Registered no. 07353748

KERAS RESOURCES PLC

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2025

KERAS RESOURCES PLC

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KERAS RESOURCES PLC

COMPANY INFORMATION

Directors:	R Lamming	Executive Chairman
	B Moritz	Non-Executive Director
	C Parry	Non-Executive Director
Company secretary:	B Moritz	
Company number:	07353748	
Registered office:	Coveham House Downside Bridge Road Cobham, Surrey KT11 3EP	
Nominated advisor & Joint Broker:	SP Angel Corporate Finance LLP 35-39 Maddox Street London W1S 2PP	
Joint broker:	Shard Capital Partners LLP 25 Ecclestone Place, London, SW1W 9NF	
Solicitors:	Howard Kennedy 1 London Bridge, London SE1 9BG	
Auditors:	MAH, Chartered Accountants 154 Bishopsgate London EC2M 4LN	
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KERAS RESOURCES PLC

CHAIRMAN'S REVIEW
FOR THE SIX MONTHS ENDED 30 JUNE 2025

I am pleased to provide an update on our progress since the last report and to set out our outlook for the business going forward.

The first half of 2025 has been a positive and transitional period for the Company which saw changes in management at the Company's 100% owned Falcon Isle Resources Corp ("FIR"), the final payment to the previous owner of FIR and the bedding down of the 8.4-acre property in Sutherland, 8 miles north of the town of Delta, Utah ("Delta Facility") which includes the Integrated Granulator Plant ("Granulator Plant"). Colton Hale was appointed Managing Director ("MD") of FIR in March 2025 and has overseen some significant operational changes in the US operation including what we believe is FIR's entry into the ever-growing liquids market.

In addition to the positive trends in the US, and as outlined in the Financial review below, the Company has now received its first payments in terms of the Cooperation Agreement it signed in 2023 with the Republic of Togo ("State")("Cooperation Agreement") with regards the Nayéga manganese mine ("Nayéga") in northern Togo owned by Société Togolaise de Manganèse (STM), the States 100% owned investment company. The manganese market has rebounded strongly off its lows over the past 18 months Nayéga is starting to produce in line with guidelines from STM.

Falcon Isle Resources

Keras, through its wholly owned subsidiary, Falcon Isle Resources Corp ("FIR"), owns the Diamond Creek organic rock phosphate mine ("Diamond Creek") located approximately 80km south-east of Salt Lake City and the Delta Facility both in Utah, USA. Diamond Creek, located on an 840-acre Federal Lease is one of the highest-grade phosphate deposits in the US and is a fully integrated mine to market operation with in-house mining and processing facilities.

FIR's dry, sized rock phosphate products, sold under the PhosAgri organic banner have received organic certification by all three key certification agencies in the USA - California ("CDFA"), Washington State ("WSDA") and the federal Organic Materials Review Institute ("OMRI"). As a Direct Shipping Ore it requires no chemical or synthetic upgrade processes, contains low heavy metal impurities, available P2O5 of between 11%-15% which is 3x higher than any other organic phosphate produced North America, and a calcium content of >25%.

In addition to producing PhosAgri, FIR owns 50% of the PhoSul Utah LLC joint venture ("JV") with Phosul LLC which produces the PhoSul® granulate comprising 80% of FIR's high grade organic rock phosphate from its Diamond Creek mine. Phosul® is the 2024 Green Chemistry Challenge Award winner for making phosphate fertilizer that avoids hazardous chemicals and waste emissions associated with traditional phosphate fertilizer production, such as strong acids, heavy metals, and radioactive materials.

Operations at the Delta Facility are progressing well where we are producing both Phosul® granulate and Falcon Isle's dry rock phosphate products, sold under the PhosAgri Organic banner. Sales of PhosAgri Organic for the period totalled 3,934 tons, an increase of 21% from the 3,238 tons sold in the previous 2024 period. PhoSul® granulate sales were disappointing but were more due to upgrades and optimisations to the plant at important times in the planting season rather than the demand for the product which has been robust and continues to grow. The Company is focused on continuing to build market share through its traditional milled dry rock products as well as its joint venture with Phosul LLC in the fast-growing US organic fertiliser market and build Falcon Isle Resources into the premier organic phosphate producer in the US.

