Quadrise plc

Company Registration No. 05267512

Interim Report and Consolidated Financial Statements

For the 6 month period to 31 December 2022

Quadrise plc ("Quadrise", "QFI", the "Company" and together with its subsidiaries the "Group") presents its unaudited interim results for the six months ended 31 December 2022

Chairman's Statement

Throughout 2022, the cost of energy and the transition to secure, sustainable fuels have remained top priorities for governments, businesses and society as a whole. During the reporting period and first months of 2023, Quadrise has continued to position itself as a provider of decarbonisation solutions, further highlighted by our recently announced name change and TIDM 'ticker' update to QED to represent the Quadrise focus on Energy Decarbonisation and to highlight the simplicity of our solutions. Despite frustrating delays in recent months, the board remains confident in both the quality of our solutions and the commercial opportunities they provide.

Pleasingly, during the reporting period and in subsequent months, we have seen the gradual easing of supply chain constraints and the continued global recovery from COVID-19, however the broader economic and political landscape remains challenging with the conflict in Ukraine continuing to impact energy prices and economic recovery. The conflict, combined with the related emergence of sustained inflation and recessionary risk in major economies has, despite underlining the need for energy solutions such as ours, prolonged the challenging business environment in which we currently operate.

Our strategy remains to focus on key projects, such as those in Morocco, Utah and with MSC, which represent the most efficient use of the financial resources we currently have and should provide the fastest and most material pathways to commercialisation. Important milestones have been reached in each of these key projects, as detailed by Jason below, and while further funds will be required to see every project through to commercialisation, the Company still expects to deliver commercial revenues in the current financial year, a critical milestone in attracting new customers, investors and strategic partners.

We are confident that our existing projects will be seen through to success and beyond generating commercial revenues will provide real world 'use cases' through which prospective customers in the marine, power and industrial sectors can understand the tangible environmental, operational and economic benefits of our solutions. Our confidence comes not only from our own project discussions, but also from promising dialogue with high-calibre organisations who can see the potential of the Company's technology.

Beyond the significant environmental benefits that the Company's solutions have the potential to create for our customers, Quadrise also seeks to measure and improve its own environmental footprint with Quadrise releasing its maiden sustainability report in November 2022. The report provided an overview of the environmental and economic benefits of the Company's technology as well as its scope 1 and 2 carbon emissions data and its alignment to the UN Sustainable Development Goals. The report, which was developed to highlight the Company's relevance in the broader environmental context, serves as an accessible reference point for decision-makers in our target sectors and has been well received in discussions with prospective and existing partners.

As a company whose purpose is to enable a more sustainable future, understanding our own impact on the environment, formulating a roadmap to reduce our impact, and holding ourselves to account is a responsible action. We intend to continue reporting on our ESG performance on an annual basis. Furthermore, it remains our intention to qualify for the LSE Green Economy Mark, which will provide third-party validation of our ESG credentials and increase visibility among investors and other stakeholders, including industrial partners.

As the Company's financial circumstances permit, we intend to explore and advance complementary technologies to reinforce the Company's reputation and impact in the ESG space, and help to ensure that our products and services are part of the conversation when potential clients are looking for decarbonisation solutions. We maintain a healthy research and development budget and it remains our intention to deliver a commercially competitive net-zero fuel to market by 2030.

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

Financial Position

The Group held cash and cash equivalents of approximately £2.6 million as at 31 December 2022 (31 December 2021: £5.6 million), The Directors acknowledge that this cash balance is not sufficient to cover the Group's operating requirements through the 12-month outlook period and that further funding will be required. In common with many development stage companies, these conditions indicate the existence of material uncertainty regarding the Group's and Company's ability to continue as a going concern. However, directors are confident that additional funding can be secured based on the expected passing of project milestones, and these accounts are, accordingly, presented on a going concern basis.

The Group recorded a loss of £1.7 million for the six months to 31 December 2022 (2021: £1.5 million). This included production and development costs of £1.0 million (2021: £0.7 million) and administration expenses of £0.6 million (2021: £0.7 million).

The basic and diluted loss per share was 0.12p (2021: 0.11p).

The Group's total assets amounted to £6.4 million as at 31 December 2022 (£9.3million as at 31 December 2021). In addition to the cash and cash equivalents, this included fixed tangible assets (mainly plant and equipment) of £0.4 million and MSAR® trade name of £2.9 million.

