

Quadrise Fuels International plc

Company Registration No. 05267512

Interim Report and Consolidated Financial Statements

For the 6 month period to 31 December 2020

Quadrise Fuels International plc ("Quadrise", "QFI", the "Company" and together with its subsidiaries the "Group") presents its unaudited interim results for the six months ended 31 December 2020

Chairman's Statement

Introduction

The first half of the 2020-21 financial year saw Quadrise make material progress and build firm foundations across a number of key projects in the industrial, upstream and marine markets, despite the challenges imposed by the impact of COVID-19 restrictions. The successful delivery of these key projects will, on the execution of appropriate commercial supply and license agreements, position the Company to deliver sustainable commercial revenues and cash generation. The progress made to date demonstrates the success of the Company's revised strategy, which is to pursue a larger number of project opportunities both directly and through selected partners and agents in key markets.

With the launch of bioMSAR™ in December 2020, Quadrise has set out its intention to build on the class-leading environmental performance of MSAR® technology and fuels and to provide a new renewable transition fuel. bioMSAR™ opens up a completely new market for Quadrise and provides it with the ability to simultaneously develop leading positions in both the existing $135bn p/a heavy fuel oil ("HFO") market as well as the large and rapidly growing renewable biofuels sector. This broader approach would enable Quadrise's customers to use existing fossil fuel resources in the most cost effective and environmentally sensitive way, whilst providing a bridge to a market that will increasingly be met by renewables as we approach 2030.

There is no doubt that it was this twin-track approach that led to the resounding success of the Company's placing of new ordinary shares in early March 2021. Not only did the level of overall demand surpass our initial expectations and enable gross proceeds of £6m to be raised, it also paved the way for two leading institutional investors, Premier Miton and Cannacord Genuity to take significant stakes in the business. The placing proceeds provide Quadrise with the funds to progress to commercial revenues and sustainable cash generation by July 2022 – through the successful migration from positive tests and trials to delivery of commercial supplies to customers – subject to agreeing suitable commercial contractual terms. Additional funds of £1m raised through the significantly oversubscribed open offer provide Quadrise with the ability to accelerate the development of bioMSAR™ and to be able to consider additional opportunities, including those related to glycerine production and sourcing, that we believe could deliver significant value.

During the period under review, we saw a recovery from the challenging crude and liquid fuel product markets that persisted for much of the first half of calendar 2020, as a result of crude oil prices being severely impacted by the combination of the unfolding COVID-19 pandemic and the dispute between the Kingdom of Saudi Arabia ("KSA") and Russia. Crude oil prices have now recovered and of more relevance to MSAR® economics, gasoil-fuel oil spreads, which had risen to ~$350/mt reduced significantly to below $100/mt, (as fuel oil prices remained uncharacteristically strong and middle distillates weakened due to fundamental shifts in supply and demand) have partially recovered, to ~$150/mt. Whilst recent prices and volatility have negatively impacted short-term MSAR® economics in some markets, in most regions they remain favourable and the longer-term trend is still positive. Demand for middle distillates is forecast to recover from COVID-19 disruptions and fuel oil supply is expected to increase with greater production and refining of heavier crude oils. The enhanced environmental performance of MSAR® and bioMSAR™ will, we believe, be of increasing importance to both producers and consumers, alongside its substantial economic benefits.

Despite the disruption caused by COVID-19, the use of high-sulphur fuels in combination with scrubbers is, in our view, the de-facto lowest cost solution to meet the IMO 2020 sulphur standard for the maritime sector, as well as national or World Bank regulations for utilities and industrial consumers. This provides a positive backdrop for Quadrise to work with refiners and fuel consumers to progress MSAR® projects, potentially combined with new environmental initiatives.

New Environmental, Social and Governance ('ESG') Initiatives

Quadrise, through its MSAR® technology and fuels, has always had strong environmental credentials. However, we realised that during 2020 there was a significant shift in attitudes towards the use of sustainable energy, by both industry and society at large. We have therefore dedicated significant effort into emphasising the environmental benefits our MSAR® and bioMSAR™ technologies offer, as well as highlighting our social and governance credentials more clearly. In addition to helping our clients reduce their environmental footprint and decarbonise, and as an integral part of our commitment to supporting the global goal of net-zero carbon emissions by 2050, Quadrise aims to be a leader in its field, by committing to be net-zero carbon by 2030.

We fully support the position that renewables should and will play an increasing role in meeting the world's energy needs. However, there will be a long transition period, during which fossil fuels will continue to have an important role. Our technology enables this to be done in a manner which minimises the impact on the environment through significantly reducing emissions compared with the "standard" solutions currently being used. We have materially increased the emphasis on the environmental benefits of our technologies in the Company's marketing and investor relations materials and, more recently, created a distinct ESG section on our website. Additionally, we commenced work in 2020 on a sustainable fuel programme, which resulted in bioMSAR™**:**

- Our Research, Development and Innovation ("RDI") team investigated opportunities to reduce emissions of SOx and CO_2 from MSAR® by enabling sustainable fuel sources to be incorporated into MSAR® to further enhance its environmental benefits.
- We formally launched bioMSAR™ in December 2020, following the successful conclusion of initial testing at the Quadrise Research Facility ("QRF") during H2 2020 which demonstrated that we could produce bioMSAR™ at pilot plant scale, blending 40-50% glycerine, 50-40% residue and c10% water and additives.

- In comparison to HFO, bioMSAR™ offers substantial (20-30%) reductions in CO_2 emissions. This is similar to using LNG, but with none of the risks of methane slip (or the need for substantial investment in new LNG infrastructure) whilst enabling the use of existing HFO infrastructure – with minimal modification costs.
- We announced in December 2020 our collaboration agreement with Aquafuel Research Ltd ("Aquafuel"), a British company specialising in renewable power innovation using conventional biofuels and glycerine in diesel engines, in connection with the development of bioMSAR™ projects.
- Combustion testing programmes with industry partners commenced in Q4 2020, with initial work successfully completed, as announced on 1 February 2021. The testing was carried out by Aquafuel using a standard Cummins diesel generator owned by Quadrise. This not only confirmed bioMSAR™ as a viable diesel engine fuel, it also achieved higher efficiency and 20-25% lower NOx compared to baseline testing on diesel at the prevailing test conditions on a high-speed 4-stroke diesel engine. The lower NOx emissions of bioMSAR™ are highly beneficial, as most biofuels lead to an increase of NOx emissions of c15% compared with diesel or fuel oil.
- Whilst at an early stage, good progress is being made in developing and promoting projects that offer opportunities for both Aquafuel and Quadrise in a number of markets with high growth opportunities.
- Further third-party testing with Wärtsilä and VTT in Finland during the first half of calendar 2021 will seek to build upon these positive initial results and will incorporate optimisation at various loads on a larger medium speed 4-stroke diesel engine, with further quantification of efficiency and emissions on bioMSAR™. During the second half of the calendar year we also plan to schedule testing on 2-stroke engines.