Financial review

CHAIRMAN’S REVIEW
FOR THE SIX MONTHS ENDED 30 JUNE 2025

The results for the 6 months ended 30 June 2025 show a loss of £299,000 compared to loss of £436,000 in the six-month period ended 30 June 2024. The reduced loss was largely due to an overall reduction in operating and administrative costs in the group compared to the previous period. The previous period included the start of the transition to Delta which saw the dismantling of the Spanish Fork site and the start of construction at the Delta Facility. Although revenue was lower at £415,000 for the period compared to the £556,000 in the six month period ended 30 June 2024, the second half of the year has been significantly stronger with revenue to the end of September 2025 already outstripping the total for the six months ended 31 December 2024.

On 25 June 2025, the Company issued convertible loan notes ("CLNs") totalling £750,000, each for £375,000, to Christopher Grosso and Joseph Carbone. The proceeds of the CLNs were primarily used to pay the final tranche of $800,000 payable to the Helda Living Trust in respect of the acquisition of minority interests in Falcon Isle Resources Corp., which is now a wholly owned subsidiary of the Company, and for working capital. On the 21 July 2025, the Company launched an open offer to qualifying shareholders at a price of 1.4 pence per open offer share, pro rata to their holdings of existing shares at 6.00pm on 18 July 2025 (“Record date”) (“Qualifying Shareholders”) on the basis of 542 offer shares for every 1,000 existing shares held by Qualifying Shareholders at the Record Date ("Open Offer"). The rationale for the CLN’s and subsequent Open Offer were to ensure that the Company was able to meet the deadline for the payment to the Helda Living Trust while still providing an opportunity for all Qualifying Shareholders to participate in the fundraising by both subscribing for their respective Basic Entitlements and by subscribing for Excess Shares under the Excess Application Facility in the Open Offer. The Company received valid acceptances from Qualifying Shareholders for a total of 10,770,173 Offer Shares, representing a take-up of approximately 28.22 per cent. of the 38,163,608 Offer Shares available, raising approximately £150,782 (before expenses) at the issue price of 1.4 pence per Offer Share. The funds raised under the Open Offer were used to repay the part of the CLNs which were not converted.

Nayéga starting mining activities at the end of July 2025 and is meeting expectations of processing ore at an initial rate of 4,000 tonnes per month of saleable manganese for the first 3 months and thereafter at nameplate capacity of 8,000 tonnes per month of saleable ore. The Company has now received its first payment as per the cooperation agreement signed in 2023 post the shipment of the initial 2,700 tonnes of ore in containers on 5 September 2025.

The progress at Nayéga is very positive for Keras from an additional cashflow perspective and will underpin cashflows from the Company's flagship operation in Utah, USA. The Company continues to keep in close contact with the Togo Ministry of Mines in its advisory role with the State and we look forward to updating shareholders on progress in the near future.

Outlook

I believe that the transition to a 100% locally based management team in Utah and the bedding down of both the Phosul Utah JV and the Delta facility places the Company in a very robust position to cement its position as the preeminent organic rock phosphate producer in North America. The high grade PhosAgri Organic rock phosphate and the JV's Phosul® granulates are both significantly higher quality products compared to their peers and I believe that the significant inroads into their respective markets over the past 18 months will show dividends in the near term. This sector is underpinned by the macro-economic tailwinds of the global fertiliser markets, and we remain bullish on our premium phosphate products and our position as we continue to build market share.

The Company now has two sources of revenue, a slimmed down operations team and is poised for a strong finish to 2025. The Directors are confident that Falcon Isle will be an increasingly profitable and valuable asset for the Group, and we look forward to updating our shareholders on our progress as we continue to ramp up production and build our position and market share of the fast-growing US organic phosphate market.

