26 September 2024

Cordel Group plc

("Cordel" or the "Company")

Proposed Placing to raise approximately £1.0 million

Cordel Group plc (AIM: CRDL), the Artificial Intelligence ("**AI**") platform for transport corridor analytics, is pleased to announce a placing (the **"Placing"**), of new ordinary shares of 1p each in the capital of the Company (**"Ordinary Shares"**). The Placing has conditionally raised gross proceeds of £1.0 million through a placing of 15,384,616 new Ordinary Shares at 6.5 pence per share with institutional investors.

Background to the Placing and use of proceeds

On 23 July 2024, the Company announced its trading update for the year ended 30 June 2024 which set out the continued progress being made. FY24 saw the Company win 4 significant new customer contracts with key wins in the USA, Mexico, the Middle East and APAC. In addition, the Company announced ongoing progress with its marquee clients - Amtrak in the US, Network Rail and Angel Trains in the UK and with ARTC in Australia. Post period end, the Company announced the extension of its relationship with Amtrak to serve a new part of Amtrak's network.

During the year the Company continued at pace to extend its process automation and AI capabilities, alongside its LiDAR scanning technology. This platform enables high speed data capture, processing and delivery of actionable insights to rail customers. At its core is a deep machine learning model which classifies assets within digital point clouds, from 2 Dimensional ("**2D**") cross sections. The Company has continued to invest in enhancing its technology capabilities and has recently made excellent progress in the effectiveness of its AI capabilities in the recognition of complex 3 Dimensional ("**3D**") objects within point clouds.

Following the recent trading update, the Company received an indication of significant support from one of its institutional investors, Rathbones Investment Management Limited, who noted that as a result of the Company's strategic progress they sought to provide the Company with additional funds at a premium to the prevailing market price.

After careful consideration the Directors determined that, while the Company had not anticipated a placing given management's expectation of a positive cashflow profile for the 2025 fiscal year, in light of the progress being made in its AI capabilities, the additional funds would enable the Company to accelerate the development of the Company's 3D object recognition capabilities through its AI platform. The Directors believe that this will enable the Company to broaden the application of its technology portfolio across rail networks and should lead to enhanced revenue opportunities.

Therefore, the Directors have decided to undertake the Placing.

The gross proceeds of the Placing will be used as follows:

- c. £0.8m: additional headcount into the Company's R&D and delivery teams; and

- c. £0.2 m: working capital and Placing expenses.

Details of the Placing and the Placing Agreement

Pursuant to the Placing the Company has conditionally raised gross proceeds of £1.0 million through a placing of 15,384,616 new Ordinary shares (the "**Placing Shares**") at 6.5 pence per share with institutional investors. The Company has entered into a placing agreement with Cavendish Capital Markets dated 26 September 2024 (the "**Placing Agreement**") under which Cavendish Capital Markets has agreed to use its reasonable endeavours to procure placees ("**Placees**") for the Placing Shares. The Placing has not been underwritten.

The Placing Shares will represent approximately 7.2 per cent. of the enlarged issued share capital. The Placing Shares will be issued under existing shareholder authorities. The Placing price represents a premium of approximately 24 per cent to the closing mid-market price of 5.25 pence per Ordinary Share on 25 September 2024, being the last dealing day prior to the date of this announcement.

The Placing Agreement is conditional on the satisfaction (or waiver) of certain conditions including:

- the Placing Agreement becoming unconditional in all respects save for Admission and not having been terminated in accordance with its terms; and

- Admission occurring by no later than 8.00 a.m. on 1 October 2024 (or such later date as Cavendish Capital Markets and the Company may agree, not being later than 8.00 a.m. on 18 October 2024).

The Placing Shares issued pursuant to the Placing will be issued as fully paid and will rank pari passu in all respects with the Company's existing ordinary shares, including the right to receive dividends and other distributions declared on or after the date on which they are issued.

The Directors have sought independent advice and believe that the Placing Shares will rank as "eligible shares" for the purposes of the Enterprise Investment Scheme and will be capable of being a "qualifying holding" for the purposes of investment by Venture Capital Trusts to investors who qualify and are seeking the benefit of tax advantages pursuant to the Enterprise Investment Scheme and available to Venture Capital Trusts, respectively, each as governed by HMRC, although neither the Company nor the Directors give any warranty or undertaking that this will be the case. There is no guarantee HMRC will agree with the written opinion obtained by the Company and Placees must seek their own advice to rely on.

Admission and settlement

Application will be made for the Placing Shares to be admitted to trading on AIM ("**Admission**"). It is expected that Admission will become effective and dealings in the Placing Shares will commence at 8.00 a.m. on or around 1

October 2024. These dates and times may be subject to change.

It is intended that, if applicable, definitive share certificates in respect of the Placing Shares will be distributed as soon as practicable post Admission. No temporary documents of title will be issued.

Following Admission, the Company's enlarged issued share capital will be 214,873,230 Ordinary Shares. The Company holds no Ordinary Shares in Treasury. This figure of 214,873,230 Ordinary Shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure Guidance and Transparency Rules.

Commenting on the Placing, Ian Buddery, Chairman

"I am delighted by the support shown by one of our institutional investors to undertake this placing at a premium to the prevailing market price. The Company has demonstrated excellent progress in 2024 and this additional capital enhances our ability to efficiently capture the market opportunity before us. We continue to see strong market engagement in our software and technology and we remain very focused on further customer acquisitions in FY25."

Cordel Group PLC	C/o Strand Hanson
Ian Buddery, Chairman	
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About Cordel

Cordel produces 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

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