



**Quadrise plc**

Company Registration No. 05267512

**Interim Report and Consolidated Financial Statements**

For the 6 month period to 31 December 2024

## **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 2024**

### **Chair’s Statement**

The six-month period ending 31 December 2024 marked a turning point for Quadrise, with key operational milestones achieved. This momentum carried into 2025, with gross proceeds of £6.5 million raised in January via a successful placing and retail offer to provide the Company with the resources required to continue to advance this progress, de-risk operational delivery and prepare for accelerated scale-up of Quadrise technology in marine and other sectors.

Following the fundraise, we welcomed Tony Foster to the board as a non-executive director. Tony brings a wealth of shipping sector experience, networks and growth-company expertise to the table. Vitally, he brings marine regulatory insights and the voice of the customer direct to the Quadrise boardroom. We also welcomed Dr Linda Sørensen to the management team as Head of Marine. Based in Oslo, Norway, Linda brings considerable knowledge of shipping operations and adds management bandwidth to our business development and marine sector marketing activities.

Our technology offering is well-positioned at a crucial moment for the marine industry. In April, the IMO’s Marine Environment Protection Committee (MEPC) is expected to adopt measures which will phase in the mandatory use of fuels with less greenhouse gas (‘GHG’) intensity and introduce a global maritime GHG emissions pricing mechanism. We anticipate that these measures will accelerate decarbonisation in the shipping sector, creating new opportunities for low-carbon fuel and sustainable biofuels such as MSAR® and bioMSAR™. We will monitor developments closely, particularly regarding biomass regulations, to ensure our strategy aligns with emerging compliance frameworks.

With vessel lifetimes often exceeding 20 years, shipowners need cost-effective, scalable solutions to ensure decarbonisation compliance across their existing fleets. We have had markedly increased levels of enquiries from shipowners on the back of the confirmation of our forthcoming trials with MSC and Cargill. We look forward to being able to share further developments once negotiations progress to the agreements stage.

As we set out in our December 2024 Sustainability Report, our bioMSAR™ development programme continues to refine Quadrise solutions to offer low and net-zero carbon solutions that can be scaled without costly port infrastructure upgrades or introducing chemical hazards to onboard operations. Progress with bioMSAR™ Zero (containing 100% biofuel) has been hugely encouraging to date and has further raised awareness of our technology as we expand our business network of potential customers, feedstock suppliers and technology partners.

A further significant milestone was reached in January 2025 with the announcement of an addendum to our Site Licence Agreement with Valkor in Utah, which included the Company’s first commercial licence revenues. This milestone marks the transition of Quadrise to a revenue-generating business, enabling the Company to offer trading updates and results guidance in future and facilitating the publication of more comprehensive broker analysis.

While challenges remain, our progress over the period underscores the scale of the opportunity ahead. Our focus now is on execution—delivering in the short term while preparing for rapid expansion. The board and management are fully committed to this mission, and we are pleased to have you with us on this journey.

### **Financial Position**

At 31 December 2023 the Group had a cash balance of £1.4m. In January 2025, the Group raised additional gross proceeds of £6.53 million, £4.53 million via a Placing and Subscription, and £2.0m via a Retail Offer to existing shareholders. Cash reserves at 28 February 2025 stood at £7.1m.

The Group recorded a loss of £1.7 million for the six months to 31 December 2024 (H2 2023: £1.7 million). This included production and development costs of £0.8 million (H2 2023: £0.9 million) and administration expenses of £0.9 million (H2 2023: £0.7 million).

The basic and diluted loss per share was 0.10p (H2 2023: 0.11p).

The Group's total assets amounted to £5.2 million as at 31 December 2024 (£5.4 million as at 31 December 2023). In addition to the cash and cash equivalents, this included fixed tangible assets (mainly plant and equipment) of £0.4 million and MSAR® trade name of £2.9 million.

The Group has tax losses arising in the UK of approximately £64.7 million (2023: £62.0 million) that are potentially available to be carried forward against future profits.

**Andy Morrison**  
Non-executive Chair  
21 March 2025

## Chief Executive's Statement

### The Energy Transition Opportunity

The shipping industry, responsible for 3% of global GHG emissions, faces pressure to decarbonise. The maritime sector energy transition is accelerating, driven by ambitious targets set by the European Union and the International Maritime Organization (IMO). The IMO's Marine Environment Protection Committee (MEPC) is expected to introduce measures mandating lower GHG intensity fuels and a global maritime GHG emissions pricing mechanism, aiming for net-zero GHG emissions by 2050.

Meanwhile, global trade flows and dynamics are evolving, with proposed U.S. tariffs potentially reshaping shipping patterns and increasing operating costs for Chinese-built ships calling at U.S. ports. If sanctioned, this could impact over 30% of the global shipping fleet and more than 70% of new builds.

Long-term marine fuel solutions such as green ammonia, methanol and hydrogen face safety and infrastructure challenges, as well as high costs. The industry needs practical, scalable, and cost-effective solutions for immediate emissions reductions. Quadrise is well positioned, offering drop-in fuel solutions for existing fleets with minimal investment and offering extended asset life with reduced costs and emissions.

Our patented blending technology produces MSAR® and ISCC certified bioMSAR™ fuels, reducing CO<sub>2</sub> and NO<sub>x</sub> emissions, and energy costs. MSAR® lowers CO<sub>2</sub> by up to 10%, while bioMSAR™ achieves over 25% less CO<sub>2</sub> than standard marine fuels. Both fuels reduce NO<sub>x</sub> emissions by at least 20%, and consumer energy costs by 10% compared with comparable marine fuels and biofuels.

