



Quadrise plc

Company Registration No. 05267512

Interim Report and Consolidated Financial Statements

For the 6 month period to 31 December 2023

Quadrise plc (“Quadrise”, “QED”, the “Company” and together with its subsidiaries the “Group”) presents its unaudited interim results for the six months ended 31 December 2023

Chairman’s Statement

At the recent COP 28 climate conference in Dubai, representatives from nearly 200 countries reached a historic agreement to “transition away from fossil fuels”. This agreement adds to the momentum already underway in global energy markets, as policy makers, companies and investors worldwide work to accelerate the adoption of decarbonisation technologies to avert the worst impacts of climate change and achieve net zero by 2050. The shipping industry, in particular, has seen significant progress as ship owners, cargo owners and governments collaborate to reduce emissions from international traded goods.

Quadrise has positioned itself as a provider of lower cost decarbonisation solutions for the shipping industry and other consumers of heavy fuel oil. Our strategy is to generate demand primarily amongst the shipping industry and to stimulate supply of our fuels around global marine bunkering hubs, with our key projects with MSC Shipmanagement Limited (“MSC”), Valkor Technologies LLC (“Valkor”) and our client in Morocco designed to fulfil this strategy. Our focus remains on the completion of the trials and agreements that will demonstrate MSAR® and bioMSAR™ technology at commercial scale, as this provides the fastest and most material pathway to commercialisation whilst also representing the most efficient use of our financial resources.

Important milestones have been reached in each of our key projects, with an agreement recently signed with Cargill NV (“Cargill”) and MAC² Solutions NV (“MAC²”) with regard to the production of fuel for the MSC trials, successful completion of the trial in Morocco with further agreements expected to follow, and the Company expecting commercial licence revenues in 2024 from Valkor following the approval of drilling permits and expected financing for their projects.

In March 2023, the Company changed its name to Quadrise Plc and its trading ticker (TIDM) to ‘QED’. The renaming of the Company was part of an initiative to emphasise the Company’s position in the energy decarbonisation space amongst customers and investors and to acknowledge the material contribution that the Company’s technology solutions can make to reducing carbon intensity in marine, power and industrial applications. The move sets the tone for the direction of the Company as it continues to implement its strategy towards net-zero energy solutions and carbon mitigations.

The Company launched its second Sustainability Report in November 2023. This report is designed to place Quadrise in the broader environmental context and serve as an accessible reference point for decision-makers in the marine, energy and industrial sectors looking to decarbonise their businesses rapidly, practically and economically, as well as providing important information on the Company’s positioning for investors. The report includes an overview of the environmental and economic benefits of the Company’s technology as well as its scope 1 and 2 carbon emissions, alignment to the UN Sustainability Goals and ambitions to create a net-zero fuel before 2030.

Subject to the Company’s financial circumstances permitting, we intend to explore and advance complementary technologies to strengthen our decarbonisation proposition to customers, increase the Company’s impact on sustainability, and help to ensure that our products and services are high on the consideration set when potential clients are looking for solutions to reduce emissions. We maintain a focused research and development programme and are progressing well against our goal to deliver a commercially competitive net-zero fuel to market before 2030.

On behalf of the Board, I would like to thank our loyal shareholders for their continued support and patience during a challenging period for the Company. As shareholders would rightly expect, the board and management team aim to reward our shareholders for this patience by delivering commercial revenues and driving Quadrise on to an exciting phase of growth in 2024 and beyond.

Financial Position

The Group held cash and cash equivalents of approximately £1.7 million as at 31 December 2023 (31 December 2022: £2.6 million). The Directors acknowledge that this cash balance is not sufficient to cover the Group’s operating requirements through the 12-month outlook period and that further funding will be required. These conditions indicate the existence of material uncertainty regarding the Group’s and Company’s ability to continue as a going concern. However, directors are confident that additional funding can be secured based on the expected passing of project milestones, and these accounts are, accordingly, presented on a going concern basis.

The Group recorded a loss of £1.7 million for the six months to 31 December 2023 (2022: £1.7 million). This included production and development costs of £0.9 million (2022: £1.0 million) and administration expenses of £0.7 million (2022: £0.6 million).

