ANNUAL REPORT & ACCOUNTS

FOR THE YEAR ENDING 30 JUNE 2024

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HIGHLIGHTS

Quadrise completed 2023-24 with strong momentum and is preparing to play its part in accelerating the global transition away from fossil fuels. Energy economics, environmental considerations, and emissions regulations are increasingly driving the business case for MSAR® and bioMSAR™ technology. With positive market conditions, the Company is well-positioned to progress commercial trials with industry majors and build on traction gained during the period with new potential clients while advancing biofuel options for bioMSAR™ production and net-zero solutions.

- The pending agreement with MSC and Cargill will formally kick off activities at the MAC^2 terminal during Q4 2024 in readiness for the Q1 2025 MSC vessel trial, which will be followed by commercial supply upon success.

- Our team is now preparing to carry out the OCP commercial trial in Morocco and has commenced discussions with candidate suppliers for long-term commercial MSAR® supply upon success.

- Valkor has now commenced oil production and has received approval for future drilling. Upon successful conclusion of their project financing programme, the MSAR® site license and planned equipment delivery to Valkor will be finalised for commercial fuel supply.

- Testing on bioMSAR™ blends with increasingly lower concentrations of fossil fuel shows promising results. Quadrise intends to demonstrate a commercially viable bioMSAR™ Zero 100% sustainable biofuel well ahead of the Company's initial 2030 target.

PROVEN TECHNOLOGY

Our technology draws on over 30 years of experience in the production of oil-in-water emulsion-based fuels. MSAR® and bioMSAR™ are direct substitutes for fuel oil (also called Heavy Fuel Oil or "HFO") and biofuel respectively, and we have established a strong reputation with market leading companies.

HFO vs MSAR® and bioMSAR™

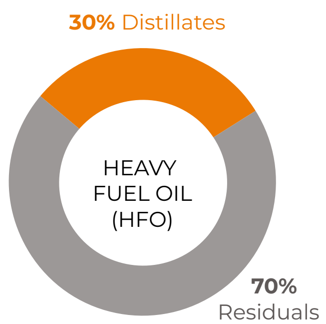
Crude oil production and refining often result in heavy residual oils that require expensive refined distillates to reduce viscosity and meet pipeline and HFO specifications. HFO is sold at a discount to crude oil, resulting in a loss for the producer.

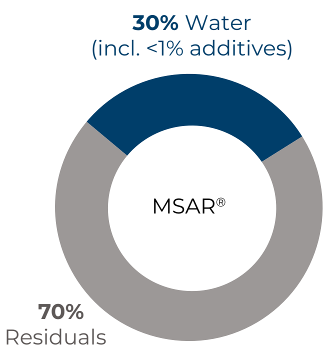
Our technology is a potential game changer for oil refiners and heavy oil producers. It frees up valuable distillates traditionally used for fuel viscosity control, increasing profitability. This is achieved rapidly and without incurring significant expenditure or costs – which differentiates our technology from alternative upgrading solutions.

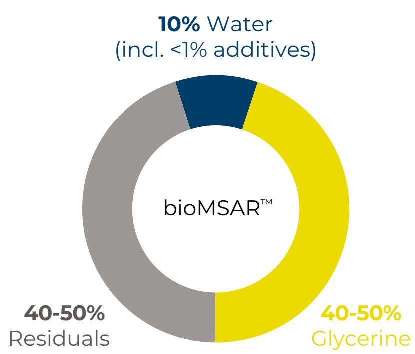
Cost-effective MSAR® technology enables additives and water to replace these high value distillates, which can then be sold at a premium. MSAR® technology can also be used to produce bioMSAR™ which incorporates renewable fuel-grade glycerine to provide an economic biofuel solution offering over 20% lower CO_2 emissions today.

Quadrise is further developing our bioMSAR™ technology to incorporate a number of other potential low-carbon / carbon negative[1] feedstocks, to produce bioMSAR™ Zero, a Net Zero fuel.

Cost effective MSAR® technology enables additives and water to replace high value distillates, which can then be sold at a premium.







[1] Feedstocks from products that have a net effect of removing carbon dioxide from the atmosphere rather than adding it, over their lifecycle.

Both MSAR® and bioMSAR™ fuels are extremely stable, with storage and handling possible at ambient conditions which is a significant difference from HFO that has to be continually heated. MSAR® and bioMSAR™ from different refineries are compatible with each other and with a variety of hydrocarbons, and they are transported using existing fuel infrastructure.

Economic Benefits

Because premium distillate fuels are replaced with low-cost water and a small amount (<1%) of additives, a higher proportion of the valuable components of the oil barrel can be sold as higher-margin refined products.

In a refinery producing HFO, typically just 50-60% of the crude processed is sold as premium value transport oils, whereas in a refinery producing MSAR® or bioMSAR™, this can increase to up to 70%.

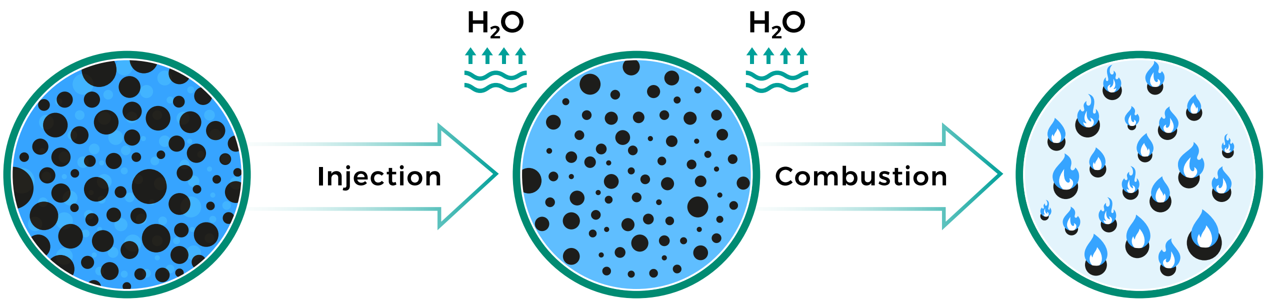
Quadrise's technology is modular and can be integrated for production in under 12 months, with any tie-ins incorporated into scheduled maintenance shutdowns.

Environmental Benefits

MSAR® and bioMSAR™ fuel solve key environmental problems including CO_2, Black Soot, NOx & SOx.

Our fuels offer enhanced combustion performance when compared to conventional fuel oil due to their inherent physical characteristics; pre-atomised micro fuel droplets suspended in water.

This results in less ash and black carbon particulate matter (PM) and nitrogen oxide (NOx) reductions of typically 30%, significant in improving local air quality and lowering the global warming potential of fuel oil use. In addition, bioMSAR™ offers reductions of over 20% in CO_2 emissions due to its incorporation of renewable glycerine and improved engine efficiency.



The water phase carries tiny atomised oil droplets, 5-10 microns which are invisible to the human eye.

The water evaporates, dispersing the oil droplets to sub-micron sizes.

Nano droplets combust completely, providing near-perfect energy conversion.

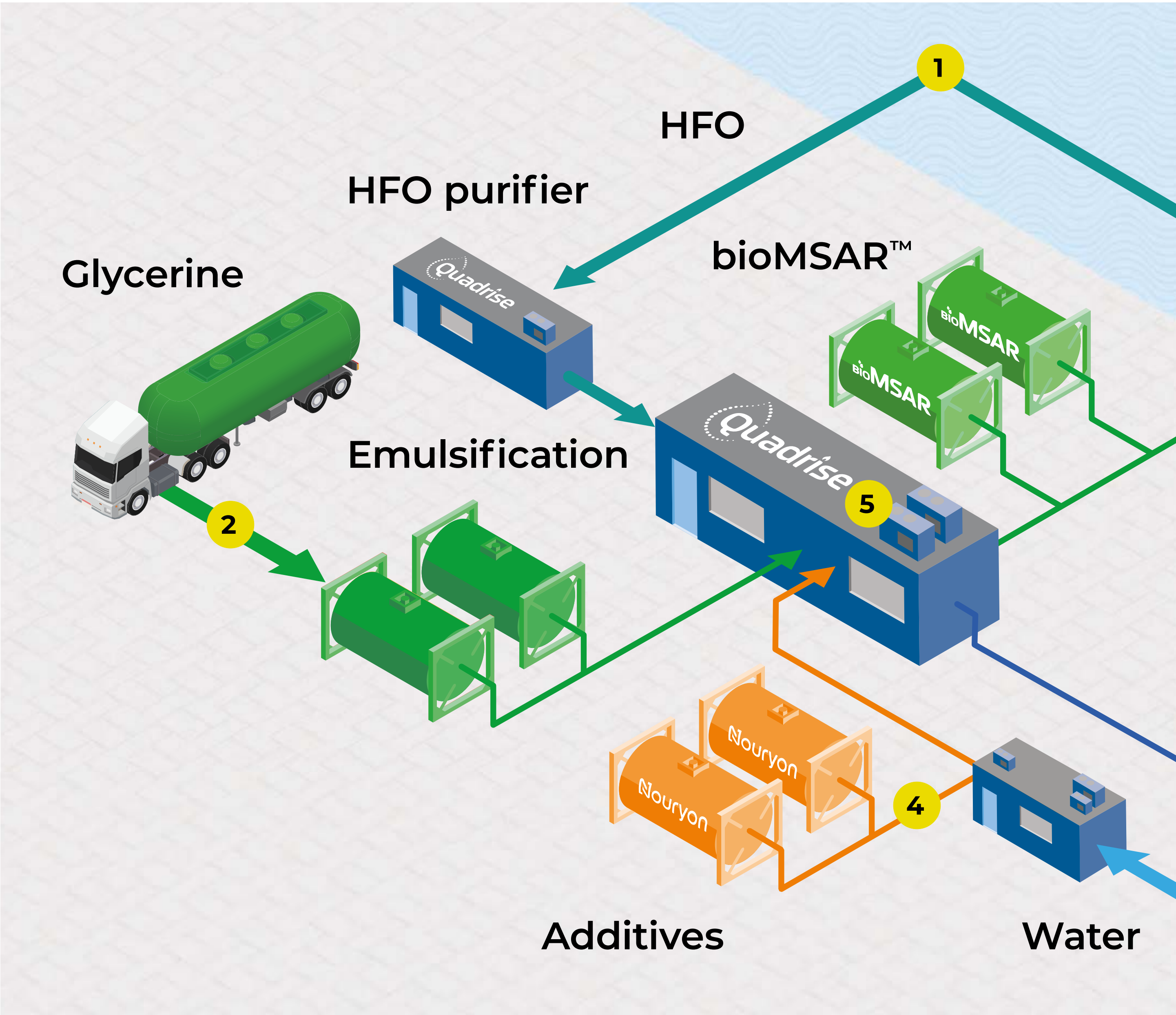
Overview: Quadrise MAC² Terminal System for MSC Vessel Trials

MSAR® and bioMSAR™ for the forthcoming vessel trials on the MSC Leandra V will be manufactured at the MAC² terminal in Antwerp, Belgium.

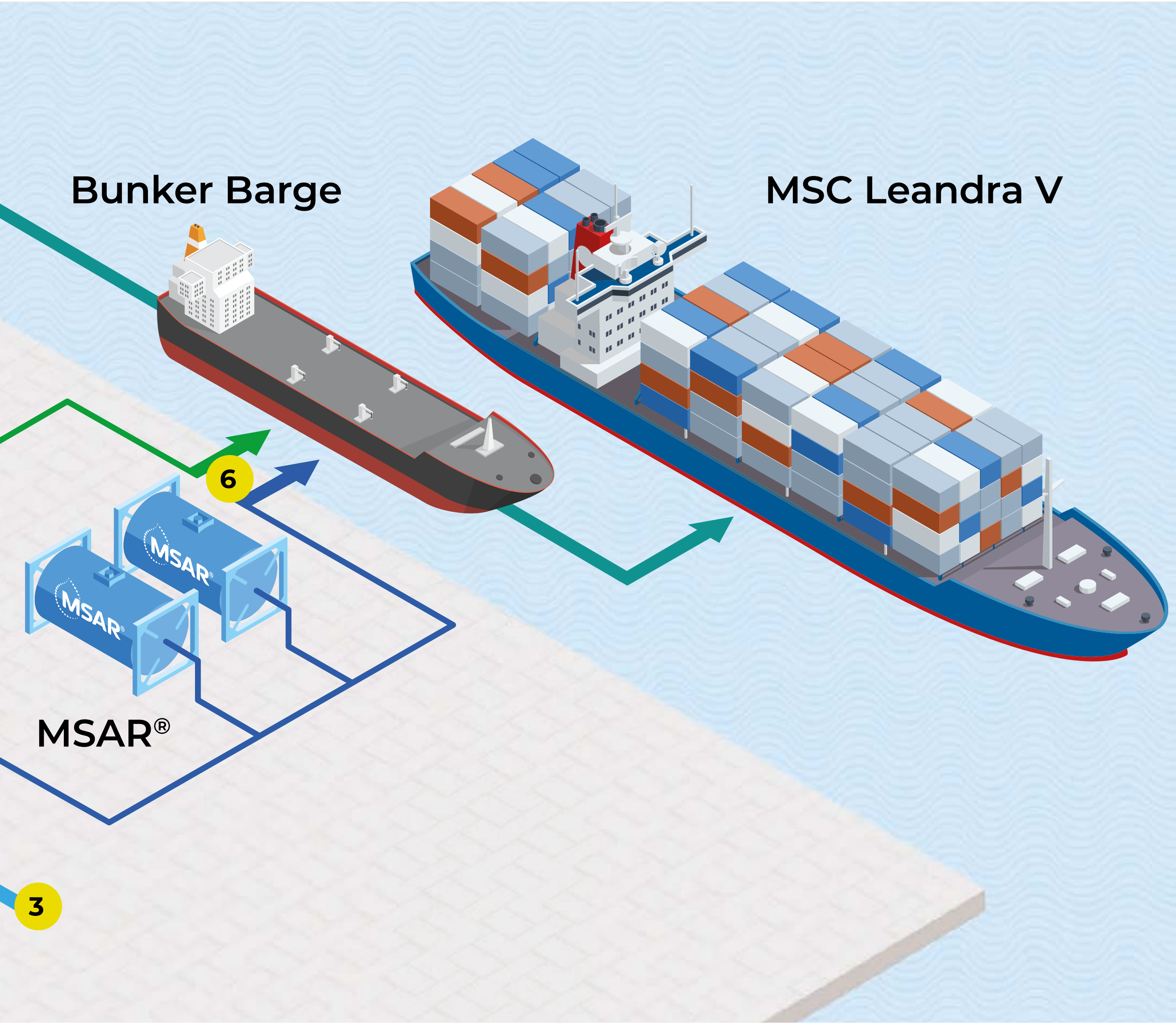
Our modular technology takes approximately 3 months to install, resulting in a low cost terminal solution. The Quadrise production process is as follows:

1. Heavy fuel oil ('HFO') is shipped to the MAC² site via barge, and any impurities are removed using a purifier system (centrifuges and filters) before being supplied to the proprietary Quadrise multi-fuel manufacturing unit ('MMU').

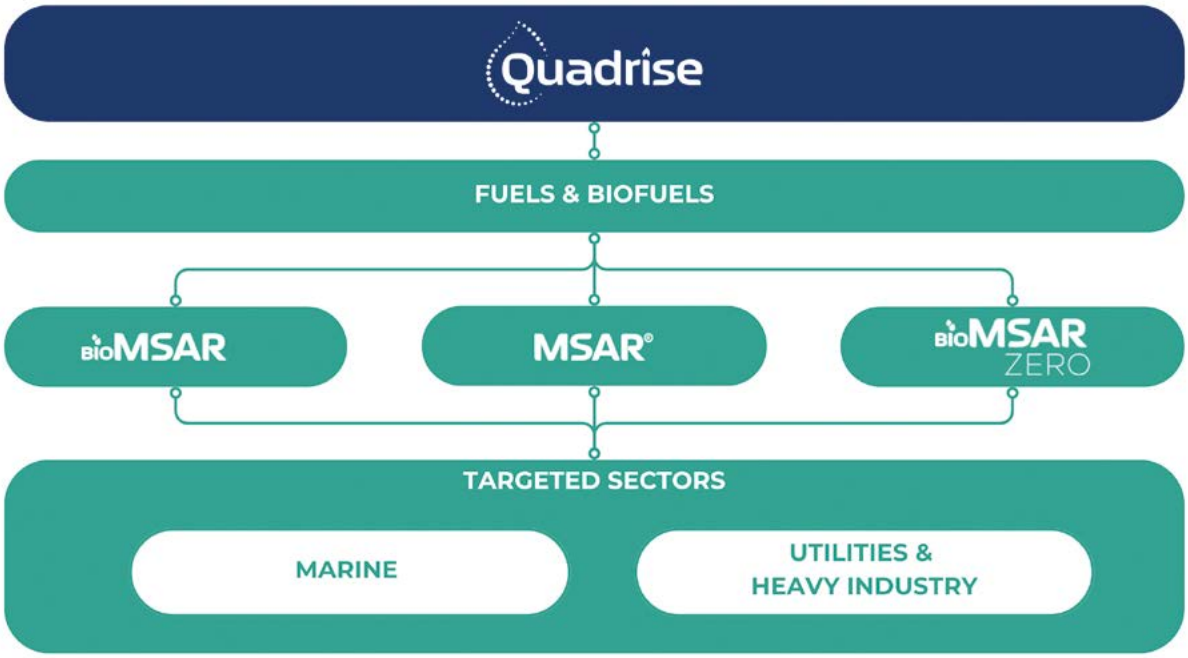
2. For bioMSAR® production, glycerine provided by Cargill is transported to the MAC² site by road or barge, and transferred to ISOtanks ready to supply the MMU.



3. Site water passes through a treatment system to remove any impurities prior to feeding the MMU.
4. Special additives provided by our long term chemical technology partner Nouryon, designed to stabilise the emulsion fuels for long-term storage and transport and enhance combustion, are dosed into the water phase.
5. The fuel mixture is blended in-line inside the MMU 24/7 to produce a highly stable oil-in-water emulsion fuel or biofuel with enhanced fuel properties. MSAR® and bioMSAR™ can be made interchangeably and are fully compatible with each other.
6. The MSAR® and bioMSAR™ produced are transferred to the bunker fuel barge, which once full supplies the container vessel, the MSC Leandra V which uses the fuel for propulsion driven by the main 2-stroke engine.



THE TRANSITION TO NET-ZERO



We specialise in providing lower-carbon, lower-emission and lower-cost solutions to address key energy transition challenges for maritime decarbonisation, utilities and heavy industry.

MSAR®

Our core oil-in-water MSAR® emulsion fuel technology has been validated at commercial scale with leading players across multiple sectors over twenty years. MSAR® is designed to be used as a substitute for Heavy Fuel Oil ('HFO') and is proven to deliver up to 9% fuel consumption savings, lowering emissions of CO_2 per unit of energy generated, and also reducing other pollutants such as NO_x and soot.

bioMSAR™

bioMSAR™ is produced using the same Quadrise technology to blend biomass-derived products to produce a lower cost alternative to biofuels. Our core bioMSAR™ product contains renewable glycerine to reduce emissions. bioMSAR™ is planned to be supplied at commercial scale early in 2025 for a trial on the MSC Leandra V, an MSC container vessel in active service.

Our technology is highly adaptable in blending higher concentrations of glycerine (up to 70%) and other advanced biofuels (both oil and water soluble) to provide a lower cost biofuel-agnostic solution for the energy sector that also reduces emissions in use.

bioMSAR™ Zero

The Quadrise technology platform can incorporate a range of sustainable biofuel feedstocks. Our plan is to produce a fully net-zero fuel, 'bioMSAR Zero' that we aim to launch in advance of our original 2030 target. Whilst net-zero (labelled 'B100') biofuels do exist, none are yet commercially competitive nor globally scalable as to be a realistic solution for the marine sector. We are therefore directing our efforts with commerciality at the forefront of our minds.

Biofuel development pipeline

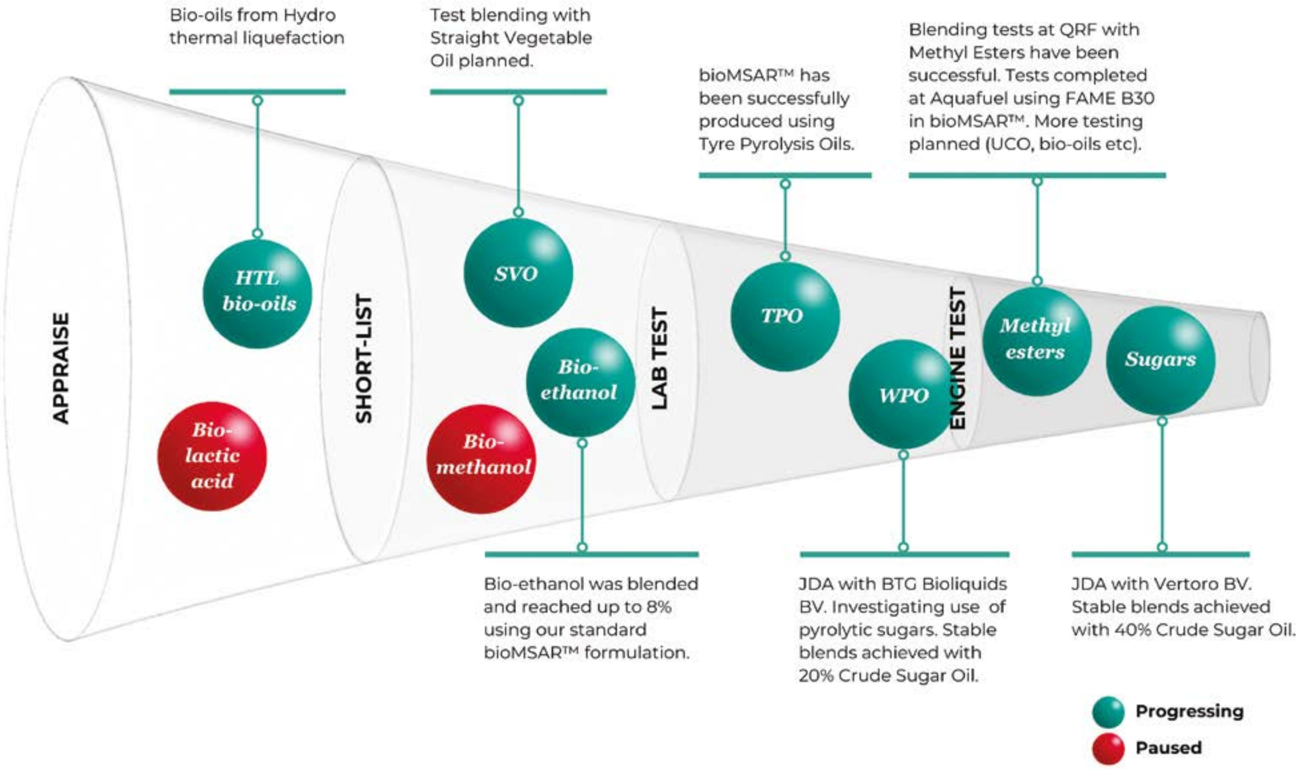
During the year, we have progressed our collaboration with strategic partners on multiple renewable, lower cost and abundant biofuel feedstocks with potential to be incorporated into bioMSAR™. In addition to the physical and chemical properties of these components, our criteria include robust and competitive supply, GHG emission profiles and the social impacts related to biomass-derived supply and production. Work on this important programme during the period has been both active and encouraging.

bioMSAR™ blends incorporating crude sugar oils (CSO™) provided by Vertoro BV show reductions of up to 25% in CO_2 emissions, engine efficiency improvements of 6-7% (taking total CO_2 reductions to >30%) and reductions in NO_x of around 30% compared with diesel.