Our modular container-size fuel systems are ready for rapid deployment, providing immediate economic and environmental benefits. Each blending module can manufacture both MSAR® and bioMSAR™, offering a lower-cost solution and the opportunity to transition to sustainable biofuels.

### Key Project Delivery

The execution of our projects is accelerating. Our focus during 2025 is on the completion of the trials and commercial agreements that will showcase MSAR® and bioMSAR™ technology deployment and entry into the commercial phase with major clients.

### Decarbonisation of Global Shipping: MSC & Cargill

The Company's flagship project with MSC Shipmanagement Ltd (MSC), the world's largest shipping container fleet operator, aims to demonstrate the viability of Quadrise fuels in decarbonising shipping. The project involves trials of MSAR® and bioMSAR™ fuels on the MSC Leandra V vessel, leading to commercial supply to MSC. During the trial, Cargill NV will supply the fuel oil and sustainable glycerine feedstocks, handle bunkering operations and supply the fuel from the MAC<sup>2</sup> terminal in Antwerp, Belgium.

Bilateral agreements with each partner are in final form and expected to be concluded soon. Our terminal blending equipment is in the final stages of preparation and testing for delivery and installation in Antwerp next month. The commercial-scale trial is expected to consume around 10,000 tonnes of Quadrise fuels. Once satisfactory progress is demonstrated during the vessel trial, MSC, Cargill, and Quadrise intend to conclude long-term commercial agreements for bioMSAR™ supply.

Quadrise is developing partnerships with other shipping and marine technology companies to accelerate the commercialisation of bioMSAR™ and MSAR®, using its facilities in the Antwerp terminal, and by establishing similar supply points in major marine bunker hubs.

In preparation for scaling the business, Quadrise signed a Collaboration Agreement with Auramarine of Finland in November 2024. Auramarine are known for their international presence and expertise in marine fuel systems. As well as engineering expertise, the collaboration is expected to deliver new sales opportunities, including deployment of the Quadrise patented “blend-on-board” solution for tankers and other vessels that do not operate on regular routes.

### **Supporting projects: Establishing a global supply network**

The availability of MSAR® and bioMSAR™ in major marine hubs will be important for the scaling up of the Company's commercial decarbonisation strategy.

In Morocco, our project with OCP SA aims to establish MSAR® supply in the Mediterranean. A Commercial Framework Agreement was signed in May 2024 for a 30-day paid trial at OCP's Jorf Lasfar site, as a precursor to commercial supply. Following changes in scheduling, OCP switched to an alternative production line and kiln for the trial, requiring the relocation of Quadrise equipment in the site. The trial is now expected to commence in Q2 2025 and joint planning is underway.

As part of the May 2024 agreement, OCP provided a Letter of Intent for long-term commercial supply of MSAR® upon successful trial completion. Quadrise has been able to use this to facilitate discussions with potential supply clients and licensees, and shipping companies such as MSC.

In Panama, Quadrise aims to establish a regional supply base for MSAR® and bioMSAR™. An agreement was signed in December 2024 with Sparkle Power SA, a Panamanian power generator, for a trial at its 50MW El Giral power plant. Under this agreement, Quadrise will instal a 5-tonne-per-hour multi-fuel manufacturing unit (“MMU”) to produce MSAR® and bioMSAR™ for a short trial on-site, supplying power to the Panama electricity grid. This marks the first test on a MAN 4-stroke diesel engine, expanding our application experience with this significant engine manufacturer. Preparations are well underway for trial delivery during Q2 2025.

A successful trial expected to lead to an MSAR® supply agreement with Sparkle and further opportunities within the region. The MMU to be used for the Panama trial is then scheduled to be shipped to Valkor in Utah.

Quadrise continues to work towards creating a Southeast Asia supply point.

### **Upstream: Lower Carbon-Intensive Fuels**

Our project with Valkor in Utah, USA, aims to supply low sulphur MSAR® and bioMSAR™ fuels to the marine and power sectors. Valkor have interests in several projects at the Asphalt Ridge site in Utah and expect to be able to provide commercial volumes of heavy oil for conversion to bioMSAR™ and MSAR® later in 2025, to facilitate site trials by potential customers. Upon success, these would then lead to commercial fuel supply.

The oil extracted by Valkor has lower carbon intensity and very low sulphur content, so is expected to comply with International Maritime Organisation regulations for low sulphur marine fuels once converted to MSAR® or bioMSAR™, without the need for carbon-intensive refining.

In January 2025 Quadrise and Valkor agreed to an addendum to the 2023 Site License and Supply Agreement, under which Valkor have agreed to pay Quadrise:

- A license fee of \$1.0 million, with an initial payment of \$0.35 million and the balance of \$0.65 million by December 2025.
- \$0.2 million for the supply of a 5-tonne-per-hour MMU, with an additional \$0.3 million due upon supply of a full-size 6,000 bpd MMU.
- A quarterly payment of \$75,000 from Q2 2025 for engineering, process design, commissioning services, site operations, compliance support and project development support services for a minimum of two years.

During the last six months, Valkor have been optimising their pilot plant operation to maximise the quality of the produced oil, and have recently shipped a representative sample to Quadrise for analysis, and bioMSAR™ and MSAR® formulation. Fuel marketing to marine and power consumers will commence once test results confirm product quality and supply costs. Quadrise expects to share in the profits of future commercial agreements.