CHAIRMAN'S REVIEW
FOR THE SIX MONTHS ENDED 30 JUNE 2025

I would like to thank my colleagues on the board and our shareholders for their ongoing support and I look forward updating all stakeholders as we continue to build Keras and Diamond Creek into the premier organic phosphate producer in the US.

Russell Lamming
Chairman
29 September 2025

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2025

	6 months to 30-Jun-25 (unaudited) £'000	6 months to 30-Jun-24 (unaudited) £'000	12 months to 31-Dec-24 (audited) £'000
Revenue	415	556	1,119
Cost of production	(116)	(420)	(825)
Gross profit	299	136	294
Administrative expenses	(624)	(492)	(832)
Share of profit (loss) of associated company	30	-	(132)
Loss from operating activities	(295)	(356)	(670)
Finance costs	(73)	(80)	(208)
Rent income	69	-	125
Net finance costs	(4)	(80)	(83)
Loss before taxation	(299)	(436)	(753)
Taxation	-	-	-
Loss for the period	(299)	(436)	(753)
Other comprehensive income – items that may be subsequently reclassified to profit or loss			
Exchange translation on foreign operations	(244)	82	16
Total comprehensive loss for the period	(543)	(354)	(737)
Loss attributable to:			
Owners of the Company	(299)	(436)	(753)
Non-controlling interests	-	-	-
Loss for the period	(299)	(436)	(753)
Total comprehensive loss attributable to:			
Owners of the Company	(543)	(354)	(737)
Non-controlling interests	-	-	-
Total comprehensive loss for the period	(543)	(354)	(737)
Earnings per share			
Basic and diluted loss per share (pence)	(0.56)	(0.54)	(0.888)

The notes on pages 11 to 17 are an integral part of this condensed consolidated interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Notes	30-Jun-25 (unaudited) £'000	30-Jun-24 (unaudited) £'000	31-Dec-24 (audited) £'000
Assets				
Non-current assets				
Intangible assets	**7**	3,293	3,425	3,574
Property, plant and equipment	**8**	1,275	1,244	1,422
Investment in associated company		139	32	57
		4,707	4,701	5,053
Current assets				
Inventory	**9**	476	468	532
Trade and other receivables	**10**	511	177	319
Cash and cash equivalents		38	1,168	249
		1,025	1,813	1,100
Total assets		5,732	6,514	6,153
Equity				
Equity attributable to owners of the Company				
Share capital	**11**	990	801	954
Share premium	**11**	6,091	5,849	6,073
Other reserves	**11**	497	356	142
Retained deficit		(4,517)	(3,901)	(4,218)
		3,061	3,105	2,951
Non-controlling interests		-	-	-
Total equity		3,061	3,105	2,951
Liabilities				
Current liabilities				
Trade and other payables	**12**	680	1,327	1,205
		680	1,327	1,205
Non-current liabilities				
Trade and other payables	**12**	-	566	-
Loans and borrowings	**13**	1,991	1,516	1,997
		1,991	2,082	1,997
Total liabilities		2,671	3,409	3,202
Total equity and liabilities		5,732	6,514	6,153

The notes on pages 11 to 17 are an integral part of this condensed consolidated interim financial report.

KERAS RESOURCES PLC
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Share capital £'000	**Share premium £'000**	**Share option/ warrant reserve £'000**	**Exchange reserve £'000**	**Convertible loan notes reserve £'000**	**Retained deficits £'000**	**Total £'000**
Balance at 1 January 2025 (audited)	954	6,073	116	(90)	116	(4,218)	2,951
Loss for the period	-	-	-	-	-	(299)	(299)
Other comprehensive income	-	-	-	(244)		-	(244)
Total comprehensive loss for the period		-	-	(244)	-	(299)	(543)
Issue of new shares	36	18					54
Issue of convertible loan notes	-	-	-	-	599	-	599
Share based payment transactions	-	-	-	-	-	-	-
Transactions with owners, recognised directly in equity	36	18	-	-	599	-	653
Balance at 30 June 2025 (unaudited)	990	6,091	116	(334)	715	(4,517)	3,061

The notes on pages 11 to 17 are an integral part of this condensed consolidated interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2024