Work has also progressed with BTG Bioliquids BV ('BTL'), whose technology produces pyrolysis sugars derived from biomass. BTL and Quadrise are working with prospective partners who can use BTL's technology to supply sugars for incorporation into bioMSAR™ at commercial scale. Following successful pilot testing at QRF on bioMSAR™ incorporating around 20% of BTL's pyrolysis sugars, the first phase of engine testing is now scheduled for Q4 2024.

Testing on bioMSAR™ blends incorporating renewable glycerine and 'B30' biofuel, currently the most widely available marine biofuel, has demonstrated over 38% well-to-wake CO2 reductions, 3-7% better diesel engine efficiency and up to 59% fewer NOx emissions with a cleaner exhaust.

Testing is now underway on higher concentrations of waste-based advanced biofuels with the intention to produce our first prototypes of 'B100' bioMSAR™ Zero. We are therefore on track to being able to demonstrate a commercial bioMSAR™ Zero product well ahead of the Company's original 2030 target.



OUR COMMITMENT TO ESG

In the ever-evolving landscape of corporate responsibility, Quadrise is proud to highlight our commitment to Environmental, Social, and Governance ("ESG") principles. We believe that a sustainable and responsible approach to business is not just a choice; it is a strategic framework that enhances long-term value and commercial resilience. Our commitment to ESG includes positioning ourselves as a energy transition partner for clients in the shipping, utilities and heavy industry sectors.

Environmental Responsibility

Environmental responsibility is deeply woven into the fabric of Quadrise. It is not just a corporate obligation but the driving force behind our innovation and growth.

In recent years, the maritime industry has undergone significant transformation in response to growing global concerns over climate change, environmental degradation, and corporate responsibility. Shipping, which accounts for approximately 3% of global greenhouse gas (GHG) emissions, is one of the most challenging sectors to decarbonise due to its reliance on heavy fuel oils, the complexity of global logistics, and the long lifespan of vessels that are currently in operation. However, leading shipping companies are increasingly committing to Environmental, Social, and Governance (ESG) principles, recognising the urgency to reduce their emissions and align with international sustainability goals.

We are committed to advancing our lower-carbon, lower-emission and lower-cost MSAR® and bioMSAR™ emulsion fuels, which can play a pivotal role in the energy transition.

We set a target two years ago to become a net-zero company in our Scope 1 and Scope 2 emissions, adopting a hierarchy of Avoiding, Reducing and finally Compensating our emissions. Our efforts in developing 'bioMSAR™ Zero', our investments in avoidance and reduction of our own emissions, and our sustainable practices in our operations are key drivers in realising these goals. We continue to make good progress against both of these goals to be a net-zero company and to have a commercially competitive net-zero fuel by 2030.

Our commitment to environmental responsibility extends beyond our organisation. We engage in collaborations with industry peers to spearhead sustainability initiatives and the adoption of our technology, primarily in the marine sector.

Quadrise is an active member of the UK Chamber of Shipping (UK CoS) and International Bunker Industry Association (IBIA), working together to drive innovation, share knowledge, and create solutions that address decarbonisation of shipping. Through these partnerships, we seek to foster a broader commitment to sustainability within our industry and contribute to the global shift toward responsible energy practices.

Quadrise shareholders visit to QRF in February 2024

In our pursuit of sustainability, we are also conducting a comprehensive lifecycle assessment (LCA) of our bioMSAR™ aligned with the IMO interim guidelines, to provide our clients with the assurance of the GHG benefits of our technology.

Social Responsibility

Our commitment to social responsibility encompasses several crucial aspects.

The well-being of our employees is paramount. We prioritise their safety, health and professional development with regular training at our research facility, 'QRF'. As a small team, each individual plays

Quadrise research chemist Callum Smith at the Quadrise Research Facility

a crucial and valued role in the company. We strive to create meaningful roles where each employee has opportunities to learn, stretch and contribute actively to the goals and mission of the company.

We firmly believe that diversity is a source of innovation. As such, Quadrise is deeply committed to promoting diversity and inclusion within our organisation.

Our commitment to social responsibility includes upholding human rights and labour standards. Adherence to international labour conventions and guidelines is a non-negotiable aspect of our operations, ensuring the highest ethical standards are met.

The Board has recently approved a Gender Equality Policy for the company, setting out our commitment to creating and maintaining a workplace that fosters gender equality, inclusivity, and diversity.

Governance Responsibility

Since admission to trading on AIM in 2006, Quadrise has voluntarily adopted the UK Corporate Governance Code (the 'Code'), that establishes standards for good corporate governance in accordance with five clear principles of board leadership, effectiveness, accountability, appropriate remuneration and good relations with shareholders. Companies which adhere to the Code must set out how they comply, or explain instances of non-compliance.

Quadrise's disclosures under the Code are on our website: https://www.quadrise.com/ investor-relations/ corporategovernance/.

The Code was further updated on 22 January 2024, which will apply on or after 1 January 2025. The company will review any requirement to respond to the limited number of changes and update this statement on our website accordingly.

Our commitment to governance responsibility is evident in multiple aspects:

Our board of directors is composed of highly experienced individuals from diverse backgrounds, ensuring independent oversight and strategic guidance for our operations.

Upholding the highest ethical standards is paramount. We maintain a comprehensive code of conduct and ethics that governs the behaviour of all our employees, directors, and partners.

We actively engage with our shareholders to gather insights and feedback. This ongoing dialogue helps us improve our governance practices and align our strategies with shareholder expectations.

Transparency in financial reporting and operations is a fundamental commitment. We aim to maintain the highest levels of accountability, ensuring our stakeholders have complete confidence in our practices.

Rigorous risk management practices are ingrained in our corporate culture. We continuously identify, assess, and mitigate risks to protect our business and stakeholders.

CHAIR'S STATEMENT

The 2023-24 financial year has been one of incremental progress, with the Company in a stronger position operationally and financially at year end than at the same time last year.

Events after year end are further strengthening the Company's position, with the awaited signature of a collaboration agreement with MSC and Cargill allowing sitework to commence for the vessel trials. With drilling samples from Valkor having now been prepared and trials in Morocco with OCP due to commence soon, the Company has entered the 2024-25 financial year with strong momentum and remains both eager and well placed to play its part in the global transition away from fossil fuels.

The global commercial and regulatory landscape has never been more favourable for the adoption of Quadrise technology. This was especially evident at the December 2023 COP 28 climate conference in Dubai, which saw nearly 200 countries reach a landmark agreement to phase out fossil fuels. This milestone is boosting global efforts to fast-track decarbonisation technologies, as governments, companies, and investors push to prevent the worst effects of climate change.

"The global commercial and regulatory landscape has never been more favourable for the adoption of Quadrise technology."

The shipping sector is now at the forefront of this transition, with shipping operators and their customers leading the way. At COP 28, CEOs of major shipping companies called for a deadline on the manufacture of newbuild fossil fuel-powered vessels and urged the IMO to establish regulations for green fuel adoption. Meanwhile, marine freight buyers like Amazon, Philips, and Nike joined the Zero Emission Maritime Buyers Alliance (ZEMBA) to promote zero-emission shipping. In September 2023, ZEMBA launched a request for proposals, seeking bids to transport 600,000 containers over three years on ships that offer a 90% reduction in emissions compared to traditional fossil fuels.

Quadrise technology focuses on the affordable and progressive decarbonisation of shipping through the replacement of heavy fuel oils. It enables production of MSAR® and lower carbon bioMSAR™ fuels, which are lower cost, cleaner, simpler and safer alternatives to heavy fuel oil and currently available biofuels. This allows shipping companies to meet their emissions targets whilst avoiding the need for new vessels or expensive and time-consuming retrofits.

Quadrise continues to build its profile within our target market sectors. Efforts to expand our client network this year have resulted in several promising opportunities arising with prospective commercial partners. As part of these efforts, the Company launched its second Sustainability Report in November 2023. This report provides an accessible reference point for leaders and decision-makers in the shipping and industrial sectors who are looking to decarbonise their businesses practically and economically.

The Sustainability Report sets out our firm ambition to develop a commercially competitive net-zero carbon emission fuel, 'bioMSAR™ Zero', by replacing the hydrocarbon element of bioMSAR™ fuel with zero-carbon or carbon-negative substitutes. Our goal is to have this fuel market-ready by 2030 and the development programme is already well underway with formulations tested to date that reduce CO_2 by up to 38% on a 'well to wake' basis.

Whilst we look to develop new opportunities, our near-term approach remains unchanged, with continued focus on our key projects with MSC, Valkor and OCP. These represent the most appropriate use of our financial and other resources and provide the most material pathways to commercialisation and profitability in line with the Company's core strategy.

Our project portfolio has been developed to address the Company's strategy of creating demand points for our technology in key geographical locations, whilst stimulating supply around these areas. This will enable marine customers such as MSC to bunker our fuel worldwide and incentivise production partners to produce MSAR® and bioMSAR™. Our project with Valkor is directed towards the production of less carbon-intensive and very low sulphur versions of MSAR® and bioMSAR™ for marine and power customers in North America. Our project with OCP in Morocco is intended to generate MSAR® supply in the Mediterranean, whilst our prospective projects in Southeast Asia and Central America potentially provide further points of presence in those regions, preparing ourselves for the scaling of our business to meet demand.

"Our project portfolio has been developed to address the Company's strategy of creating demand points for our technology in key geographical locations, whilst stimulating supply around these areas."

In last year's final results, I commented that the year had been one of "continued strategic and operational progress, but without a breakthrough". The year ending 30 June 2024 may have been more of the same, with the clear promise shown around the time of the April 2024 fundraise then severely tested by project delays outside the direct control of the Company. Planned activities will provide a clear validation of Quadrise focus

on the decarbonisation of shipping and enable us to plan in earnest for profitability and scaling of the business. We are not yet completely "in the clear", as trials still need to be successfully navigated, but our technology is tested, and we are confident of success.

As I have stated on occasions before, our ambitions for the business are limited more by the availability of financial and operational resources than by the scale of the significant opportunities that Quadrise can address. Subject to financial circumstances, we intend to explore and advance complementary technologies to strengthen our decarbonisation proposition to customers. This will increase the Company's impact on sustainability and ensure that our products and services are high on the list when potential clients are looking for solutions to reduce emissions.

On behalf of the Board, I would like to express my sincere appreciation to our loyal shareholders for their support. We recognise that this has been another year of frustration and slower than expected progress, but we are confident your patience will be rewarded.

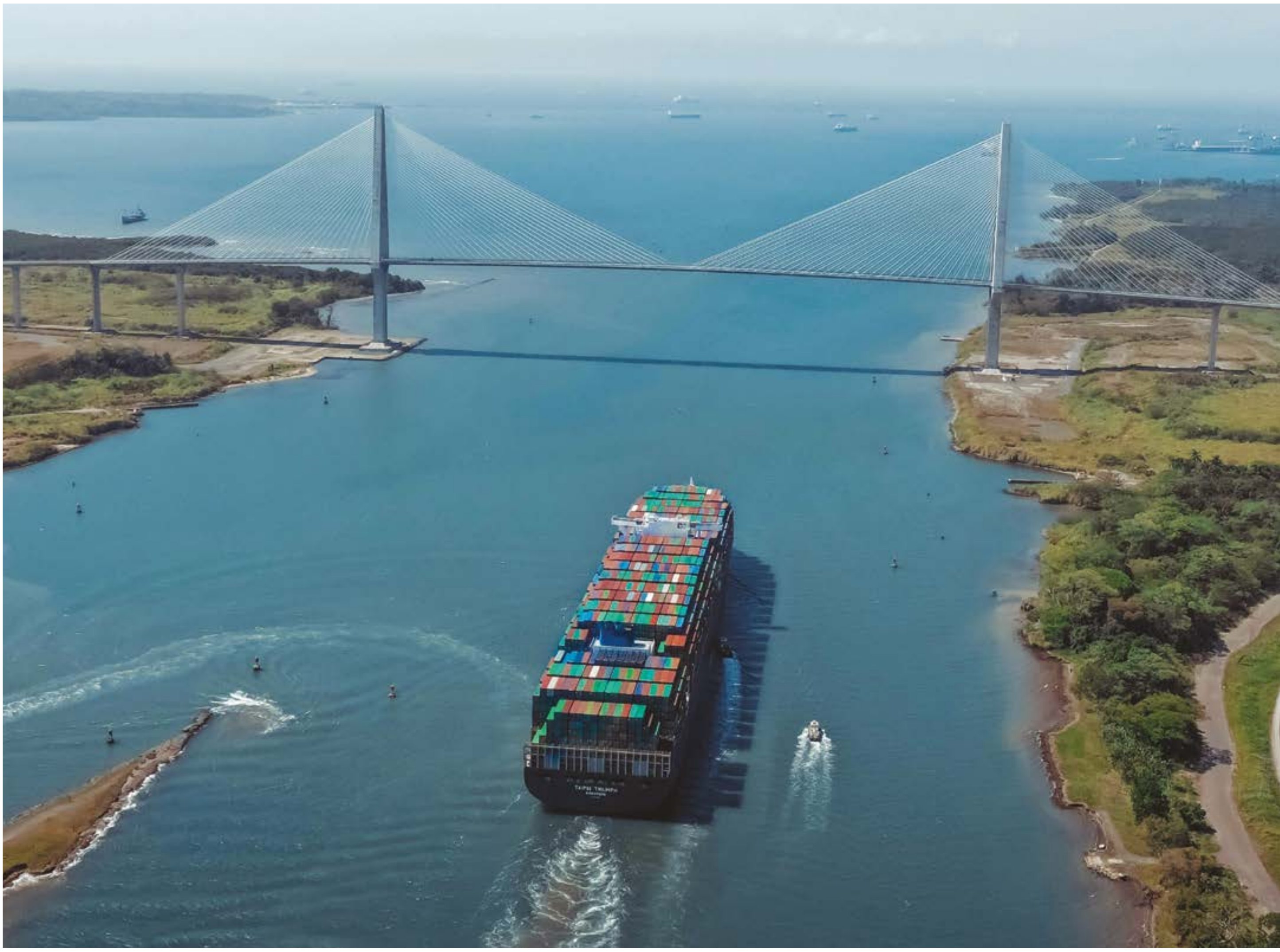
Financial Results

The consolidated after-tax loss for the year to 30 June 2024 was £2.9m (2023: £3.1m), with the loss per share for the year reducing to 0.18p from 0.22p in 2023. Production and development costs of £1.5m (2023: £1.7m) comprise the costs of the Group's R&D facility ('QRF') in Essex, its operational staff and consultants, and ongoing bioMSAR™ and MSAR® development costs. These costs are largely related to fixed costs with the reduction due to lower bioMSAR™ development and testing costs.

Administration expenses of £1.3m (2023: £1.3m), comprise the Group's corporate staff and directors' costs, professional advisor fees, PR/IR costs and head office costs.

At 30 June 2024, the Group had total assets of £6.7m (2023: £5.3m). The most significant balances were cash of £3.0m (2023: £1.3m), intangible assets of £2.9m (2023: £2.9m), and property, plant and equipment of £0.4m (2023: £0.4m). The Group has tax losses arising in the UK of approximately £64.7m (2023: £62.1m) that are potentially available to be carried forward against any future profits.

Andy Morrison
Non-executive Chair
27 September 2024



CHIEF EXECUTIVE'S STATEMENT

Addressing the Energy Transition Challenge

The shipping sector is responsible for roughly 3% of global GHG emissions and is therefore under increasing pressure from regulators and customers to decarbonise. The sector is now in the midst of great transformation, with numerous alternative fuel sources already in use or proposed as longer-term options. Each solution has its benefits and drawbacks, with some requiring entirely new vessels to be built (in the case of future fuels, such as liquified natural gas 'LNG' or methanol). Some require expensive retrofitting of existing vessels with them removed from active service for long periods of time, and some posing significant safety and logistical challenges (ammonia, nuclear).

Quadrise offers a solution for shipping operators to meet their decarbonisation targets whilst continuing to use their existing fleet with minimal capital investment, thus extending the life of vessels and reducing both fuel costs and emissions.

Revolutionary Quadrise Technology and Synthetic Fuels

Our patented Quadrise blending technology and fuels offer a practical and cost-effective path for operators in the marine sector, as well as those in the industrial and power sectors, to decarbonise, reduce energy costs and lower associated emissions safely. Our unique technology can blend a wide range of oil and water-soluble components to produce highly stable MSAR® and bioMSAR™ emulsion fuels.

- MSAR® is a synthetic fuel oil that is supplied at lower energy cost. When compared to conventional fuel oil, it reduces carbon dioxide ("CO_2") emissions by up to 10% in diesel engines by lowering fuel consumption (further lowering costs) as well as lowering emissions of nitrogen oxides and particulates. It is an oil-in-water emulsion, made by blending oil refinery residue streams (or heavy bitumen or crude oils) with water and specialised additives in a proprietary production process.
- bioMSAR™ incorporates renewable glycerine to produce a synthetic biofuel that offers all the benefits of MSAR® but with 20-30% less CO_2 than fuel oil and cost savings of approximately 10% compared to standard biofuels. bioMSAR™ outperforms LNG and marine biofuel blends in terms of lower CO_2 emissions per unit of energy "well to wake". Other benefits include improved safety during use, and improved dispersibility and biodegradability in the unlikely event of a spill.

Immediately Deployable, Future-Proof Solutions

Our modular systems are commercially proven and ready for rapid deployment at scale to the downstream, power, industrial and global shipping sectors. The economic and environmental savings generated deliver immediate benefits to users as the world transitions towards net-zero fuel solutions at a pace that is still uncertain and governed by regulation, adoption and customer choice.

A Quadrise blending module is a low capital technology that can manufacture MSAR® or bioMSAR™ interchangeably, providing a lower-cost environmental solution to conventional liquid fuels today whilst offering the opportunity to transition to sustainable biofuels based on consumer choice.

With one eye on the future, we have an established R&D strategy that leverages our innovative, adaptable technology and our commercial application experience. We are collaborating with fellow innovators in the sustainable fuel sector to expand our portfolio of lower-cost, renewable, and abundant biofuel components.

Supply partners and collaborators include Cargill NV (who supply sustainable biofuels, bio-oils and glycerine), Vertoro BV (producers of a crude sugar oil "CSO™" that we have successfully tested in diesel engines) and BTG Bioliquids BV (using their 'FPBO' biofuel products and sugar components produced by fast pyrolysis) derived from sustainable biomass such as agricultural and sawmill waste.

Our Quadrise Research Facility (QRF) in Essex is a valuable resource for "proof-of-concept" testing of a range of second-generation biofuel components offered by an increasing number of potential suppliers interested in the bioMSAR™ solution to ultimately provide a net-zero solution for hard-to-abate energy sectors.

Quadrise is the transition technology partner that creates low-carbon, low-emission and low-cost energy solutions. These solutions are more accessible than future fuel alternatives and are compatible and retrofit-ready with existing fleets, enhancing profitability, extending asset life, and reducing emissions and GHG impacts.

Key project status

Decarbonisation of Global Shipping: MSC

Our flagship project with MSC Shipmanagement, which operates the largest shipping container fleet in the world, will demonstrate that Quadrise can play an important role in the decarbonisation of shipping.

"Quadrise is the transition technology partner that creates low-carbon, low emission and low-cost energy solutions."

The project covers trials of MSAR® and bioMSAR™ fuels on board an operationally active MSC vessel (the MSC Leandra V) ahead of commercial supply to MSC upon successful trial completion.

In preparation for the MSC vessel trial fuel supply, a Collaboration Agreement between Quadrise, Cargill NV and MAC² Solutions NV was signed in February 2024. The fuels for the trial will be produced using a Quadrise MSAR® Manufacturing Unit ('MMU') and associated equipment, which will be installed at the MAC² bunker facility in Antwerp, Belgium. MSAR® and bioMSAR™ fuels will then be produced using fuel oil and glycerine feedstocks supplied by Cargill, who will also be responsible for bunkering operations to supply the fuels to the MSC vessel. Planning for success, during the LONO trial the parties expect to conclude a Commercial Supply Agreement and secure bioMSAR™ bunker supply operations to the marine sector by Cargill from MAC² facilities in Antwerp and Bruges on a permanent basis.

Following signature of the Collaboration Agreement, Quadrise have completed the purchase of critical-path trial equipment, including centrifuges and fuel filters, whilst MAC² have obtained the permits required for the trial to proceed and have prepared the groundworks in readiness for installation of Quadrise equipment.

The signature of the binding agreement between Quadrise, MSC and Cargill has unfortunately taken longer than envisaged, however, the parties are collaborating positively to finalise this as soon as possible. The binding 3-way agreement establishes heads-of-terms covering associated binding bilateral agreements for toll manufacture, terminal services and fuel supply, which will also follow during Q4 2024, and in parallel trial preparations will commence as soon as the initial binding agreement has been signed.

The trial will comprise initial Proof of Concept ("POC") tests of MSAR® and bioMSAR™, followed by 4,000 hours of operation on bioMSAR™ to obtain a Letter of No Objection ("LONO") from the engine manufacturer, Wärtsilä. The bioMSAR™ LONO trial is expected to conclude 6-8 months following completion of the 2-month long POC tests. Approximately 10,000-12,000 tonnes of Quadrise fuels will be consumed over the period. In preparation for the vessel trial a Hazard Identification Study ("HAZID") was completed in September 2023 by Lloyds Register as Class Society for the vessel. This involved experts from MSC, Wärtsilä and Quadrise. Installation and commissioning of the Quadrise trial equipment at MAC² is currently expected in Q4 2024, ahead of fuel production commencing in early Q1 2025.

In addition to the MSC project, the Company continues to develop strategic options and partnerships with other shipping companies with the intention of accelerating the commercialisation of both bioMSAR™ and MSAR® for marine applications.

In line with our strategy to decarbonise shipping, we are exploring opportunities in parallel to supply MSAR® to MSC and others from North-West Europe, the Mediterranean, North and Central America, and Southeast Asia to support demand from the major marine bunker hubs and our other clients.

Morocco: OCP

The Company's key project with OCP S.A. ('OCP'), a major international manufacturing and mining group in Morocco, will at the same time stimulate supply of MSAR® in the Mediterranean, a significant region for maritime trade and bunkering due to its strategic location.

"...the Company continues to develop strategic options and partnerships with other shipping companies with the intention of accelerating the commercialisation of both bioMSAR™ and MSAR® for marine applications."

In November 2023, Quadrise successfully completed an industrial demonstration test of MSAR® and bioMSAR™ at one of OCP's major industrial sites in Morocco. The industrial unit tested was successfully operated at varying loads of up to 100%, equivalent to 33MW of energy that is supplied by a single burner. This is similar to the energy consumption of a medium-sized container ship. This was the first demonstration of bioMSAR™ in a commercial application.

Under the Commercial Framework Agreement ("CFA") signed in May 2024, a further paid-for trial was agreed to expand the opportunity for both OCP and Quadrise, as well as the process to progress commercial supply discussions for MSAR®. The Company is thus currently finalising preparations for a 30-day MSAR® trial at OCP's Jorf Lasfar site ('Jorf') whilst also completing the engineering studies necessary for commercial MSAR® use there. The MSAR® equipment has been shipped to Jorf site to prepare for the trial, which is scheduled to be completed in Q4 2024.