### **bioMSAR™ and bioMSAR™ Zero development**

The Company's pioneering biofuel development programme aims to provide sustainable, efficient, and user-friendly biofuels for the marine and energy sectors, addressing key decarbonisation challenges. The goals include:

- Ensuring adaptability to blend various sustainable biofuel feedstocks.
- Delivering a commercially viable bioMSAR™ Zero (B100) solution before 2030 to comply with future greenhouse gas emission regulations.

In the period under review, significant progress was made:

- Testing bioMSAR™ blends with B30 biofuel showed over 38% CO2 reductions, 3-7% enhanced diesel engine efficiency, and 43-59% NOx emission reductions compared to diesel.
- Developing bioMSAR™ Zero, combining 100% waste-based methyl esters and glycerine, resulted in 85% lower CO2 emissions, 9-10% engine efficiency improvements, and 18% NOx reduction compared to diesel.
- Testing bioMSAR™ formulations with 67% B50 biofuel and 33% water showed 39% lower CO2 emissions, 7-8% engine efficiency improvements, and 29% NOx reduction compared to diesel.

Quadrise is advancing joint development with BTG Bioliquids BV and Vertoro BV to develop bioMSAR™ formulations using pyrolysis sugars and crude sugar oil (CSO™) respectively. A pilot and engine test programme on bioMSAR™ Zero is scheduled, with sea-testing expected later in 2025 with Vertoro and Focus Motor Yachts.

### **Outlook for 2025 and Beyond**

Market and regulatory trends are creating a favourable environment for Quadrise. New environmental regulations, especially in Europe, such as the EU ETS and 'Fit-for-55', are expected to boost biofuel use and technology investment in the shipping sector. As conventional biofuels like biodiesel and renewable diesel face growing demand from other sectors, the need for lower-cost, widely available non-conventional biofuels is likely to rise. These trends, combined with the use of cheaper non-conventional waste-based biofuel feedstocks such as glycerine, should enhance the attractiveness of bioMSAR™ for end-users.

The continued development of bioMSAR™ and net-zero fuel solutions opens exciting opportunities to deploy the unique Quadrise emulsion technology, helping partners and clients achieve a cleaner future at a lower cost, and with a shorter time to market.

With an expanding project pipeline and a growing partner network, momentum is building and Quadrise is ready to play a key role in accelerating the global energy transition. We have taken some important steps during the last six months and much more remains to be done. The Quadrise team are thankful for the support of our loyal and enthusiastic shareholders during this exciting time for the Company.

### **Jason Miles**

Chief Executive Officer  
21 March 2025

## Consolidated Statement of Comprehensive Income

For the 6 months ended 31 December 2024

|                                                                           | Note | 6 months ended<br>31 December<br>2024<br>Unaudited<br>£'000 | 6 months ended<br>31 December<br>2023<br>Unaudited<br>(restated)<br>£'000 | Year ended<br>30 June<br>2024<br>Audited<br>£'000 |
|---------------------------------------------------------------------------|------|-------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------|
| <b>Continuing operations</b>                                              |      |                                                             |                                                                           |                                                   |
| Production and development costs                                          |      | (782)                                                       | (911)                                                                     | (1,461)                                           |
| Other administration expenses                                             |      | (854)                                                       | (661)                                                                     | (1,336)                                           |
| Share option charge                                                       | 3    | (118)                                                       | (157)                                                                     | (260)                                             |
| Warrant charge                                                            |      | -                                                           | -                                                                         | (30)                                              |
| Loss on disposal of fixed assets                                          |      | -                                                           | -                                                                         | (3)                                               |
| Foreign exchange loss                                                     |      | (2)                                                         | -                                                                         | (2)                                               |
| <b>Operating loss</b>                                                     |      | <b>(1,756)</b>                                              | <b>(1,729)</b>                                                            | <b>(3,092)</b>                                    |
| Finance costs                                                             |      | (4)                                                         | (5)                                                                       | (9)                                               |
| Finance income                                                            |      | 17                                                          | 16                                                                        | 32                                                |
| <b>Loss before tax</b>                                                    |      | <b>(1,743)</b>                                              | <b>(1,718)</b>                                                            | <b>(3,069)</b>                                    |
| Taxation                                                                  |      | -                                                           | -                                                                         | 209                                               |
| <b>Total comprehensive loss for the period from continuing operations</b> |      | <b>(1,743)</b>                                              | <b>(1,718)</b>                                                            | <b>(2,860)</b>                                    |

### Loss per share – pence

|         |   |         |         |         |
|---------|---|---------|---------|---------|
| Basic   | 4 | (0.10)p | (0.11)p | (0.18)p |
| Diluted | 4 | (0.10)p | (0.11)p | (0.18)p |