	Share capital £'000	Share premium £'000	Share option/ warrant reserve £'000	Exchange reserve £'000	Convertible Loan notes reserve £'000	Retained deficit £'000	Total £'000
Balance at 1 January 2024 (audited)	801	5,849	104	(106)	-	(3,465)	3,183
Loss for the period	-	-	-	-	-	(753)	(453)
Other comprehensive income	-	-	-	16	-	-	16
Total comprehensive income for the period	-	-	-	16	-	(753)	(737)
Issue of ordinary shares	153	224	-	-	-	-	377
Share based payment transactions	-	-	12	-	-	-	12
Issue of convertible loan notes	-	-	-	-	116	-	116
Transactions with owners, recognised directly in equity	153	224	12	-	116	-	505
Balance at 31 December 2024 (audited)	801	5,849	116	(90)	116	(4,218)	2,951

The notes on pages 11 to 17 are an integral part of this condensed consolidated interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Share capital £'000	Share premium £'000	Share option/ warrant reserve £'000	Exchange reserve £'000	Convertible loan notes reserve £'000	Retained deficit £'000	Total £'000
Balance at 1 January 2024 (audited)	801	5,849	104	(106)	-	(3,465)	3,183
Loss for the period	-	-	-	-	-	(436)	(436)
Total other comprehensive income	-	-	-	82	-	-	82
Total comprehensive loss for the period	-	-	-	82	-	(436)	(354)
Issue of ordinary shares	-	-	-	-	-	-	-
Issue of convertible loan notes	-	-	-	-	271		271
Share based payment transactions	-	-	5	-	-	-	5
Transactions with owners, recognised directly in equity	-	-	5	-	271	-	276
Balance at 30 June 2024 (unaudited)	801	5,849	109	(24)	271	(3,901)	3,105

The notes on pages 11 to 17 are an integral part of this condensed consolidated interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	30-Jun-25 (unaudited) £'000	30-Jun-24 (unaudited) £'000	31 -Dec-24 (audited) £'000
Cash flows from operating activities			
Loss from operating activities	(295)	(436)	(753)
Adjustments for:			
Depreciation and amortisation	57	2	86
Share of (profits)/ losses of associated company	(30)	-	132
Finance costs recognised	98	80	-
Equity-settled share-based payment transactions	-	5	-
	(170)	(349)	(535)
Changes in:			
- inventories	55	153	90
- trade and other receivables	(192)	5	(147)
- trade and other payables	(94)	271	414
Cash generating by/(used in) operating activities	(401)	80	(178)
Finance costs	(73)	(15)	(208)
Finance income	69	-	125
Net cash by/(used in) operating activities	(405)	65	(261)
Cash flows from investing activities			
Acquisition of property, plant and equipment	(6)	(897)	(1,133)
Acquisition of intangible fixed assets	22	-	(146)
Investment in associated company	(68)	(32)	(191)
Settlement of deferred consideration for purchase of minority interest in subsidiary	(583)	-	(639)
Net cash used in investing activities	(635)	(929)	(2,109)
Cash flows from financing activities			
Net proceeds from issue of share capital	54	-	377
Issue of promissory and convertible loan notes	750	1,787	2,081
Net cash flows from financing activities	804	1,787	2,458
Net (decrease)/increase in cash and cash equivalents	(236)	923	88
Cash and cash equivalents at beginning of period	249	185	185
Effect of foreign exchange rate changes	25	60	(24)
Cash and cash equivalents at end of period	38	1,168	249

The notes on pages 11 to 17 are an integral part of this condensed consolidated interim financial report.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

1. Reporting entity

Keras Resources plc (the "Company") is a company domiciled in England and Wales. The unaudited condensed consolidated interim financial statements of the Company as at and for the six months ended 30 June 2025 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and jointly controlled entities. The Group currently operates as a miner and processor of phosphate-based fertilizers in Utah, USA, and provides management advisory services to a manganese miner in Togo.