The Group has tax losses arising in the UK of approximately £60.0m (2021: £58.4m) that are potentially available to be carried forward against future profits.

Andy Morrison
Chairman
24 March 2023

Chief Executive's Statement

Quadrise: Energy Decarbonisation

The global energy market is under ever increasing pressure to decarbonise whilst also offering consumers practical and cost-effective energy solutions. Over the last year, energy prices have been a key driver of global inflationary pressures, exacerbated by the ongoing conflict in Ukraine, whilst greenhouse gas ('GHG') emissions must be halved by 2050 if the worst effects of climate change are to be avoided according to the IPCC. Unique Quadrise technology allows operators in the marine, industrial and power sectors to decarbonise whilst also reducing their energy costs.

MSAR® lowers fuel consumption in diesel engines by up to 10% and reduces GHG emissions by the same amount. GHG emissions can be reduced by over 20% by incorporating renewable glycerine to produce low cost bioMSAR™.

The shipping industry alone produces around 2.5% of the world's total GHG emissions. Increasing pressures led by European regulators are incentivising marine operators to develop and trial lower-carbon and eventually net-zero solutions. These include some more challenging long-term options such as green hydrogen, ammonia and methanol, each of which requires significant investment and presents considerable logistical and safety challenges. The Quadrise solutions are available immediately as they use existing infrastructure and can achieve both cost and GHG savings. bioMSAR™ offers lower CO_2 emissions than both LNG and FAME marine fuel blends at a lower cost per unit of energy, whilst also being dispersible in water, non-flammable and biodegradable.

Since the initial development of bioMSAR™ in 2021, the results of a testing programme designed to mirror real-world applications have continually surpassed expectations and the fuel is now ready for commercial deployment. Diesel engine testing at Aquafuel and VTT has shown that when compared to marine diesel fuel, use of bioMSAR™ results in:

- Improvements in diesel engine efficiency of over 3%, increased to up to 13% by advancing injection timing with no increase in NOx emissions over original generator settings for diesel fuel;
- A 26% average reduction in equivalent CO_2 emissions over diesel fuel on a well-to-wake basis; and
- NOx reductions of over 20%, an important regulatory feature in the marine sector.

The December 2022 optical combustion test demonstrated that bioMSAR™ combustion was similar to MSAR®. The extended fuel injection test of bioMSAR™ evaluated wear and fatigue of components in contact with the fuel over a prolonged time (over 250 hours). The results, learnings and recommendations from these tests are all important steps in preparing bioMSAR™ for commercial use. The HAZOP recommended by Wärtsilä for bioMSAR™ is expected to be carried out in Q2 2023.
In December 2022, Quadrise received and successfully commissioned our prototype 5 tonne per hour emulsion system that will be used for production of MSAR® and bioMSAR™ fuels for site trials and potential blend-on-board testing on marine vessels.

Despite the immediate and cost-effective carbon reductions that bioMSAR™ can offer we recognise that the requirement for net-zero carbon fuel solutions is becoming increasingly urgent. Our RDI strategy is now focused on the delivery of a commercially viable net-zero 'bioMSAR Zero' solution by 2030. As part of this exercise, we continue to work with Vertoro and other strategic partners to investigate the use of crude sugar oils (CSO™) and associated waste biofuel products as an alternative water-based, lower cost, and abundant biofuel feedstock for bioMSAR™. This work has now successfully progressed to diesel engine testing at Aquafuel, with results expected early in Q2 2023.

Key project delivery

Each of our key projects in the marine, upstream and industrial sectors is now nearing a major milestone, and our focus is on the completion of the trials and agreements that will demonstrate MSAR® and bioMSAR™ technology at commercial scale during 2023.

MSC – The preparatory work to enable the Letter Of No Objection ("LONO") fuel trials of both bioMSAR™ and MSAR® on board the MSC Leandra is ongoing. Quadrise is in discussions with potential feedstock suppliers, with the intention to conclude Tripartite Agreements with a fuel supplier and MSC as soon as possible in order to commence commercial-scale Proof-of-Concept and 4000-hour LONO trials in H2 2023. The trials themselves are expected to take nine months to conclude.