The basic and diluted loss per share was 0.11p (2022: 0.12p).

The Group’s total assets amounted to £5.2 million at 31 December 2023 (£6.4 million at 31 December 2022). In addition to the cash and cash equivalents, this included fixed tangible assets (mainly plant and equipment) of £0.3 million and MSAR® trade name of £2.9 million.

The Group has tax losses arising in the UK of approximately £62.0 million (2022: £60.0 million) that are potentially available to be carried forward against future profits.

Andy Morrison
Chairman
24 March 2023

Chief Executive's Statement

The recent COP 28 agreement to "transition away from fossil fuels" represents the latest landmark in global efforts to reduce carbon emissions and mitigate the most severe consequences of climate change. Major energy consumers are seeking new technologies to reduce both their carbon emissions and their energy costs, which have risen significantly as a result of instability in the Middle East, the ongoing Ukraine conflict and Russian sanctions.

The shipping industry carries 90% of the world's traded goods and accounts for approximately 3% of greenhouse gas ("GHG") emissions. According to the International Energy Agency (IEA), the proportion of low-carbon fuels in the shipping industry must grow from under 1% to more than 13% by 2030 to meet regulations. Marine operators are incentivised to develop, trial and adopt biofuels, lower-carbon fuels and, eventually, net-zero solutions. However, some of the longer-term options like green hydrogen, ammonia and methanol require significant investment and present considerable logistical and safety challenges.

Our patented Quadrise technology offers solutions that are not constrained by these challenges. They are available immediately, use existing infrastructure and reduce both cost and GHG emissions. MSAR[®] reduces GHG emissions and fuel consumption in diesel engines by up to 10%. bioMSAR[™] reduces GHG emissions by over 20% and outperforms LNG and biodiesel marine fuel blends in terms of lower CO₂ emissions per unit of energy. Other bioMSAR[™] benefits include its water dispersibility, improved safety, and biodegradability. In summary, our technology delivers immediate benefits as we transition towards net-zero fuel solutions, which may become mandatory as early as 2030.

Our Strategy

The Company's strategy is to generate demand primarily amongst the shipping industry and to stimulate supply of our fuels around global marine bunkering hubs. All our projects intend to establish a presence for Quadrise at key hub locations. Our lead projects are approaching major milestones, with the intention of concluding the trials and agreements that will demonstrate MSAR[®] and bioMSAR[™] technology at commercial scale.

Decarbonisation of shipping: MSC

Our flagship project with MSC is a crucial first step in demonstrating the contribution that MSAR[®] and bioMSAR[™] technology can make in decarbonising the shipping sector.

On 6 February 2024, Quadrise announced the signature of a Collaboration Agreement with Cargill and MAC². This is a critical milestone towards the production of MSAR[®] and bioMSAR[™] fuels for the Company's forthcoming vessel trials on board the MSC Leandra. The signature of a binding agreement between Quadrise, MSC and Cargill is expected during the coming weeks, along with associated binding agreements for toll manufacture and fuel supply.

Upon conclusion of these agreements and the receipt of permits by MAC², Quadrise expects to install and commission an MMU and associated equipment at the MAC² bunker facility in Antwerp, Belgium during Q2 2024. MSAR[®] and bioMSAR[™] fuels will then be produced at the MAC² site using feedstocks supplied by Cargill, who will also be responsible for bunkering operations to supply the fuels to the MSC Leandra commencing in Q3 2024.

The operational trial consists of an initial 1-2 month Proof of Concept ("POC") using both MSAR[®] and bioMSAR[™] to develop performance baselines. This will be followed by 4,000 hours of operation on bioMSAR[™] over a period of 6-8 months in order to obtain a Letter of No Objection ("LONO") from Wärtsilä, the engine manufacturer. An interim inspection will be conducted after circa 2,000 hours of operation (3-4 months), and assuming performance is satisfactory, active planning for next steps can continue.