# Consolidated Statement of Financial Position

As at 31 December 2024

|                                                            | Note | As at<br>31 December<br>2024<br>Unaudited<br>£'000 | As at<br>31 December<br>2023<br>Unaudited<br>(restated)<br>£'000 | As at<br>30 June<br>2024<br>Audited<br>£'000 |
|------------------------------------------------------------|------|----------------------------------------------------|------------------------------------------------------------------|----------------------------------------------|
| <b>Assets</b>                                              |      |                                                    |                                                                  |                                              |
| <b>Non-current assets</b>                                  |      |                                                    |                                                                  |                                              |
| Property, plant and equipment                              | 5    | 434                                                | 337                                                              | 388                                          |
| Right of Use assets                                        |      | 98                                                 | 221                                                              | 159                                          |
| Intangible assets                                          | 6    | 2,924                                              | 2,924                                                            | 2,924                                        |
| <b>Non-current assets</b>                                  |      | <b>3,456</b>                                       | <b>3,482</b>                                                     | <b>3,471</b>                                 |
| <b>Current assets</b>                                      |      |                                                    |                                                                  |                                              |
| Cash and cash equivalents                                  |      | 1,386                                              | 1,658                                                            | 3,048                                        |
| Trade and other receivables                                |      | 175                                                | 129                                                              | 118                                          |
| Prepayments                                                |      | 148                                                | 147                                                              | 91                                           |
| <b>Current assets</b>                                      |      | <b>1,709</b>                                       | <b>1,934</b>                                                     | <b>3,257</b>                                 |
| <b>TOTAL ASSETS</b>                                        |      | <b>5,165</b>                                       | <b>5,416</b>                                                     | <b>6,728</b>                                 |
| <b>Equity and liabilities</b>                              |      |                                                    |                                                                  |                                              |
| <b>Current liabilities</b>                                 |      |                                                    |                                                                  |                                              |
| Trade and other payables                                   |      | 356                                                | 181                                                              | 239                                          |
| Lease liabilities                                          |      | 90                                                 | 109                                                              | 102                                          |
| Provision for lease dilapidations                          |      | 56                                                 | 56                                                               | 56                                           |
| <b>Current liabilities</b>                                 |      | <b>502</b>                                         | <b>346</b>                                                       | <b>397</b>                                   |
| <b>Non-current liabilities</b>                             |      |                                                    |                                                                  |                                              |
| Lease liabilities                                          |      | -                                                  | 90                                                               | 43                                           |
| <b>Non-current liabilities</b>                             |      | <b>-</b>                                           | <b>90</b>                                                        | <b>43</b>                                    |
| <b>Equity attributable to equity holders of the parent</b> |      |                                                    |                                                                  |                                              |
| Issued share capital                                       |      | 17,648                                             | 15,625                                                           | 17,648                                       |
| Share premium                                              |      | 77,647                                             | 77,353                                                           | 77,647                                       |
| Merger reserve                                             |      | 3,777                                              | 3,777                                                            | 3,777                                        |
| Share option reserve                                       |      | 834                                                | 868                                                              | 839                                          |
| Warrant reserve                                            |      | 30                                                 | -                                                                | 30                                           |
| Reverse acquisition reserve                                |      | 522                                                | 522                                                              | 522                                          |
| Accumulated losses                                         |      | (95,795)                                           | (93,165)                                                         | (94,175)                                     |
| <b>Total shareholders' equity</b>                          |      | <b>4,663</b>                                       | <b>4,980</b>                                                     | <b>6,288</b>                                 |
| <b>TOTAL EQUITY AND LIABILITIES</b>                        |      | <b>5,165</b>                                       | <b>5,416</b>                                                     | <b>6,728</b>                                 |

## Consolidated Statement of Changes in Equity

For the 6 months ended 31 December 2024

|                                                                                | Issued share<br>capital<br>£'000 | Share<br>premium<br>£'000 | Merger<br>reserve<br>£'000 | Share option<br>reserve<br>£'000 | Warrant<br>reserve<br>£'000 | Reverse<br>acquisition<br>reserve £'000 | Accumulated<br>losses<br>£'000 | Total<br>£'000 |
|--------------------------------------------------------------------------------|----------------------------------|---------------------------|----------------------------|----------------------------------|-----------------------------|-----------------------------------------|--------------------------------|----------------|
| As at 1 July 2024                                                              | 17,648                           | 77,647                    | 3,777                      | 839                              | 30                          | 522                                     | (94,175)                       | 6,288          |
| Loss and total comprehensive<br>loss for the period                            | -                                | -                         | -                          | -                                | -                           | -                                       | (1,743)                        | (1,743)        |
| Share option charge                                                            | -                                | -                         | -                          | 118                              | -                           | -                                       | -                              | 118            |
| Transfer of balances relating<br>to expired warrants                           | -                                | -                         | -                          | (123)                            | -                           | -                                       | 123                            | -              |
| <b>Shareholders' equity at 31<br/>December 2024 - unaudited</b>                | <b>17,648</b>                    | <b>77,647</b>             | <b>3,777</b>               | <b>834</b>                       | <b>30</b>                   | <b>522</b>                              | <b>(95,795)</b>                | <b>4,663</b>   |
| As at 1 July 2023 (restated)                                                   | 14,069                           | 77,189                    | 3,777                      | 718                              | -                           | 522                                     | (91,454)                       | 4,821          |
| Loss and total comprehensive<br>loss for the period                            | -                                | -                         | -                          | -                                | -                           | -                                       | (1,718)                        | (1,718)        |
| Share option charge                                                            | -                                | -                         | -                          | 157                              | -                           | -                                       | -                              | 157            |
| New shares issued net of issue<br>costs                                        | 1,556                            | 389                       | -                          | -                                | -                           | -                                       | -                              | 1,945          |
| Issue costs                                                                    | -                                | (225)                     | -                          | -                                | -                           | -                                       | -                              | (225)          |
| Transfer of balances relating to<br>expired warrants                           | -                                | -                         | -                          | (7)                              | -                           | -                                       | 7                              | -              |
| <b>Shareholders' equity at 31<br/>December 2023 – unaudited<br/>(restated)</b> | <b>15,625</b>                    | <b>77,353</b>             | <b>3,777</b>               | <b>868</b>                       | <b>-</b>                    | <b>522</b>                              | <b>(93,165)</b>                | <b>4,980</b>   |
| As at 1 January 2024                                                           | 15,625                           | 77,353                    | 3,777                      | 868                              | -                           | 522                                     | (93,165)                       | 4,980          |
| Loss and total comprehensive<br>loss for the period                            | -                                | -                         | -                          | -                                | -                           | -                                       | (1,142)                        | (1,142)        |
| Share option charge                                                            | -                                | -                         | -                          | 103                              | -                           | -                                       | -                              | 103            |
| New shares issued net of issue<br>costs                                        | 2,023                            | 506                       | -                          | -                                | -                           | -                                       | -                              | 2,529          |
| Issue costs                                                                    | -                                | (212)                     | -                          | -                                | -                           | -                                       | -                              | (212)          |
| New warrants issued                                                            | -                                | -                         | -                          | -                                | 30                          | -                                       | -                              | 30             |
| Transfer of balances relating to<br>expired share options                      | -                                | -                         | -                          | (139)                            | -                           | -                                       | 139                            | -              |
| <b>Shareholders' equity at 30<br/>June 2024 - audited</b>                      | <b>17,648</b>                    | <b>77,647</b>             | <b>3,777</b>               | <b>839</b>                       | <b>30</b>                   | <b>522</b>                              | <b>(94,175)</b>                | <b>6,288</b>   |