The MSC Leandra is scheduled for dry-dock during April-May 2023, during which time it will be inspected and installed with equipment designed to reduce emissions and improve vessel efficiency. The vessel, formerly the Seago Istanbul, was previously used to conduct a successful MSAR® trial. The emulsion fuel booster unit already on board has been inspected and will be upgraded and tested in readiness for use, so the vessel preparation required for the trial is minimal.

Utah – Following the signature of the Commercial Development Agreement with Valkor Technologies LLC ("Valkor") in April 2022, discussions are continuing with regard to the supply of a license and manufacturing unit to enable Valkor to produce MSAR® and bioMSAR™ from oil produced at their oil-sand deposit sites at Asphalt Ridge in Utah. These discussions are expected to conclude shortly. The oil sands reserves at Asphalt Ridge comprise billions of barrels, with Valkor having interests in multiple projects at this location. Oil samples supplied by Valkor were successfully converted to both MSAR® and bioMSAR™ by our RDI team at QRF in 2022.

Valkor is leading activities for the award of drilling permits at Asphalt Ridge, following successful exploration drilling in 2022. Valkor expects the permits to be awarded in Q2 2023, with drilling to commence as soon as weather-permits, with produced heavy oil available for conversion to bioMSAR™ and MSAR® for client trials during H2 2023.

These trials would then be expected to lead to commercial supply, subject to discussions with stakeholders to finalise agreements. Through the application of CO_2 sequestration and proprietary new enhanced oil recovery technology in Utah, the extracted heavy oil is anticipated to have a lower carbon intensity than conventional oils. In addition, the very low sulphur content and properties of this heavy oil allows it to comply with the International Maritime Organisation's regulations on marine fuel once converted to MSAR® or bioMSAR™, without the need for carbon-intensive oil refining. This heavy oil would therefore be a low carbon, low sulphur MSAR® or bioMSAR™ option for potential use in the industrial, power and marine sectors.

The Inflation Reduction Act, signed into law on 16 August 2022, is directing significant federal spending toward reducing carbon emissions, and is accelerating the implementation of low-carbon and renewable projects such as this in the United States.

Morocco – The initial MSAR® trial at the client's 'Site-B' has been subject to delays, primarily due to the process of clearing a new fuel through Moroccan customs. This process was finally completed in late February. 60mt of MSAR® and 10mt of bioMSAR™, together with the trial equipment are now all at Site B. Quadrise has now completed the site engineering set up and is concluding scheduling discussions with the client linked to its site production programme. The trial is expected to commence in April 2023, with the results available soon thereafter. Following a successful trial, Quadrise expects to enter discussions to conclude a commercial fuel supply agreement in Q2 2023 as planned, in addition to concluding agreements for testing at other client sites as required.

Americas – Quadrise has recently signed a Letter of Intent with a central American power provider outlining our mutual intent for a commercial test of MSAR® and bioMSAR™ at the provider's power plant, with conclusion of a Test Agreement and site trial being the precursors for entry into a Fuel Supply Agreement. Discussions are ongoing and we expect agreements to be finalised during Q2 2023. Together with our local agents, we continue to explore other opportunities in the region. Discussions with a large refinery in the Caribbean continue to progress subject to them obtaining an operating license. Efforts continue to progress activities in Mexico with the state oil company and utility operators.

Outlook

The invasion of Ukraine in February 2022 and the resulting sanctions on Russian oil exports initially led to a significant elevation in global energy prices. Over the last 12 months however, the price of crude oil has declined by over 30%, with the prices of oil products such as fuel oil and marine diesel decreasing by similar amounts The price spread between fuel oil and diesel, which drives the cost of refinery residuals and the economic case for MSAR® production has only declined by 11% due to strong demand for diesel, with current spreads continuing to provide healthy margins for production of both MSAR® and bioMSAR™ in target refineries. The prices of renewable biofuels including FAME and glycerine by-products reached record prices in the summer, however they have since reduced dramatically which has increased interest and demand in the marine sector for biofuels, including bioMSAR™.