As a result the parties expect to conclude a commercial supply agreement for MSAR[®] and bioMSAR[™] and secure bunker supply operations to MSC by Cargill from MAC² facilities in Antwerp on a permanent basis. In addition to progressing this opportunity with MSC, the Company continues to assess strategic options and partnerships to accelerate commercialisation of both bioMSAR[™] and MSAR[®] within the shipping sector.

Development of bioMSAR[™] and bioMSAR[™] Zero

Despite the immediate and cost-effective carbon reductions that bioMSAR[™] can offer, the requirement for net-zero fuel solutions is pressing, and our solutions must stay ahead of this trajectory. To this end, our development programme is focused on delivering a viable commercial net-zero 'bioMSAR[™] Zero' solution, enabling us to capture this demand opportunity ahead of other more expensive net-zero biofuels.

During the period, the Company has investigated alternative feedstocks to glycerine for bioMSAR[™] including water and oil-soluble biofuels, and we are currently well ahead of our launch target of 2030.

bioMSAR[™] blends containing Vertoro's Crude Sugar Oil ("CSO[™]") reduced CO₂ emissions by over 30% when considering increased engine efficiency of up to 7%, and significantly reduced emissions of Nitrogen Oxides ("NOx") and Carbon Monoxide ("CO") compared with diesel.

New bioMSAR[™] formulations incorporating waste-based methyl esters were shown to reduce CO₂ emissions by over 45%, increase engine efficiency by up to 7%, and reduce NOx and CO emissions significantly when compared with diesel, providing a new potential pathway for bioMSAR[™] Zero.

In June 2023, Quadrise signed a Joint Development Agreement with BTG Bioliquids BV ("BTL") to investigate their proprietary Fast Pyrolysis Bio-oils and sugars as a potential cost-effective renewable feedstock for bioMSAR[™]. Following positive results from this work, Quadrise recently signed a Project Development Agreement with BTL and Euthenia Energy Group Limited ("Euthenia"). A programme of lab and pilot testing, followed by diesel engine testing, is planned leading to a third-party commercial marine vessel trial using this next generation formulation of bioMSAR[™] which also takes us another step closer to bioMSAR[™] Zero.

Projects supporting supply and demand around major marine bunker hubs:

•••• Morocco

The Group's project with the industrial client, a major mining and chemicals company, is designed to stimulate supply of MSAR® in the Mediterranean, a significant region for maritime trade and bunkering due to its strategic location connecting Europe, Asia, and Africa.

In November 2023, Quadrise successfully completed its first ever demonstration of bioMSAR™ in an industrial application. Trial quantities of MSAR® and bioMSAR™ were tested at the client's 'Site-B' facility. The industrial unit was successfully operated at varying loads up to 100%, this being equivalent to 33MW of energy supplied by a single burner, and similar to the energy consumption of a medium-sized container ship. This clearly underscores the credibility of our solutions.

Quadrise submitted a technical report on the test results to the client and the parties have commenced discussions on long-term commercial supply, aiming to sign a fuel supply agreement in H1 2024. The parties are also seeking to increase commercial applications for MSAR® and bioMSAR™ fuels across other facilities and locations. Quadrise has submitted a technical and economic feasibility study for a potential additional paid industrial demonstration test at a second site of the client ('Site A').

•••• Utah

The project with Valkor in Utah, USA, targets the supply of low sulphur MSAR® and bioMSAR™ to the marine and power sectors, with the fuels produced on-site then transported to major ports and power stations.

The oil sands resources at Asphalt Ridge in Utah comprise billions of barrels. Through the application of CO₂ sequestration and proprietary new enhanced oil recovery technology in Utah, the extracted heavy oil is anticipated to have a lower carbon intensity than conventional oils. In addition, the very low sulphur content and other properties of this heavy oil allow it to comply with the International Maritime Organization ("IMO")'s regulations on marine fuel once converted to MSAR® or bioMSAR™. This, notably, without the need for carbon-intensive oil refining. This heavy oil would therefore constitute a low carbon, low sulphur MSAR® or bioMSAR™, meeting the needs of the marine and power sectors.