Quadrise has opened discussions with candidate suppliers for long-term commercial MSAR® production and delivery with a view to signing a term supply agreement following successful completion of the Jorf trial.

USA lower carbon fuels: Valkor, Utah

The project with Valkor targets the supply of very-low sulphur MSAR® and bioMSAR™ from extra-heavy oil deposits directly into the marine and power sectors. Quadrise technology will be installed at a central processing facility at Valkor's Asphalt Ridge site in Utah, USA, with the finished products then transported to major ports and power stations. The available hydrocarbon reserves at Asphalt Ridge comprise billions of barrels, with Valkor having sizeable interests in several projects at this location. Unitisation and enhanced oil recovery plans for the project were approved by State of Utah's Board of Oil, Gas and Mining in July 2024.

The properties of Valkor's heavy oil will enable MSAR® or bioMSAR™ derived from it to comply with International Maritime Organisation regulations without the need for costly and carbon-intensive oil refining, providing highly marketable lower carbon, ultra-low sulphur emulsion fuel.

In June 2023, Quadrise signed a Site License and Supply Agreement ("SLS") with Valkor, under which the Company granted Valkor the exclusive right and license to use its technology at the planned central processing facility and to market the finished products on a non-exclusive basis. Under the SLS, Valkor will pay Quadrise a US$1.0 million license fee subject to receipt by Valkor of project financing of at least US$15 million. Valkor will pay Quadrise a further US$0.5 million upon receipt of an MMU and a quarterly retainer of US$75,000 for engineering, project development and support services for at least two years.

Following successful pilot drilling in Q2 2024, oil production testing of the downhole electrical heating system commenced in July 2024 managed by Valkor. Oil production from the first well was confirmed in September 2024. Representative production barrels of 6-8°API extra-heavy sweet oil were prepared by Valkor in September, samples of which are being shipped to Quadrise for analysis and formulation optimisation testing at QRF. Commercial marketing to the marine, utilities and industrial sectors is expected to commence as soon as testing is completed by Quadrise. Initial marketing targets will include local power producers and marine vessels bunkering on the US West Coast. Valkor expect to drill additional oil wells by 2024 year-end to increase oil production to 500-800 barrels per day and are increasingly confident about their efforts to secure project financing.

Other Projects

During the period, Quadrise commenced discussions with an oil refinery in Southeast Asia that is interested in conducting a trial using MSAR® technology for internal thermal applications, as a precursor to commercial supply of a "Mini-MMU" producing 5 tons per hour. The refinery is situated near to bulk oil storage and offers potential opportunities to supply Singapore, the world's largest bunker hub.

The expansion of availability of MSAR® and bioMSAR™ into other major marine hubs, such as the Panama Canal, is seen by the Board as being vital to the future scaling of the Company's business. In 2023, Quadrise signed a Letter of Intent with Sparkle Power, a power generator in Panama for a commercial test of MSAR® and bioMSAR™. During this financial year, prolonged drought conditions in Panama reduced hydroelectric power supply capacity and Sparkle Power were called upon to provide additional emergency power. With no spare capacity available, they were not able to progress trial preparations. Environmental conditions have now improved, and discussions with Sparkle have resumed.

Together with our local agents, we also 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.

bioMSAR™: the transition solution for net-zero energy

The Quadrise product development roadmap is focused on providing low-carbon, low-emission and low-cost solutions to address key transition challenges for maritime decarbonisation and other market sectors that we serve:

- Supplying a drop-in biofuel solution (bioMSAR™) rapidly, at commercial scale globally at terminals or on-board vessels.
- Ensuring the bioMSAR™ platform is sufficiently adaptable to incorporate a range of sustainable biofuel feedstocks.
- Delivering a commercially viable 'bioMSAR™ Zero' (labelled 'B100' – with 100% biogenic energy) solution before 2030.

Collaboration is key to this initiative, and we are working with several like-minded strategic partners to investigate lower cost, renewable and abundant biofuel feedstocks for bioMSAR™. Work on this important programme during the period has been very active:

bioMSAR™ incorporating biodiesel and bio-oil byproducts

During the period, testing commenced on blends of bioMSAR™ incorporating 'B30' biofuel, supplied by major trading companies. B30 is a blend of 30% fatty acid methyl esters (or 'FAME', which is also used to produce biodiesel) and 70% fuel oil and is currently the most widely available marine biofuel. Incorporation of B30 further reduces the fossil fuel content of our emulsion blends, providing an additional potential pathway to bioMSAR™ Zero.

When compared to diesel, the B30-based bioMSAR™ blends demonstrated:

- Over 38% well-to-wake CO_2 reductions based on the carbon intensity of the components.
- Enhanced diesel engine efficiency of 3-7% with a corresponding reduction in fuel consumption (further reducing overall CO_2 emissions to 45%).
- Reductions in NOx emissions of 43%-59%.

During Q3 2024, testing continued, incorporating higher concentrations of waste-based bio-oils with the intention to produce our first prototypes of 'B100' bioMSAR™ Zero, a 100% sustainable biofuel. Following successful pilot testing at QRF, engine testing is now scheduled at Aquafuel Research Limited, where our 40kW Cummins diesel engine is situated. Quadrise is therefore on track to demonstrate a commercial bioMSAR™ Zero product well ahead of the Company's 2030 target.

"Quadrise is therefore on track to demonstrate a commercial bioMSAR™ Zero product well ahead of the Company's 2030 target"

bioMSAR™ incorporating sustainable biomass-derived sugars and alcohols

Large-scale supply and wide availability of fuel options are seen as key customer requirements for scale-up into marine and industrial applications. The ability to use water-soluble biomass sugars within the Company's unique oil-in-water emulsion fuels opens access to abundant bio-energy waste resources, presenting the Company with a significant opportunity.

In December 2023, a bioMSAR™ blend incorporating crude sugar oils ("CSO™") provided by Vertoro BV was successfully tested on the Company's Cummins engine. This testing showed reductions of up to 25% in CO_2 emissions, engine efficiency improvements of 6-7% (taking total CO_2 reductions to >30%) and reductions in NOx of around 30% compared with diesel.

In May 2024 Vertoro announced a partnership with Force Motor Yachts to design and supply a luxury yacht that will run on bioMSAR™ Zero incorporating CSO™. This initiative was formally launched at the Cannes Yacht Show in September 2024. The new Force yacht provides a floating laboratory and validation unit to accelerate access to Quadrise bioMSAR™ Zero and Blend-on-Board technologies to lower costs and emissions.

Work has also progressed during the year with BTG Bioliquids BV ("BTL"), whose technology produces pyrolysis sugars derived from biomass. BTL and Quadrise are working with prospective partners who can use BTL's technology to supply sugars for incorporation into bioMSAR™ at commercial scale. Following successful pilot testing at QRF on bioMSAR™ incorporating around 20% BTL pyrolysis sugars, engine testing is now scheduled with results expected early Q4 2024.

Outlook

To paraphrase a recent report by Lloyd's Register "*The challenge of maritime decarbonisation is not that it is happening, but that it needs to happen so quickly*."

Energy economics, environmental considerations and emissions regulations are increasingly driving the business case for MSAR® and bioMSAR™ technology. Quadrise intends to make a significant contribution to the decarbonisation of shipping through the coming year with the signature of further license agreements and completion of commercial-scale trials, leading to supply contracts and commercial revenues from MSAR® and bioMSAR™ during the next 12 months.

Green fuel choices for the marine and industrial markets that Quadrise serves are still far off, and e-fuel availability at a competitive price remains a problem. This has led some proponents of future fuels to hedge their bets with new ship orders for conventional fuels. Those taking delivery of new "dual-fuel" liquified natural gas (LNG) vessels are complaining about limited fuel availability, with 80% still running on marine fuel oil or biofuels. As conventional bio and renewable diesel fuels face growing demand from other sectors, the need for lower-cost and more widely available biofuels is likely to rise.

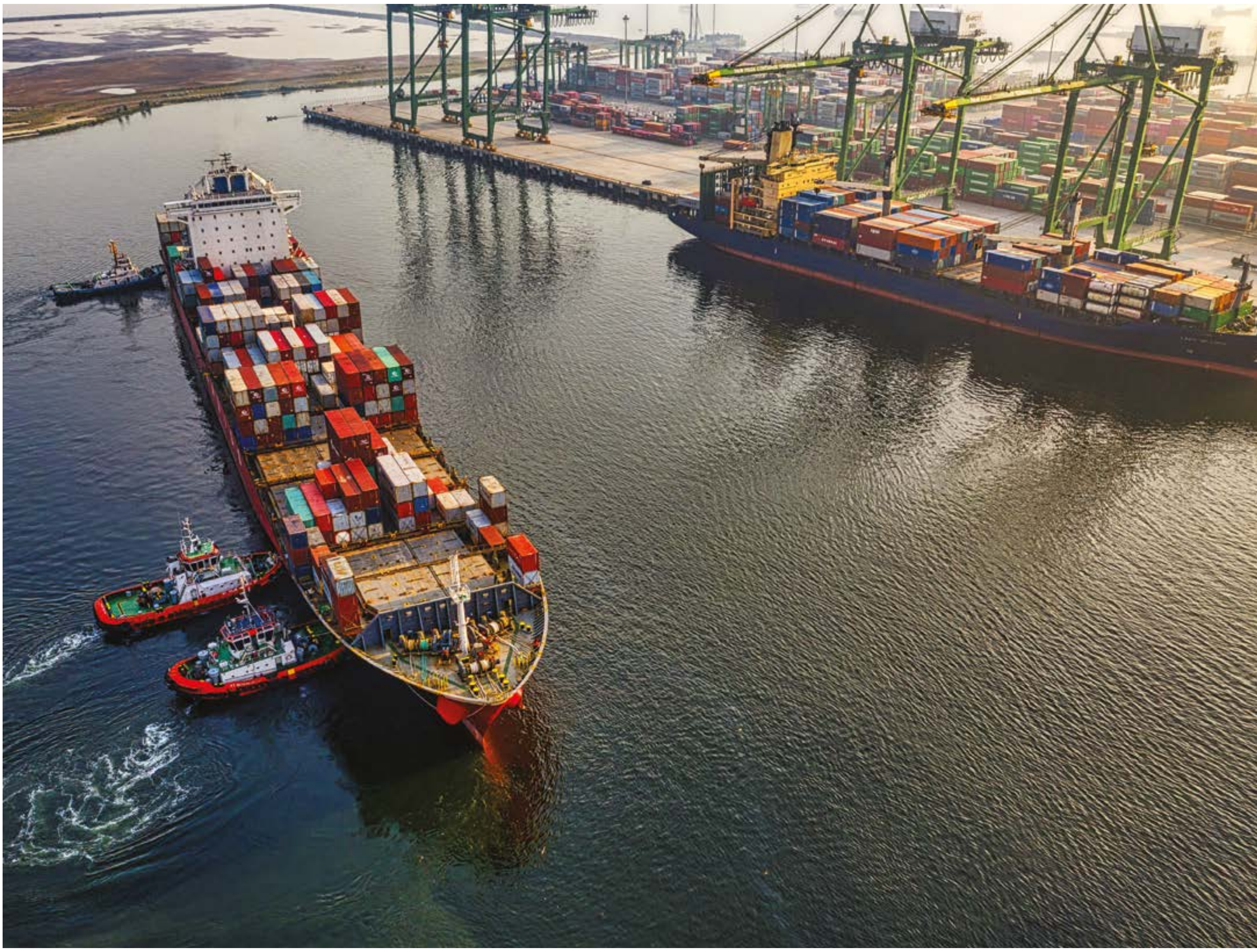
Market and regulatory trends are set to create an increasingly favourable environment for the Company to advance its business. The implementation of new environmental regulations, particularly in Europe, such as the EU ETS and 'Fit-for-55' are expected to significantly boost biofuel use and technology investment, especially in the shipping sector. As conventional biofuels like biodiesel and renewable diesel, currently used in shipping, face growing demand from other sectors, the need for lower-cost and widely available non-conventional biofuels is likely to rise. These regulations, along with subsidies for renewable waste-based biofuel feedstocks such as glycerine, should enhance the attractiveness of bioMSAR™ for end-users. With strong market conditions, the Company is well-positioned to progress through commercial trials and gain further traction with key clients.

"Energy economics, environmental considerations and emissions regulations are increasingly driving the business case for MSAR® and bioMSAR™ technology."

The focus of Quadrise on the decarbonisation of shipping and other sectors is an important statement of intent. License agreements and commercial-scale trials are designed to lead to supply contracts and commercial revenues from MSAR® and bioMSAR™. Looking ahead, our continued development of bioMSAR™ and net-zero solutions opens exciting opportunities to deploy our unique proven emulsion technology, helping our partners and clients to deliver a cleaner future for us all.

Quadrise has a small, highly motivated and capable team and our continued progress is only possible through the significant contribution of everyone working within the business and our shareholders for their loyal support. We are very aware that project delays outside of our control have disrupted our planned commercial progress this year, but we are doing all that we can to expedite successful outcomes in multiple continents and applications that should benefit us all.

Jason Miles
Chief Executive Officer
27 September 2024



STRATEGIC REPORT

For the year ended 30 June 2024

Principal Activity

The principal activity of the Company is to develop markets for its proprietary emulsion fuels, MSAR® and bioMSAR™ as low-cost, more environmentally friendly substitutes for conventional heavy fuel oil ("HFO") and biofuels for use in large marine diesel engines, power generation plants and industrial applications.

Business Review and Future Developments

A full review of the Group's activities during the year, recent events and future developments is contained in the Chairman and CEO Statements on pages 10-19.

Key Performance Indicators

The Group's key performance indicators are:

- Performance against its annual plan, including project timetables established with partners and clients, and
- Financial performance and position against the approved budgets and cashflow forecasts.

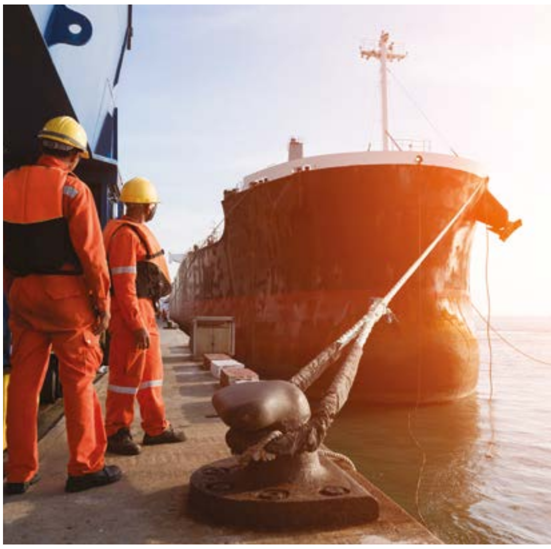
The Board regularly reviews the Group's progress against the key performance indicators above, with a review held at least monthly with Non-Executive Directors. The commercial performance of the Company and each of the Company's key projects and business development opportunities are discussed at length in the Chairman and CEO Statements.

Each year, a detailed two-year budget and cash forecast is prepared by the Executive team and following a comprehensive review process, is then approved by the Board. Performance against budget and updated cash projections are included within the monthly management accounts issued to and reviewed by the Board.

For the year ended 30 June 2024, progress against the Group's business model was slower than anticipated, with delays to key projects as discussed in the CEO statement on pages 13-19. The financial performance of the Group was ahead of budget due to lower than forecast expenditure on operations, staff and consulting costs and net project expenditure.

Going Concern

The Group had a cash balance of £3.0m as of 30 June 2024. Based on the latest Company forecasts which assume the anticipated and important receipt of an aggregate



of US$1.5m from Valkor as described above, these funds are expected to be sufficient to reach forecast commercial revenues and cover net project expenditure and fixed costs up to the end of June 2025. Additional funding will be required beyond this point to bridge the gap to the generation of sustainable positive cashflows, which are currently planned to commence in H1 2026. The Directors have determined that the continuation of the Group as a going concern will be dependent upon successfully raising sufficient funds in the future to bridge this gap and the prior receipt of the Valkor income. The Directors have a reasonable expectation that such funds will be raised, although no binding funding agreements are in place at the date of this report and have therefore determined that it is appropriate to prepare the financial statements on a going concern basis. However, in the absence of additional funding being in place at the date of this report, these conditions indicate the existence of a material uncertainty. This may cast significant doubt on the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. For further details behind the judgments and estimations used by the Directors in reaching this determination, refer to note 2.4.

Longer term viability statement

In reaching its conclusion on the going concern assessment and longer-term viability of the Group, the Board reviewed the Group's three-year cash flow forecasts which cover the period to revenue generation and positive cashflow. This period is applicable because it extends to the point at which the Group is forecast to be generating sustainable positive cashflows. The Board reviewed the underlying assumptions in this cashflow, together with sensitivity analysis performed on these projections. The Board believes these forecasts are based on a prudent assessment of the Group's prospects and target markets, taking account of reasonably possible scenarios given current market and economic conditions. The risks outlined below have been considered by the Board in their determination of longer-term viability, most significantly 'Delay in commercialisation of MSAR® and funding risks' and 'No profit to date'.

In its sensitivity analysis and review of underlying assumptions, which cover these risks, the Board looked at delays in project timelines or that certain projects might not be realised. The impact on the Company's longer-term viability is that the timing and level of funds required to take the Group to the point of sustainable positive cashflows is then affected. However, the Board consider that the Group remains viable in the longer term under the sensitivities modelled.

The Board therefore has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, provided it is in receipt of the Valkor income and is able to raise the funding required as outlined in the Going Concern note above.

Climate Change

As discussed in both the Chairman's and CEO's statements on pages 10-19, our bioMSAR™ technology offers an alternative to HFO with over 25% lower CO_2 emissions. The Directors believe that the growing global emphasis on the COP 26 Goals, specifically the goal of transition to global net-zero carbon by 2050, present Quadrise with increasing opportunities to assist marine, power and industrial clients in obtaining a cost-effective solution to lowering their carbon emissions. Government actions to reduce climate change therefore provide opportunities to Quadrise, but the Board acknowledges that the Company may also be presented with additional risks due to these actions.

Risks, including those introduced by climate change and governmental actions to reduce climate change, are discussed in the next section.

Principal Business Risks

Each year in the second quarter, the Audit Committee assists the Executive Team in a structured zero-based re-assessment of the Company's principal and emerging risks. The review considers each operational sector and organisational level including the Company's research and development facility, QRF, and risks are then triaged for the Company as a whole. The risk level is determined by its probability, its potential impact on the Company, and whether these factors have increased or decreased over the last 12 months. A summary of "Principal Risks and Uncertainties" is reviewed at a Board meeting. Subsequently a Risk Mitigation Strategy and Action Plan is incorporated into the annual Business Planning exercise conducted in June each year.

The principal risks identified during this exercise, ranked in order of the likelihood of occurrence, are set out below. These may not include all the risk factors that could affect future results. Actual results could differ materially from those anticipated because of these and various other factors, and those set forth in the Group's other periodic and current reports filed with the authorities from time to time.

Receipt of funds from Valkor

The Company's cashflow forecasts assume the receipt of an aggregate of US$1.5m (approx. £1.2m) of revenues from Valkor, which, together with the £3.0m cash balance as of 30 June 2024 is expected to be sufficient to reach forecast commercial revenues and cover net project expenditure and fixed costs up to the end of June 2025. At the date of this report, there remains a risk that the $1.5m from Valkor is either not received or is significantly delayed, in which event the Company's ability to progress its projects will be at risk without further funding. The Group mitigates this risk by maintaining strong control over its pre-revenue expenditure, as well as by actively evaluating strategic initiatives that would de-risk and/or facilitate the delivery of the Group's key objectives.

Market scope and risk

Faced with pressure to move away from hydrocarbons, the Group still needs to progress its MSAR® and bioMSAR™ endeavours into a volume business. The Group addresses this challenge by continuing to promote the immediate and practical environmental contribution of MSAR® and bioMSAR™ to the shipping industry. The Group further mitigates this risk by promoting the applicability of Quadrise technology to other sectors such as in the power generation and industrial sectors discussed in the CEO's Statement. The marketability of our technology and the fuels produced is affected by the variability of price spreads between light and heavy oils, the relative cost of biofuel components, and the relative competitiveness of oil, gas, biofuel and coal prices both for prompt and future delivery and other factors beyond the control of the Group.

Commercial return

The Group has made considerable progress in its rapid development and enhancement of bioMSAR™ whilst continuing to advance commercial opportunities for MSAR® and reduce its treat costs in the face of changes to fuel oil-gasoil spreads. During the product development of bioMSAR™ there remain the considerable challenges of testing, feedstock availability (see below), glycerine treatment options, formulation costs and commercial feasibility still to overcome. There is a risk the Group will not achieve a commercial return due to major unanticipated change in a key variable or, more likely, the aggregate impact of changes to several variables which results in sustained depressed margins.

The competitive position could be affected by government regulations concerning taxation, duties, specifications, importation and exportation of hydrocarbon fuels and environmental aspects. Freight costs contribute substantially to the final cost of supplied products and a major change in the cost of bulk liquid freight markets could have an adverse effect on the economics of the fuels business. The Group would mitigate this risk through establishing appropriate flexibilities in the contractual framework, offtake arrangements and price risk management through hedging.

Feedstock sourcing - MSAR®

The IMO2020 regulation designed to motivate the use of very low sulphur fuel oils has negatively impacted high sulphur residue supply, due to lack of alternative markets. There is a risk that appropriately located high sulphur residues cannot be sourced. The Group mitigates this risk by utilising its deep understanding of the global refining industry, targeting qualifying suppliers matched to prospective major consumers. There are economic and other advantages to refiners in running a proportion of high sulphur crude oils and the Group believes that the emergence of an MSAR® commercial business would motivate candidate feedstock suppliers to expedite high sulphur residue supply.

Feedstock sourcing - bioMSAR™

Sufficient quantities have been identified for immediate trial purposes, but the volumes and quality of renewable glycerine required for a substantial commercial marine or industrial bioMSAR™ contract are beyond those readily accessible. To mitigate this the Company is rapidly increasing its knowledge of current and potential glycerine sources and engaging with suppliers. Clearly a commercial contract would again stimulate this market and thus expedite feedstock supply. The Company is researching other renewable feedstocks that could be utilised together with, or instead of glycerine, such as Vertoro's CSO™ biofuel.

Delay in commercialisation and funding risks

There is a risk that the commercialisation of MSAR® and bioMSAR™ could be delayed further, or unforeseen technical and/or commercial challenges arise. This could mean that the Group may ultimately need to raise further equity funds to remain operational. Depending on market conditions and investor sentiment, there is a risk that the Group may be unable to raise the required funds when necessary. The Group mitigates this risk by maintaining strong control over its pre-revenue expenditure, keeping up the momentum on its key projects and maintaining regular contact with the financial markets and investor community.

Technological risk

There is a risk firstly that the markets for MSAR® and bioMSAR™ fuels adopt alternative fuels, making these technologies redundant or secondly that the technology used for their production may not be adequately robust for all applications. This is in respect of the character and nature of the feedstock and the parameters of transportation and storage pertaining to a specific project. This risk may jeopardise the early commercialisation of the technology and subsequent implementation of projects; or give rise to significant liabilities arising from defective fuel during plant operations. The Group mitigates this risk by ensuring that its highly experienced key personnel are closely involved with all areas of MSAR® and bioMSAR™ formulation and manufacture, and that the fuel is thoroughly tested before being put into operational use.