## Consolidated Statement of Cash Flows

For the 6 months ended 31 December 2024

|                                                             | Note | 6 months ended<br>31 December<br>2024<br>Unaudited<br>£'000 | 6 months ended<br>31 December<br>2023<br>Unaudited<br>(restated)<br>£'000 | Year ended<br>30 June<br>2024<br>Audited<br>£'000 |
|-------------------------------------------------------------|------|-------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------|
| <b>Operating activities</b>                                 |      |                                                             |                                                                           |                                                   |
| Loss before tax from continuing operations                  |      | (1,743)                                                     | (1,718)                                                                   | (3,069)                                           |
| Depreciation                                                | 5    | 98                                                          | 107                                                                       | 205                                               |
| Loss on disposal of fixed assets                            |      | -                                                           | -                                                                         | 3                                                 |
| Finance costs paid                                          |      | 4                                                           | 5                                                                         | 9                                                 |
| Finance income received                                     |      | (17)                                                        | (16)                                                                      | (32)                                              |
| Share option charge                                         | 3    | 118                                                         | 157                                                                       | 260                                               |
| Warrant charge                                              |      | -                                                           | -                                                                         | 30                                                |
| <b>Working capital adjustments</b>                          |      |                                                             |                                                                           |                                                   |
| Increase in trade and other receivables                     |      | (57)                                                        | (40)                                                                      | (29)                                              |
| (Increase)/decrease in prepayments                          |      | (57)                                                        | (28)                                                                      | 28                                                |
| Increase in trade and other payables                        |      | 117                                                         | 6                                                                         | 64                                                |
| Decrease in inventory                                       |      | -                                                           | 174                                                                       | 174                                               |
| <b>Cash utilised in operations</b>                          |      | <b>(1,537)</b>                                              | <b>(1,353)</b>                                                            | <b>(2,357)</b>                                    |
| Finance costs paid                                          |      | (4)                                                         | (5)                                                                       | (9)                                               |
| Taxation received                                           |      | -                                                           | -                                                                         | 209                                               |
| <b>Net cash outflow from operating activities</b>           |      | <b>(1,541)</b>                                              | <b>(1,358)</b>                                                            | <b>(2,157)</b>                                    |
| <b>Investing activities</b>                                 |      |                                                             |                                                                           |                                                   |
| Finance income received                                     |      | 17                                                          | 16                                                                        | 32                                                |
| Purchase of fixed assets                                    | 5    | (83)                                                        | (8)                                                                       | (98)                                              |
| <b>Net cash (outflow)/inflow from investing activities</b>  |      | <b>(66)</b>                                                 | <b>8</b>                                                                  | <b>(66)</b>                                       |
| <b>Financing activities</b>                                 |      |                                                             |                                                                           |                                                   |
| Issue of ordinary share capital                             |      | -                                                           | 1,945                                                                     | 4,474                                             |
| Issue costs                                                 |      | -                                                           | (225)                                                                     | (437)                                             |
| Payment of lease liabilities                                |      | (55)                                                        | (54)                                                                      | (108)                                             |
| <b>Net cash (outflow)/inflow from financing activities</b>  |      | <b>(55)</b>                                                 | <b>1,666</b>                                                              | <b>3,929</b>                                      |
| <b>Net (decrease)/increase in cash and cash equivalents</b> |      | <b>(1,662)</b>                                              | <b>316</b>                                                                | <b>1,706</b>                                      |
| Cash and cash equivalents at the beginning of the period    |      | 3,048                                                       | 1,342                                                                     | 1,342                                             |
| <b>Cash and cash equivalents at the end of the period</b>   |      | <b>1,386</b>                                                | <b>1,658</b>                                                              | <b>3,048</b>                                      |

# 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 2024 Annual Report and Financial Statements, a copy of which is available on the Company’s website: [www.quadrise.com](http://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 2024 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 2024. 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 2024 or 30 June 2023, but is derived from those financial statements. Financial statements for the year ended 30 June 2024 have been delivered to the Registrar of Companies and those for the year ended 30 June 2025 will be delivered following the Company’s Annual General Meeting. The auditors’ report on both the 30 June 2024 and 30 June 2023 financial statements were unqualified and did not contain statements under section 498 (2) or (3) of the Companies Act 2006. The auditors’ reports on the 30 June 2024 and 30 June 2023 financial statements did draw attention to a material uncertainty related to going concern.