Following the signature of a Site License and Supply Agreement in June 2023, Valkor now expects to finalise its project financing activities in H1 2024. Upon receipt of at least US\$15 million of project financing, Valkor will pay Quadrise a US\$1.0 million license fee, and a further US\$0.5 million upon delivery of a Quadrise MMU to Valkor's project site. Thereafter, Valkor will pay a quarterly retainer of US\$75,000 for Quadrise engineering, project development and support services for a minimum of two years. Valkor may then choose to purchase the MMU for US\$1.0 million. Commercial trials with end users are targeted to begin in H2 2024.

Valkor is leading operations and development activities across several projects at Asphalt Ridge that could utilise the MMU. It has taken longer than expected for Valkor to secure the required project financing, but there has been steady progress. This remains an important and worthwhile project for the Company as it gives us a presence in North America from which to expand.

•••• Central America

The availability of MSAR® and bioMSAR™ in major marine hubs such as the Panama Canal is seen by the Board as being key to the Group's strategy to decarbonise shipping. The Company's intended project in Central America is to develop demand initially from local power generators, and then to develop a supply base in the region.

In 2023, Quadrise signed a Letter of Intent with Sparkle Power, a power generator in Panama, which outlined mutual intent for a commercial test of MSAR® and bioMSAR™ at Sparkle Power's oil-fired power plant. Due to prolonged drought conditions which have reduced Panama's hydroelectric power supply, Sparkle Power have been running at full capacity and thus not been able to progress trial preparations. As water levels improve, the Company expects agreements to be finalised during H1 2024 to allow testing of MSAR® and bioMSAR™ in H2 2024.

Together with our local agents, we continue to explore other opportunities in the region to create demand and stimulate supply in and around Panama and Honduras, the latter being a large consumer of fuel oil for power generation.

•••• South-East Asia

Singapore is the world's largest bunkering hub, with volumes over three times higher than the second largest hub in ARA (Antwerp, Rotterdam, Amsterdam). Bunkering of biofuel blends in Singapore has tripled in the past year, exceeding 500,000 tonnes in 2023. In line with the Board's strategy, the Company intends to establish a presence in South-East Asia as a supply point for MSAR® and bioMSAR™ to the marine and industrial sectors.

During 2023, Quadrise had discussions with a refinery operator in the region who is interested in conducting a trial using Quadrise technology for internal thermal applications in advance of a potential commercial agreement and supply after the trial. The refinery is well placed close to future bulk oil storage and trading opportunities.

In Summary

In H1 2024, Quadrise expects to make further significant progress on our projects. We expect to complete binding agreements for the MSC vessel trials, commence installation of our MMU and associated equipment at the MAC2 facility, finalise commercial agreements with our client in Morocco, and receive the US\$1.0 million license fee from Valkor upon completion of their project financing.

H2 2024 should see the operational trial commence on board the MSC Leandra, finalisation of supply agreements for Morocco, and on-site trials with samples of heavy sweet oil from Valkor.

The Company's proven, unique MSAR[®] and bioMSAR[™] technology meets the challenge presented by the International Maritime Organisation targets, and the EU Emissions Trading Scheme and associated regulations which now encompass shipping. The positioning of Quadrise as an energy decarbonisation enabler for shipping is an important statement of intent to progress licence agreements and commercial-scale trials, thus leading to supply contracts and commercial revenues. The Board and Management strongly believes that our solutions have never been more relevant than they are today.

Jason Miles
Chief Executive Officer
24 March 2023

Consolidated Statement of Comprehensive Income

For the 6 months ended 31 December 2023

	Note	6 months ended 31 December 2023 Unaudited £'000	6 months ended 31 December 2022 Unaudited £'000	Year ended 30 June 2023 Audited £'000
Continuing operations				
Other income		-	27	-
Production and development costs		(909)	(1,049)	(1,741)
Other administration expenses		(658)	(649)	(1,331)
Share option charge	3	(157)	(77)	(178)
Foreign exchange (loss)/gain		-	(4)	(6)
Operating loss		(1,724)	(1,752)	(3,256)
Finance costs		(2)	(1)	(4)
Finance income		16	4	12
Loss before tax		(1,710)	(1,749)	(3,248)
Taxation		-	-	154
Total comprehensive loss for the period from continuing operations		(1,710)	(1,749)	(3,094)
Loss per share – pence				
Basic	4	(0.11)p	(0.12)p	(0.22)p
Diluted	4	(0.11)p	(0.12)p	(0.22)p