Competition risks

There is a risk that new competition could emerge with similar technologies sufficiently differentiated to challenge the Company's process. Were such competition to emerge, this could result, over time, in further price competition and pressure on margins beyond that assumed in the Group's business planning. This risk is mitigated by the limited global pool of expertise in the emulsion fuel market combined with an enhanced R&D programme aimed at optimising cost and performance and protection of intellectual property. The Group also makes best use of scarce expertise by developing close relationships with strategic counterparties such as Nouryon while ensuring that key employees are suitably incentivised.

Environment, Social and Governance risks (ESG)

Quadrise is committed to providing safer, cleaner and more affordable energy. By leveraging our extensive RDI capabilities, and through continuous improvement processes, Quadrise aims to be carbon-neutral by 2030. Furthermore, high standards of corporate governance have always been a strength and this places the Company in the top tier of AIM companies. We maintain this commitment by adopting the highest disclosure standards of the UK Corporate Governance Code, through the experience and commitment of our Non-executive Directors and by following stringent Board policies and procedures. The Company works to exceptional health, safety, environmental protection and quality standards, with strong risk management processes in place, all of which are supported by a first-class team of professional advisors.

Other Business Risks

Dependence on key personnel

The Group's business is dependent on obtaining and retaining the services of key personnel of the appropriate calibre as the business develops. The success of the Group will continue to be dependent on the expertise and experience of the Directors and the management team, and the loss of personnel could still have an adverse effect on the Group. The Group mitigates this risk by ensuring that key personnel are suitably incentivised and contractually bound.

Environmental risks

The Group's operations are subject to the environmental risks inherent in the oil processing and distribution industry. The Group is subject to environmental laws and regulations in connection with all its operations. Although the Group ensures compliance with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or other circumstances that could expose the Group to potential liability.

Further, the Group may require approval from the relevant authorities before it can undertake activities which are likely to impact the environment. Failure to obtain such approvals may prevent or delay such activities. The Group is unable to predict definitively the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Group's cost of doing business, or affect its operations in any area of its business. The Group mitigates this risk by ensuring compliance with environmental legislation in the jurisdictions in which it operates, and closely monitoring any pending regulation or legislation to ensure compliance.

No profit to date

The Group has incurred aggregate losses since its inception, and it is therefore not possible to evaluate its prospects based on past performance. There can be no certainty that the Group will achieve or sustain profitability or achieve or sustain positive cash flow from its activities.

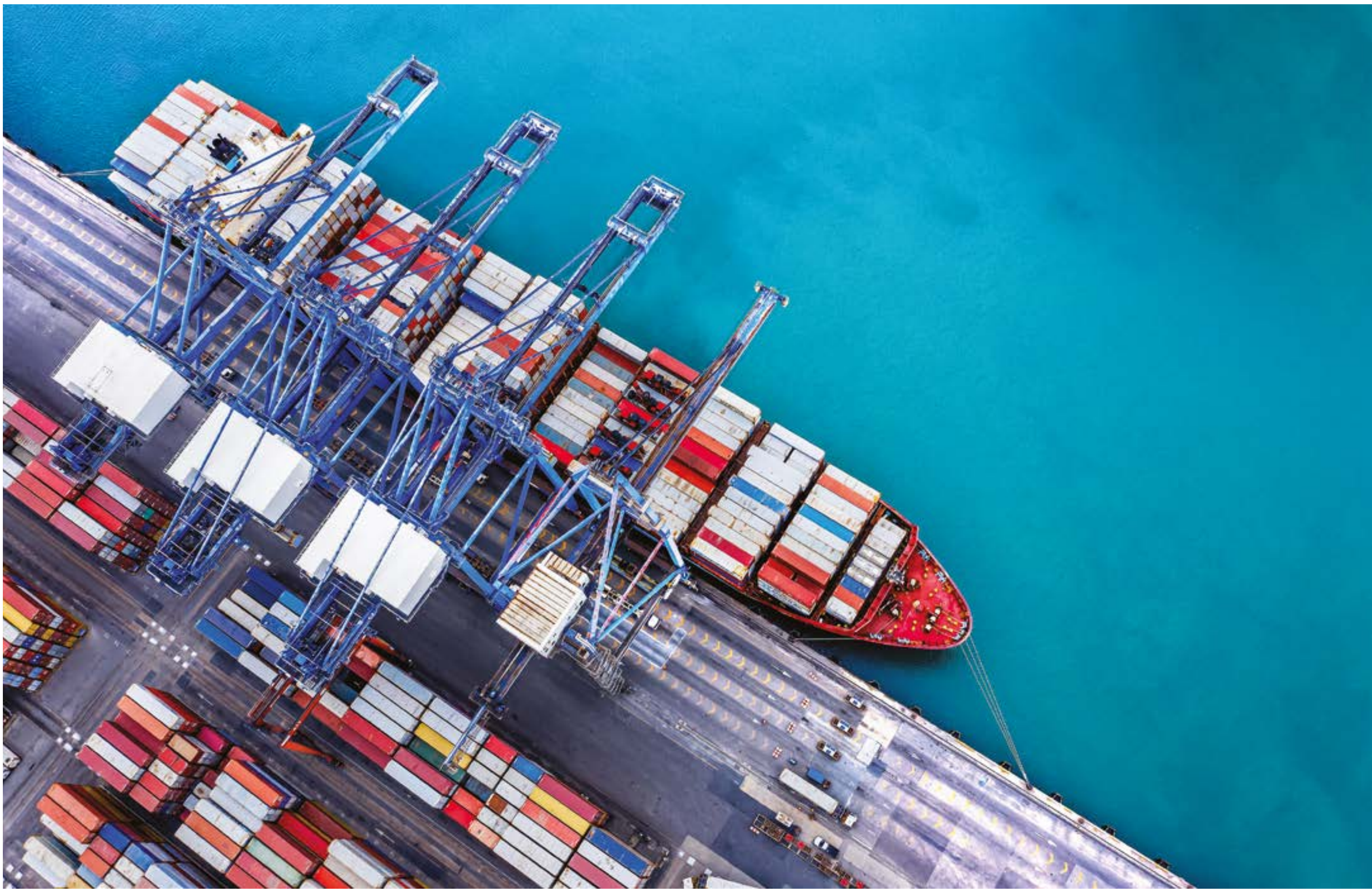
Corporate and regulatory formalities

The conduct of petroleum processing and distribution requires compliance by the Group with numerous procedures and formalities in many different national jurisdictions. It may not in all cases be possible to comply with or obtain waivers of all such formalities. Additionally, functioning as a publicly listed Company requires compliance with the stock market regulations. The Group mitigates this risk through commitment to a high standard of corporate governance and 'fit for purpose' procedures, and by maintaining and applying effective policies.

Economic, political, judicial, administrative, taxation or other regulatory factors

The Group may be adversely affected by changes in economic, political, judicial, administrative, taxation or other regulatory factors, in the areas in which the Group operates and conducts its principal activities. The Group has no direct exposure to the Ukraine/Russia conflict and is not directly affected by the ongoing conflict in the Middle East.

Andy Morrison
Non-executive Chair
27 September 2024



DIRECTORS' SECTION 172 STATEMENT

Statement by the Directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006.

The Board of Directors acknowledge that they have a statutory duty under s172 (1) (a-f) of the Act to promote the success of the Group for the benefit of the members considering broader stakeholder interests, and notably having regard to:

a) the likely consequence of any decision in the long term: see the 'Outlook' section of the CEO's statement on page 18, and principal business risks on page 21.

b) the interests of employees: The Group's employees are fundamental to the delivery of its strategy. The Board has prioritised fair remuneration arrangements for employees and undertakes regular communication updates in an open environment. Decisions to maximise the resilience of the business, preserve cash and minimise risk are taken after prioritising the continued employment of those employee roles that are instrumental to the success of the business.

c) the need to foster business relationships with advisors, partners, suppliers, potential MSAR® and bioMSAR™ consumers and producers and others: As a small team of only nine employees, it is essential to the Group that close relationships are fostered. The Group has healthy longstanding relationships with its key counterparties, based on open and supportive channels of communication and ensuring that payment of invoices to suppliers is made on a timely basis.

d) the impact of operations on the community and the environment: Use of MSAR® fuel contributes to the solution of key environmental problems, reducing black soot emissions and producing less NOx and SOx emissions compared to HFO. The energy requirements for handling and transporting MSAR® are lower than fuel oil, and pre-atomisation means that MSAR® fuel can be burned at lower

temperatures than fuel oil, further reducing energy consumption during use. The Board believe that MSAR® use could provide a safer, cleaner and more affordable energy and a pathway to a more sustainable future. The many environmental benefits of MSAR® technology (as discussed on the company's website https://www.quadrise.com/esg/environmental/) have considerable potential to contribute to wider society.

e) the desirability of the Group maintaining a reputation for high standards of business conduct: The Group has always adopted the highest disclosure standards of the UK Corporate Governance Code; the Board of Directors contains experienced, independent Non-executive Directors who follow stringent Board policies and procedures. The Group works to high Health, Safety, Environment and Quality ('HSEQ') standards, with strong management procedures in place, and supported by a first-class team of professional advisors.

f) the need to act fairly between members of the Company: The Board endeavours to keep shareholders fully informed (within the usual disclosure constraints) on the Company's strategic development plans, and welcomes the views of shareholders, as evidenced during the year by the open question and answer session following the Annual General Meeting on 27 November 2023. This has been further demonstrated by the investor conference calls, media interviews, presentations, and regular updates to the Company's website that have occurred throughout the year.

The Strategic Report was approved by the Board of Directors on 27 September 2024 and was signed on its behalf by:

Andy Morrison
Non-executive Chairman
27 September 2024

DIRECTORS

Andy Morrison
Non-Executive Chairman

Andy is a director of growth businesses with more than forty years of experience encompassing major multi-national corporations and junior public companies. Andy spent 17 years at Shell plc in their oil products, lubricants and speciality chemicals divisions, where his roles included VP positions in sales, marketing, trading and strategy. Andy then held senior positions at BG Group plc and BOC Group plc in Corporate Strategy and New Business Development respectively. Since 2007, Andy has led junior listed companies in the energy, healthcare and cleantech sectors. He has accumulated significant experience covering restructuring, turnarounds, new listings and acquisitions. Andy holds a first-class bachelor's degree in chemical engineering and fuel technology from the University of Sheffield.

Jason Miles
Chief Executive Officer

Jason spent over twelve years of his career prior to Quadrise developing emulsified fuel projects; initially as a process engineer for BP and subsequently for PDVSA, as Business Development Manager where he implemented numerous Orimulsion® projects globally. Jason has an honours degree in chemical engineering from Loughborough University and an Executive MBA from the Cass Business School in London and is a chartered Chemical Engineer. Jason has extensive emulsion fuel and oil market knowledge and is responsible for managing MSAR® business development, project delivery and commercialisation of the refining, power, marine and industrial sectors.

Laurie Mutch
Non-Executive Director

Laurie is a management consultant to multi-national organisations and an adviser to numerous UK charities. He had 25 years' experience in the energy industry with the Royal Dutch/Shell Group where he sat on the Board of Shell International Gas & Power, as Executive Director for business development in the Eastern Hemisphere. From 1994 to 1996, he was the Finance Director in Shell International Gas, and a senior adviser to the International Energy Agency. Prior roles include senior management positions in Shell's Coal and Chemical Divisions. During his last two years of service, he was Group Chief Information Officer. Laurie holds a BSc in Mathematics & Physics and an MSc in Astrophysics. He is chair of the QED Audit and Funding committees and a member of the Compensation and Nominations committees.

Dilipkumar Shah
Non-Executive Director

Dilip brings with him over 25 years of commercial experience in trading, finance, manufacturing and distribution. Dilip has most recently been involved in trading and manufacturing in West Africa with focus on Nigeria, Democratic Republic of Congo and Ghana. He is a founder member of various successful companies in West Africa involved in the distribution of fertilizers, chemicals, tobacco related products and the manufacture of food products. In addition, he serves on the boards of several private UK and international companies.

Vicky Boiten-Lee
Non-Executive Director
(appointed 2 October 2023)

Vicky has more than 20 years of international experience in the energy sector with Shell. She spent 10 years working in South East Asia and the balance working out of London covering global businesses across Europe, North America, China, and Asia. Between 2015 and 2021, Vicky led Shell's global marketing for automotive lubricants and downstream fuels, including Shell's entry into electric vehicle fast-charging. She focuses on delivering value from the transition to net zero and has led organisational transformations accelerating the growth of lower-carbon fuels, developing circular supply chains and reducing the cost of compliance. Vicky holds a B.Eng degree from Universiti Malaya, an MBA from Strathclyde University and studied Business and Sustainability Leadership at Cambridge University. Vicky is a member of the QED Audit Committee and the chair of the Compensation and Nominations Committees.

Philip Snaith
Non-Executive Director
(resigned 30 September 2023)

Philip has spent more than 35 years with the Royal Dutch Shell Group in senior executive positions, latterly as General Manager of Shell International Trading & Shipping Company Limited in London. Between 2004 and 2008, Philip spent four years in Singapore as President of Shell International Eastern Trading Company – with responsibility for the Asia-Pacific trading portfolio. Concurrent with this executive position, he was a Non-executive Director of Shell Eastern Trading Company (Pte) Ltd, with annual revenues of around US$55 billion, and was also Chairman of both Shell Tankers Singapore (Pte) Ltd and Shell International Shipping Services (Pte) Ltd. Philip holds an MBA from Cranfield University, a BSc (Physics) from Imperial College and a Diploma in Marketing (Dip.M) from the UK Chartered Institute of Marketing. Philip was a member of the QED Audit committee, and Chairman of the Compensation and Nominations committees.

DIRECTORS' REPORT

The Directors present their report together with the audited accounts of Quadrise plc ("the Company"), and its subsidiaries, ("the Group") for the year ended 30 June 2024.

Results and Dividends

The consolidated loss from continuing operations after taxation for the year ended 30 June 2024 was £2.8m (2023: £3.1m). The Directors do not recommend the payment of any dividend for the year (2023: £nil).

Directors

Those who served as Directors during the year are:

- Andy Morrison (Non-executive Chairman)
- Jason Miles (Chief Executive Officer)
- Laurence Mutch (Non-executive Director)
- Dilipkumar Shah (Non-executive Director)
- Vicky Boiten-Lee (Non-executive Director) – appointed 2 October 2023
- Philip Snaith (Non-executive Director) – resigned 30 September 2023

A resolution to elect Jason Miles, who will retire as a director by rotation under the Company's Articles of Association, will be proposed at the Company's 2024 Annual General Meeting.

Directors' Interests

The interests of the Directors holding office at 30 June 2024 were as follows:

Number of shares held:

Directors	30 June 2024 Ordinary Shares of 1p each	30 June 2023 Ordinary Shares of 1p each
Andy Morrison	4,100,000	700,000
Jason Miles	5,594,236	3,905,988
Laurence Mutch	912,789	522,107
Dilipkumar Shah	330,000	170,000
Vicky Boiten-Lee	800,000	-

Number of share options held:

Directors	30 June 2024 Share options	30 June 2023 Share options	Exercisable up to
Andy Morrison	4,000,000	4,000,000	3 August 2030
	2,000,000	-	3 August 2031
Jason Miles	-	1,500,000	22 March 2024
	1,448,878	1,448,878	27 June 2027
	1,775,862	1,775,862	3 September 2029
	3,551,122	3,551,122	27 June 2029
	6,666,667	-	3 August 2033
Laurence Mutch	2,000,000	2,000,000	27 June 2027
	4,000,000	4,000,000	3 August 2030
	1,000,000	-	3 August 2031
Dilipkumar Shah	500,000	500,000	27 June 2027
	2,000,000	2,000,000	3 August 2030
	500,000	-	3 August 2031
Vicky Boiten-Lee	-	-	-

Substantial Shareholders

The Board was aware of the following interests of 3% and over of the issued share capital of the Company as at the date of this report.

	Nature of holding	Number of ordinary shares held	Percentage of issued share capital and voting rights
Hargreaves Lansdown	Indirect	408,868,249	23.17%
Interactive Investor	Indirect	299,118,005	16.95%
HDSL	Indirect	173,723,515	9.84%
Barclays Smart Investor	Indirect	115,529,234	6.55%
AJ Bell	Indirect	98,006,228	5.55%
Ruudowen Limited	Direct	62,839,261	3.56%
HSBC Private Bank	Indirect	56,701,782	3.21%

Financial Instruments

The Group's principal financial instruments comprise cash balances and other payables and receivables that arise in the normal course of business. The risks associated with these financial instruments are disclosed in note 23.

Research and Development

The Group continues to invest in research and development associated with the formulation and manufacture of MSAR® and bioMSAR™ proprietary emulsion fuel. Further information regarding the research and development activities of the Group is contained in the Chief Executive's Statement.

Future Developments

Further information regarding the future developments of the Group is contained in the Chief Executive's Statement.

Directors' Liabilities

Subject to the conditions set out in the Companies Act 2006, the Company has arranged appropriate Directors' and Officers' liability insurance to indemnify the Directors against liability in respect of proceedings brought by third parties. Such provisions remain in force at the date of this report.

Disclosure of Information to Auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors, each Director has taken all the steps that he ought to have taken as a director in order to have made himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Appointment of Auditor

In accordance with Section 489 of the Companies Act 2006, a resolution to re-appoint PKF Littlejohn LLP will be proposed at the next Annual General Meeting.

Board Committees

Information on the Audit and Compensation committees is included in the Corporate Governance section of the Annual Report.

Annual General Meeting

The Annual General Meeting will be held on Friday 22 November 2024 as stated in the Notice, which accompanies this Annual Report.

By order of the Board.

MSP Corporate Services Limited
Company Secretary
27 September 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Strategic Report, Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with UK adopted international accounting for reporting year ended 30 June 2024.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgments and accounting estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

They are further responsible for ensuring that the Strategic Report and Report of the Directors and other information included in the Annual Report and Financial Statements is prepared in accordance with applicable law in the United Kingdom.

The maintenance and integrity of the Quadrise plc website is the responsibility of the Directors; the work carried out by the auditors does not involve the consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred in the accounts since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions.

Andy Morrison
Non-executive Chair
27 September 2024

REPORT ON DIRECTORS' REMUNERATION

Key Management Remuneration

The Compensation Committee of the Board of Directors is responsible for determining and reviewing compensation arrangements for all key management personnel, regarded as the executive Directors and Officers of the Group. The Compensation Committee assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis and is guided by an approved remuneration policy and considers relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality, motivated Board and executive team. The Compensation Committee additionally links part of key management remuneration to the Company's financial and operational performance. In this regard, the Compensation Committee has had to balance the disappointing performance on project delivery with recognition of the progress that has been achieved to demonstrate and prove the disruptive potential of the Company's solutions.

Details of the nature and amount of each element of the emoluments of each member of Key Management for the year ended 30 June 2024 were as follows:

Director	Short-term employee benefits £'000s	Social security costs £'000's	Post-employment benefits £'000s	Other benefits £'000's	Share option benefits* £'000's	Total 2024 £'000s	Total 2023 £'000s
Andy Morrison	72	9	-	-	20	**101**	105
Jason Miles	268	36	13	8	40	**365**	356
Philip Snaith[1]	10	-	-	-	2	**12**	68
Laurence Mutch	40	4	-	-	15	**59**	68
Dilipkumar Shah	-	-	-	-	7	**7**	12
Vicky Boiten-Lee[2]	26	3			-	**29**	-
Total	**416**	**52**	**13**	**8**	**84**	**573**	**609**

* Non-cash share option expense.

[1] Resigned 30 September 2023

[2] Appointed 2 October 2023

All Directors of the Company have a three month written notice period under the terms of their employment contracts. Non-Executive directors remuneration is not subject to any performance criteria. Jason Miles remuneration is subject to performance criteria as set by the Compensation Committee, with a bonus determined by performance against the corporate scorecard up to a maximum of 40% of salary. No bonus was awarded for the year ended 30 June 2024 (2023: £nil).

Reconciliation of Share Options Granted to Directors

	30 June 2024 Number of share options	30 June 2023 Number of share options
As at 1 July	26,775,862	12,775,862
Granted during the year by QED	18,666,667	25,051,122
Resignation of Director	(3,000,000)	-
Expired during the year	(9,000,000)	(11,051,122)
As at 30 June	33,442,529	26,775,862

No share options were exercised by Directors during the year (2023: nil). 18,275,862 share options are exercisable as at 30 June 2024 (2023: 12,775,862).

The market price of the Company's shares at the end of the reporting period was 2.21p (2023: 2.10p) and the range during the year was 0.66p to 3.10p (2023: 1.00p to 2.75p) per share.

Vicky Boiten-Lee
Chair of the Compensation Committee
27 September 2024

CORPORATE GOVERNANCE STATEMENT

Since admission to trading on AIM in 2006, the Company has adopted the UK Corporate Governance Code and at its Board meeting on 27 June 2018, the Board of the Company resolved to apply the UK Corporate Governance Code, published by the Financial Reporting Council, as revised in July 2018 (the "Code").

The Code sets standards for good practice in relation to board leadership and effectiveness, remuneration, accountability and relations with shareholders. The provisions of the Code (the 2018 version of which the Board resolved to adopt) which apply to Quadrise plc are set out below. The Code was further updated on 22 January 2024, which will apply on or after 1 January 2025. The Company will before this date review any requirement to respond to the limited number of changes and update this statement on our website accordingly.

Principles of the UK Corporate Governance Code (2018)

Board Leadership & Company Purpose

1. Effective and entrepreneurial board promoting sustainable success, generating value for shareholders and contributing to wider society.
2. Establish the company's purpose, values & strategy. Directors to act with integrity and promote the desired culture.
3. Ensure necessary resources to meet objectives and measure performance. Establish framework of controls which enable risk to be assessed and managed.
4. Ensure effective engagement with and encourage participation from shareholders and stakeholders.
5. Workforce policies and practices are consistent with the company's values and support long term sustainable success. Workforce able to raise matters of concern.

Division of Responsibilities

6. Chair responsible for board effectiveness. Promote a culture of openness and debate, facilitate constructive board relations and contribution of Non-executive Directors. Ensure accurate, timely and clear information.
7. Appropriate combination of Executive and Non-executive (particularly independent) Directors so that no one individual or group dominates. A clear division between board and company leadership.
8. Non-executive directors to have sufficient time to meet responsibilities and provide constructive challenge, strategic guidance, specialist advice and hold executive management to account.
9. Ensure policies, processes, information, time and resources required to function effectively and efficiently.

Composition, Succession and Evaluation

10. A formal, rigorous and transparent procedure to board appointment. Establish a succession plan for board and senior management, based on merit and objective criteria. Promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.
11. Board and committees to have a combination of skills, experience and knowledge. Review length of service of the board with membership regularly refreshed.

12. The annual board evaluation to consider its composition, diversity and effective working together. Individual evaluation to demonstrate whether each director continues to contribute effectively.

Audit, Risk and Internal Control

13. Establish formal and transparent policies and procedures to ensure independence and effectiveness of internal and external audit functions. Satisfy itself on integrity of financial and narrative statements.
14. Present a fair, balanced and understandable assessment of company's position and prospects.
15. Establish procedures to manage risk, oversee internal controls and determine nature and extent of principal risks in achieving its long-term strategic objectives.