Other areas of work that are enhancing our ESG credentials include:

- **Exhaust Gas Cleaning Systems** ("EGCS", also termed "Scrubbers") **–** An agency agreement for Ecuador was signed in July 2020 with Pacific Green Technologies, Inc ("PGT") Group, a company that is becoming a world leader at providing sustainable cleantech solutions for climate change, green energy and emissions control. Their gas scrubbers have applications in the marine, power and industrial sectors that we are developing and, as agent, Quadrise will receive an agency fee based on sales of PGT technology linked to MSAR® projects. The use of MSAR® alongside these solutions enables customers to fund these environmental improvements, whilst ensuring that the local communities are able to benefit from the significant reduction in emissions.
- **JGC –** We are in discussions with JGC and a major diesel engine OEM regarding a new joint initiative for MSAR® to reduce Japanese refinery CO_2 emissions using Combined Heat and Power diesel technology to replace residue-fired boilers.

We continue to have a close working relationship with Nouryon and we have jointly filed a new patent for bioMSAR™. QFI holds regular quarterly meetings with them and discussions between QFI, Nouryon and another Carlyle entity in the downstream sector have continued about possible MSAR® and bioMSAR™ opportunities that we believe could have significant potential to accelerate during 2021.

Developments During the Period and Q1 2021

Despite the unprecedented impact of COVID-19 on global economies, we made substantive progress during the first half of the financial year and this accelerated as we entered calendar year 2021. The main areas of progress are summarised below:

Industrial Applications

Morocco – In November 2019, the Company signed a Material Transfer & Cooperation Agreement with a major chemicals group in Morocco. Rapid progress was made with project plans in early 2020 to enable a phase 1 pilot kiln trial to commence at the client's main site ("Site A") in March 2020. Unfortunately, COVID-19 restrictions led to postponement; this being after the Quadrise Pumping and Heating Unit ("PHU") and the MSAR® fuel (manufactured at QRF) had been received at the client's site.

Whilst Site A was closed to external visitors and non-essential employees from March 2020, the QFI project team worked closely with the client and our Moroccan agent to minimise the impact on the overall project timetable. The first action taken by the Quadrise project team was to engage positively with the client and obtain their agreement to bring forward the second phase feasibility study originally planned to have followed the successful completion of the pilot plant trial. Work on this phase 2 commenced in Q2 2020 and the pilot trial was successfully completed by QFI in October 2020. Rather than immediately progressing from the pilot trial to the commercial trial, as initially planned, the client and QFI jointly agreed to undertake the intermediate stage of an industrial scale trial at another of the client's locations ("Site B"), as this location has more operational flexibility for accommodating a larger scale trial.

As announced on 2 February 2021, the work on the newly planned industrial-scale trial is progressing, with the new PHU (which can be utilised for both the industrial and commercial trials) fabricated and ready for shipment. The Site B trial requires around 60mt of MSAR® fuel, which is beyond the capacity of QRF and thus needs to be manufactured by a third party. Our initial plans for this were impacted by the recent tightening of COVID-19 restrictions in the UK and we are now finalising contingency plans for the fuel to be manufactured and sent directly to site. The joint project team are working with the client's Site B to finalise plans for the trial, that is scheduled to be completed as early as possible in H1 2021 along with the phase 2 feasibility study. QFI will be paid £100,000 for the industrial trial and phase 2 study under existing agreements with the client.

Following the successful conclusion of the industrial trial, the plan is to complete the commercial trial at Site A, which is the major fuel oil consumer, by early/mid H2 2021. Assuming the successful conclusion of these trials, the intention would then be to conclude a commercial supply agreement covering one or more of the client's sites in Morocco before calendar year end. Planned milestones are:

- Q2 calendar year 2021 – industrial scale trial at Site B. Complete phase 2 feasibility studies for the commercial trial at Site A.
- Early/mid H2 calendar year 2021 – commercial trial at Site A.
- Conclude a commercial supply agreement with the client after the successful conclusion of the commercial trial at Site A.

Upstream Applications

Utah – Following the signature in Q1 2020 of a Memorandum of Understanding ("MOU") with Valkor Technologies ("Valkor") to investigate the potential deployment of MSAR® technology in Utah, USA, we were delighted to announce on 18 August 2020 a Commercial Trial Agreement ("CTA") with Greenfield Energy LLC ("Greenfield") a joint-venture between Valkor and Tomco Energy plc ("Tomco"). This covers testing at the Petroteq Oil Sands Plant ("POSP") located at the Asphalt Ridge Facility in Utah, USA, which is managed by Greenfield. The first phase of the CTA ("Phase 1"), for which Quadrise is being paid $150,000, includes:

- Proof of Concept ("POC") formulation and test work at QRF using oil samples supplied by Greenfield.
- Loan of Quadrise MSAR® commercial production equipment, MSAR® test equipment and supply of MSAR® additives.
- Supply of specialist services and personnel to assist Greenfield in completing the commercial scale demonstration trial to produce 600 barrels (100mt) of power grade MSAR®.

The POC formulation and test work was originally scheduled for H2 calendar 2020. However, this was reliant on samples being received at QRF. With the start-up of the POSP delayed until January 2021, as announced by Tomco in December 2020, this POC work has now been pushed back to Q2 calendar year 2021. As soon as we have received representative samples at QRF, we would expect the testing and report work to be completed within 2-3 weeks. The MMU is ready to be sent to the POSP site and we await Greenfield's confirmation to ship. The trial will then commence once the Quadrise project team is able to gain safe access (under COVID-19 restrictions) to the site.

