,703,611	500,000	-	-	14,203,611

**Note 17. Events after the reporting period**

No matter or circumstance has arisen since 31 December 2022 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.