Remuneration

16. Policies and practices designed to support strategy and promote long-term sustainable success. Executive remuneration aligned to purpose and values and clearly linked to successful delivery of company's long-term strategy.
17. A formal and transparent procedure for developing policy on executive remuneration should be established. No director involved in deciding their own remuneration.
18. Directors to exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance and wider circumstances.

Chair's Corporate Governance Statement

Dear Shareholders,

Since its original listing in April 2006, Quadrise has applied strong corporate governance principles in all its endeavours. As an example, each year the Board continues to challenge itself against the applicable UK Corporate Governance Code (the "Code") and endeavours to act on any perceived deficiencies. The Company considers the Code to be the gold standard for governance compliance and is the recognised code to which the Company adheres. As noted above the Code was updated in January 2024, and the limited number of changes will come into effect in January 2025. This update will then become applicable to the Company.

We thus provide details of the Code on our website and explain where we comply, and if not, why and if appropriate what corrective steps we are taking to address any deficiencies. This information is reviewed at least once each year and our website will disclose the review date.

As Chair, it is my duty together with my fellow Board members to promote and apply good standards of corporate governance throughout our organisation. The Group benefits from a highly experienced Board, setting clear values and strategy whilst embracing a hands-on, friendly but professional culture.

The Company strives to keep our shareholders informed of material progress on our projects, but we acknowledge that this progress has not been as rapid as we would have liked, leading in some instances, to gaps in the provision of updates. However, we continue to receive positive responses from investors regarding our use of Investor Meet Company ("IMC"), and ensure that all questions, no matter how challenging, are answered either during the event or posted on the IMC website afterwards. Feedback from IMC is that we are a positive outlier in terms of the number of questions that we get asked and the diligence with which we answer them. We believe that this demonstrates a real commitment from the Company to treat our retail shareholders in the same manner as our institutional and longstanding high-net-worth shareholders – with the opportunity to directly ask questions of management on a regular basis.

Alongside IMC, we continue to use Proactive Investors and Directors Talk for interviews around key areas, and regularly update our social media feeds (Twitter and LinkedIn) to provide background and supporting information to shareholders. In addition, CEO Jason Miles uses his extensive but focussed Linkedin network to progress business development and to further promote the benefits of Quadrise technology.

Whilst we regard the broadening of our channels to shareholders as helpful, it is important to emphasise that all substantive announcements are made via RNS. As a Board we are fully aware of our responsibilities in this regard and we have regular contact with our high-quality advisory team including our NOMAD, brokers and our PR-IR and legal advisors. Our approach to the use of social media, blogs and other non-RNS news dissemination is always discussed in detail with our NOMAD to ensure that we are not revealing any material that should be disclosed via RNS. This open dialogue with our advisors ensures that the information that we provide via RNS meets the regulatory requirements of AIM – and that any supplementary information we disclose via other channels does not contain anything that is material or price sensitive.

The Company maintains a comprehensive suite of policies and practices appropriate for our size and stage of development. Each of these is reviewed and signed off by at least one nominated Executive or Non-executive Director with appropriate experience of the subject matter. The executive team frequently consult the Chair of the audit, compensation and funding committees on planning, finance, legal and human resource matters.

In May and June each year the Board undertakes a structured risk assessment and the outcomes of this are incorporated in the monthly non-exec director's risk and project status meeting, annual Business Plan and the associated financial modelling. The risk assessment approach underwent an extensive upgrade this year.

I trust these few examples illustrate that the Company has a proactive and transparent approach to oversight on behalf of all shareholders and those high standards of corporate governance are inherent in our culture.

The Company was delighted to hold an in-person AGM in November 2023, which was live-streamed via the IMC platform to shareholders unable to attend in person. We will be continuing with this hybrid approach for our 2024 meeting, with the investor presentation and subsequent Q&A livestreamed via IMC.

Andy Morrison
Non-executive Chair
27 September 2024

Application of the Code

The following describes how the Company complies with and where it departs from the Code together with an explanation of the reasons for doing so.

Board Leadership and Company Purpose

Principle A: Effective and entrepreneurial board promoting sustainable success, generating value for shareholders and contributing to wider society.

The Quadrise Board met formally on 14 occasions during the year ending 30 June 2024 in its endeavours to progress the announced relationships and potential projects more fully described above. In addition, the non-executive directors meet monthly with the executive team to re-assess the Company's risk status and project progress.

Given the progress outlined in the Chair and Chief Executives' statements, the opportunity for the Company to generate future value for shareholders remains sound in our view. Refer to further information under Provisions 1 and 14, and Principles F, G and H (Board effectiveness, Independence).

MSAR® and bioMSAR™ technology has many environmental benefits as reported elsewhere, on the Company's website https://www.quadrise.com/esg/environmental/ and in the Company's annual Sustainability Report, and in this way has considerable potential to contribute to wider society.

Principle B: Establish the Company's purpose, values & strategy. Directors to act with integrity and promote the desired culture.

Our strategic focus on the decarbonisation of shipping and the Valkor, Moroccan and South-East Asia projects are intended to generate "points of presence". These will enable us to better serve the shipping sector and prepare ourselves for the scaling of our business to meet demand. In this regard we intend to be the leading emulsion-based energy solutions provider to benefit the environment and create value for our stakeholders. We aim to provide the best available technology, solutions, services and MSAR® and bioMSAR™ synthetic fuel oil products for our major, market-leading customers.

Our strategy is to work with global and regional companies in the shipping, refining and industrial markets to develop, simultaneously, the capacity to both produce and consume MSAR® and bioMSAR™ emulsion fuels on a commercial scale and world-wide.

The Quadrise team of nine employees and directors are highly cohesive and motivated with a driven sense of purpose. The Company is privileged to have a highly experienced Board, setting values and strategy in our annual Business Plan, and adopting the highest standards of integrity whilst promoting a hands-on, friendly but professional culture. For further information refer to Provisions 2 and 8.

Principle C: Ensure necessary resources to meet objectives and measure performance. Establish framework of controls which enable risk to be assessed and managed.

We continuously review opportunities to increase efficiency, which will enhance our strategic intent and ability to deliver our business development plans, including the essential research and development support. This includes changes to the executive structure where appropriate.

Refer to Provisions 28: Assessment of Risks, and 29: Internal Controls, as well as the disclosures under Principles I and O.

Principle D: Ensure effective engagement with and encourage participation from shareholders and stakeholders.

Our AGM held on 27 November 2023 was an in-person event that was also streamed via the Investor Meet Company ("IMC") platform and was followed by an investor presentation given in person and on the IMC platform. In total the AGM and investor presentation was attended by 34 shareholders and other types of attendees in person with a further 191 attendees online. Through investor conference calls (12 July 2023, 26 March 2024) with an average of 206 shareholders on each call, media interviews, presentations and regular updates to the Company website, the executive team has endeavoured to keep shareholders fully informed (within the usual disclosure constraints) on the Company's strategic development plans. Refer to Provisions 4, 5, 6 and 7 for further information.

Principle E: Workforce policies and practices are consistent with the company's values and support long term sustainable success. Workforce able to raise matters of concern.

As a small and cohesive organisation, the Company is quickly alerted to any practices that are inconsistent with our values and determination to achieve long-term sustainable success. The Company nevertheless prides itself in having in place all of the standard procedures of a much larger corporation, together with a wealth of experience on the Board to address any workforce concerns. During the induction programme, new employees are encouraged to bring forward any concerns at any time including use of a Whistleblowing Policy. Refer to further disclosures in Provisions 2, 5 and 6.

Provision 1: Opportunities and risks to future success.

The CEO's Statement in the 2024 Annual Report describes the MSAR® and bioMSAR™ market opportunities consistent with the decarbonisation of shipping and associated "points of presence". The risks associated with our endeavours have been demonstrated historically by the disappointment of the unexpected termination of the marine fuel trial by Maersk. Principal Business Risks are more fully covered on page 21 in the Annual Report. Notwithstanding the challenges faced in our key markets, the Board firmly believes in the sustainability of the Company's business model. Progress will not always be smooth, but we are well positioned to capitalise on experience and the significant opportunities that we see going forwards. The Company would not be able to attract the attention of partners of this calibre without clear evidence of its standards of corporate governance.

Provision 2: Monitoring corporate culture

The Company does not formally assess and monitor culture – this being a small organisation, where any deviation from policy, practices and behaviour at odds with the Company's purpose and values would become quickly apparent to management. The Quadrise team can be described as cohesive and highly professional with a very clear sense of purpose. Team meetings are held weekly where project progress is reviewed, and remedial action taken. The performance of all employees is assessed annually together with a discussion on career development plans. The remuneration scheme for all employees includes the potential award of bonuses and options subject to company and personal performance.

Provision 3: Regular engagement with major shareholders

Refer to Disclosure under Principle D and Provision 7.

Provision 4: Action to be taken in the event there are 20% votes against a resolution

At the Company's AGM held on 27 November 2023, six ordinary resolutions, including in relation to the directors' authority to allot shares, were carried with at least 89.21% of votes in favour of the resolutions, save for the resolution to re-appoint Dilip Shah as a Director of the Company that was passed with 67.80% of votes in favour of the resolution. Two special resolutions, concerning the disapplication of pre-emption rights in relation to the issue of shares for cash and for the purposes of financing, were carried with at least 80.93% of votes in favour of the resolutions.

Provision 5: Stakeholder engagement mechanisms

Being a small organisation with 9 employees, the Company can readily consider and respond to views put forward by the workforce and other key stakeholders. In view of this, the Company does not have a director appointed from the workforce, a formal workforce advisory panel or a designated non-executive director to engage with the workforce.

Provision 6: A means for the workforce to raise concerns

During the induction programme and subsequently, employees are encouraged to bring forward any concerns at any time including use of a Whistleblowing Policy. If appropriate the chair of the compensation committee would be asked to investigate and seek external advice should this be necessary.

Provision 7: Identify and manage conflicts of interest

Both executive and non-executive directors meet and consult major shareholders within the usual disclosure constraints to surface and manage any potential conflicts of interest. Any related party transactions are reported in note 25 to the financial results.

Provision 8: Board Minutes to record issues that cannot be resolved

The Board works hard to resolve any concerns about the management of the company and the operation of the Board. On occasions a director will request that the Board minutes record his divergent opinion from the majority view. A resigning non-executive director would be encouraged to provide a written statement to the chair if his resignation resulted from such a concern.

Division of Responsibilities

Principles F, G & H: Chair responsible for board effectiveness. Promote a culture of openness and debate, facilitate constructive board relations and contribution of Non-executive Directors.

Ensure accurate, timely and clear information. Appropriate combination of exec and non-exec (particularly independent) directors so that no one individual or group dominates. A clear division between board and company leadership.

Non-exec directors to have sufficient time to meet responsibilities and provide constructive challenge, strategic guidance, specialist advice and hold executive management to account.

Quadrise is privileged to have a highly qualified and practiced Board of directors of an unusual level of seniority and standing given the Company's moderate size and still early stage of development. Refer to Director Profiles on page 28 of the Annual Report. The non-executive directors have a level of experience and gravitas that ensures a culture of openness and debate and provide the necessary challenge, guidance and advice. Detailed board papers are prepared a week ahead of meetings. For further information refer to Provision 8: Divergent opinions, Provision 10: Independence, Provision 15: Demands on time, and Provisions 16: Company Secretary.

With a Non-Executive Chair, there is a clear division between board and company leadership. Refer to Provision 9.

Principle I: Ensure policies, processes, information, time and resources required to function effectively and efficiently.

The Company has a digital Policies and Procedures Directory comprising some 100 policies in 22 business categories. The Policies and Procedures are intentionally kept short so that these are easy to refer to and update. Of note, each of these is reviewed and signed off by at least one nominated director (executive or non-executive) who is required to have considerable prior experience of the subject matter. Refer to Provision 29. QED has a comprehensive disaster recovery plan which is tested on a regular basis.

Expenditure and other authorities are subject to a tight Authorities Matrix, reviewed regularly by the Audit Committee.

The Company has implemented a GDPR policy and has online training facilities for Bribery and Corruption, GDPR and General Data Protection. Completion of this training is compulsory for all employees and directors.

Provision 9: The roles of chair and chief executive

Addressed under Division of responsibilities above. Jason Miles is the Company's CEO and Andy Morrison was appointed as Non-Executive Chair on 1 February 2022.

Provision 10: Independence of non-executive directors

The profiles and experience of the non-executive directors are provided on page 28 of the Annual Report.

Non-Executive Chair Andy Morrison has the appropriate experience as a former VP at Shell plc and holder of senior positions at BG Group plc and BOC Group plc, as well as leadership positions at junior listed companies in both the energy and ESG sectors. He is a shareholder and holds options in the Company. Mr Morrison has clearly indicated that these holdings do not and have not hindered his ability to be independent and after careful consideration the Board concurs with this view and believes him to be independent.

During the past financial year, non-executive director Laurence Mutch was a Director of Laurie Mutch & Associates Limited, which in prior years provided consulting services to the Group. No fees were charged for the 2024 financial year (2023: £nil). He is a shareholder and holds options in the Company and has been a director since 2006. Mr Mutch has clearly indicated that these potential impairments do not and have not hindered his ability to be independent and after careful consideration the Board concurs with this view and believes him to be independent. He was a former group finance director of Royal Dutch Shell, and has current, accounting (through his extensive charity activities) financing, corporate governance and regulatory experience. He thus has the experience to chair the audit and funding committees.

Non-Executive director Vicky Boiten-Lee is a shareholder and was awarded share options in the Company following the period end. Ms Boiten-Lee has clearly indicated that these holdings do not and have not hindered her ability to be independent and after careful consideration the Board concurs with this view and believes her to be independent. She has more than 20 years of international experience in the energy sector, holding several positions covering Europe, North America, China and Asia at Shell plc, where she led organisational transformations accelerating the growth of lower carbon fuels and reducing costs of compliance.

Mr Dilip Shah is closely associated with significant shareholders, he is a shareholder and holds options in the Company and is not considered independent.

In view of their contribution to the Company, non-executive directors have been awarded options in the Company, as more fully detailed on page 35 and Provision 34. In addition, each have shown their support for, and confidence in, the future of the company at fund raisings and accordingly hold shares in the Company – please refer to page 30. Whilst this may question their independence in accordance with the Code, the Board continues to hold the view that this has not and does not impair their ability to act as independent directors.

Provision 12: Appointment of a Senior Independent Director

In view of its size, the Company has not appointed a Senior Independent Director. This will be reviewed as the Company progresses its development plans. To the extent that there are unusual circumstances that may require the duties and role of a Senior Independent Director, Mr Mutch acts in this capacity.

Provision 13: Appointing and Removing Executive Directors

On the appointment of Executive Directors refer to Principle J. As discussed under Provision 41, the Compensation Committee annually reviews the performance of the Company against previously determined corporate performance targets adopted by the Board. The non-executive directors meet frequently to discuss any performance concerns.

Provision 14: Meetings of the Board

During the 2023-24 financial year the Board comprised the Chair, Chief Executive Officer and three non-executive Directors. At each Annual General Meeting, one third of the Directors who are subject to retirement by rotation shall retire from office provided that if their number is more than three, but not a multiple thereof, then the number nearest to but not exceeding one-third shall retire. Appropriate Directors' and Officers' liability insurance has been arranged by the Company.

The Board met a total of 14 times during the 2023-24 financial year, including four formal quarterly meetings to discuss a scheduled agenda covering key areas of the Group's affairs including operational and financial performance and monthly management accounts. All relevant information is circulated in good time. The attendance record of each director is shown below:

Director	Attendance	
Andy Morrison	14	100%
Jason Miles	13	93%
Laurence Mutch	14	100%
Philip Snaith (resigned 1 October 2023)	5	100%
Vicky Boiten-Lee (appointed 2 October 2023)	9	100%
Dilip Shah	7	50%

Provision 15: Demands on Directors' time

In addition to his role as Non-Executive Chairman, Andy Morrison is currently also a Director of Net Zero Carbon Developments Ltd, a Non-Executive director of Ondo InsurTech Plc, Non-Executive Chair of Hemspan Ltd and Managing Director of Spinnaker Management Resources Ltd. Dilip Shah has other external appointments which have been disclosed to the Board and do not, of themselves, impact the time they need to commit to the Company. Laurie Mutch and Vicky Boiten-Lee have no other external appointments.

Provision 16: Advice from the Company Secretary

In Ian Farrelly the Company has a highly experienced Company Secretary and, for example, both the chairs of the compensation and audit committees are in regular contact to seek his guidance.

Composition, Succession and Evaluation of the Board

Principle J: A formal, rigorous and transparent procedure to board appointments. Establish a succession plan for board and senior management, based on merit and objective criteria. Promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.

The Board Nominations Committee is chaired by Vicky Boiten-Lee and comprises Andy Morrison, Laurence Mutch and Vicky Boiten-Lee. There is a formal, rigorous and transparent procedure to board appointments with the use of external recruitment advisers as may be necessary. Refer to Provision 20. In view of its small size the Board does not have a formal succession plan, and this will be put in place as the Company progresses its development plans. The Board is keen to promote diversity as the Company develops.

Principle K: Board and committees to have a combination of skills, experience and knowledge. Review length of service of the board with membership regularly refreshed.

Refer to Director Profiles in the Annual Report page 28. Each of the members of the Audit Committee has considerable financial experience. The members of the Audit and Compensation Committees formerly held senior executive positions in large organisations. External guidance is used in setting remuneration policy guidelines.

Mr Mutch has been on the Board for 18 years (since listing in April 2006). Whilst this is at odds with regularly refreshing the Board, long experience is highly valued by shareholders when the directors retire by rotation and are then re-elected. Refer to Provisions 18 and 19.

Principle L: The annual board evaluation to consider its composition, diversity and effective working together. Individual evaluation to demonstrate whether each director continues to contribute effectively.

An annual appraisal is undertaken of the performance of each director, and the effectiveness of the Board and its committees. This involves the completion of a confidential director evaluation matrix with 10 contribution attributes, and a detailed questionnaire on board and committee performance together with an opportunity to propose performance improvements to directors, the Board and committees. These are returned to the Company Secretary and a consolidated review is provided to the Chair for review by the Board.

The Chair oversees an annual evaluation of all employees with targets set for the following year. The Compensation Committee undertakes an evaluation of the Company's performance and that of the Chair and CEO. Refer to Provision 41.

Provision 17: The Nominations Committee

Refer to Principle J.

Provision 18: Re-election of Directors

In accordance with the Company's Articles of Association, at each Annual General Meeting, one third of the Directors who are subject to retirement by rotation shall retire from office provided that if their number is more than three, but not a multiple thereof, then the number nearest to but not exceeding one-third shall retire.

Provision 19: Nine-year limitation of Chairman

Andy Morrison was appointed Non-executive Chair on 1 February 2022.

Provision 20: External search consultant

No external search consultants were appointed during the year.

Provisions 21, 22 and 23: Evaluation of the Board.

Refer to the commentary under Principle L above.

Audit, Risk and Internal Control

Principle M: Establish formal and transparent policies and procedures to ensure independence and effectiveness of internal and external audit functions. Satisfy itself on integrity of financial and narrative statements.

Refer to the Corporate Governance Statement on pages 38-39 in the Annual Report. In view of its size the Company does not have an internal audit function. However, the Audit Committee is closely consulted on the drafting of the Annual Report and of course is integral to the preparation of the annual results. The Committee has considerable governance, control and finance experience. Refer to "The work of the Audit Committee" under Provisions 24, 25 and 26.

Principle N: Present a fair, balanced and understandable assessment of company's position and prospects.

Refer to the Chair's Statement in the Annual Report, and to Provision 24, 25 and 26: The work of the Audit Committee, Provision 27: Board responsibility in preparing the accounts, Provision 30: Going Concern and Provision 31: The prospects of the Company.

Principle O: Establish procedures to manage risk, oversee internal controls and determine nature and extent of principal risks in achieving its long-term strategic objectives.

The Board performs a structured risk assessment on an annual basis. This involves a review of the probability and impact of adverse events across operational regions and at corporate level. This culminates in the preparation of a risk dashboard and summary report for consideration by the Board. This is followed by a documented risk mitigation strategy that is subsequently incorporated into the annual Business Plan. Refer also to Provision 28: Assessment of the Company's Risks and Provision 29: Risk Management and Internal Control systems. The risk review process was substantially enhanced during the year, taking into consideration urgency and importance, and appropriate forms of risk response. The relevance of every significant risk to the Company's projects is reviewed at a monthly joint non-executive director and executive team meeting.

Provisions 24, 25 and 26: The work of the audit committee

The Audit Committee is chaired by Laurence Mutch and comprises Vicky Boiten-Lee and Laurence Mutch, both of whom have recent and relevant financial experience and considerable competence across all elements of the oil sector. The chair of the committee provides a written or detailed verbal report as necessary of every Audit Committee meeting at the next board meeting. The committee meets at least four times a year and is responsible for monitoring the integrity of the financial statements of the Company, keeping under review the scope and results of the audit, its cost effectiveness and the independence and objectivity of the auditors. The committee provides advice on whether the annual report and accounts are fair, balanced and understandable. Due to the size of the Company, there is currently no internal audit function, although the committee has oversight responsibility for public reporting, overall good governance and the Company's internal controls. The committee annually assists management in the formal and robust assessment of the Company's risks. Other members of the Board, the CFO, as well as the auditors, typically attend the Audit Committee meetings.

The performance of the committee is reviewed annually by the Board as more fully described under Principle L above.

Significant Issues

The significant issues considered relating to the 2024 financial statements were Going Concern, the Valuation of Intangible Assets, and Management Override of Controls. The subject of Going Concern is covered in the Strategic Report on page 20 in the Annual Report, in the Auditors Report on page 51 and in Note 3 to the Financial Statements. The Valuation of Intangible Assets is addressed in the Auditors Report on page 51 and in Note 12 to the Financial Statements.

No Internal Audit function

An internal audit function is not appropriate at this time given the Company's current size, and in view of this, the Audit Committee consider the risk of management override of controls a significant issue. In making their assessment the Audit Committee considered specifically the controls over and approval processes covering cash payments and journals, as well as any indication of unusual transactions and any evidence of bias in the estimates made by management. The Audit Committee also considered the quality and frequency of management information provided to the Board. The Audit Committee's conclusion was that there is no evidence of inappropriate management override of controls.

Assessment and Safeguarding the Independence and Effectiveness of the external audit process

The committee has not identified any issues with regards to integrity, objectivity and independence of the Auditors and therefore considers them to be independent.

Provision 27: Board responsibility in preparing the accounts

The Board is responsible for the direction and overall performance of the Group with emphasis on policy and strategy, financial results and major operational issues. In addition, the Board is responsible for preparing the annual report and accounts, and considers this annual report and accounts, taken as a whole, to be fair, balanced and understandable, and that it provides the information necessary for shareholders to assess the company's position, performance, business model and strategy.

Provision 28: Assessments of the Company's Risks

Each year in the second quarter, the Audit Committee assists the Executive Team in a structured zero-based re-assessment of the Company's emerging and principal risks. The risk level is determined by its probability, impact on the Company, urgency and importance and appropriate risk response. A summary of "Principal Risks and Uncertainties" is reviewed at a Board meeting. Subsequently a Risk Mitigation Strategy and Action Plan is incorporated into the annual Business Planning exercise conducted in June. Refer to Principle O for further information. The nature of the Company's activity in the fuels sector should be recognised as inherently risky.