Pending the successful completion of Phase 1, Quadrise will then work with Greenfield to develop plans for commercial MSAR® production facilities capable of treating 10,000 barrels of oil per day ("Phase 2") and to agree terms for the granting of a conditional MSAR® licence to Greenfield once commercial agreements have been signed.

Marine Applications

MSC – We announced in January 2021 that we had signed a JDA with MSC Shipmanagement of Cyprus, a part of the MSC group which is a world leader in container shipping and cruise lines. We are now, through the JDA, undertaking the preparatory work to enable LONO trial(s) aboard MSC container shipping vessel(s).

- During Q1 calendar 2021, the planning and preparatory work commenced to enable a LONO trial(s) of Marine MSAR® to take place on a vessel with a MAN ME engine, and potentially on a vessel with a Wärtsilä/Win GD Flex engine.
- During Q2-Q3 calendar 2021, we will be working to procure the equipment for fuel production, and the vessel(s) fuel booster system(s) and to commence the process of preparing the vessel(s) and the fuel production site to enable the commencement of the LONO trial(s) in the second half of 2021.
- H2 calendar 2021 will see the active commencement of the trial on the vessel(s), with all the preparatory and commissioning work having been completed for both fuel production and on-vessel storage and use of MSAR®. Once the initial MSAR® fuel has been loaded and the on-board systems commissioned, the vessel(s) will then be bunkering Marine MSAR® throughout the 4,000-hour LONO trial(s). The details of the LONO process and relevant inspections and milestones will be agreed between the parties during the initial phase of the work under the JDA.

As we have previously highlighted, we continue to have discussions with other owners and operators in the marine market, relating to potential trials and commercial roll-out of MSAR® and bioMSAR™ more widely in the sector. However, ensuring the successful conclusion of the trial work with MSC and progressing this to commercial supply contracts will be our primary focus in the short-term. As noted previously, there remains a general consensus that scrubbers alongside the use of high-sulphur fuels is the lowest cost solution for operators; though scrubber installation activity was lower than expected during 2020, because of the impact of COVID-19 on shipyard/drydock availability and scrubber manufacturing – however reports are more positive from suppliers in 2021.

We had also indicated during 2020 that we were evaluating an opportunity to establish or link with a physical bunker fuel supplier, to provide a supply network for high sulphur fuels in parallel with MSAR® for LONO testing and subsequent commercial supply. With the bunker market adversely impacted by COVID-19, this work was paused. However, this is a market opportunity that we will continue to review, albeit it is not considered a high priority at this time. Any decision to enter this market would be alongside trusted counterparties who can manage the commodity price risk, provide the working capital requirements and counterparty credit facilities and manage the logistics of a physical bunkering operation.

Power Applications, Refinery Refuelling, & Co-Development Opportunities

Middle East

During the period we undertook a major profile-raising initiative in the Middle East through the publication of a White Paper (in English and Arabic) in August 2020, which demonstrated the benefits that the adoption of MSAR® technology and fuels could provide to the region. In addition, we updated our website, so that most of it is now available in Arabic, including our animated video. These activities have been very well received and through targeted use of social media we have significantly raised the profile of Quadrise in the region amongst key decisions makers. These targeted activities will continue in support of our direct business development activities in key markets in the region;

Kingdom of Saudi Arabia ("KSA") – Quadrise, alongside our local partners Al Khafrah Holding Group ("AKHG") continued to look at ways to improve engagement with key stakeholders during the period. This including publication of the Middle East White Paper and enabling most of the content on our website to be available in Arabic. As we have recently outlined, given the structure of the market for fuel production and use within KSA, we believe that demonstrating progress in the industrial, upstream and marine markets, as planned, will be fundamental to unlocking this significant opportunity. We will therefore continue to keep key stakeholders informed of our progress during 2021, with a view to being able to re-establish plans for active MSAR® testing and subsequent commercial roll-out.

Kuwait – During the period there has been no material progress to report, and as a result this is not currently a high priority.

South & Central America

Subsequent to the profile-raising activities in the Middle East, we published an America's White Paper (in Spanish and English) in December 2020, which demonstrated the benefits that the adoption of MSAR® technology and fuels could provide to the region. In addition, we updated our website, so that most content is also now available in Spanish, including our animated video. As was the case with those activities in the Middle East, through targeted use of social media we have significantly raised the profile of Quadrise in the region amongst key decisions makers. Targeted activities will continue in support of our direct business development activities in the key markets:

Ecuador: Freepoint Commodities – This is a good example of how Quadrise's longstanding business development experience can lead to project opportunities progressing very rapidly from a "standing start". QFI and Freepoint jointly met with senior management of the national oil company in Ecuador in early January 2020 to review an exciting MSAR® opportunity for refinery refuelling, leading to domestic power generation and export opportunities that would reduce energy costs and emissions for the country. This is a refinery well-known to Quadrise, as we had worked on a project there several years earlier, that would, however, have required very significant investment and working capital. Following the initial meeting, a three-person team from Quadrise visited the refinery and the adjacent power utility in early March 2020. Whilst rapid progress was made during the first half of 2020, during the second half of 2020, there was very limited progress, primarily driven by the presidential elections in Ecuador and potential restructuring of the oil sector. Once the future structure is confirmed, Quadrise will be in a position to continue its discussions, as MSAR® technology has the opportunity to add significant value, irrespective of the organisational structure of the industry.

Mexico:Redliner – MSAR® opportunities in Mexico are wide-ranging and include upstream, refinery refuelling, domestic power generation and fuel exports that also reduce imports. Our principal activities are with our agents Redliner, who have been progressing opportunities with the national oil company and have successfully engaged with stakeholders at very senior levels. Despite this, as the client has not concluded a non-disclosure agreement, this has prevented the essential sharing of information, and so we have not been able to undertake the techno-economic study for multiple refineries as planned. Whilst this is frustrating, it is not unusual in this market and we continue to work with Redliner to progress activities as there is a clear economic rationale. Most recently MSAR® briefings were submitted directly by Redliner to the Energy Secretary and key Directors (Upstream and Refining) of the national oil company. Further discussions with the major independent power project developer, who is supportive of MSAR® fuel's economic and environmental advantages for new build power projects in the region, depend on progress with the national oil company.