Consolidated Statement of Financial Position

As at 31 December 2023

	Note	As at 31 December 2023 Unaudited £'000	As at 31 December 2022 Unaudited £'000	As at 30 June 2023 Audited £'000
Assets				
Non-current assets				
Property, plant and equipment	5	337	418	374
Intangible assets	6	2,924	2,924	2,924
Non-current assets		3,261	3,342	3,298
Current assets				
Cash and cash equivalents		1,658	2,645	1,342
Trade and other receivables		129	100	89
Prepayments		147	148	119
Inventory		-	126	174
Current assets		1,934	3,019	1,724
TOTAL ASSETS		5,195	6,361	5,022
Equity and liabilities				
Current liabilities				
Trade and other payables		181	270	175
Current liabilities		181	270	175
Equity attributable to equity holders of the parent				
Issued share capital		15,625	14,069	14,069
Share premium		77,353	77,189	77,189
Merger reserve		3,777	3,777	3,777
Share option reserve		868	840	718
Warrant reserve		-	18	-
Reverse acquisition reserve		522	522	522
Accumulated losses		93,131	(90,324)	(91,428)
Total shareholders' equity		5,014	6,091	4,847
TOTAL EQUITY AND LIABILITIES		5,195	6,361	5,022

Consolidated Statement of Changes in Equity

For the 6 months ended 31 December 2023

	Issued share capital £'000	Share premium £'000	Merger reserve £'000	Share option reserve £'000	Warrant reserve £'000	Reverse acquisition reserve £'000	Accumulated losses £'000	Total £'000
As at 1 July 2023	14,069	77,189	3,777	718	-	522	(91,428)	4,847
Loss and total comprehensive loss for the period	-	-	-	-	-	-	(1,710)	(1,710)
Share option charge	-	-	-	157	-	-	-	-
New shares issued net of issue costs	1,556	389	-	-	-	-	-	1,945
Issue costs	-	(225)	-	-	-	-	-	(225)
Transfer of balances relating to expired warrants	-	-	-	(7)	-	-	7	-
Shareholders' equity at 31 December 2023 - unaudited	15,625	77,353	3,777	868	-	522	(93,131)	5,014
As at 1 July 2022	14,069	77,189	3,777	1,151	970	522	(89,915)	7,763
Loss and total comprehensive loss for the period	-	-	-	-	-	-	(1,749)	(1,749)
Share option charge	-	-	-	77	-	-	-	77
Transfer of balances relating to expired share options	-	-	-	(388)	-	-	388	-
Transfer of balances relating to expired warrants	-	-	-	-	(952)	-	952	-
Shareholders' equity at 31 December 2022 - unaudited	14,069	77,189	3,777	840	18	522	(90,324)	6,091
As at 1 January 2023	14,069	77,189	3,777	840	18	522	(90,324)	6,091
Loss and total comprehensive loss for the period	-	-	-	-	-	-	(1,345)	(1,079)
Share option charge	-	-	-	101	-	-	-	101
Transfer of balances relating to expired share options	-	-	-	(223)	-	-	223	-
Transfer of balances relating to expired warrants	-	-	-	-	(18)	-	18	-
Shareholders' equity at 30 June 2023 - audited	14,069	77,189	3,777	718	-	522	(91,428)	4,847