Provision 29: Risk Management and Internal Control systems.

The Board is responsible for the effectiveness of the Group's internal control system and is supplied with information to enable it to discharge its duties. Internal control systems are designed to meet the particular needs of the Group and to manage rather than eliminate the risk of failure to meet business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Company has a digital Policies and Procedures Directory comprising some 100 policies in 22 business categories. The Policies and Procedures are intentionally kept short so that these are easy to refer to and remain current. Of note, each of these is reviewed and signed off by at least one nominated director (executive or non-executive) who is required to have considerable prior experience of the subject matter. Expenditure and other authorities are subject to a tight Authorities Matrix, reviewed regularly by the Audit Committee. QED has a comprehensive disaster recovery plan which is tested on a regular basis. Refer to Principle I.

The Board has established a Bribery Policy, signed by all Directors and employees, to achieve compliance with the UK Bribery Act 2010, which came into effect on 1 July 2011. Agreements with third parties contain statements that the Company and its associates are required to always adhere to the UK Bribery Act 2010. The Company has implemented a GDPR policy and has online training facilities for Bribery and Corruption, GDPR and General Data Protection. Completion of this training is compulsory for all employees and directors.

Provision 30: Going Concern and Longer-Term Viability

The subject of Going Concern is covered in the Strategic Report on page 20 of the Annual Report, in the Auditors Report on page 51 and in Note 3 to the Financial Statements. The Group's longer-term viability as a revenue and profit generating entity is covered in the Chairman's statement and CEO's statements on pages 10-19 and in the Strategic Report on page 20.

Provision 31: The prospects of the Company

The Outlook for the Company is addressed as part of the CEO's Statement on page 18 of the Annual Report.

Principles P, Q & R: Remuneration

Policies and practices designed to support strategy and promote long-term sustainable success. Executive remuneration aligned to purpose and values and clearly linked to successful delivery of company's long-term strategy.

A formal and transparent procedure for developing policy on executive remuneration should be established. No director involved in deciding their own remuneration.

Directors to exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance and wider circumstances.

Refer to the Report on Directors' Remuneration on page 34.

With reference to Provision 41, the Compensation Committee reviews remuneration policy on an annual basis to assess its effectiveness, and on behalf of the Board conducts performance appraisals of the Company, the Chairman and CEO each year. External guidance is sought as necessary in setting the terms of senior executive compensation. Refer to Provision 35: Remuneration Consultant. In consultation with the Chairman, and CEO, the committee prepares corporate targets for formal adoption by the Board and proposals to determine the award of bonuses and / or options. These are clearly linked to the delivery of long-term objectives and corporate strategy. Refer also to Provision 37: Compensation Committee discretion.

Provision 32: Appointment of the Compensation Committee

The Compensation Committee is chaired by Vicky Boiten-Lee and comprises Vicky Boiten-Lee and Laurence Mutch. The chair of the committee provides a written or detailed verbal report as necessary of every compensation committee meeting at the next Board Meeting.

Provision 33: Remuneration Policy

Refer to Provision 41.

Provision 34: Remuneration of Non-executive Directors

The Board determines the remuneration of the non-executive directors, and no Director participates in discussions about his own remuneration. Each of the non-executive directors have been awarded share options in prior years. Provision 34 of the Code states that remuneration for non-executive directors should not include share options or other performance-related elements. However as stated above, the Company's Non-executive Directors are of an unusual level of seniority and standing given the Company's moderate size and still early stage of development. The Company has a small full-time team and therefore the non-executive directors are more closely engaged in the strategic development of the Company than is normally the case, and their fee compensation is low given their seniority.

Provision 35: Remuneration Consultant

At this time the committee does not make use of a remuneration consultant, but the committee does make use of independent remuneration surveys when these become readily available.

Provision 36: The award of share options to Executive Directors

Options are granted by Board resolution in line with one or more of the three QED Share Option Schemes, a Schedule 5 Enterprise Management Incentive Plan ("EMIP"), a Schedule 4 Company Share Option Plan ("CSOP") and an Unapproved Share Option Plan ("USOP"). The award of options is tightly linked to the delivery of long-term objectives and corporate strategy. The views of shareholders are taken into consideration.

Provision 37: Compensation Committee discretion

The committee retains an attitude of applying discretion when this is applicable regarding outstanding individual performance.

Provision 38: Only basic salary to be pensionable

Only basic salary is pensionable and pension contribution rates for executive directors are in line with those for other staff.

Provision 39: Contract periods and no reward for disappointing performance

The contracts for Executive Directors have no fixed end date. Bonuses to Executive Directors are proposed by the Compensation Committee with the amount determined by a formula which factors in both Company and individual performance.

Provision 40: Remuneration Policy Principles

Refer to Provision 41.

Provision 41: The work of the Compensation Committee

The committee works within the framework of a regularly reviewed compensation policy approved by the Board. It meets at least twice a year and conducts performance appraisals of the Company against previously determined corporate performance targets adopted by the Board. External guidance is sought as necessary in setting the terms of senior executive compensation including the award of bonuses and / or options.

In determining Executive Director compensation, the committee places considerable importance on proportionality, clearly linking remuneration to the delivery of long-term objectives and corporate strategy. In designing remuneration policy, the committee has endeavoured to incorporate the principles of clarity, simplicity, and predictability. As an external measure, the committee refers to remuneration surveys of AIM companies of similar size and complexity, when these are readily available. Shareholder views on compensation have been expressed at the AGM and in other meetings, and the committee has taken these and the Company's performance into account in its deliberations.

The Report on Directors' Remuneration is on page 34.

The performance of the committee is reviewed annually by the board at large as more fully described under Principle L above.

Laurence Mutch
Chair of the Audit Committee
27 September 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUADRISE PLC

Opinion

We have audited the financial statements of Quadrise Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2024 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion, the financial statements:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2024 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 3 in the financial statements, which indicates that the group and parent company will need to raise additional funding within twelve months from the date of approval of the financial statements in order to fund its ongoing working capital requirements. As stated in note 3, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the group and parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included the following:

- Obtaining the directors' going concern assessment and evaluating the appropriateness of the assessment;
- Reviewing the budgets/cashflow forecasts which cover the period to 30 June 2026 and challenging management's basis for the underlying assumptions in the forecast, agreeing to supporting documentation such as the review of post year end bank statements, management accounts and regulatory news service announcements; and
- Reviewing the adequacy of the disclosures in respect of going concern including the uncertainties over the ability to raise additional funds.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to:

- The directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting; and
- The directors' identification in the financial statements of the material uncertainty related to the entity's ability to continue as a going concern over a period of at least twelve months form the date of approval of the financial statements.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures.

The materiality applied to the group financial statements was £98,000 (2023: £75,000), based on 1.5% of the group's gross assets. Gross assets were selected as the benchmark which includes the intangible assets (which includes the MSAR brand) and the technology for producing the emulsion fuel. The materiality applied to the parent company financial statements was £58,800 (2023: £56,200) which has been assessed based on 1.5% of the parent company gross assets and capped below the overall group materiality. Gross assets were selected as the benchmark for the parent company materiality as the most significant balance in the parent company financial statements is the investment in the subsidiaries, which own the trade name MSAR upon which the Group's business models relies.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures. The performance materiality for the group was £68,000 (2023: £45,000) and £41,100 (2023: £33,700) for the parent company, being 70% (2023: 60%) of materiality for the financial statements as a whole.

In determining performance materiality, we considered the following factors:

- Our knowledge of the group and its environment, including industry specific trends;
- Significant transactions during the year; and
- The level of judgement required in respect of the key accounting estimates.

We agreed with the audit committee that we would report all audit differences identified during the course of our audit in excess of £4,900 (2023: £3,750) for group and £2,900 (2023: £2,800) for parent company level, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We applied the concept of materiality in planning and performing our audit and in evaluating the effect of misstatement. No significant changes have come to light during the audit which required a revision of our materiality for the financial statements as a whole.

Our approach to the audit

Our audit is risk based and is designed to focus our efforts on the areas at greatest risk of material misstatement, aspects subject to significant management judgement as well as greatest complexity, risk and size.

As part of designing our audit, we determined materiality, as above, and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas involving significant accounting estimates and judgement by the directors and considered future events that are inherently uncertain. These areas of estimate and judgement included:

- The valuation of intangible assets in line with IAS 36; management is required to perform an impairment assessment at each reporting end date to determine whether there is any indication that those assets have suffered an impairment loss. This included the assessment of key inputs such the future cash flow forecasts, discount rates, period and growth.
- The recoverability of investments in subsidiary undertakings (including intercompany receivable amounts). This included the assessment of key inputs such as future cash flow forecasts, discount rates, budget period and expected growth;
- The valuation of share-based payments as there is complexity relating to the fair value calculation of such arrangements, including the valuation methodology used and the key inputs to such valuation models, which require management judgement. There is a risk that these arrangements have not been accounted for in accordance with IFRS 2 “Share-based payments”.
- The discount rate used to discount lease liabilities is based on the incremental borrowing rate. The Group believes this is the market rate at which the Group believes it could borrow funds if it were to buy the leased asset outright.

We also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

The scope of our audit was based on the significance of component’s operations and materiality. Each component was assessed as to whether they were significant or not to the group by either their size or risk.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our scope addressed this matter
Valuation of intangible assets **(Note 12)** *The Group holds £2.92m of intangible assets relating to the MSAR® trade name from which currently no revenue is being generated.* *In line with IAS 36, management is required to perform an impairment assessment at each reporting end date to determine whether there is any indication that those assets have suffered an impairment loss.* *The recoverable amount of the MSAR® trade name intangible asset has been determined using a Value-in-use ("VIU") model. The expected future cash flows utilised in the VIU model are derived by quantifying the royalties that would result if the asset was licensed from a third party in order to determine the income stream directly attributable to the asset in isolation.* *This is considered to be a key audit matter due to the judgement and estimation required by management in making this assessment.*	Our audit work in this area included: ▪ Considering whether any impairment indicators have been triggered; ▪ Obtaining and reviewing the Board approved impairment papers in respect of intangible assets; ▪ Checking the mathematical accuracy of the discounted cash flow forecasts used within the impairment papers; ▪ Challenging management on the key assumptions underlying the cash flow forecasts used in the impairment assessments (basis of future cash flow estimates, growth rates and discount rate) and using our own internal specialists to verify the discount rate used for reasonableness; ▪ Evaluating the reasonableness of the cash flow forecasts and projections in the model through comparison to actual and prior period performance; ▪ Performing sensitivity analysis on the key assumptions and management judgements used within the models; and ▪ Considering whether any other indicators of impairment are present under IAS 36 having reference to internal and external factors.
Valuation of investments (including intercompany receivables) – Parent company **(Note 14)** *There is a risk of material misstatement regarding the recoverability of investments in subsidiaries (including intercompany receivables i.e. the net investment in each subsidiary) and other equity investments, which are not yet revenue generating.*	Our audit work in this area included: ▪ Reviewing the value of investment balances against the value of the investee underlying assets; ▪ Obtaining evidence of ownership for all investments held within the Group;

Key audit matter	How our scope addressed this matter
The Group's business model relies upon the assets held by its main subsidiary, Quadrise International Limited ("QIL") – intangible assets, patents and trademarks. The recoverable amount of the investment in QIL is therefore determined by calculation of the net present value ('NPV') of the forecast cashflows produced by the Group's business model, which is regularly reviewed by management. The basis for the inclusion of projects and the estimation of growth rates, margins and project lifespans within the business model is based on the latest agreements with counterparties, commodity and chemical prices and the most recent discussions with customers, suppliers and other business partners. *There is also a risk that management have not applied the IFRS 9 expected credit loss model appropriately and therefore the balance may be materially misstated.*	▪ Reviewing management's impairment paper in respect of the recoverability of investment balances (including Intragroup receivables at the parent level) and providing appropriate challenges, corroborating any key assumptions used (such as discount rate, cashflow projections, growth rates, forecast period); ▪ Reviewing management's IFRS 9 expected credit losses calculation; and ▪ Considering whether any other indicators of impairment are present under IAS 36 having reference to internal and external factors.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Corporate governance statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 48;
- Directors' explanation as to their assessment of the entity's prospects, the period this assessment covers and why the period is appropriate set out on page 21;
- Directors' statement on whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities set out on page 20;
- Directors' statement that they consider the annual report and the financial statements, taken as a whole, to be fair, balanced and understandable set out on page 46;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 46;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 46; and
- The section describing the work of the audit committee set out on page 46.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the group and Parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and company and the sector in which they operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management about the potential instances of non-compliance with laws and regulations.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from:
    - The Companies Act 2006;
    - AIM Rules; and
    - Local tax and employment law in the UK
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
    - Conducting enquiries of management regarding potential instances of non-compliance;
    - Reviewing Regulatory News Service (RNS) announcements;
    - Reviewing legal and professional fees ledger accounts; and
    - Reviewing board minutes and other correspondence from management.

- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, whether key management judgements could include management bias. The potential for bias was identified in relation to the following:
  - o Valuation of intangible assets
  - o Recoverability of investment in subsidiaries and intercompany balances
  - o The valuation of share based payments
  - o The valuation of right of use assets and lease obligations
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joseph Archer (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

27 September 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2024

	Notes	Year ended 30 June 2024 £'000s	Year ended 30 June 2023 (Restated) £'000s
Continuing operations			
Revenue		-	-
Production and development costs		(1,461)	(1,746)
Other administration expenses		(1,336)	(1,334)
Share option charge	18	(260)	(178)
Warrant charge	19	(30)	-
Loss on disposal on fixed assets		(3)	-
Foreign exchange loss		(2)	(6)
Operating loss	5	**(3,092)**	(3,264)
Finance costs		(9)	(8)
Finance income		32	12
Loss before tax		**(3,069)**	(3,260)
Taxation	8	209	154
Loss and total comprehensive loss for the year from continuing operations to owners of the parent		**(2,860)**	(3,106)
Loss per share – pence			
Basic	9	**(0.18)**	(0.22)
Diluted	9	**(0.18)**	(0.22)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

Company No. 05267512

	Notes	As at 30 June 2024 £'000s	As at 30 June 2023 (Restated) £'000s	As at 1 July 2022 (Restated) £'000s
Assets				
Non-current assets				
Property, plant and equipment	10	388	374	398
Right of Use assets	11	159	283	85
Intangible assets	12	2,924	2,924	2,924
Non-current assets		**3,471**	3,581	3,407
Current assets				
Cash and cash equivalents	15	3,048	1,342	4,423
Trade and other receivables	16	118	89	103
Prepayments		91	119	177
Inventory		-	174	-
Current assets		**3,257**	1,724	4,703
TOTAL ASSETS		**6,728**	5,305	8,110
Equity and liabilities				
Current liabilities				
Trade and other payables	17	239	175	262
Lease liabilities	11	102	108	26
Provision for lease dilapidations	11	56	56	28
Current liabilities		**397**	339	316
Non-current liabilities				
Lease liabilities	11	43	145	45
Non Current liabilities		**43**	145	45

	Notes	As at 30 June 2024 £'000s	As at 30 June 2023 (Restated) £'000s	As at 1 July 2022 (Restated) £'000s
Equity attributable to owners of the parent				
Issued share capital	20	17,648	14,069	14,069
Share premium	20	77,647	77,189	77,189
Merger reserve	21	3,777	3,777	3,777
Share option reserve	21	839	718	1,151
Warrant reserve	21	30	-	970
Reverse acquisition reserve	21	522	522	522
Accumulated losses		(94,175)	(91,454)	(89,929)
Total shareholders' equity		**6,288**	4,821	7,749
TOTAL EQUITY AND LIABILITIES		**6,728**	5,305	8,110

The financial statements, accompanying policies and notes 1 to 29 (forming an integral part of these financial statements), were approved and authorised for issue by the Board on 27 September 2024 and were signed on its behalf by:

A. Morrison
Chair

J. Miles
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2024

	Issued capital £'000s	Share premium £'000s	Merger reserve £'000s	Share option reserve £'000s	Warrant reserve £'000s	Reverse acquisition reserve £'000s	Accumulated losses £'000s	Total £'000s
1 July 2022 (as reported)	**14,069**	**77,189**	**3,777**	**1,151**	**970**	**522**	**(89,915)**	**7,763**
Prior-year adjustment	-	-	-	-	-	-	14	14
1 July 2022 (as restated)	14,069	77,189	3,777	1,151	970	522	(89,929)	7,749
Loss and total comprehensive loss for the year (Restated)	-	-	-	-	-	-	(3,106)	(3,106)
Share option charge	-	-	-	178	-	-	-	178
Transfer of balances relating to expired share options	-	-	-	(611)	-	-	611	-
Transfer of balances relating to expired warrants	-	-	-	-	(970)	-	970	-
30 June 2023 (Restated)	**14,069**	**77,189**	**3,777**	**718**	**-**	**522**	**(91,454)**	**4,821**
1 July 2023	14,069	77,189	3,777	718		522	(91,454)	4,821
Loss and total comprehensive loss for the year	-	-	-	-	-	-	(2,860)	(2,860)
New shares issued	3,579	895						4,474
Share issue costs		(437)						(437)
Share option charge	-	-	-	260	-	-	-	260
New warrants issued	-	-	-	-	30	-	-	30
Transfer of balances relating to expired share options	-	-	-	(139)	-	-	139	-
30 June 2024	**17,648**	**77,647**	**3,777**	**839**	**30**	**522**	**(94,175)**	**6,288**

For an explanation of the nature and purpose of other reserves refer to note 21.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

	Notes	Year ended 30 June 2024 £'000s	Year ended 30 June 2023 (Restated) £'000s
Operating activities			
Loss before tax from continuing operations		(3,069)	(3,260)
Depreciation	10	205	197
Loss on disposal of fixed assets	10	3	-
Finance costs paid		9	8
Finance income received		(32)	(12)
Share option charge	18	260	178
Warrant charge		30	-
Working capital adjustments			
(Increase)/decrease in trade and other receivables	16	(29)	14
Decrease in prepayments		28	58
Increase/(decrease) in trade and other payables	17	64	(87)
Decrease/(increase) in inventory		174	(174)
Net cash used in Operating Activities		**(2,357)**	(3,078)
Finance costs paid		(9)	(8)
Taxation received	8	209	154
Net cash outflow from operating activities		**(2,157)**	(2,932)
Investing activities			
Finance income received		32	12
Purchase of property, plant and equipment	10	(98)	(95)
Net cash outflow from investing activities		**(66)**	(83)
Financing activities			
Issue of Ordinary Share Capital		4,474	-
Issue Costs		(437)	-
Payment of lease liabilities		(108)	(66)
Net cash inflow/(outflow) from financing activities		**3,929**	(66)
Net decrease in cash and cash equivalents		1,706	(3,081)
Cash and cash equivalents at the beginning of the year		1,342	4,423
Cash and cash equivalents at the end of the year	15	**3,048**	1,342

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

Company No. 05267512

	Notes	As at 30 June 2024 £'000s	As at 30 June 2023 (Restated) £'000s
Assets			
Non-current assets			
Property, plant and equipment	10	9	11
Right of use asset	11	137	229
Investments in subsidiaries	14	21,479	21,479
Amount due from subsidiary	14	32,276	28,801
Non-current assets		**53,901**	50,520
Current assets			
Cash and cash equivalents	15	2,642	1,090
Trade and other receivables	16	46	48
Prepayments		59	66
Current assets		2,747	1,204
TOTAL ASSETS		**56,648**	51,724
Equity and liabilities			
Current liabilities			
Trade and other payables	17	122	77
Lease liability	11	84	81
Provision for lease dilapidations	11	27	27
Amount due to subsidiary	14	-	7,666
Current liabilities		**233**	7,851
Non-current liabilities			
Lease liability	11	43	127
Non Current liabilities		**43**	127

	Notes	As at 30 June 2024 £'000s	As at 30 June 2023 (Restated) £'000s
Equity attributable to equity holders of the parent			
Issued capital		17,648	14,069
Share premium		77,647	77,189
Merger reserve		3,777	3,777
Share option reserve	21	839	718
Warrant reserve	21	30	-
Accumulated losses		(43,569)	(52,007)
Total shareholders' equity		**56,372**	43,746
TOTAL EQUITY AND LIABILITIES		**56,648**	51,724

The profit for the year dealt within the accounts of Quadrise plc was £8.3m (2023: loss of £0.4m). No income statement is presented by the Company as provided in S.408 of the Companies Act 2006.

The financial statements, accompanying policies and notes 1 to 29 (forming an integral part of these financial statements), were approved and authorised for issue by the Board on 27 September 2024 and were signed on its behalf by:

A. Morrison
Chair

J. Miles
Director

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2024

	Issued capital £'000s	Share premium £'000s	Merger reserve £'000s	Share option reserve £'000s	Warrant reserve £'000s	Accumulated losses £'000s	Total £'000s
1 July 2022	14,069	77,189	3,777	1,151	970	(53,184)	43,972
Loss and total comprehensive loss for the year (as restated)	-	-	-	-	-	(404)	(404)
Share option charge	-	-	-	178	-	-	178
Transfer of balances relating to expired share options	-	-	-	(611)	-	611	-
Transfer of balances relating to expired warrants	-	-	-	-	(970)	970	-
30 June 2023 (as restated)	**14,069**	**77,189**	**3,777**	**718**	**-**	**(52,007)**	**43,746**
1 July 2023	14,069	77,189	3,777	718	-	(52,007)	43,746
Profit and total comprehensive profit for the year	-	-	-	-	-	8,299	8,299
New shares issued	3,579	895	-	-	-	-	4,474
Share issue costs	-	(437)	-	-	-	-	(437)
Share option charge	-	-	-	260	-	-	260
Warrant charge	-	-	-	-	30	-	30
Transfer of balances relating to expired share options	-	-	-	(139)	-	139	-
30 June 2024	**17,648**	**77,647**	**3,777**	**839**	**30**	**(43,569)**	**56,372**

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

	Notes	Year ended 30 June 2024 £'000s	Year ended 30 June 2023 (Restated) £'000s
Operating activities			
Income/(loss) before tax from continuing operations		8,299	(404)
Write-off of intercompany balance	14	(7,666)	-
Depreciation	10	94	47
Finance income received		(32)	(12)
Finance costs paid		(9)	(3)
Share option charge	18	260	178
Warrant charge	19	30	-
Working capital adjustments			
Decrease in trade and other receivables	16	2	2
Decrease/(increase) in prepayments		7	(5)
Decrease in trade and other payables	17	45	(71)
Net cash generated by/(used in) operating activities		**1,030**	(268)
Finance costs paid		9	3
Net cash inflow from operating activities		**1,039**	(265)
Investing activities			
Finance income received		32	12
Purchase of property, plant and equipment	10	-	(11)
Loan to subsidiary	14	(3,475)	(2,692)
Net cash outflow from investing activities		**(3,443)**	(2,691)
Financing activities			
Issue of Ordinary Share Capital		4,474	-
Issue Costs		(437)	-
Payment of lease liability	11	(81)	(40)
Net cash inflow/(outflow) from financing activities		**3,956**	(40)
Net decrease in cash and cash equivalents		**1,552**	(2,996)
Cash and cash equivalents at the beginning of the year		1,090	4,086
Cash and cash equivalents at the end of the year	15	**2,642**	1,090

NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Quadrise plc ("QED", "Quadrise", "Company") and its subsidiaries (together "the Group") are engaged principally in the manufacture and marketing of emulsion fuel for use in power generation, industrial and marine diesel engines and steam generation applications. The Company's ordinary shares are listed 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 at, and is registered at, Eastcastle House, 27-28 Eastcastle Street, London, W1W 8DH.