Other

There are no material updates to report on opportunities with the European Oil Major, the European Refiner, Bitumina, API Poly-GCL or Maersk Line.

Research, Development & Innovation ("RDI") and Operations Activities

RDI activities remain a core function and underpin our technology-led offering. QRF houses our pilot plant and research laboratory in Essex and is the hub for these activities alongside the provision of critical operational support for active projects and consulting for third parties.

Operational support activities during the period were focused on enabling the trial at the Moroccan pilot facility to progress at the earliest opportunity. The ability to utilise QRF to produce relatively small volumes of MSAR® fuel in 1m³ IBCs proved to be instrumental in our work to progress the project in Morocco, though for the next industrial scale trials we will be using a third party to produce the c.60mt of MSAR® required and this will be supplied in ISOTANKS directly to Morocco.

Testing of the oil samples from Greenfield will be a priority (once they have been received), ahead of planned on-site trial activities in Utah in H1 calendar 2021. Despite the delays in receiving the samples, QRF did progress all the necessary work to ensure that all the test equipment was adequately prepared for the challenges of working in the very cold winter/early spring conditions in Utah, and it is ready to be shipped, once we have received confirmation that Greenfield is ready to accept it at the POSP site.

Perhaps most critically during the period, the RDI team completed initial testing and scoping for a new programme of work at QRF to further improve the environmental performance and credentials of MSAR® using sustainable and renewable fuel sources. This culminated in the formal launch of bioMSAR™ in December 2020. The work on bioMSAR™ development and testing, including the addition of other renewables (such as lignin) to allow the further displacement of fossil fuel residues (with the potential to progress to a fully renewable bioMSAR™ fuel in due course) will remain a priority at QRF during 2021.

Response to the COVID-19 Pandemic and Cost Reduction Actions

COVID-19 Mitigations – Throughout 2020 we put in place pragmatic and measured initiatives to protect our staff, their families and the business; ensuring that we could continue to operate. QRF remained operational throughout the year, following COVID-19 guidelines with no direct impact on planned testing and operational support activities. Whilst our London office briefly reopened during the summer of 2020, most staff continued to work effectively from home – and this remains the plan in the short-term. This has had limited impact on our activities, with very effective use being made of in-country agents/representatives, together with web-based conferencing communications to initiate new agreements. We worked effectively with our clients in Morocco and Utah throughout this process, to actively manage any potential impacts on overall project timetables.

Despite the global disruption caused by COVID-19, Quadrise has continued to progress business development activities on multiple fronts, and the levels of engagement with partners, prospective clients and project stakeholders have generally increased. We believe that this is a result of the economic and environmental advantages that MSAR® offers being more widely known in the market and that these advantages are even more crucial now. The most recent and clear confirmation of our success in this regard is that the discussions with MSC were conducted almost entirely on-line (after some initial face-to-face meetings during Q1 2020), prior to being concluded and announced on 21 January 2021.

Cost Reduction Actions – We continue to operate with a small but strong leadership team at Quadrise. Mindful that all our activities are currently funded directly from cash reserves which have been significantly increased as a result of the recent successful fundraise, we have always had a keen eye on costs, and acted early, ahead of the general lockdown to have a further close review of our cost base. As a result, we took the decision to exercise the break clause in the lease at our London Office, formally leaving on 5 February 2021. With current restrictions

in place, we will continue to operate our London-based team remotely, though we plan to secure new, more flexible accommodation during 2021.

We utilised the furlough scheme for a small number of our London and QRF based staff as appropriate and we restructured staffing levels and overall costs to maximise the use of remaining cash reserves. In addition, two non-executive directors left the business in 2020 and were not replaced. It was a combination of these actions that enabled the Company to extend its period of operation from 31 December 2020 (as announced at the time of completing the fundraising in October 2019) to mid-Q2 2021 ahead of the recent placing and open offer, which, as set out above, should enable the Company to reach commercial revenues and positive sustainable cashflows by July 2022.

Financial Position

The Group held cash and cash equivalents of approximately £1.1 million as at 31 December 2020 (31 December 2019: £3.8 million).

The Group recorded a loss of £2.3m for the six months to 31 December 2020 (2019: £2.3m). This included production and development costs of £0.6m (2019: £0.7m), administration expenses of £0.8m (2019: £1.1m) and a non-cash fair value loss arising on the valuation of convertible securities of £0.7m (2019: £nil).

Basic and diluted loss per share was 0.21p (2019: 0.24p).

The Group's total assets amounted to £4.9 million as at 31 December 2020 (£7.8 million as at 31 December 2019). Apart from the cash and cash equivalents, this included fixed tangible assets (mainly plant and equipment) of £0.5 million and MSAR® trade name of £2.9 million.

The Group has accumulated tax losses of approximately £53.7 million (2019: £50.6 million) available to be carried forward against future profits.

Funding

Following the period end, we were delighted to conclude a successful placing and open offer to raise gross proceeds of £7m in March 2021. This funding will enable Quadrise to progress to commercial revenues and sustainable positive cash generation by July 2022 – through the successful migration of positive tests and trials to delivery of commercial supplies to customers – subject to agreeing suitable commercial contractual terms. As noted previously, this also provides the scope to look at further value-adding opportunities, including the sourcing and production of glycerine through our agreement with Aquafuel.

Outlook – Current Trading and Prospects

The Quadrise team has been able to build on the platform created in 2019 to achieve significant momentum during 2020 which has built further during early 2021, despite the continued impact of the COVID-19 pandemic.

2021-22 will be a very busy period as we ramp-up our activities across all of our active projects in the industrial, upstream and marine markets, alongside the continued testing and development of our new, renewable, fuel, bioMSAR™. In all of these projects, we have built in contingencies relating to the potential impact of continuing controls and restrictions relating to COVID-19. Whilst there can be no certainty on how and when restriction can be eased, based on our most up to date plans, we feel confident that we can manage any downside risks appropriately.