Consolidated Statement of Cash Flows

For the 6 months ended 31 December 2023

	Note	6 months ended 31 December 2023 Unaudited £'000	6 months ended 31 December 2022 Unaudited £'000	Year ended 30 June 2023 Audited £'000
Operating activities				
Loss before tax from continuing operations		(1,710)	(1,749)	(3,248)
Finance costs paid		2	1	4
Finance income received		(16)	(4)	(12)
Depreciation	5	45	57	119
Share option charge	3	157	77	178
Warrant charge			-	-
Working capital adjustments				
Increase/(decrease) in trade and other receivables		(40)	3	14
Increase/(decrease) in prepayments		(28)	29	58
Decrease/(increase) in inventory		174	(126)	(174)
Increase/(decrease) in trade and other payables		6	8	(87)
Cash utilised in operations		(1,410)	(1,704)	(3,148)
Finance costs paid		(2)	(1)	(4)
Taxation received		-	-	154
Net cash outflow from operating activities		(1,412)	(1,705)	(2,998)
Investing activities				
Finance income received		18	4	12
Purchase of fixed assets	5	(8)	(77)	(95)
Net cash outflow from investing activities		8	(73)	(83)
Financing activities				
Issue of ordinary share capital		1,945	-	-
Issue costs		(225)	-	-
Net cash inflow from financing activities		1,720	-	-
Net increase/(decrease) in cash and cash equivalents		316	(1,778)	(3,081)
Cash and cash equivalents at the beginning of the period		1,342	4,423	4,423
Cash and cash equivalents at the end of the period		1,658	2,645	1,342

Notes to the Group Financial Statements

1. General Information

Quadrise (“QED”, “Quadrise”, or the “Company”) and its subsidiaries (together with the Company, the “Group”) are engaged principally to develop markets for its proprietary emulsion fuels, MSAR® and bioMSAR™ as low-cost, more environmentally friendly substitutes for conventional heavy fuel oil for use in power generation plants, industrial and upstream oil applications, and marine diesel engines. The Company’s ordinary shares are quoted on the AIM market of the London Stock Exchange.

QED was incorporated on 22 October 2004 as a limited company under UK Company Law with registered number 05267512. It is domiciled and registered at Eastcastle House, 27-28 Eastcastle Street, London, W1W 8DH.

Risks and uncertainties

The Board continuously assesses and monitors the key risks of the business. The key risks that could affect the Company’s medium term performance and the factors that mitigate those risks have not substantially changed from those set out in the Group’s 30 June 2023 Annual Report and Financial Statements, a copy of which is available on the Company’s website: www.quadrise.com.

Critical accounting estimates

The preparation of interim accounts requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the end of the reporting period. Significant items subject to such estimates are set out in Note 2.4 of the Group’s 30 June 2023 Annual Report and Financial Statements. The nature and amounts of such estimates have not changed significantly during the interim period.

2. Summary of Significant Accounting Policies

2.1 Basis of Preparation

The financial information contained in this results announcement has been prepared on the basis of the accounting policies set out in the statutory financial statements for the year ended 30 June 2023. Whilst the financial information included in this announcement has been prepared in accordance with the recognition and measurement requirements of UK-adopted international accounting standards and the requirements of the Companies Act 2006, this announcement does not itself contain sufficient disclosures to comply with IFRS. The financial information does not constitute the Group’s statutory financial statements for the years ended 30 June 2023 or 30 June 2022, but is derived from those financial statements. Financial statements for the year ended 30 June 2023 have been delivered to the Registrar of Companies and those for the year ended 30 June 2022 will be delivered following the Company’s Annual General Meeting. The auditors’ report on both the 30 June 2023 and 30 June 2022 financial statements were unqualified and did not contain statements under section 498 (2) or (3) of the Companies Act 2006. The auditors’ report on the 30 June 2023 financial statements did draw attention to the material uncertainty related to going concern while the auditors’ report on the 30 June 2022 financial statements did not.

2.2 Going Concern

The Group had a cash balance of 1.7m as at 31 December 2023. The Directors acknowledge that this cash balance is only sufficient to cover the Group’s operating requirements up to early Q3 calendar 2024. These conditions indicate the existence of material uncertainty regarding the Group’s and Company’s ability to continue as a going concern.

The Directors have determined that the continuation of the Group as a going concern is dependent upon successfully raising sufficient funds in the short term, and that they have a reasonable expectation that such funds will be raised. The Directors therefore have determined that it is appropriate to prepare the financial statements on a going concern basis.

These unaudited interim accounts have been prepared in accordance with AIM Rules. In preparing this report, the group has adopted the guidance in the AIM Rules for interim accounts which do not require that the interim condensed group financial statements are prepared in accordance with IAS 34 “Interim financial reporting”.