2. Summary of Significant Accounting Policies

The Board has reviewed the accounting policies set out below and considers them to be the most appropriate to the Group's business activities.

(2.1) Basis of Preparation

The financial statements have been prepared in accordance with UK adopted international accounting standards and the requirements of the Companies Act 2006 and effective, or issued and early adopted, as at the date of these statements. The financial statements have been prepared under the historical cost convention as modified for financial assets carried at fair value.

The preparation of financial statements in conformity with IFRS accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

(2.2) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of entities controlled by the Group as at 30 June 2024.

All inter-company balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated on consolidation. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Accounting policies of subsidiaries are consistent with those adopted by the Group.

Control is defined as when QED, or a company which it controls, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, QED demonstrates control when it has all the following:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the investor's returns.

(2.3) Changes in Accounting Principles and Adoption of New and Revised Standards

The Group does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the group. The Directors do not expect that the adoption of new standards will have a material impact on the financial statements of the Group in future periods.

(2.4) Significant Accounting Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial period are discussed below:

Intangible Assets (see note 12)

The recoverable amount of the MSAR® trade name intangible asset has been determined using a VIU model. The expected future cash flows utilised in the VIU model are derived by quantifying the royalties that would result if the asset was licensed from a third party in order to determine the income stream directly attributable to the asset in isolation. The royalties are based on a percentage of projected future revenues up to 30 June 2033 with an assumed growth rate being used beyond that date. The key assumptions used by management in this VIU model are a) royalty rate, b) discount rate, c) the period over which cashflows are forecast d) the growth rate beyond that period. The basis for the assumptions used is discussed further in note 12.

The carrying value of intangible assets at 30 June 2024 is determined to be £2.9m (2023: £2.9m). Further details are given in note 12.

Estimates of credit losses ('ECL') (see note 14)

Management makes judgement in relation to the future recoverability of receivables. In relation to the parent Company there is a net substantial loan to subsidiaries. Management has used the 'General Approach' guidance as noted in IFRS 9 to make judgements in relation to the future risk of default and the ability of the subsidiary to raise the funds necessary to repay the loan in the event that it was called due. Inherent in this model are a number of judgements. Management have estimated that a provision was required of £1.40m at 30 June 2024 (2023: £1.24m).

Under the General Approach, at each reporting date, entities are required to determine whether there has been a Significant Increase in Credit Risk (SICR) since initial recognition and whether the loan is credit impaired. This determines whether the loan is in ***Stage 1***, ***Stage 2*** or ***Stage 3***, which in turn determines both:

- The amount of ECL to be recognised: 12-month ECL or Lifetime ECL; and
- The amount of interest income to be recognised in future reporting periods: EIR based on gross carrying amount of the loan which excludes ECL or the net carrying amount (i.e. the amortised cost) which includes ECL.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the loan whereas 12-month ECL are a portion of Lifetime ECL that represent the ECL that result from default events that are possible within 12 months of the reporting date. For loans with an expected life in excess of 12 months, Lifetime ECL will typically be greater than 12-month ECL because entities will need to factor in all possible default event rather than only those possible within 12 months.

(2.5) Revenue Recognition

Under IFRS 15, revenue is recognised based on the delivery of performance obligations and an assessment of when control is transferred to the customer. In determining the amount of revenue and profits to record, and associated statement of financial position items (such as trade receivables, accrued income and deferred income), management is required to review performance obligations within individual contracts.

Revenue is recognised to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Interest income

Revenue is recognised as interest accrues.

(2.6) Foreign Currencies

The Group financial statements are presented in sterling (rounded to the nearest thousand), which is the Company's functional and presentation currency. Each entity in the Group uses Sterling as its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded using the functional currency rate ruling at the date of the transaction. Any resulting exchange differences are included in the statement of comprehensive income. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The following exchange rates are used in the Group's major currencies:

	ISO Code	Statement of Financial Position (closing rate at 30 June 2024)	Statement of Comprehensive Income (average rate throughout the financial year)
USA	USA	1.264	1.259
Europe	EUR	1.180	1.165

(2.7) Finance Costs

Finance costs include interest charges and other costs incurred in connection with the borrowing of funds and are expensed as incurred. Interest and costs are accounted for on the accruals basis and are recognised through the statement of comprehensive income in full. No interest or borrowing costs have been capitalised.

(2.8) Business Combinations

Acquisition of subsidiaries is accounted for using the purchase method. The results of businesses acquired are consolidated from the effective date of acquisition, whereby upon acquisition of a business or an associate, net assets are stated at fair value.

On 18 April 2006, Zareba plc (renamed Quadrise plc) became the legal parent of Quadrise International Limited in a share-for-share transaction. Due to the relative size of the companies, the shareholders of Quadrise International Limited became the majority shareholders of Quadrise plc. Accordingly, the substance of the combination was that Quadrise International Limited acquired Quadrise plc and was therefore accounted for as a reverse acquisition under IFRS 3.

(2.9) Intangible Assets

Intangible assets acquired separately are measured initially at cost. The costs of intangible assets acquired in a business combination are measured at the fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment loss.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are accounted for by changing the amortisation period or method, as appropriate, and treated as a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income in the expenses category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable and, if not, the change in the useful life assessment from indefinite to finite is made on a prospective basis. Research expenditure is recognised as an expense when it is incurred.

Development expenditure is recognised as an expense except that costs incurred on development projects which are capitalised as long-term assets to the extent that such expenditure can be measured reliably, the product or process is technically and commercially feasible future economic benefits are probable, the Group intends to and has sufficient resources to complete development and to use or sell the asset, and it is able to measure reliably the expenditure attributable to the intangible asset during its development.

(2.10) Property, plant and equipment:

Property, plant and equipment is stated at cost less accumulated depreciation. Depreciation is calculated using a straight line method with an allowance for estimated residual values. Rates are determined based on the estimated useful lives of the assets as follows:

Plant and equipment	3 to 15 years

Additions to property, plant and equipment are comprised of the cost of the contracted services, direct labour and materials. Depreciation commences in the month the asset is placed in service.

(2.11) Leases

The Group leases its head office and research facility. Rental contracts are typically between three and five years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable.

The lease payments are discounted using the Bank of England interest rate on the date of the lease agreement. being a reasonable estimate of the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar economic environment within similar terms and conditions. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying value of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Right-of-use assets are measured at cost comprising the following:

- the amount of initial measurement of lease liability
- any lease payments made at or before the commencement date, less any lease incentives received
- any initial direct costs
- restoration costs.

Payments associated with short-term leases and leases of low value are recognised on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of twelve months or less. Low-value assets comprise small items of equipment.

(2.12) Financial Instruments

Financial assets and liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. The Group currently does not use derivative financial instruments to manage or hedge financial exposures or liabilities.

(2.13) Financial liabilities and equity instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

- Initial Recognition: Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are charged to the Statement of Profit and Loss over the tenure of the financial assets or financial liabilities.
- Classification as debt or equity: Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received.
- Classification and Subsequent Measurement: Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

The Company de-recognises financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the fair value amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Fair value measurement

The fair value measurement of the Group's financial liabilities utilises market observable inputs and data as far as possible.

Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'): - Level 1: Quoted prices in active markets for identical items (unadjusted) - Level 2: Observable direct or indirect inputs other than Level 1 inputs - Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

(2.14) Investments and other Financial Assets

Subsequent to the initial recognition, trade and other receivables in the Group accounts and the loan receivable in the Company accounts are measured at amortised cost using the effective interest method. These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Investments in Subsidiaries

Investments in subsidiaries are carried at cost less impairment. The Company tests investments annually for impairment, or more frequently if there are indications that they might be impaired. Impairment is based on the value in use of the subsidiaries.

Equity instruments

Following the introduction of IFRS 9, the Group subsequently measures all equity investments at fair value. Changes in the fair value of financial assets is recognised in the statement of profit or loss as applicable.

Investments, where there is no active market are held at fair value, are determined using valuation techniques which include using recent arm's length market transactions, reference to the current market value, discounted cash flow analysis and option pricing models.

(2.15) Impairment

At each statement of financial position date, reviews are carried out on the carrying amounts of tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where the asset does not generate cash flows that are independent from the other assets, estimates are made of the cash-generating unit to which the asset belongs. Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value, less costs to sell, and value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a discount rate appropriate to the specific asset or cash-generating unit. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised immediately in the statement of comprehensive income.

(2.16) Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash-in-hand bank balances, call money and unrestricted time deposit balances with a maturity of 90 days or less.

(2.17) Trade and Other Receivables and Payables

Trade and other receivables and trade and other payables are initially recognised at fair value. Fair value is considered to be the original invoice amount, discounted where material, for short-term receivables and payables. Long term receivables and payables are measured at amortised cost using the effective interest rate method. Where receivables are denominated in a foreign currency, retranslation is made in accordance with the foreign currency accounting policy previously stated.

(2.18) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. For work in progress and finished goods manufactured by the Group, cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

No inventories were held as at 30 June 2024. Inventories at 30 June 2023 relate to MSAR and bioMSAR fuel.

(2.19) Taxation

Current Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and the tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date.

Deferred Tax

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting nor taxable profit or loss;
- in respect of taxable temporary differences associated with investment in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future and
- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date. Deferred income tax assets and liabilities are offset, only if a legal enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes related to the same taxation authority and that authority permits the Group to make a single net payment.

Income tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise income tax is recognised in profit or loss or other comprehensive income as appropriate.

(2.20) Employee Retirement Benefits

The Group maintains a defined contribution pension plan for providing employee retirement benefits. The retirement benefit plan is generally funded by contributions from the Group to an independent entity that operates the retirement benefit schemes. Current service cost for the defined contribution plan is equivalent to the employer's contributions due for that period. The Group's contributions to the defined contribution pension plans are charged to the statement of comprehensive income in the year to which they relate.

(2.21) Share-based Payments

Employees (including Directors and senior executives) of the Group receive remuneration in the form of share-based payment transactions, whereby these individuals render services as consideration for equity instruments ("equity-settled transactions"). These individuals are granted share option rights approved by the Board, which can only be settled in shares of the respective companies that award the equity-settled transactions. No cash settled awards have been made or are planned.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant individuals become fully entitled to the award ("vesting point"). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments and value that will ultimately vest. If equity settled transactions are not expected to vest as at the reporting date, then the cumulative expense recognised in the statement of comprehensive income up to the reporting date will be reversed. The statement of comprehensive income charge for the year represents the movement in the cumulative expense recognised as at the beginning and end of that period.

The fair value of share-based remuneration is determined at the date of grant and recognised as an expense in the statement of comprehensive income on a straight-line basis over the vesting period, taking account of the estimated number of shares that will vest. The fair value is determined by use of a Black Scholes model.

(2.22) Warrants

Warrants are recognised at fair value on date of grant. The fair value is measured using the Black-Scholes model. Where warrants are issued in exchange for services, under IFRS 2 they are expensed on a straight line basis over the vesting period. Warrants issued as part of an equity based fundraising fulfil the criteria to be recognised as an equity instrument under IAS 32, with the fair value recorded in the warrants reserve and recognised in Share Premium.

(2.23) Financial Risk Management, Recognition and Accounting

The Group's multi-national operations expose it to a variety of financial risks that include the effects of changes in foreign currency exchange rates, credit risks, liquidity and interest rates. The Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Group. The Board has approved the risk management policies applied by the Group.

These policies are implemented by central finance that prepares regular reports to enable prompt identification of financial risks so that appropriate actions may be taken. The Group has a policy and procedures manual that sets out specific guidelines to manage foreign exchange risk, interest rate risk, credit risk and the use of financial instruments to manage these. No forward hedging activities are undertaken.

3. Going Concern

As at 30 June 2024, the Group had a cash balance of £3.05m. These funds are expected to be sufficient to cover net project expenditure and fixed costs up to 30 June 2025, beyond which additional funding will be required to bridge the gap to the generation of sustainable positive cashflows, with these now forecast to commence in H1 2026.

The basis for these expectations is the Group business model, budget and business plan, and sensitivity analysis, which have been reviewed and approved by the Board. The model comprises the financial forecasts associated with each project opportunity deemed to have a realistic chance of progressing, with assumptions based on the latest market information, agreements with counterparties and the status of discussions.

The Directors carry out a detailed risk assessment process each year, with key risks and mitigating actions identified. Despite the ongoing global disruption caused by Russia's invasion of Ukraine, the Directors note the positive and sustained levels of engagement with partners, prospective clients and project stakeholders worldwide during the year, with progress continuing with regard to the Company's primary projects with MSC, Valkor and the client in Morocco. Existing and prospective commercial partners make decisions based on long-term considerations, and the Directors believe that the economic and environmental advantages offered by MSAR® and bioMSAR™ are increasingly attractive in periods of global uncertainty as counterparties look to both generate savings and further improve their environmental performance.

The Group's ability to reach commercial revenues and sustainable positive cashflows will be determined by the successful outcome of the forthcoming trials. The Board are confident that the trials will be successful based upon the following:

- Morocco: The forthcoming trial in Morocco involves the combustion of MSAR® for power generation. This is a similar application to that successfully trialled by Quadrise at the Orlen Lietuva plant in Lithuania in 2011, where MSAR® was consumed in a power plant boiler to generate electricity.
- MSC: The MSC trials will take place on the same vessel used for the Maersk LONO trial (the MSC Leandra, formerly the Seago Istanbul). In addition, the engine

manufacturer (Wartsila) and MSC are happy to proceed directly to on-vessel trials, rather than commencing with an initial stationary engine test, given their assessment of the low-risk nature of the trial.

- Utah: The Utah application is in the upstream sector, where similar technology has been successfully demonstrated previously by Quadrise Canada.

In addition, the positive results generated by the Aquafuel testing on bioMSAR™ and the similar properties of MSAR® and bioMSAR™ mean that trials involving bioMSAR™ do not have a significantly higher risk of failure than the MSAR® equivalents.

The Directors have reviewed both the Group and Company's ability to operate as a going concern up to the 31 December 2026, and have determined that the continuation of the Group and Company as a going concern will be dependent upon successfully raising sufficient funds within 12 months of the financial statements sign off date to bridge the gap between the exhaustion of existing funds and the generation of sustainable positive cashflows. The Company is the 100% parent of Quadrise International Limited ('QIL'), the subsidiary through which the Group runs the operating and project activities discussed above. The Directors have a reasonable expectation that with positive trial results and ongoing progress to commercial revenues, such funds will be raised, although no binding funding agreements are in place at the date of this report, furthermore, notwithstanding the Board's confidence, there are currently no binding agreements in place in respect of commercial revenues.

The Directors have therefore concluded that it is appropriate to prepare the Group and Company financial statements on a going concern basis; however, in the absence of additional funding being in place at the date of this report, these conditions indicate the existence of a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The audit report on pages 51-58 draws attention to going concern by way of a material uncertainty.

The financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

4. Segmental Information

For the purpose of segmental information, the reportable operating segment is determined to be the business segment. The Group principally has one business segment, the results of which are regularly reviewed by the Board. This business segment is a business to produce emulsion fuel (or supply the associated technology to third parties) as a low cost substitute for conventional heavy fuel oil ("HFO") for use in power generation plants and industrial and marine diesel engines.

Geographical Segments

The Group's only geographical segment during the year was the UK.

5. Operating Loss

Operating loss is stated after charging:

	Year ended 30 June 2024 £'000s	Year ended 30 June 2023 £'000s
Fees payable to the Company's auditor for the audit of the Company's annual accounts.	28	27
Fees payable to the Company's auditor and its associates for other services:		
Audit of accounts of subsidiaries	28	27
Consultants and other professional fees (including legal)	120	205
Depreciation of property, plant and equipment	81	119
Research and development costs	280	595

6. Staff Cost

Head count	Year ended 30 June 2024 Number	Year ended 30 June 2023 Number
Average number of employees of the Group (including executive Directors employed by the Company) during the year was:		
Management	2	2
Technical staff / support / other	7	7
Total	**9**	9

Staff costs	Year ended 30 June 2024 £'000s	Year ended 30 June 2023 £'000s
Wages and salaries	902	904
Social security costs	105	110
Pension costs	61	60
Total	**1,068**	1,074

Included in total staff costs are the costs of the Executive Directors as employed by the Company as follows:

Director	Year ended 30 June 2024 £'000s	Year ended 30 June 2023 £'000s
Jason Miles		
Wages and salaries – as paid	268	271
Pension costs	13	10
Total	**281**	281

Aggregate emoluments of the Directors of the Company (excluding social security costs) were as follows:

Salaries and fees – as paid	416	423
Share option expense	84	115
Pension costs	13	10
Total	**513**	548

Non-executive Directors fees for the year amounted to £148k (2023: £152k).

The highest paid Director's remuneration totalled £281k (2023: £281k), represented by all aggregate emoluments.

Refer to the Report of Directors' Remuneration (on page 34) for further details, the Key Management Personnel referred to therein are the Directors of the Company.

Further details regarding Non-executive Directors' remuneration are disclosed in note 25 – Related Party Transactions.

7. Losses Attributable to Quadrise plc

As provided by s.408 of the Companies Act 2006, no statement of comprehensive income is presented in respect of Quadrise The loss for the year dealt within the accounts of Quadrise plc was £8.3m (2023: £0.4m)

8. Taxation

	Year ended 30 June 2024 £'000s	Year ended 30 June 2023 £'000s
UK corporation tax credit	(209)	(154)
Total	**(209)**	(154)

No liability in respect of corporation tax arises as a result of trading losses.

Tax Reconciliation	Year ended 30 June 2024 £'000s	Year ended (Restated) 30 June 2023 £'000s
Loss on continuing operations before taxation	(3,069)	(3,260)
Loss on continuing operations before taxation multiplied by the UK corporation tax rate of 25% (2023: 20.5%)	(767)	(668)
Effects of:		
Non-deductible expenditure	77	40
Super deduction		(3)
R&D tax credit	(209)	(154)
Tax losses carried forward	690	631
Total taxation credit on loss from continuing operations	**(209)**	(154)

At the Spring Budget 2021, the government announced that the Corporation Tax rate would increase from 19% to 25% from 1 April 2023. As such, a blended rate of 20.5% has been applied to the previous financial year to account for the change in Corporation tax as at 1 April 2023. The current year UK corporation tax rate is 25%.

The Group has tax losses arising in the UK of approximately £64.7m (2023: £62.1m) that are available, under current legislation, to be carried forward against future profits. However, the ability to utilise the losses is restricted, being dependant on the type of loss and when it arose. The use of losses under the UK corporation tax regime was reformed from 1 April 2017 such that different rules on the use of losses apply to losses arising pre-April 2017 and post-April 2017. Pre-2017 trading losses can only be deducted against profits of the same trade within the company in which they arose, whereas the post-2017 trading losses can be used more widely and are deductible against total profits of the group.

Reconciliation of tax losses	Year ended 30 June 2024 £'000s	Year ended 30 June 2023 £'000s
Trading losses	38,879	36,255
Non-trade deficits arising in Intangible Assets within Quadrise International Limited	25,758	25,758
Capital losses	89	89
Total	**64,726**	62,101

A deferred tax asset representing these losses and other temporary differences at the statement of financial position date of approximately £16.18m (2023: £15.53m) has not been recognised as a result of existing uncertainties in relation to its realisation.

9. Loss Per Share

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

	Year ended 30 June 2024	Year ended 30 June 2023 (Restated)
Loss for the year (£'000s)	(2,860)	(3,106)
Weighted average number of shares:		
Basic	1,600,731,743	1,406,904,968
Diluted	1,600,731,743	1,406,904,968
Loss per share:		
Basic	(0.18)p	(0.22)p
Diluted	(0.18)p	(0.22)p

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

For diluted loss per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potential dilutive options over ordinary shares. Potential ordinary shares resulting from the exercise of share options 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 18.3m dilutive share options issued by the Company and which are outstanding at year-end could potentially dilute earnings per share in the future if exercised when the Group is in a profit-making position.

10. Property, plant and equipment

Consolidated

	Leasehold Improve-ments £'000s	Computer Equipment £'000s	Software £'000s	Furniture and Office Equipment £'000s	Plant and machinery £'000s	Total £'000s
Cost						
Opening balance – 1 July 2023	89	96	43	24	1,524	1,776
Additions	-	1	-	-	97	98
Disposals	-	-	(20)	-	(64)	(84)
Closing balance – 30 June 2024	**89**	**97**	**23**	**24**	**1,557**	**1,790**
Depreciation						
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
Closing balance – 30 June 2024	**(82)**	**(93)**	**(23)**	**(17)**	**(1,187)**	**(1,402)**
Net book value at 30 June 2024	**7**	**4**	**-**	**7**	**370**	**388**

Company

	Leasehold Improve-ments £'000s	Computer Equipment £'000s	Software £'000s	Furniture and Office Equipment £'000s	Plant and machinery £'000s	Total £'000s
Cost						
Opening balance – 1 July 2023	-	69	44	24	-	137
Additions	-	-	-	-	-	-
Disposals	-	-	(20)	-	-	(20)
Closing balance – 30 June 2024	**-**	**69**	**24**	**24**	**-**	**117**
Depreciation						
Opening balance – 1 July 2023	-	(66)	(44)	(16)	-	(126)
Depreciation charge for the year	-	(1)	-	(1)	-	(2)
Disposals	-	-	20	-	-	20
Closing balance – 30 June 2024	**-**	**(67)**	**(24)**	**(17)**	**-**	**(108)**
Net book value at 30 June 2024	**-**	**2**	**-**	**7**	**-**	**9**

Property, plant and equipment

Consolidated

	Leasehold Improve-ments £'000s	Computer Equipment £'000s	Software £'000s	Furniture and Office Equipment £'000s	Plant and machinery £'000s	Total £'000s
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	**10**	**5**	**-**	**8**	**351**	**374**

Company

	Leasehold Improve-ments £'000s	Computer Equipment £'000s	Software £'000s	Furniture and Office Equipment £'000s	Plant and machinery £'000s	Total £'000s
Cost						
Opening balance – 1 July 2022	-	67	44	16	-	127
Additions	-	3	-	8	-	11
Disposals	-	(1)	-	-	-	(1)
Closing balance – 30 June 2023	**-**	**69**	**44**	**24**	**-**	**137**
Depreciation						
Opening balance – 1 July 2022	-	(66)	(44)	(16)	-	(126)
Depreciation charge for the year	-	(1)	-	-	-	(1)
Disposals	-	1	-	-	-	1
Closing balance – 30 June 2023	**-**	**(66)**	**(44)**	**(16)**	**-**	**(126)**
Net book value at 30 June 2023	**-**	**3**	**-**	**8**	**-**	**11**

11. 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 IFS 16 has been applied.