- We have already put contingency plans in place relating to the manufacture of fuel for the industrial trial in Morocco at Site B by a third party, that will ship it directly to Morocco.
- The PHU that will be used for both the industrial trial at Site B and the subsequent commercial trial at Site A in Morocco has been fabricated and is ready to be sent to Morocco.
- The work on Morocco Site A where non-essential access (even for their own staff) is tightly controlled, is planned in the second half of this calendar year, when COVID-19 restrictions are likely to have eased materially.
- Early-stage work on the MSC trial is focused on planning, so we are not anticipating any material change to the timing of these activities. This significantly reduces the risk of the operational elements being impacted, as they are expected to be implemented in the second half of the year.
- Pending receipt of samples from Greenfield, we can complete the confirmatory testing and issue the report to the client within three weeks. This is the critical path item for the test programme, as the MMU and ancillary equipment is ready to be sent to Utah, once Greenfield confirm they are ready to receive this on-site.
- The Utah test is a limited duration, with a planned 600 barrels (100mt) of MSAR® being produced. We expect the test to be completed within 1 week of being able to commission the MMU on site.
- One of the JV partners in Greenfield, Tomco, has been able to gain regular access to the site for its UK-staff throughout the current restrictions, so we do not anticipate that this will adversely impact our plans.
- Much of the development and testing activity for bioMSAR™ is to be carried out at third-party dedicated test facilities and at QRF and we do not expect these activities will be materially impacted by COVID-19 restrictions.

It is important to emphasise that we take our responsibilities to ensure that all of our colleagues remain safe very seriously. This will always be our main priority when assessing project programmes and our current planning and contingencies fully take this into account.

Continued progress in the above projects will, we believe, be instrumental in building the momentum which will significantly improve the engagement with key stakeholders in the Middle East and Central and South America. With White Papers published on the Middle East and the Americas markets and with the bulk of our website available in Arabic and Spanish, we have raised our profile significantly in these markets. This has been further supported by a more comprehensive and consistent approach to the use of social media to supplement and enhance our formal news releases issued via RNS. We will also continue to use a broad spread of routes to engage with shareholders, including interviews with Proactive Investors, and the use of Investor Meet Company to provide regular updates and Q&A sessions for our substantial and loyal retail shareholder base.

The recent successful placing and open offer were both oversubscribed, and the gross proceeds of a total of £7m will enable Quadrise to progress its active projects and their planned migration to commercial contracts – providing a clear path to sustainable commercial revenues. It also supports our business development activities to enable progress in key markets such as the Middle East and Central and South America. We know that being able to deliver good news flow will be as important as ever and we have invested significant further effort into our PR/IR activities to support this.

QFI has a small, highly motivated and highly capable team and our continued progress is only possible through the significant contribution of everyone working within the business and I would like to thank them all for their continued dedication and professionalism without which the progress achieved during 2019-20 would not have been possible. Finally, I would like to thank once again both our dedicated and loyal long-term shareholders and our new institutional shareholders, who responded so positively in the open offer and placing, respectively, for their support which will remain fundamental to the long-term success of Quadrise.

Mike Kirk
Chairman
27 March 2021

Consolidated Statement of Comprehensive Income

For the 6 months ended 31 December 2020

	Note	**6 months ended 31 December 2020 Unaudited**	6 months ended 31 December 2019 Unaudited (as restated)	Year ended 30 June 2020 Audited
		£'000	£'000	£'000
Continuing operations				
Revenue		**8**	-	-
Production and development costs		**(645)**	(730)	(1,357)
Other administration expenses		**(770)**	(1,078)	(1,821)
Fair value adjustments arising on Convertible Securities		**(668)**	-	(1,133)
Share option charge	3	**(147)**	(277)	(474)
Warrant charge		**-**	(65)	(65)
Foreign exchange (loss)/gain		**(5)**	(4)	(1)
Operating loss		**(2,227)**	(2,154)	(4,851)
Finance costs		**(51)**	(144)	(146)
Finance income		**-**	4	7
Loss before tax		**(2,278)**	(2,294)	(4,990)
Taxation		**-**	-	147
Total comprehensive loss for the period from continuing operations		**(2,278)**	(2,294)	**(4,843)**
Loss per share – pence				
Basic	4	**(0.21)p**	(0.24)p	(0.49) p
Diluted	4	**(0.21)p**	(0.24)p	(0.49) p

Consolidated Statement of Financial Position

As at 31 December 2020

	Note	As at 31 December 2020 Unaudited £'000	As at 31 December 2019 Unaudited £'000 (as restated)	As at 30 June 2020 Audited £'000
Assets				
Non-current assets				
Property, plant and equipment	5	**523**	656	582
Intangible assets	6	**2,924**	2,924	2,924
Non-current assets		**3,447**	3,580	3,506
Current assets				
Cash and cash equivalents		**1,111**	3,778	2,380
Trade and other receivables		**193**	257	213
Prepayments		**113**	118	112
Stock		**61**	61	61
Current assets		**1,478**	4,214	2,766
TOTAL ASSETS		**4,925**	7,794	6,272
Equity and liabilities				
Current liabilities				
Trade and other payables		**314**	501	198
Convertible securities	7	**1,521**	1,864	2,045
Current liabilities		**1,835**	2,365	2,243
Equity attributable to equity holders of the parent				
Issued share capital		**10,774**	9,958	10,351
Share premium		**75,708**	75,374	75,431
Share option reserve		**3,188**	3,732	3,927
Warrant reserve		**1,122**	1,122	1,122
Reverse acquisition reserve		**522**	522	522
Accumulated losses		**(88,224)**	(85,279)	(87,324)
Total shareholders' equity		**3,090**	5,429	4,029
TOTAL EQUITY AND LIABILITIES		**4,925**	7,794	6,272