2. Basis of preparation

(a) Statement of compliance

This condensed consolidated interim financial report has been prepared in accordance with IAS 34 *Interim Financial Reporting*. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial performance and position of the Group since the last consolidated financial statements as at and for the period ended 31 December 2024. This condensed consolidated interim financial report does not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards.

This condensed consolidated interim financial report was approved by the Board of Directors on 26 September 2025.

(b) Judgements and estimates

Preparing the interim financial report requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial report, significant judgements made by Management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the period ended 31 December 2024.

3. Significant accounting policies

The accounting policies applied by the Group in this condensed consolidated interim financial report are the same as those applied by the Group in its audited consolidated financial statements as at and for the period ended 31 December 2024.

4. Financial instruments

Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the audited consolidated financial statements as at and for the period ended 31 December 2024.

5. Segment information

The Group considers that it operates in two distinct business areas. Its main business is phosphate mining in Utah, USA. In addition, it provides advisory services for manganese mining in West Africa. These business areas form the basis of the Group's operating segments. For each segment, the Group's Executive Chairman (the chief operating decision maker) reviews internal management reports on at least a quarterly basis.

In Utah, USA the Group mines rock phosphate which it processes at its freehold processing facility situated near Delta, Utah.

The receipt of fees from advisory services to a manganese miner in Togo, West Africa, has commenced since 30 June 2025.

Other operations relate to the group's administrative functions conducted at its head office and by its intermediate holding company together with consolidation adjustments.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports. Segment results are used to measure performance as Management believes such information is the most relevant in evaluating the performance of certain segments relative to other entities that operate within the industry.

Information about reportable segments

For the six months ended 30 June 2025 (unaudited)

	Phosphate £'000	Other operations £'000	Total £'000
External revenue	415	-	415
Profit/(loss) before tax	(11)	(288)	(299)
Segment assets	4,720	1,012	5,732

For the six months ended 30 June 2024 (unaudited)

	Phosphate £'000	Other operations £'000	Total £'000
External revenue	556	-	556
Profit/(loss) before tax	(53)	(383)	(436)
Segment assets	5,444	1,070	6,514

5. Segment information (continued)

For the twelve months ended 31 December 2024 (audited)

	Phosphate £'000	Other operations £'000	Total £'000
External revenue	1,119	-	1,119
Profit/(loss) before tax	(104)	(649)	(753)
Segment assets	5,317	836	6,153

Information about geographical segments:

For the six months ended 30 June 2025 (unaudited)

	US £'000	Other operations £'000	Total £'000
External revenue	415	-	415
Profit/(loss) before tax	(11)	(288)	(299)
Segment assets	4,720	1,012	5,732

For the six months ended 30 June 2024 (unaudited)

	US £'000	Other operations £'000	Total £'000
External revenue	556	-	556
Profit/(loss) before tax	(53)	(383)	(436)
Segment assets	5,444	1,070	6,514

5 **Segment information (continued)**
Information about geographical segments(continued)

For the 12 months ended 31 December 2024 (audited)

	US	Other operations	Total
	£'000	£'000	£'000
External revenue	1,119	-	1,119
Profit/(loss) before tax	(104)	(649)	(753)
Segment assets	5,317	836	6,153

6. Seasonality of operations

Mining at Falcon Isle takes place between May and November due to winter snow cover at the mine site and on the approach road. The fertiliser produced is used primarily during the planting and growing seasons, but sales by Falcon Isle take place throughout the year.

7. Intangible assets

	30-Jun-25 (unaudited)	30-Jun-24 (unaudited)	31-Dec-24 (audited)
	£'000	£'000	£'000
Cost			
Balance at beginning of period	3,657	3,464	3,464
Purchases	-	-	146
Reclassifications	(22)	-	-
Effect of movement in exchange rates	(241)	21	47
Balance at end of period	3,394	3,485	3,657
Amortisation			
Balance at beginning of period	83	60	60
Amortisation	26	-	22
Effect of movement in exchange rates	(8)	-	1
Balance at end of period	101	60	83
Carrying amounts			
Balance at end of period	3,293	3,425	3,574
Balance at beginning of period	3,574	3,404	3,404

Intangible assets comprise the fair value of prospecting and exploration rights.