Amounts recognised in the statement of financial position relating to leases:

	Group 2024 £'000s	Group 2023 £'000s	Company 2024 £'000s	Company 2023 £'000s
Right of Use Assets				
Property leases	159	283	137	239
Provisions				
Provision for lease dilapidations	(56)	(56)	(27)	(27)
Lease liabilities				
Liability falls due within 1 year	102	108	84	81
Liability falls due within 1-3 years	43	145	43	127
Liability falls due in more than 3 years	-	-	-	-
Total	**145**	**253**	**127**	**208**

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:

	Group 2024 £'000s	Group 2023 £'000s	Company 2024 £'000s	Company 2023 £'000s
Depreciation charge of right of use assets	124	78	92	46
Interest expense	6	4	6	3
Total cash outflow for leases	**(114)**	**(71)**	**(87)**	**(44)**

12. Intangible Assets

Consolidated

	QCC royalty payments £'000s	MSAR® trade name £'000s	Technology and know-how £'000s	Total £'000s
Cost				
Balance as at 1 July 2023 and 30 June 2024	7,686	3,100	25,901	36,687
Amortisation and Impairment				
Balance as at 1 July 2023 and 30 June 2024	(7,686)	(176)	(25,901)	(33,763)
Net book value as at 30 June 2024	**-**	**2,924**	**-**	**2,924**
Cost				
Balance as at 1 July 2022 and 30 June 2023	7,686	3,100	25,901	36,687
Amortisation and Impairment				
Balance as at 1 July 2022 and 30 June 2023	(7,686)	(176)	(25,901)	(33,763)
Net book value as at 30 June 2023	**-**	**2,924**	**-**	**2,924**

Intangible assets comprise intellectual property with a cost of £36.7m, including assets of finite and indefinite life. Quadrise Canada Corporation's ("QCC's) royalty payments of £7.7m and the MSAR® trade name of £3.1m are termed as assets having indefinite life as it is assessed that there is no foreseeable limit to the period over which the assets would be expected to generate net cash inflows for the Group, as they arise from cashflows resulting from Quadrise and QCC gaining a permanent market share. The assets with indefinite life are not amortised, but the QCC royalty payments intangible asset became fully impaired in 2012.

The remaining intangibles amounting to £25.9m, primarily made up of technology and know-how, are considered as finite assets and were amortised over 93 months, being fully amortised in 2012. The Group does not have any internally generated intangibles.

MSAR® trade name intangible asset

In accordance with IAS 36 "impairment of assets" and IAS 38 "intangible assets", a review of impairment for indefinite life intangible assets is undertaken annually or at any time an indicator of impairment is considered to exist. The discount rate applied to calculate the present value is for the cash generating unit ("CGU"). A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The recoverable amount of the CGU is assessed by reference to the value in use ("VIU"), being the net present value ("NPV") of future cash flow expected to be generated by the asset, and fair value less costs to sell ("FVLCS").

The recoverable amount of the MSAR® trade name intangible asset has been determined using a VIU model. The expected future cash flows utilised in the VIU model are derived by quantifying the royalties that would result if the asset was licensed from a third party in order to determine the income stream directly attributable to the asset in isolation. The royalties are based on a percentage of projected future revenues up to 30 June 2034 with an assumed growth rate being used beyond that date.

The key assumptions used in this calculation are as follows:

	2024	2023
Royalty rate (% of projected revenue)[1]	0.5%	0.5%
Discount rate[2]	20%	20%
Revenues forecast up to[3]	30 June 2034	30 June 2033
Growth rate beyond forecast period[4]	0%	0%

1 The royalty rate used upon initial recognition of this intangible asset was 0.33% of revenues determined as part of a third-party intangible asset valuation exercise. This was increased to 0.5% of revenues from 2011 onwards to reflect the wider awareness of the MSAR® trademark in the market.

2 The discount rate of 20% has been determined by management as conservative estimate based on the uncertainty inherent in the revenue forecasts. Management estimates the discount rates using pre-tax rates that reflect current market assessments of the time value of money and risks specific to expected future projects.

3 The 2024 revenue forecast extends to 30 June 2034 which is considered to be a reasonable timeframe that allows each project included within the forecast to reach full maturity.

4 No growth has been forecast beyond the forecast period due to the uncertainty inherent in the revenue projections beyond the stage of project maturity.

The revenue forecast is based on the latest Company business model, which is regularly reviewed by management. The basis for the inclusion of projects and the estimation of growth rates, margins and project lifespans within the business model is based on the latest agreements with counterparties, commodity and chemical prices and the most recent discussions with customers, suppliers and other business partners.

The ‘base-case’ impairment assessment based on the above inputs shows a recoverable amount for the asset that is in excess of the net book value of asset and therefore no impairment has been identified, with the VIU exceeding the carrying value by £2.02m (the ‘headroom’).

Management have performed sensitivity analyses whereby certain parameters were flexed downwards by reasonable amounts and certain scenarios were modelled for the CGU to assess whether the recoverable value would result in an impairment charge. In isolation, none of these scenarios would result in an impairment to the MSAR® Trade Name intangible asset. However, a combination of two or more of these scenarios could result in an impairment charge, but management do not consider this likely.

The following sensitivities were applied:

Results of sensitivity analysis

Scenario	Resulting headroom (£'m)	Scenario which would reduce headroom to nil
Delayed revenues (1 year)	1.52	A 3 year delay to forecast revenues.
Delayed revenues (2 years)	0.78	A 3 year delay to forecast revenues.
Increase in discount rate to 25%	0.61	Increase in discount rate to 27.6%.
Removal of projects which generate 25% of forecast revenues	1.07	Removal of projects which generate 45% of revenues.
Finite company lifespan (to 30 June 2035).	0.88	Finite company lifespan (to 30 June 2033).

Amortisation of Intangible Assets

The Board has reviewed the accounting policy for intangible assets and has amortised those assets which have a finite life. All intangible assets with a finite life were fully amortised as at 30 June 2024.

13. Investments

At the statement of financial position date, the Group held a 20.44% share in the ordinary issued capital of Quadrise Canada Corporation ("QCC"), a 3.75% share in the ordinary issued capital of Paxton Corporation ("Paxton"), a 9.54% share in the ordinary issued capital of Optimal Resources Inc. ("ORI") and a 16.86% share in the ordinary issued capital of Porient Fuels Corporation ("Porient"), all of which are incorporated in Canada.

QCC is independent of the Group and is responsible for its own policy-making decisions. There have been no material transactions between QCC and the Group during the period or any interchange of managerial personnel. As a result, the Directors do not consider that they have significant influence over QCC and as such this investment is not accounted for as an associate.

The Group has no immediate intention to dispose of its investments unless a beneficial opportunity to realise these investments arises.

Given that there is no active market in the shares of any of above companies, the Directors have determined the fair value of the unquoted securities at 30 June 2024. The shares in each of these companies were valued at CAD $nil on 1 July 2022 due to their business models being highly uncertain, with minimal possibility of any material value being recovered from their asset base. During the year there has been no indication that this situation has changed, therefore the Directors have determined that the investments should continue to remain valued at CAD $nil at 30 June 2024.

14. Investments and loans in Subsidiaries

	Company Amount due from subsidiary £'000s	Company Amount due to subsidiary £'000s	Company Direct investment £'000s	Total
Opening balance	28,801	(7,666)	21,479	42,614
Long term loans advanced	3,663	-	-	3,663
Movement in expected credit loss arising under IFRS 9	(188)	-	-	(188)
Balance written off on wind-up of subsidiary	-	7,666	-	7,666
Closing balance	**32,276**	**-**	**21,479**	**53,755**

Loans to/from subsidiaries

In accordance with IFRS 9, a Company must recognise expected credit losses for all financial assets held at amortised cost, including most intercompany loans from the perspective of the lender. Expected credit losses are based on the assumption that repayment of the loan is demanded at the reporting date. As at 30 June 2024, the Company has a loan of £33.7m (2023: £29.7m) due from its 100% subsidiary Quadrise International Limited ('QIL'). The loan is repayable upon demand.

The loan payable of £7.7m as at 30 June 2023 due to its 100% subsidiary Quadrise Limited ('QL') was written off due to QL being wound up during the year ended 30 June 2024. QL was dormant during the year ended 30 June 2023 and was exempt from individual Company reporting requirements.

As at 30 June 2024, QIL has no ability to repay the balance due if this were to be demanded, there would therefore be a 100% probability of default. In this event, the Company must assess the expected manner of recovery.

The directors have determined that the most expeditious means of recovery of this balance would be via the means of a sale of QIL's assets in order to raise the balance due. The assets held by QIL include the Group's intangible assets, patents and trademarks, assets which underpin the value of the Group's business model. The directors have determined that the sale of these assets at a sufficient discount would allow QIL to obtain the funds necessary to raise the balance due and have further assumed that such a sale would be completed within a period of 6 months. The expected credit loss is calculated by discounting the balance due over the period of recovery at a determined discount rate.

On 29 April 2015 a Debenture agreement was finalised between QIL and the Company, in which QIL agrees to pay any balances when due, and to pay interest of 3.5% above the base rate on any sum demanded until payment. The base rate at 30 June 2024 is 5%. The discount rate used to calculate the expected credit loss is 8.5%.

The resulting expected credit loss arising on the loan due from QIL is £1,412k (2023: £1,224k). This is based on the recovery in full of the loan. In the event the group were only to realise a percentage of QIL's assets, the expected credit loss would be as follows:

Percentage recovery	Expected Credit Loss 30 June 2024 (£'000s)	Expected Credit Loss 30 June 2023 (£'000s)
100%	1,412	1,224
90%	4,640	4,104
75%	9,481	8,424
50%	17,550	15,624

Investment in subsidiaries

In accordance with IAS 36 a Company's assets must not be carried at more than their recoverable amount. Where there is any indication of impairment, an impairment test must be carried out.

The Group's business model relies upon the assets held by QIL – intangible assets, patents and trademarks. The recoverable amount of the investment in QIL is therefore determined by calculation of the net present value ('NPV') of the forecast cashflows produced by the Group's business model, which is regularly reviewed by management. The basis for the inclusion of projects and the estimation of growth rates, margins and project lifespans within the business model is based on the latest agreements with counterparties, commodity and chemical prices and the most recent discussions with customers, suppliers and other business partners.

The NPV valuation of the forecast cashflows was prepared using discount rates of 10%, 20% and 30%. Further sensitivity analysis was carried out using the following scenarios:

- The base-case scenario using the existing financial forecasts
- A 2 year delay to projects.
- Removal of the projects contributing 60% of cashflows.
- A finite company lifespan assuming activity does not progress beyond 2033-34.

None of the scenarios modelled above result in an NPV below the investment value of £21.5m.

As at 30 June 2024, there is no indication that the carrying value of the investment held by the Company in QIL is being held at more than its recoverable amount as determined by the net present value of the forecast cashflows produced by the Group's business model. Based on this the Directors concluded that no impairment is necessary for the year ended 30 June 2024. Holdings in subsidiaries are detailed in note 27.

15. Cash and Cash Equivalents

	Consolidated 30 June 2024 £'000s	Consolidated 30 June 2023 £'000s	Company 30 June 2024 £'000s	Company 30 June 2023 £'000s
Cash at bank	3,048	1,342	2,642	1,090
Total	**3,048**	1,342	**2,642**	1,090

16. Trade and Other Receivables

	Consolidated 30 June 2024 £'000s	Consolidated 30 June 2023 £'000s	Company 30 June 2024 £'000s	Company 30 June 2023 £'000s
Trade receivables	48	17	-	-
Other receivables	28	28	22	23
Other taxes	42	44	24	25
Total	**118**	89	**46**	48

17. Trade and Other Payables

	Consolidated 30 June 2024 £'000s	Consolidated 30 June 2023 £'000s	Company 30 June 2024 £'000s	Company 30 June 2023 £'000s
Trade payables	71	55	34	17
Other taxes	37	12	23	-
Accruals	131	108	65	60
Total	**239**	175	**122**	77

There are no material differences between the fair value of trade and other payables and their carrying values at year-end.

Trade payables as at 30 June 2024 amount to 24 days (2023: 13 days) of purchases made in the year. All trade payables balances are less than 30 days old.

Amounts due to related parties at year end amounted to £nil (2022: £nil).

18. Share Options

Share option expense for the year ended 30 June 2024 was £260k (2023: £178k).

Movement in the year:

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movements in, share options during the year:

	Number 30 June 2024	WAEP (pence) 30 June 2024	Number 30 June 2023	WAEP (pence) 30 June 2023
Outstanding as at 1 July	35,763,811	4.39	21,385,343	9.00
Granted during the year	52,444,444	1.51	36,233,038	3.28
Expired during the year	(18,500,000)	3.60	(21,854,570)	7.07
Exercised during the year	-	-	-	-
Options outstanding as at 30 June	**69,708,255**	**2.44**	**35,763,811**	**4.39**
Exercisable as at 30 June	29,763,811	4.17	16,231,895	6.55

The weighted average remaining contractual life of the 69.71 million options outstanding at the statement of financial position date is 7.45 years (2023: 6.40 years). The weighted average share price during the year was 1.61p (2023: 1.57p) per share.

The expected volatility of the options reflects the assumption that historical volatility is indicative of future trends, which may not necessarily be the actual outcome. The expected life of the options is based on historical data available at the time of the option issue and is not necessarily indicative of future trends, which may not necessarily be the actual outcome.

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 an agreed period of an employee leaving the Group at the discretion of the Board.

The Company issued 52.4 million share options to directors and employees during the year (2023: 36.2 million). The fair value was calculated using the Black Scholes option pricing model. The weighted average inputs were as follows

	2024	2023
Stock price:	1.18p	1.46p
Exercise Price	1.51p	3.28p
Interest Rate	5.25%	2.16%
Volatility	98.23%	104.85%
Expected term (years)	2.69	3.69

19. Warrants

Movement in the year:

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movements in, warrants during the year:

	Number 30 June 2024	WAEP (pence) 30 June 2024	Number 30 June 2023	WAEP (pence) 30 June 2023
Outstanding as at 1 July	-	-	40,228,026	6.98
Granted during the year	3,600,000	1.45	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	(40,228,026)	6.98
Warrants outstanding as at 30 June	**3,600,000**	**1.45**	**-**	**-**
Exercisable as at 30 June	3,600,000	1.45	-	-

The warrants are equity settled warrants which vest immediately on grant date. Fair value is measured at the grant date of the option using the Black Scholes pricing model. The inputs into this model are: Stock price at the date of grant, exercise price, interest rate, expected term and expected volatility. The expected volatility of the warrants reflects the assumption that historical volatility is indicative of future trends, which may not necessarily be the actual outcome. The expected life of the warrants is based on historical data available at the time of the option issue and is not necessarily indicative of future trends, which may not necessarily be the actual outcome.

The weighted average inputs into the Black Scholes option pricing model were as follows:

	2024	2023
Stock price:	1.70p	-
Exercise Price	1.45p	-
Interest Rate	5.25%	-
Volatility	112.86%	-
Expected term (years)	1.0	-

As at 30 June 2024, the weighted average remaining contractual life of the 3.6 million warrants outstanding was 0.92 years. The weighted average share price during the year was 1.61p (2023: 1.57p) per share. No warrants were outstanding as at 30 June 2023. The warrant charge for the year ended 30 June 2024 was £30k (2023: £nil).

20. Share Capital

The company has one class of ordinary share capital which carries no rights to fixed income, any preferences or restrictions.

	2024 £	2023 £
Issued and fully paid:		
1,764,714,550 (2023: 1,406,904,968) Ordinary shares of £0.01 each	17,647,146	14,069,050

The table below shows a reconciliation of movement in share capital and share premium during the year:

	No. of shares	Share Capital (£'000) £	Share Premium (£'000) £
As at 1 July 2023	1,406,904,968	14,069	77,189
July 2023 – Placing and Open Offer (net of costs)	155,573,855	1,556	164
March 2024 – Placing and Subscription (net of costs)	120,000,000	1,200	88
April 2024 – Open Offer	82,235,727	822	206
As at 30 June 2024	**1,764,714,550**	**17,648**	**77,647**

21. Other Reserves

Nature and purpose of other reserves

Merger reserve

In March 2021, the Company incorporated a Jersey registered 'Cash Box' company. This was used to facilitate the placing of 222,222,222 new ordinary shares of 1p each on 9 March 2021 at a placing price of 2.7p per share. The placing raised £6.0m and the Company received cash proceeds of £5.5m net of expenses. The proceeds of the share issue were parcelled into the 'cash box' Company which was then acquired by way of a share exchange which qualified for merger relief so avoided the need to recognise a share premium on the share issue. The net amount booked to share capital and reserves was £6.0m. £2.2m was allocated to nominal share capital and the excess of £3.8m was recorded within the merger reserve. All shares are fully paid up.

Reverse acquisition reserve

The reverse acquisition reserve arose on the reverse acquisition of Zareba plc (now Quadrise plc) by Quadrise International Limited on 18 April 2006 as accounted for under IFRS 3.

Share option reserve

The share option reserve is used to record the cumulative fair value of share options granted by the Company net of lapsed and exercised options.

Warrant reserve

The warrant reserve is used to record the cumulative fair value of warrants granted by the Company net of lapsed and exercised warrants.

22. Pension Commitments

For direct employees of Quadrise plc, the Company contributes 8% of salary to a defined contribution pension scheme. Pension cost to the Company for the year amounted to £61k (2023: £60k).

23. Derivatives and Other Financial Instruments

The Group's principal financial instruments comprise cash balances, accounts payable and accounts receivable arising in the normal course of its operations.

The financial instruments of the Group and the Company at year-end are:

	Consolidated 30 June 2024 £'000s	Consolidated 30 June 2023 £'000s	Company 30 June 2024 £'000s	Company 30 June 2023 £'000s
Financial assets				
Loans and receivables - Cash and cash equivalents	3,048	1,342	2,642	1,090
Loans and receivables - Trade and other receivables	118	89	46	48
Financial liabilities				
Other financial liabilities - Trade and other payables	239	175	122	77

All receivables are current and are due within 30 days. Trade and other payables are due within 30 days.

Foreign currency exchange risk

The Group does not generally undertake foreign currency hedging. The majority of the Group's transactions are denominated in Sterling and it uses this as its reporting currency. Exposure to any foreign exchange movements exists primarily in the Euro currency.

The net monetary balances in other currencies at 30 June 2024 were net assets of US$11k (2023: US$23k) and €19k (2023: €6k).

A 10% strengthening of Sterling against the Euro at the statement of financial position date would have increased loss for the year by £1.9k (2023: £0.5k) whilst a 10% weakening of Sterling against the Euro would have reduced loss for the year by £1.7k (2023: £0.5k). This analysis assumes that all other variables remain constant.

A 10% strengthening of Sterling against the US$ at the statement of financial position date would have increased loss for the year by £3k (2023: £2k) whilst a 10% weakening of Sterling against the US$ would have reduced loss for the year by £3k (2023: £2k). This analysis assumes that all other variables remain constant.

Interest rate risk

The Group has floating rate financial assets in the form of deposit accounts with major banking institutions; however, it is not currently subjected to any other interest rate risk.

Based on cash balances at the statement of financial position date, a rise in interest rates of 1% will reduce loss for the year by approximately £30k (2023: £13k) per annum. A decrease in interest rates of 1% will increase loss for the year by approximately £30k (2023: £13k) per annum.

Liquidity risk

The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations. The Group takes liquidity risk into consideration when deciding its sources of funds.

Credit risk

The Group had receivables of £118k at 30 June 2024 (2023: £89k), of which £nil (2023: £nil) was receivable from related parties. Receivables of £118k represent the maximum credit risk to which the Group is exposed.

Capital risk management

The Group defines capital as the total equity of the Group. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Fair value of financial assets and liabilities

There are no material differences between the fair value of the Group's financial assets and liabilities and their carrying values in the financial information.

Borrowings Facilities

The Group had no external borrowing facilities as at 30 June 2024 (2023: £nil).

24. Prior year restatement

Under IFRS 16, the disclosures and accounting treatment of leases required under this standard should have been adopted for the year ended 30 June 2023. The comparative figures for the year ended 30 June 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	30 June 2023 £'000	Increase/(decrease)	30 June 2023 (restated) £'000
Production and development cost	(1,741)	(5)	(1,746)
Other administrative expenses	(1,331)	(3)	(1,334)
Finance costs	(4)	(4)	(8)
Loss before tax	(3,248)	(12)	(3,260)

Consolidated Statement of Financial Position	30 June 2023 £'000	Increase/(decrease)	30 June 2023 (restated) £'000
Right of use assets	-	283	283
Provision for lease dilapidations	-	(56)	(56)
Lease liabilities due in less than one year	-	(108)	(108)
Lease liabilities due in greater than one year	-	(145)	(145)
Accumulated losses	(91,428)	(26)	(91,454)

Consolidated Statement of Changes in Equity	30 June 2023 £'000	Increase/(decrease)	30 June 2023 (restated) £'000
Accumulated losses as at 1 July 2022	(89,915)	(14)	(89,929)
Loss and total comprehensive loss for the year	(3,094)	(12)	(3,106)

Consolidated Statement of Cash Flows	30 June 2023 £'000	Increase/(decrease)	30 June 2023 (restated) £'000
Loss before tax from continuing operations	(3,248)	(12)	(3,260)
Depreciation	119	178	197
Finance costs paid	4	4	8
Payment of lease liabilities	-	(66)	(66)

Company Statement of Financial Position	30 June 2023 £'000	Increase/(decrease)	30 June 2023 (restated) £'000
Right of use assets	-	229	229
Provision for lease dilapidations		(27)	(27)
Lease liabilities due in less than one year	-	(81)	(81)
Lease liabilities due in greater than one year	-	(127)	(127)
Accumulated losses	(52,001)	(6)	(52,007))

Consolidated Statement of Changes in Equity	30 June 2023 £'000	Increase/(decrease)	30 June 2023 (restated) £'000
Loss and total comprehensive loss for the year	(398)	(4)	(404)

Consolidated Statement of Cash Flows	30 June 2023 £'000	Increase/(decrease)	30 June 2023 (restated) £'000
Loss before tax from continuing operations	(398)	(4)	(404)
Depreciation	1	46	47
Finance costs paid	-	-	(3)
Payment of lease liabilities	-	(40)	(40)

25. Related Party Transactions

QED defines key management personnel as the Directors of the Company. There are no transactions with Directors, other than their remuneration as disclosed in the Report of Directors' Remuneration.

26. Ultimate Parent Undertaking and Controlling Party

The directors have determined that there is no Controlling Party as no individual shareholder holds a controlling interest in the Company.

27. Subsidiaries

The financial statements include the financial statements of Quadrise plc and the following subsidiaries:

Name	Percentage interest held and voting rights	Class of share held
Quadrise International Limited	100%	Ordinary

Quadrise plc and its subsidiaries are involved in the production and development of MSAR® and bioMSAR™ emulsion fuel (along with supplying the associated technology to third parties) as a low cost substitute for conventional heavy fuel oil for use in power generation plants and industrial and marine diesel engines.

The registered office for all subsidiaries is Eastcastle House, 27-28 Eastcastle Street, London, W1W 8DH.

28. Events After the end of the Reporting Period

Issuance of Share Options

Performance Options

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 issued under the EMI Plan will be exercisable from vesting until the tenth anniversary of the date of grant. The Performance Options issued under the 2016 Plan 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 Company's Unapproved Share Option Plan 2016 ("2016 Plan") in the amounts set out below (the "Additional Options").

Director	No. of Additional Options
Andrew Morrison	3,000,000
Laurie Mutch	1,500,000
Vicky Boiten-Lee	1,500,000
Total	**6,000,000**

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 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.

29. Copies of the Annual Report

Copies of the annual report will be posted to shareholders and will be available shortly from the Company's website at www.quadrise.com and from the Company's registered office, Eastcastle House, 27-28 Eastcastle Street, London, W1W 8DH.

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