Consolidated Statement of Changes in Equity

For the 6 months ended 31 December 2020

	Issued share capital £'000	Share premium £'000	Share option reserve £'000	Warrant reserve £'000	Reverse acquisition reserve £'000	Accumulated losses £'000	Total £'000
As at 1 July 2020	**10,351**	**75,431**	**3,927**	**1,122**	**522**	**(87,324)**	**4,029**
Loss and total comprehensive loss for the period	-	-	-	-	-	(2,278)	(2,278)
Fair value adjustment arising on Convertible Securities						492	492
Share option charge	-	-	147	-	-	-	147
Transfer of balances relating to expired share options	-	-	(886)	-	-	886	-
Shares issued upon exercise of Convertible Security	423	277	-	-	-	-	700
Shareholders' equity at 31 December 2020 - unaudited	**10,774**	**75,708**	**3,188**	**1,122**	**522**	**(88,224)**	**3,090**
As at 1 July 2019	**9,227**	**74,438**	**3,455**	**105**	**522**	**(82,985)**	**4,762**
Loss and total comprehensive loss for the period (as restated)	-	-	-	-	-	(2,294)	(2,294)
Share option charge	-	-	277	-	-	-	277
Warrant charge (as restated)	-	-	-	65	-	-	65
Warrants issued as part of open offer and subscription (as restated)	-	(816)	-	816	-	-	-
Shares and warrants issued as part of Convertible Securities transaction (as restated)	84	101		136	-	-	321
New shares issued (as restated)	647	1,914	-	-	-	-	2,561
Share issue costs (as restated)	-	(263)	-	-	-	-	(263)
Shareholders' equity at 31 December 2019 – unaudited	**9.958**	**75,374**	**3,732**	**1,122**	**522**	**(85,279)**	**5,429**
As at 1 January 2020	9,958	75,374	3,732	1,122	522	(85,279)	5,429
Loss and total comprehensive loss for the period	-	-	-	-	-	(2,549)	(2,549)
Fair value adjustment arising on Convertible Security	-	-	-	-	-	502	502
Share option charge	-	-	197	-	-	-	197
Transfer of balances relating to expired share options	-	-	(2)	-	-	2	-
Shares issued upon exercise of Convertible Security	393	57	-	-	-	-	450
Shareholders' equity at 30 June 2020 - audited	**10,351**	**75,431**	**3,927**	**1,122**	**522**	**(87,324)**	**4,029**

Consolidated Statement of Cash Flows

For the 6 months ended 31 December 2020

	Note	6 months ended 31 December 2020 Unaudited £'000	6 months ended 31 December 2019 Unaudited £'000 (as restated)	Year ended 30 June 2020 Audited £'000
Operating activities				
Loss before tax from continuing operations		**(2,278)**	(2,294)	(4,990)
Fair value adjustments arising on convertible securities		**668**	-	1,133
Convertible Securities finance costs (non-cash)		**-**	140	140
Finance costs paid		**51**	4	6
Finance income received		**-**	(4)	(7)
Depreciation	5	**70**	94	172
Share option charge	3	**147**	277	474
Warrant charge		**-**	65	65
Working capital adjustments				
Decrease/(increase) in trade and other receivables		**20**	(88)	(44)
(Increase)/decrease in prepayments		**(1)**	(12)	(6)
Increase/(decrease) in trade and other payables		**116**	213	(90)
Cash utilised in operations		**(1,207)**	(1,605)	(3,147)
Finance costs paid		**(51)**	(4)	(6)
Taxation received		**-**	-	147
Net cash outflow from operating activities		**(1,258)**	(1,609)	(3,006)
Investing activities				
Finance income received		**-**	4	7
Purchase of fixed assets	5	**(11)**	(20)	(24)
Net cash outflow from investing activities		**(11)**	(16)	(17)
Financing activities				
Issue of ordinary share capital		**-**	2,606	2,606
Issue costs		**-**	(263)	(263)
Increase in convertible securities	7	**-**	2,000	2,000
Net cash inflow from financing activities		**-**	4,343	4,343
Net (decrease)/ increase in cash and cash equivalents		**(1,269)**	2,718	1,320
Cash and cash equivalents at the beginning of the period		**2,380**	1,060	1,060
Cash and cash equivalents at the end of the period		**1,111**	3,778	2,380

Notes to the Group Financial Statements

1. General Information

Quadrise Fuels International plc ("QFI", "Quadrise", or the "Company") and its subsidiaries (together with the Company, the "Group") are engaged principally in the manufacture and marketing of emulsified fuel for use in power generation, industrial and marine diesel engines and steam generation applications. The Company's ordinary shares are quoted on the AIM market of the London Stock Exchange.

QFI 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.

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 2020. Whilst the financial information included in this announcement has been prepared in accordance with the recognition and measurement requirements of IFRS, as adopted by the European Union, 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 2020 or 30 June 2019, but is derived from those financial statements. Financial statements for the year ended 30 June 2020 have been delivered to the Registrar of Companies and those for the year ended 30 June 2021 will be delivered following the Company's Annual General Meeting. The auditors' report on both the 30 June 2020 and 30 June 2019 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 2020 financial statements did draw attention to matters by way of emphasis while the auditors' report on the 30 June 2019 financial statements did not.

Interim results to 31 December 2019

The interim results to 31 December 2019 showed a total comprehensive loss for the period of £3.11m, which included warrant charges of £816k relating to warrants issued to participants in the Open Offer and Subscription announced on 9 September 2019. These warrants fulfil the criteria to be recognised as an equity instrument under IAS 32. The warrant charge of £816k is therefore no longer included within total comprehensive loss for the period and has instead been recognised in equity.

The interim results for the six month period ended 31 December 2020 therefore include restated comparative results for the six month period ended 31 December 2019, which incorporate the adjustment referred to above.

The directors have carried out a detailed assessment of going concern as part of the financial reporting process. Following a full review of the updated business plan, detailed budgets, associated commitments and potential future risks associated with COVID-19 and Brexit, the directors have concluded that the Group has adequate financial resources to continue in operational existence for the foreseeable future, and therefore continue to adopt the going concern basis in preparing the accounts.

The interim accounts for the six months ended 31 December 2020 were approved by the Board on 26 March 2021.

The directors do not propose an interim dividend.

3. Share Option charge

On 21 August 2020 the Company granted a total of 10.0m share options to Directors with a weighted average exercise price of 7.5p and a weighted average fair value of 2.1p. The options were granted in accordance with the provisions of (a) the Company's Enterprise Management Incentive Plan ("EMI Plan"), in respect of awards of an aggregate of 4,261,756 Options (the "EMI Options") and (b) the Company's Unapproved Option Scheme 2016 ("2016 Scheme") in respect of awards of an aggregate of 5,738,244 Options ("2016 Scheme Options").