Whilst the higher prices of biofuels resulted in limited demand in the marine sector over the year, the introduction and implementation of environmental regulations, particularly in Europe, is expected to increase biofuel use in all sectors commencing this year. Shipping is now included in the EU ETS and Fit-for-55 regulations, that are expected to increase the use of marine biofuels from 2024 for most vessels operating within or near EU waters. Revenues raised via the ETS are to be reinvested into an Innovation Fund reserved for sustainable shipping, the protection of maritime habitats and for funding programmes to decarbonise the maritime sector. Additionally, subsidies are still available for renewable waste-based biofuel feedstocks such as glycerine that should enhance the attractiveness of bioMSAR™ against competing biofuels in certain bunker locations. Market conditions and trends therefore provide a favourable environment for Quadrise as we progress our contract discussions and business development activities on all fronts.

The positioning of Quadrise as an Energy Decarbonisation enabler is an important statement of intent as we progress licence agreements and commercial-scale trials during 2023 which, on successful completion, will lead to supply contracts and commercial revenues from MSAR® and bioMSAR™ sales. Looking ahead, our continued development of bioMSAR™ and net-zero solutions opens up exciting opportunities to deploy our unique proven emulsion technology platform in new applications, securing a green future for the company and its client base.

I look forward to being able to announce material progress across our projects in coming months and over the course of 2023. Although we have had to overcome a number of challenges this year, and we are not immune from global industry headwinds, Quadrise remains well-positioned to deliver commercial success on a number of fronts and play a key role in decarbonising the shipping, power and industrial sectors.

Jason Miles
Chief Executive Officer
24 March 2023

Consolidated Statement of Comprehensive Income
For the 6 months ended 31 December 2022

	Note	**6 months ended 31 December 2022 Unaudited £'000**	6 months ended 31 December 2021 Unaudited £'000	Year ended 30 June 2022 Audited £'000
Continuing operations				
Revenue		-	75	75
Other Income		**27**	-	-
Production and development costs		**(1,049)**	(686)	(1,447)
Other administration expenses		**(649)**	(743)	(1,419)
Share option (charge)/credit	3	**(77)**	(165)	44
Warrant charge		-	-	(18)
Foreign exchange (loss)/gain		**(4)**	1	5
Operating loss		**(1,752)**	(1,518)	(2,760)
Finance costs		**(1)**	(1)	(3)
Finance income		**4**	-	1
Loss before tax		**(1,749)**	(1,519)	(2,762)
Taxation		-	-	164
Total comprehensive loss for the period from continuing operations		**(1,749)**	(1,519)	(2,598)

Loss per share – pence				
Basic	4	**(0.12)p**	(0.11)p	(0.18)p
Diluted	4	**(0.12)p**	(0.11)p	(0.18)p

Consolidated Statement of Financial Position

As at 31 December 2022

	Note	**As at 31 December 2022 Unaudited £'000**	As at 31 December 2021 Unaudited £'000	As at 30 June 2022 Audited £'000
Assets				
Non-current assets				
Property, plant and equipment	5	**418**	417	398
Intangible assets	6	**2,924**	2,924	2,924
Non-current assets		**3,342**	3,341	3,322
Current assets				
Cash and cash equivalents		**2,645**	5,590	4,423
Trade and other receivables		**100**	132	103
Prepayments		**148**	168	177
Stock		**126**	61	-
Current assets		**3,019**	5,951	4,703
TOTAL ASSETS		**6,361**	9,292	8,025
Equity and liabilities				
Current liabilities				
Trade and other payables		**270**	259	262
Current liabilities		**270**	259	262
Equity attributable to equity holders of the parent				
Issued share capital		**14,069**	14,069	14,069
Share premium		**77,189**	77,189	77,189
Merger reserve		**3,777**	3,777	3,777
Share option reserve		**840**	3,229	1,151
Warrant reserve		**18**	1,017	970
Reverse acquisition reserve		**522**	522	522
Accumulated losses		**(90,324)**	(90,770)	(89,915)
Total shareholders' equity		**6,091**	9,033	7,763
TOTAL EQUITY AND LIABILITIES		**6,361**	9,292	8,025