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 2024 were approved by the Board on 21 March 2025.

The directors do not propose an interim dividend.

### 2.2 Going Concern

As at 31 December 2024 the Group had a cash balance of £1.4m. In January 2025, the Group raised additional gross proceeds of £6.53 million, £4.53m via a Placing and Subscription, and £2.0m via a Retail Offer to existing shareholders.

The funds raised, together with the existing cash balance, are anticipated to be sufficient for the Group to achieve commercial revenues and sustainable positive cashflows, which are expected to begin in Q3 2026. This expectation is based on the Group’s business model, budget, business plan, and sensitivity analysis, all of which have been reviewed and approved by the Board. The business model outlines projected Group cashflows through to 30 June 2033, while the budget and business plan provide a detailed outlook for the next two financial years.

The model incorporates financial projections for each project opportunity considered to have a realistic likelihood of progressing, taking into account assumptions regarding (i) the chosen operating model (licensing, tolling, or merchant), (ii) the equity stake held in each venture, (iii) costs related to chemicals and equipment, (iv) margins, and (v) growth rates. These assumptions are informed by the latest market intelligence, agreements with counterparties, and the current status of discussions. Consequently, the Directors have a reasonable basis to believe that the Group’s portfolio of projects and business opportunities will generate commercially sustainable revenues in the near future.

The Directors highlight the ongoing strong levels of engagement with partners, potential clients, and project stakeholders worldwide during the period, following the signature of key agreements including those with MSC, Cargill, Valkor and Sparkle as outlined in the Chief Executive’s statement. The Directors believe that the economic and environmental benefits of MSAR® and bioMSAR™ are becoming increasingly compelling, particularly in times of global uncertainty, as counterparties seek both cost savings and enhanced environmental performance.

Based on the rationale for the key assumptions outlined above, the Directors have therefore made the judgement that the financial statements should be prepared on a going concern basis.

### 3. Share Option charge

On 1 August 2024, the Company granted a total of 13,880,000 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") and the Company's Unapproved Share Option Plan 2016 ("2016 Plan"). The issue of these options follows the lapsing in full of the 13,500,000 options issued by the Company on 3 August 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 1 August 2024 Quadrise also granted 6,000,000 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 2016 Plan in the amounts set out below (the "Additional Options").

| Director         | No. of Options   |
|------------------|------------------|
| Andrew Morrison  | 3,000,000        |
| Laurie Mutch     | 1,500,000        |
| Vicky Boiten Lee | 1,500,000        |
| <b>Total</b>     | <b>6,000,000</b> |

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 1 August 2024, the Company granted a total of 4,195,804 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 EMI Plan.

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 £118k (2023: £157k).