Director	**Number of Options**	**Plan**	**Exercise price**
Mike Kirk	2,000,000	EMI Plan (1,261,756 Options) 2016 Scheme (738,244 Options)	7.5p
Jason Miles	5,000,000	2016 Scheme	7.5p
Mark Whittle	3,000,000	EMI Plan	7.5p
Total	10,000,000	-	-

The EMI Options and the 2016 Scheme Options will vest as to 50% on the first anniversary of the grant and the remaining 50% shall vest on the second anniversary of the date of grant. All vestings are subject to the satisfaction of certain performance conditions prior to the vesting date. The 2016 Scheme Options and the EMI Options will be exercisable from vesting until the eighth and tenth anniversaries of grant respectively.

During the period to 31 December 2019 and the year ended 30 June 2020, the Company issued no share options to directors or employees.

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 two year or three year period provided the recipient remains an employee of the Group. Options may be also exercised within one year of an employee leaving the Group at the discretion of the Board.

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 2020 Unaudited	6 months ended 31 December 2019 Unaudited (as restated)	Year ended 30 June 2020 Audited
Loss for the period from continuing operations (£'000s)	**(2,278)**	(2,294)	(4,843)
Weighted average number of shares:			
Basic	**1,063,639,425**	961,058,037	982,793,918
Diluted	**1,063,639,425**	961,058,037	982,793,918
Loss per share:			
Basic	**(0.21)p**	(0.24)p	(0.49)p
Diluted	**(0.21)p**	(0.24)p	(0.49)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 23.9 million exercisable share options and 45.2 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 2020	181	95	43	16	1,410	1,745
Additions	-	3	-	-	8	11
Disposals	-	-	-	-	-	-
Closing balance – 31 December 2020	**181**	**98**	**43**	**16**	**1,418**	**1,756**
Depreciation						
Opening balance – 1 July 2020	(181)	(89)	(43)	(16)	(834)	(1,163)
Depreciation charge for the period	-	(2)	-	-	(68)	(70)
Disposals	-	-	-	-	-	-
Closing balance – 31 December 2020	**(181)**	**(91)**	**(43)**	**(16)**	**(902)**	**(1,233)**
Net book value at 31 December 2020 - unaudited	**-**	**7**	**-**	**-**	**516**	**523**
Cost						
Opening balance – 1 July 2019	181	91	43	16	1,390	1,721
Additions	-	-	-	-	20	20
Disposals	-	-	-	-	-	-
Closing balance – 31 December 2019	**181**	**91**	**43**	**16**	**1,410**	**1,741**
Depreciation						
Opening balance – 1 July 2019	(166)	(78)	(41)	(16)	(690)	(991)
Depreciation charge for the period	(11)	(7)	(2)	-	(74)	(94)
Disposals	-	-	-	-	-	-
Closing balance – 31 December 2019	**(177)**	**(85)**	**(43)**	**(16)**	**(764)**	**(1,085)**
Net book value at 31 December 2019 - unaudited	**4**	**6**	**-**	**-**	**646**	**656**
Cost						
Opening balance – 1 July 2019	181	91	43	16	1,390	1,721
Additions	-	4	-	-	20	24
Disposals	-	-	-	-	-	-
Closing balance – 30 June 2020	**181**	**95**	**43**	**16**	**1,410**	**1,745**
Depreciation						
Opening balance – 1 July 2019	(166)	(78)	(41)	(16)	(690)	(991)
Depreciation charge for the year	(15)	(11)	(2)	-	(144)	(172)
Disposals	-	-	-	-	-	-
Closing balance – 30 June 2020	**(181)**	**(89)**	**(43)**	**(16)**	**(834)**	**(1,163)**
Net book value at 30 June 2020 - audited	**-**	**6**	**-**	**-**	**576**	**582**

6. Intangible Assets

	QCC royalty payments £'000	MSAR® trade name £'000	Technology and know-how £'000	Total £'000
Cost				
Balance as at 1 July 2020 and 31 December 2020	**7,686**	**3,100**	**25,901**	**36,687**
Amortisation and Impairment				
Balance as at 1 July 2020 and 31 December 2020	**(7,686)**	**(176)**	**(25,901)**	**(33,763)**
Net book value at 31 December 2020 - unaudited	**-**	**2,924**	**-**	**2,924**
Cost				
Balance as at 1 July 2019 and 31 December 2019	7,686	3,100	25,901	36,687
Amortisation and Impairment				
Balance as at 1 July 2019 and 31 December 2019	(7,686)	(176)	(25,901)	(33,763)
Net book value at 31 December 2019 - unaudited	-	2,924	-	2,924
Cost				
Balance at 1 July 2019 and 30 June 2020	7,686	3,100	25,901	36,687
	-	-	-	-
Amortisation and Impairment				
Balance at 1 July 2019 and 30 June 2020	(7,686)	(176)	(25,901)	(33,763)
Net book value at 30 June 2020 - 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 2020, the QCC royalty payments asset was fully impaired and the MSAR® trade name asset had a net book value of £2.924m. For the six month period to 31 December 2020, 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 2020.

7. Convertible securities

On 22 August 2019, the Company entered into an agreement with Bergen Global Opportunity Fund LP ('the Investor') whereby the Investor will provide up to £4.0 million of interest free unsecured funding, provided in two tranches through the issue by the Company of Convertible Securities with a nominal value of up to £4.3 million, convertible into Ordinary Shares.

An initial tranche of Convertible Securities with a nominal value of £2.15 million was subscribed for by the Investor for £2.0 million on 30 August 2019. A second tranche of Convertible Securities, with a nominal value of up to £2.15 million is conditionally available to the Company with a subscription price of up to £2.0 million. Both tranches have 24 month maturity dates from the dates of their respective issuance, and any Convertible Securities not converted prior to such dates will automatically convert into Ordinary Shares at such time.

The Company also issued 4.9 million 36 month warrants to subscribe for new Ordinary Shares to the Investor by way of a Warrant Instrument initially exercisable at 5.78p per Ordinary Share, subject to anti-dilution and exercise price reduction provisions.