Consolidated Statement of Changes in Equity

For the 6 months ended 31 December 2022

	Issued share capital £'000	Share premium £'000	Merger reserve £'000	Share option reserve £'000	Warrant reserve £'000	Reverse acquisition reserve £'000	Accumulated losses £'000	Total £'000
As at 1 July 2022	**14,069**	**77,189**	**3,777**	**1,151**	**970**	**522**	**(89,915)**	**7,763**
Loss and total comprehensive loss for the period	-	-	-	-	-	-	(1,749)	(1,749)
Share option charge	-	-	-	77	-	-	-	77
Transfer of balances relating to expired share options	-	-	-	(388)	-	-	388	-
Transfer of balances relating to expired warrants				-	(952)	-	952	-
Shareholders' equity at 31 December 2022 - unaudited	**14,069**	**77,189**	**3,777**	**840**	**18**	**522**	**(90,324)**	**6,091**
As at 1 July 2021	**14,069**	**77,189**	**3,777**	**3,344**	**1,017**	**522**	**(89,531)**	**10,387**
Loss and total comprehensive loss for the period	-	-	-	-	-	-	(1,519)	(1,519)
Share option charge	-	-	-	165	-	-	-	165
Transfer of balances relating to expired share options	-	-	-	(280)	-	-	280	-
Shareholders' equity at 31 December 2021 - unaudited	**14,069**	**77,189**	**3,777**	**3,229**	**1,017**	**522**	**(90,770)**	**9,033**
As at 1 January 2022	14,069	77,189	3,777	3,229	1,017	522	(90,770)	9,033
Loss and total comprehensive loss for the period	-	-	-	-	-	-	(1,079)	(1,079)
Share option charge	-	-	-	(209)	-	-	-	(209)
Warrant charge	-	-	-	-	18	-	-	18
Transfer of balances relating to expired share options	-	-	-	(1,869)	-	-	1,869	-
Transfer of balances relating to expired warrants	-	-	-	-	(65)	-	65	-
Shareholders' equity at 30 June 2022 - audited	**14,069**	**77,189**	**3,777**	**1,151**	**970**	**522**	**(89,915)**	**7,763**

Consolidated Statement of Cash Flows
For the 6 months ended 31 December 2022

	Note	**6 months ended 31 December 2022 Unaudited £'000**	6 months ended 31 December 2021 Unaudited £'000	Year ended 30 June 2022 Audited £'000
Operating activities				
Loss before tax from continuing operations		**(1,749)**	(1,519)	(2,762)
Finance costs paid		**1**	1	3
Finance income received		**(4)**	-	(1)
Depreciation	5	**57**	61	120
Share option charge	3	**77**	165	(44)
Warrant charge		**-**	-	18
Working capital adjustments				
Decrease/(increase) in trade and other receivables		**3**	(15)	14
Decrease/(increase) in prepayments		**29**	(73)	(82)
(Increase)/decrease in stock		**(126)**	-	61
Increase/(decrease) in trade and other payables		**8**	(17)	(14)
Cash utilised in operations		**(1,704)**	(1,397)	(2,687)
Finance costs paid		**(1)**	(1)	(3)
Taxation received		**-**	-	164
Net cash outflow from operating activities		**(1,705)**	(1,398)	(2,526)
Investing activities				
Finance income received		**4**	-	1
Purchase of fixed assets	5	**(77)**	(18)	(58)
Net cash outflow from investing activities		**(73)**	(18)	(57)
Financing activities				
Issue of ordinary share capital		**-**	-	-
Issue costs		**-**	-	-
Net cash inflow from financing activities		**-**	-	-
Net decrease in cash and cash equivalents		**(1,778)**	(1,416)	(2,583)
Cash and cash equivalents at the beginning of the period		**4,423**	7,006	7,006
Cash and cash equivalents at the end of the period		**2,645**	5,590	4,423

Notes to the Group Financial Statements

1. General Information

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

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

Risks and uncertainties

The Board continuously assesses and monitors the key risks of the business. The key risks that could affect the Company's medium term performance and the factors that mitigate those risks have not substantially changed from those set out in the Group's 30 June 2022 Annual Report and Financial Statements, a copy of which is available on the Company's website: www.quadrise.com.

Critical accounting estimates

The preparation of interim accounts requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the end of the reporting period. Significant items subject to such estimates are set out in Note 2.4 of the Group's 30 June 2022 Annual Report and Financial Statements. The nature and amounts of such estimates have not changed significantly during the interim period.