The interim accounts for the six months ended 31 December 2023 were approved by the Board on 18 March 2024.

The directors do not propose an interim dividend.

3. Share Option charge

On 3 August 2023, the Company granted a total of 13,500,000 options (the 'Performance Options') over new ordinary shares of 1p each in the Company executives and employees of the Company in accordance with the provisions of the Company's Enterprise Management Incentive Plan ("EMI Plan"). The issue of these options follows the lapsing in full of the 11,950,000 options issued by the Company on 27 January 2023 due to the specific performance conditions of those options not having been met. 7,500,000 of the Performance Options were granted to Jason Miles, Chief Executive Officer of the Company.

The Performance Options have an exercise price of 2.5p, and will vest as to 50% on the first anniversary of grant and the remaining 50% shall vest on the second anniversary of the date of grant. All vestings are subject to the satisfaction of specific performance conditions prior to the first anniversary of grant. The Performance Options will be exercisable from vesting until the eighth anniversary of the date of grant.

Additional Options

On 3 September 2023 Quadrise also granted 4,500,000 options over new ordinary shares of 1p each in the Company to Non-Executive Directors of the Company in accordance with the provisions of the Company's Unapproved Share Option Plan 2016 ("2016 Plan") in the amounts set out below (the "Additional Options").

Director	No. of NVOs
Andrew Morrison	2,000,000
Laurie Mutch	1,000,000
Philip Snaith	1,000,000
Dilip Shah	500,000
Total	4,500,000

The Additional Options have an exercise price of 2.5p. There are no performance conditions to the vesting of the Additional Options, which will vest as to 50% on the first anniversary of grant and the remaining 50% shall vest on the second anniversary of the date of grant. The Additional Options will be exercisable from vesting until the eighth anniversary of the date of grant.

Nominal Value Options

On 3 August 2023, the Company granted a total of 35,555,555 nominal value options ('NVOs') over new ordinary shares of 1p each in the Company to executives and employees in accordance with the provisions of the Company's Enterprise Management Incentive Plan ("EMI Plan"). 6,666,667 of the Performance Options were granted to Jason Miles, Chief Executive Officer of the Company.

These Options have an exercise price of 1p, and will vest after 12 months from the date of grant, with vesting not subject to performance conditions. The NVOs will be exercisable from vesting until the tenth anniversary of the date of grant.

The Share Option Schemes are equity settled plans, and fair value is measured at the grant date of the option. Options issued under the Schemes vest over a one-to-three-year period provided the recipient remains an employee of the Group. Options also may be exercised within one year of an employee leaving the Group at the discretion of the Board.

The share option charge for the period was £157k (2023: £77k).

4. Loss Per Share

The calculation of loss per share is based on the following loss and number of shares:

	6 months ended 31 December 2023 Unaudited	6 months ended 31 December 2022 Unaudited	Year ended 30 June 2023 Audited
Loss for the period from continuing operations (£'000s)	(1,710)	(1,749)	(2,598)
Weighted average number of shares:			
Basic	1,541,341,071	1,406,904,968	1,406,904,000
Diluted	1,541,341,071	1,406,904,968	1,406,904,000
Loss per share:			
Basic	(0.11)p	(0.12)p	(0.18)p
Diluted	(0.11)p	(0.12)p	(0.18)p

Basic loss per share is calculated by dividing the loss for the period from continuing operations of the Group by the weighted average number of ordinary shares in issue during the period.

For diluted loss per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potential dilutive options and warrants over ordinary shares. Potential ordinary shares resulting from the exercise of share options and warrants have an anti-dilutive effect due to the Group being in a loss position. As a result, diluted loss per share is disclosed as the same value as basic loss per share.

The 28.8 million exercisable share options issued by the Company and which are outstanding at the period-end could potentially dilute earnings per share in the future if exercised when the Group is in a profit-making position.