In connection with the Agreement, on 30 August 2019 the Company also issued to the Investor 3,888,889 new Ordinary Shares in settlement of a commencement fee of £140,000 and a further 4,500,000 new Ordinary Shares to collateralise the Agreement subscribed for at nominal value by the Investor.

The Convertible Securities are only converted to the extent that the Company has corporate authority to do so, and it is a term of the agreement that the Company must retain sufficient authority to issue and allot (on a non-pre-emptive basis) a sufficient number of Ordinary Shares potentially required to be issued under the terms of the Agreement (and the Warrant Instrument).

Pursuant to the terms of the Agreement, the Company is required to obtain and maintain sufficient non-pre-emptive share issuance authority from its shareholders in relation to the Ordinary Shares that may be required to be issued pursuant to the Agreement and Warrant Instrument.

The Agreement was completed and the Initial Tranche funded to the Company on the basis of the remaining current Authority from the 2018 annual general meeting, and also on the basis that an updated authority must be obtained at a General Meeting of shareholders. Such authority was obtained at a General Meeting held on 27 September 2019.

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Under the terms of the Convertible Securities agreement of 22 August 2019, the Company has no obligation to repay the securities in cash (unless the Company defaults on the terms) and the number of shares which may be issued upon conversion is variable. As there is no residual interest in the assets of the Company after conversion of the Convertible Securities, the Convertible Securities meet the criteria to be classified entirely as a financial liability.

The Convertible Securities instrument has been designated at fair value on initial recognition, with the fair value being assessed as £1.864m, being the nominal value of £2.15m less interest and warrant charges. The Convertible Securities have a 24-month expiry date, before which all Securities must be fully converted. Upon each exercise of conversion rights, the portion of the Convertible Securities converted is assessed at fair value, with the resulting fair value adjustment being recorded in the Statement of Comprehensive Income.

Up to 31 December 2020, the Investor exercised their conversion rights as follows:

Conversion date	Convertible Securities converted (£)	Conversion price (p)	No. of shares awarded upon conversion	Share price on conversion date	Fair value adjustment (£'000)
23 March 2020	100,000	1.2	8,333,333	1.68	40
15 April 2020	100,000	1.2	8,333,333	1.64	36
22 June 2020	250,000	1.1	22,727,273	2.98	426
20 August 2020	300,000	1.6	18,750,000	2.90	244
7 September 2020	400,000	1.7	23,529,412	2.76	248
Total	1,150,000		81,673,352		994

As at 31 December 2020, nominal value of £1.0m remains outstanding to the investor under the terms of the Convertible Security instrument. This balance has been assessed to have a fair value of £1.5m with the resulting fair value adjustment of £176k being recorded in the Statement of Comprehensive Income. The total fair value adjustment charge for the period ended 31 December 2020 was £668k (2019: £nil).

The fair value assessment was performed using a 'base case' model applying a factor for the volatility of the Company's shares, being a key assumption, equal to 120%. Management have performed a sensitivity analysis whereby the share price volatility parameter was flexed by reasonable amounts to assess the impact on the fair value.

An increase to this assumption by 10% would result in an increase of £54k in the fair value of the Convertible Security.

8. 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 £5k (31 December 2020: £30k). The balance payable at the statement of financial position date was £5k (31 December 2020: £nil).

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.

9. Events After the End of the Reporting Period

On 5 January 2021, the Company announced that following receipt of a notice of exercise from the Investor in respect of the Convertible Security issued by the Company on 30 August 2019 to convert £500,000 of the Convertible Security into new ordinary shares in the Company at a conversion price of 1.8p per new ordinary share, the Company issued 27,777,778 new ordinary shares.

On 21 January 2021, the Company announced the signature of a Joint Development Agreement ("JDA") with MSC Shipmanagement Limited of Cyprus ("MSC"), a 100% subsidiary of MSC Mediterranean Shipping Company SA headquartered in Geneva, to carry out an MSAR® Operational Trial (the "Trial") on commercial container vessels in the MSC global fleet commencing in 2021 with, subject to further agreement, subsequent commercial rollout upon success.

Initial activities under the JDA will include project initiation, definition, high-level scoping and feasibility activities ("Initial Activities") of the overall Trial. The Initial Activities are to be completed within 3 months.

Contingent on the outcome of the Initial Activities the parties will progress and define the project roadmap during Q2 calendar year 2021 in preparation for the execution of one or more Trials commencing in H2 calendar year 2021 on representative commercial vessels in MSC's global fleet ("Phase 1"). Upon completion and success of Phase 1, and subject to further agreement between the parties, the JDA envisages subsequent commercial roll-out across the MSC global fleet ("Phase 2").

On 27 January 2021, the Company announced that following receipt of a notice of exercise from the Investor in respect of the Convertible Security issued by the Company on 30 August 2019 to convert £500,000 of the Convertible Security into new ordinary shares in the Company at a conversion price of 2.0p per new ordinary share, the Company issued 25,000,000 new ordinary shares, with no further amount remaining outstanding under the Convertible Security.

On 11 February 2021, the Company announced that, pursuant to Convertible Securities Issuance Deed ("Agreement") with the Investor entered into by the Company on 22 August 2019, the Company and the Investor agreed that a second and final investment of convertible securities with a par value of £537,500 be purchased by the Investor for £500,000 in cash, subject to the terms and conditions set out in the Agreement, and that the Company had issued that convertible security (the "Second Investment").

The Second Investment concludes the Investor's ability to invest in Quadrise under the Agreement and no further convertible securities will be issued pursuant to it.

On 2 March 2021, the Company announced that gross proceeds of £6.0m had been conditionally raised pursuant to the Placing of 222,222,222 Placing Shares at the Placing Price of 2.7 pence per Ordinary Share. The Placing shares were issued by way of a non-pre-emptive cashbox placing.

On 23 March 2021, the Company announced that further proceeds of £1m were raised pursuant to an Open Offer.

10. Copies of the Interim Accounts

Copies of the interim accounts are available on the Company's website at www.quadrisefuels.com and from the Company's registered office, Eastcastle House, 27,28 Eastcastle Street, London, W1W 8DH.