2. Summary of Significant Accounting Policies

2.1 Basis of Preparation

The financial information contained in this results announcement has been prepared on the basis of the accounting policies set out in the statutory financial statements for the year ended 30 June 2022. Whilst the financial information included in this announcement has been prepared in accordance with the recognition and measurement requirements of UK-adopted international accounting standards and the requirements of the Companies Act 2006, this announcement does not itself contain sufficient disclosures to comply with IFRS. The financial information does not constitute the Group's statutory financial statements for the years ended 30 June 2022 or 30 June 2021, but is derived from those financial statements. Financial statements for the year ended 30 June 2022 have been delivered to the Registrar of Companies and those for the year ended 30 June 2022 will be delivered following the Company's Annual General Meeting. The auditors' report on both the 30 June 2022 and 30 June 2021 financial statements were unqualified and did not contain statements under section 498 (2) or (3) of the Companies Act 2006. The auditors' report on the 30 June 2022 financial statements did draw attention to the material uncertainty related to going concern while the auditors' report on the 30 June 2021 financial statements did not.

2.2 Going Concern

The Group had a cash balance of £2.6m as at 31 December 2022. The Directors acknowledge that this cash balance is only sufficient to cover the Group's operating requirements up to early Q4 calendar 2023. These conditions indicate the existence of material uncertainty regarding the Group's and Company's ability to continue as a going concern.

The Directors have determined that the continuation of the Group as a going concern is dependent upon successfully raising sufficient funds in the short term, and that they have a reasonable expectation that such funds will be raised, although no binding funding agreements are in place at the date of this report. The Directors therefore have determined that it is appropriate to prepare the financial statements on a going concern basis.

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

The interim accounts for the six months ended 31 December 2022 were approved by the Board on 24 March 2023.

The directors do not propose an interim dividend.

3. Share Option charge

On 3 August 2022 the Company granted a total of 21.5m share options to Directors with a weighted average exercise price of 3.0p and a weighted average fair value of 0.9p. The options were granted in accordance with the provisions of the Company's Unapproved Option Scheme 2016 ("2016 Scheme").

Director	Number of Options	Exercise price
Jason Miles	7,500,000	3p
Andy Morrison	4,000,000	3p
Laurie Mutch	4,000,000	3p
Philip Snaith	4,000,000	3p
Dilip Shah	2,000,000	3p
Total	21,500,000	

The options will vest on the basis of 50% on the first anniversary of grant date and 50% on the second anniversary of the grant date. The options awarded to Jason Miles are subject to the satisfaction of certain performance conditions prior to the vesting date and will only vest if these conditions have been met. The Options will be exercisable from vesting until the eighth anniversary of grant.

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

The share option charge for the period was £77k (2022: £165k).

4. Loss Per Share

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

	6 months ended 31 December 2022 Unaudited	6 months ended 31 December 2021 Unaudited	Year ended 30 June 2022 Audited
Loss for the period from continuing operations (£'000s)	**(1,749)**	(1,519)	(2,598)
Weighted average number of shares:			
Basic	**1,406,904,968**	1,406,903,048	1,406,904,000
Diluted	**1,406,904,968**	1,406,903.048	1,406,904,000
Loss per share:			
Basic	**(0.12)p**	(0.11)p	(0.18)p
Diluted	**(0.12)p**	(0.11)p	(0.18)p

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

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

The 16.6 million exercisable share options and 3.0 million exercisable warrants issued by the Company and which are outstanding at the period-end could potentially dilute earnings per share in the future if exercised when the Group is in a profit-making position.