5. Property, Plant and Equipment

	Leasehold improvements	Computer equipment	Software	Furniture and Office equipment	Plant and machinery	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
Opening balance – 1 July 2023	89	96	43	24	1,524	1,776
Additions	-	-	-	-	8	8
Closing balance – 31 December 2023	89	96	43	24	1,532	1,784
Depreciation						
Opening balance – 1 July 2023	(79)	(91)	(43)	(16)	(1,173)	(1,402)
Depreciation charge for the period	(2)	(1)	-	-	(42)	(45)
Closing balance – 31 December 2023	(81)	(92)	(43)	(16)	(1,215)	(1,447)
Net book value at 31 December 2023 - unaudited	8	4	-	8	317	337
Cost						
Opening balance – 1 July 2022	89	94	43	16	1,440	1,682
Additions	-	-	-	-	77	77
Closing balance – 31 December 2022	89	94	43	16	1,517	1,759
Depreciation						
Opening balance – 1 July 2022	(76)	(90)	(43)	(16)	(1,059)	(1,284)
Depreciation charge for the period	(1)	(1)	-	-	(55)	(57)
Closing balance – 31 December 2022	(77)	(91)	(43)	(16)	(1,114)	(1,341)
Net book value at 31 December 2022 - unaudited	12	3	-	-	403	418
Cost						
Opening balance – 1 July 2022	89	94	43	16	1,440	1,682
Additions	-	3	-	8	84	95
Disposals	-	(1)	-	-	-	(1)
Closing balance – 30 June 2023	89	96	43	24	1,524	1,776
Depreciation						
Opening balance – 1 July 2022	(76)	(90)	(43)	(16)	(1,059)	(1,284)
Depreciation charge for the year	(3)	(2)	-	-	(114)	(119)
Disposals	-	1	-	-	-	1
Closing balance – 30 June 2023	(79)	(91)	(43)	(16)	(1,173)	(1,402)
Net book value at 30 June 2023 - audited	10	5	-	8	351	374

6. Intangible Assets

	QCC royalty payments £'000	MSAR® trade name £'000	Technology and know-how £'000	Total £'000
Cost				
Balance as at 1 July 2023 and 31 December 2023	7,686	3,100	25,901	36,687
Amortisation and Impairment				
Balance as at 1 July 2023 and 31 December 2023	(7,686)	(176)	(25,901)	(33,763)
Net book value at 31 December 2023 - unaudited	-	2,924	-	2,924
Cost				
Balance as at 1 July 2022 and 31 December 2022	7,686	3,100	25,901	36,687
Amortisation and Impairment				
Balance as at 1 July 2022 and 31 December 2022	(7,686)	(176)	(25,901)	(33,763)
Net book value at 31 December 2022 - unaudited	-	2,924	-	2,924
Cost				
Balance at 1 July 2022 and 30 June 2023	7,686	3,100	25,901	36,687
	-	-	-	-
Amortisation and Impairment				
Balance at 1 July 2022 and 30 June 2023	(7,686)	(176)	(25,901)	(33,763)
Net book value at 30 June 2023 - audited	-	2,924	-	2,924

Intangibles comprise intellectual property with a cost of £36.69m, including assets of finite and indefinite life. QCC royalty payments of £7.69m and the MSAR® trade name of £3.10m are termed as assets having indefinite life as it is assessed that there is no foreseeable limit to the period over which the assets are expected to generate net cash inflows for the Group. The assets with indefinite life are not amortised. The remaining intangibles amounting to £25.90m, primarily made up of technology and know-how, are considered as finite assets and are now fully amortised. The Group does not have any internally generated intangibles.

The Group tests intangible assets annually for impairment, or more frequently if there are indications that they might be impaired. As at 30 June 2023, the QCC royalty payments asset and the technology and know-how asset were fully impaired and the MSAR® trade name asset had a net book value of £2.924m. For the six-month period to 31 December 2023, there was no indication that the MSAR® trade name asset may be impaired.

As a result, the Directors concluded that no impairment is necessary for the six-month period to 31 December 2023.

7. Related Party Transactions

QED defines key management personnel as the Directors of the Company. Other than the issuance of share options to Directors (note 3) there are no transactions with Directors other than their remuneration.

8. Copies of the Interim Accounts

Copies of the interim accounts are available on the Company's website at www.quadrise.com.