### 4. Loss Per Share

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

|                                                         | <b>6 months ended<br/>31 December<br/>2024<br/>Unaudited</b> | <b>6 months ended<br/>31 December<br/>2023<br/>Unaudited</b> | <b>Year ended<br/>30 June<br/>2024<br/>Audited</b> |
|---------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|----------------------------------------------------|
| Loss for the period from continuing operations (£'000s) | <b>(1,743)</b>                                               | (1,718)                                                      | (2,860)                                            |
| Weighted average number of shares:                      |                                                              |                                                              |                                                    |
| Basic                                                   | <b>1,764,714,550</b>                                         | 1,541,341,071                                                | 1,600,731,743                                      |
| Diluted                                                 | <b>1,764,714,550</b>                                         | 1,541,341,071                                                | 1,600,731,743                                      |
| Loss per share:                                         |                                                              |                                                              |                                                    |
| <b>Basic</b>                                            | <b>(0.10)p</b>                                               | (0.11)p                                                      | (0.18)p                                            |
| <b>Diluted</b>                                          | <b>(0.10)p</b>                                               | (0.11)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 64.0 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<br>improvements<br>£'000 | Computer<br>equipment<br>£'000 | Software<br>£'000 | Furniture<br>and Office<br>equipment<br>£'000 | Plant and<br>machinery<br>£'000 | Total<br>£'000 |
|-------------------------------------------------------|------------------------------------|--------------------------------|-------------------|-----------------------------------------------|---------------------------------|----------------|
| <b>Cost</b>                                           |                                    |                                |                   |                                               |                                 |                |
| Opening balance – 1 July 2024                         | 89                                 | 97                             | 23                | 24                                            | 1,557                           | 1,790          |
| Additions                                             | -                                  | 3                              | -                 | -                                             | 80                              | 83             |
| <b>Closing balance – 31 December 2024</b>             | <b>89</b>                          | <b>100</b>                     | <b>23</b>         | <b>24</b>                                     | <b>1,637</b>                    | <b>1,873</b>   |
| <b>Depreciation</b>                                   |                                    |                                |                   |                                               |                                 |                |
| Opening balance – 1 July 2024                         | (82)                               | (93)                           | (23)              | (17)                                          | (1,187)                         | (1,402)        |
| Depreciation charge for the period                    | (2)                                | (1)                            | -                 | -                                             | (34)                            | (37)           |
| <b>Closing balance – 31 December 2024</b>             | <b>(84)</b>                        | <b>(94)</b>                    | <b>(23)</b>       | <b>(17)</b>                                   | <b>(1,221)</b>                  | <b>(1,439)</b> |
| <b>Net book value at 31 December 2024 - unaudited</b> | <b>5</b>                           | <b>6</b>                       | <b>-</b>          | <b>7</b>                                      | <b>416</b>                      | <b>434</b>     |
| <b>Cost</b>                                           |                                    |                                |                   |                                               |                                 |                |
| Opening balance – 1 July 2023                         | 89                                 | 96                             | 43                | 24                                            | 1,524                           | 1,776          |
| Additions                                             | -                                  | -                              | -                 | -                                             | 8                               | 8              |
| <b>Closing balance – 31 December 2023</b>             | <b>89</b>                          | <b>96</b>                      | <b>43</b>         | <b>24</b>                                     | <b>1,532</b>                    | <b>1,784</b>   |
| <b>Depreciation</b>                                   |                                    |                                |                   |                                               |                                 |                |
| Opening balance – 1 July 2023                         | (79)                               | (91)                           | (43)              | (16)                                          | (1,173)                         | (1,402)        |
| Depreciation charge for the period                    | (2)                                | (1)                            | -                 | -                                             | (42)                            | (45)           |
| <b>Closing balance – 31 December 2023</b>             | <b>(81)</b>                        | <b>(92)</b>                    | <b>(43)</b>       | <b>(16)</b>                                   | <b>(1,215)</b>                  | <b>(1,447)</b> |
| <b>Net book value at 31 December 2023 - unaudited</b> | <b>8</b>                           | <b>4</b>                       | <b>-</b>          | <b>8</b>                                      | <b>317</b>                      | <b>337</b>     |
| <b>Cost</b>                                           |                                    |                                |                   |                                               |                                 |                |
| Opening balance – 1 July 2023                         | 89                                 | 96                             | 43                | 24                                            | 1,524                           | 1,776          |
| Additions                                             | -                                  | 1                              | -                 | -                                             | 97                              | 98             |
| Disposals                                             | -                                  | -                              | (20)              | -                                             | (64)                            | (84)           |
| <b>Closing balance – 30 June 2024</b>                 | <b>89</b>                          | <b>97</b>                      | <b>23</b>         | <b>24</b>                                     | <b>1,557</b>                    | <b>1,790</b>   |
| <b>Depreciation</b>                                   |                                    |                                |                   |                                               |                                 |                |
| Opening balance – 1 July 2023                         | (79)                               | (91)                           | (43)              | (16)                                          | (1,173)                         | (1,402)        |
| Depreciation charge for the year                      | (3)                                | (2)                            | -                 | (1)                                           | (75)                            | (81)           |
| Disposals                                             | -                                  | -                              | 20                | -                                             | 61                              | 81             |
| <b>Closing balance – 30 June 2024</b>                 | <b>(82)</b>                        | <b>(93)</b>                    | <b>(23)</b>       | <b>(17)</b>                                   | <b>(1,187)</b>                  | <b>(1,402)</b> |
| <b>Net book value at 30 June 2024 - audited</b>       | <b>7</b>                           | <b>4</b>                       | <b>-</b>          | <b>7</b>                                      | <b>370</b>                      | <b>388</b>     |

## 6. Lease Obligations

The Group follows IFRS 16 with respect to its leases, whereby the Group recognises right-of-use assets and lease liabilities for all leases on its balance sheet. Quadrise Plc and Quadrise International Limited have agreements for the lease of the Group head office and the Quadrise Research Facility respectively, to which IFRS 16 has been applied.

| Amounts recognised in the statement of financial position relating to leases: | 31 December<br>2024<br>£'000s | 31 December<br>2023<br>£'000s |
|-------------------------------------------------------------------------------|-------------------------------|-------------------------------|
| <b>Right of Use Assets</b>                                                    |                               |                               |
| Property leases                                                               | 98                            | 221                           |
| <b>Provisions</b>                                                             |                               |                               |
| Provision for lease dilapidations                                             | 56                            | 56                            |
| <b>Lease liabilities</b>                                                      |                               |                               |
| Liability falls due within 1 year                                             | 90                            | 109                           |
| Liability falls due within 1-3 years                                          | -                             | 90                            |
| <b>Total</b>                                                                  | <b>90</b>                     | <b>199</b>                    |

Additions to right of use assets during the financial year were £nil (2023: £276k)

### Provision for lease dilapidations

The Group and Company are required to restore the leased premises of its head office and research facility to their original condition at the end of the respective lease terms. A provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvements. These costs have been capitalised as part of the cost of leasehold improvements and are amortised over the shorter of the term of the lease and the useful life of the assets.