5. Property, Plant and Equipment

	Leasehold improvements £'000	Computer equipment £'000	Software £'000	Office equipment £'000	Plant and machinery £'000	Total £'000
Cost						
Opening balance – 1 July 2022	89	94	43	16	1,440	1,682
Additions	-	-	-	-	77	77
Closing balance – 31 December 2022	**89**	**94**	**43**	**16**	**1,517**	**1,759**
Depreciation						
Opening balance – 1 July 2022	(76)	(90)	(43)	(16)	(1,059)	(1,284)
Depreciation charge for the period	(1)	(1)	-	-	(55)	(57)
Closing balance – 31 December 2022	**(77)**	**(91)**	**(43)**	**(16)**	**(1,114)**	**(1,341)**
Net book value at 31 December 2022 - unaudited	**12**	**3**	**-**	**-**	**403**	**418**
Cost						
Opening balance – 1 July 2021	74	98	43	16	1,397	1,628
Additions	5	1	-	-	12	18
Closing balance – 31 December 2021	**79**	**99**	**43**	**16**	**1,409**	**1,646**
Depreciation						
Opening balance – 1 July 2021	(74)	(92)	(43)	(16)	(943)	(1,168)
Depreciation charge for the period	-	(1)	-	-	(60)	(61)
Closing balance – 31 December 2021	**(74)**	**(93)**	**(43)**	**(16)**	**(1,003)**	**(1,229)**
Net book value at 31 December 2021 - unaudited	**5**	**6**	**-**	**-**	**406**	**417**
Cost						
Opening balance – 1 July 2021	74	98	43	16	1,397	1,628
Additions	15	-	-	-	43	58
Disposals	-	(4)	-	-	-	(4)
Closing balance – 30 June 2022	**89**	**94**	**43**	**16**	**1,440**	**1,682**
Depreciation						
Opening balance – 1 July 2021	(74)	(92)	(43)	(16)	(943)	(1,168)
Depreciation charge for the year	(2)	(2)	-	-	(116)	(120)
Disposals	-	4	-	-	-	4
Closing balance – 30 June 2022	**(76)**	**(90)**	**(43)**	**(16)**	**(1,059)**	**(1,284)**
Net book value at 30 June 2022 - audited	**13**	**4**	**-**	**-**	**381**	**398**

6. Intangible Assets

	QCC royalty payments £'000	MSAR® trade name £'000	Technology and know-how £'000	Total £'000
Cost				
Balance as at 1 July 2022 and 31 December 2022	**7,686**	**3,100**	**25,901**	**36,687**
Amortisation and Impairment				
Balance as at 1 July 2022 and 31 December 2022	**(7,686)**	**(176)**	**(25,901)**	**(33,763)**
Net book value at 31 December 2022 - unaudited	**-**	**2,924**	**-**	**2,924**
Cost				
Balance as at 1 July 2021 and 31 December 2021	7,686	3,100	25,901	36,687
Amortisation and Impairment				
Balance as at 1 July 2021 and 31 December 2021	(7,686)	(176)	(25,901)	(33,763)
Net book value at 31 December 2021 - unaudited	-	2,924	-	2,924
Cost				
Balance at 1 July 2021 and 30 June 2022	7,686	3,100	25,901	36,687
	-	-	-	-
Amortisation and Impairment				
Balance at 1 July 2021 and 30 June 2022	(7,686)	(176)	(25,901)	(33,763)
Net book value at 30 June 2022 - audited	-	2,924	-	2,924

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

The Group tests intangible assets annually for impairment, or more frequently if there are indications that they might be impaired. As at 30 June 2022, the QCC royalty payments asset and the technology and know-how asset were fully impaired and the MSAR® trade name asset had a net book value of £2.924m. For the six-month period to 31 December 2022, there was no indication that the MSAR® trade name asset may be impaired.

As a result, the Directors concluded that no impairment is necessary for the six-month period to 31 December 2022.

7. Related Party Transactions

Non-executive Director Laurie Mutch is also a Director of Laurie Mutch & Associates Limited, which has provided consulting services to the Group. The total fees charged for the period amounted to £nil (31 December 2021: £5k). The balance payable at the statement of financial position date was £nil (31 December 2021: £5k).

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

8. Events After the End of the Reporting Period

On 27 January 2023 the Company granted a total of 14,733,038 share options to directors and employees of the Company granted in accordance with the provisions of Company's Enterprise Management Incentive Plan ("The Plan").

3,551,122 of the options were granted to Chief Executive Officer Jason Miles with an exercise price of 7.5p and fair value of 0.2p. The options replace the same number of options granted under the Plan on 27 June 2019 that have since been cancelled by the Company. The options will vest on 27 April 2023 and are exercisable from vesting until 27 June 2029.

11,181,916 of the options were granted to employees of the Company with a weighted average exercise price of 1.9p and a weighted average fair value of 0.7p. 5,531,916 of these options vest on 3 August 2023 and 4,450,000 vest 50% on 3 August 2023 and 50% on 3 August 2024 subject to performance conditions having been met. The options are exercisable from vesting until 27 January 2033.

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, unless otherwise determined by the Board. Options may be also exercised within one year of an employee leaving the Group at the discretion of the Board.

On 28 March 2023, the Company's name was changed from Quadrise Fuels International plc to Quadrise plc, and the Company's TIDM from 'QFI' to 'QED'.

9. Copies of the Interim Accounts

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