Amounts recognised in the statement of comprehensive income relating to leases:

|                                            | 6 months<br>ended 31<br>December<br>2024<br>£'000s | 6 months<br>ended 31<br>December<br>2023<br>£'000s |
|--------------------------------------------|----------------------------------------------------|----------------------------------------------------|
| Depreciation charge of right of use assets | 62                                                 | 62                                                 |
| Interest expense                           | 2                                                  | 3                                                  |
| Total cash outflow for leases              | (55)                                               | (54)                                               |

## 7. Intangible Assets

|                                                       | QCC royalty<br>payments<br>£'000 | MSAR <sup>®</sup> trade<br>name<br>£'000 | Technology and<br>know-how<br>£'000 | Total<br>£'000 |
|-------------------------------------------------------|----------------------------------|------------------------------------------|-------------------------------------|----------------|
| <b>Cost</b>                                           |                                  |                                          |                                     |                |
| Balance as at 1 July 2024 and 31 December 2024        | 7,686                            | 3,100                                    | 25,901                              | 36,687         |
| <b>Amortisation and Impairment</b>                    |                                  |                                          |                                     |                |
| Balance as at 1 July 2024 and 31 December 2024        | (7,686)                          | (176)                                    | (25,901)                            | (33,763)       |
| <b>Net book value at 31 December 2024 - unaudited</b> | -                                | 2,924                                    | -                                   | 2,924          |

|                                                       |         |       |          |          |
|-------------------------------------------------------|---------|-------|----------|----------|
| <b>Cost</b>                                           |         |       |          |          |
| Balance as at 1 July 2023 and 31 December 2023        | 7,686   | 3,100 | 25,901   | 36,687   |
| <b>Amortisation and Impairment</b>                    |         |       |          |          |
| Balance as at 1 July 2023 and 31 December 2023        | (7,686) | (176) | (25,901) | (33,763) |
| <b>Net book value at 31 December 2023 - unaudited</b> | -       | 2,924 | -        | 2,924    |

|                                                 |         |       |          |          |
|-------------------------------------------------|---------|-------|----------|----------|
| <b>Cost</b>                                     |         |       |          |          |
| Balance at 1 July 2023 and 30 June 2024         | 7,686   | 3,100 | 25,901   | 36,687   |
|                                                 | -       | -     | -        | -        |
| <b>Amortisation and Impairment</b>              |         |       |          |          |
| Balance at 1 July 2023 and 30 June 2024         | (7,686) | (176) | (25,901) | (33,763) |
| <b>Net book value at 30 June 2024 - audited</b> | -       | 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<sup>®</sup> 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 2024, the QCC royalty payments asset and the technology and know-how asset were fully impaired and the MSAR<sup>®</sup> trade name asset had a net book value of £2.924m. For the six-month period to 31 December 2024, there was no indication that the MSAR<sup>®</sup> 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 2024.

## 8. 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.

## 9. Prior year restatement

Under IFRS 16, the disclosures and accounting treatment of leases required under this standard should have been adopted for the period ended 31 December 2023. The comparative figures for the year ended 31 December 2023 have been therefore been restated to reflect the correct accounting treatment.. Each of the affected financial statement line items for the prior periods has been restated as follows:

| Consolidated Statement of Comprehensive Income | 31 December 2023<br>£'000 | Increase/(decrease) | 31 December 2023<br>(restated) £'000 |
|------------------------------------------------|---------------------------|---------------------|--------------------------------------|
|                                                |                           |                     |                                      |
| Production and development cost                | (909)                     | (2)                 | (911)                                |
| Other administrative expenses                  | (658)                     | (3)                 | (661)                                |
| Finance costs                                  | (2)                       | (3)                 | (5)                                  |
| Loss before tax                                | (1,710)                   | (8)                 | (1,718)                              |

| Consolidated Statement of Financial Position   | 31 December 2023<br>£'000 | Increase/(decrease) | 31 December 2023<br>(restated) £'000 |
|------------------------------------------------|---------------------------|---------------------|--------------------------------------|
|                                                |                           |                     |                                      |
| Right of use assets                            | -                         | 221                 | 221                                  |
| Provision for lease dilapidations              | -                         | (56)                | (56)                                 |
| Lease liabilities due in less than one year    | -                         | (109)               | (109)                                |
| Lease liabilities due in greater than one year | -                         | (90)                | (90)                                 |
| Accumulated losses                             | (93,131)                  | (34)                | (93,165)                             |

| Consolidated Statement of Changes in Equity    | 31 December 2023<br>£'000 | Increase/(decrease) | 31 December 2023<br>(restated) £'000 |
|------------------------------------------------|---------------------------|---------------------|--------------------------------------|
|                                                |                           |                     |                                      |
| Accumulated losses as at 1 July 2023           | (93,131)                  | (34)                | (93,165)                             |
| Loss and total comprehensive loss for the year | (1,710)                   | (8)                 | (1,718)                              |

| Consolidated Statement of Cash Flows       | 31 December 2023<br>£'000 | Increase/(decrease) | 31 December 2023<br>(restated) £'000 |
|--------------------------------------------|---------------------------|---------------------|--------------------------------------|
|                                            |                           |                     |                                      |
| Loss before tax from continuing operations | (1,710)                   | (8)                 | (1,718)                              |
| Depreciation                               | 45                        | 62                  | 107                                  |
| Finance costs paid                         | 2                         | 3                   | 5                                    |
| Payment of lease liabilities               | -                         | (54)                | (54)                                 |

#### 10. Events After the End of the Reporting Period

On 24 January 2025 the Company raised total gross proceeds of £4.53 million pursuant to a Placing and Subscription of 151,000,000 New Ordinary Shares at a price of 3.0 pence per share. On 31 January 2025, additional gross proceeds of £2.0 million were raised from a Retail Offer to qualifying shareholders for a total of 66,666,666 New Ordinary Shares at a price of 3.0 pence per share. The Placing, Subscription and subsequent Retail Offer raised a total of £6.53 million (before expenses) for the Company.

#### 11. Copies of the Interim Accounts

Copies of the interim accounts are available on the Company's website at [www.quadrise.com](http://www.quadrise.com).