8. Property, plant and equipment

Acquisitions and disposals

There were additions of £6,000 during the six months ended 30 June 2025. (six months ended 30 June 2024 : £897,000; year ended 31 December 2024 :£1,133,000. No assets were disposed of in the period or the comparative periods.

9. Inventories

	30-Jun-25 (unaudited) £'000	30-Jun-24 (unaudited) £'000	31-Dec-24 (audited) £'000
Phosphate	476	468	532
	476	468	532

10. Trade and other receivables

	30-Jun-25 (unaudited) £'000	30-Jun-24 (unaudited) £'000	31-Dec-24 (audited) £'000
Trade receivables	235	70	237
Other receivables	256	96	74
Prepayments	20	11	8
Zero coupon convertible loan notes	151	-	-
	511	177	319

Trade receivables and other receivables are stated at their nominal values less allowances for non-recoverability.

11. Share capital and reserves

Dividends
No dividends were declared or paid in the six months ended 30 June 2025 (six months ended 30 June 2024: £nil, twelve months ended 31 December 2024: £nil).

Convertible loan note reserve
The reserve for convertible loan notes comprises the amount allocated to the equity component for the convertible notes issued by the group in 2024 and 2025.

12. Trade and other payables

Current	**30-Jun-25 (unaudited) £'000**	**30-Jun-24 (unaudited) £'000**	**31-Dec-24 (audited) £'000**
Trade payables	330	433	404
Accruals	81	23	118
Other payables	118	239	44
Deferred consideration	-	633	639
Zero coupon convertible loan note	151		
	680	1,327	1,205

Non-current	**30-Jun-25 (unaudited) £'000**	**30-Jun-24 (unaudited) £'000**	**31-Dec-24 (audited) £'000**
Deferred consideration	-	566	-
	-	566	-

There is no material difference between the fair value of trade and other payables and their book value.

13. Loans and borrowings

Non-current		**30-Jun-25 (unaudited) £'000**	**30-Jun-24 (unaudited) £'000**	**31-Dec-24 (audited) £'000**
Promissory notes, repayable 2028, including accrued interest				
$350,000 7% secured notes	i	285	277	280
$762,500 8% unsecured notes	ii	601	603	609
Interest free loan repayable 2029		270	-	295
Convertible loan notes, repayable 2028				
£300,000 7% notes	iii	281	227	281
£597,500 4% notes	iv	501	409	501
Rolled up interest		53	-	31
		1,991	1,516	1,997

i. On 22 January 2024, a secured 4-year promissory note of $350,000 was issued by Falcon Isle. The note carries 7% interest and is repayable after 4 years. Falcon Isle has the right to repay it, without penalty, after 2 years. Interest is payable annually.

ii. On 28 May 2024, unsecured 4-year promissory notes totalling US$762,500 were issued by Falcon Isle. The notes carry 8% interest and are repayable after 4 years. Falcon Isle has the right to repay them, without penalty, after 2 years. Interest is payable annually.

13. Loans and borrowings (continued)

Non-current

iii. On 22 January 2024, a 4-year convertible loan of £300,000 was issued by the Company. It carries interest at 7% per annum and is convertible into ordinary shares of £0.01p at a conversion price of £0.04 per share. The loan note may be converted at any time by notice given by the holder, interest will be rolled up and included with the amount being converted or paid at the end of the 4-year loan period if not converted. The equity portion of the loan is computed as £19,439 (30 June 2024 £73,542; 31 December 2024 £19,439) using market discount rate of 9.0% (30 June 2024 15.71%; 31 December 2024: 9.0%), recorded within statement of changes in equity. Notwithstanding this, if not converted the loan note is repayable at its nominal value of £300,000 if not converted.

iv. On 28 May 2024, 4-year convertible loan notes totalling £597,805 were issued by the Company. They carry interest at 4% per annum and are convertible into ordinary shares of £0.01p at a conversation price of £0.0275 per share. The loan notes may be converted at any time by notice given by the holders; interest will be compounded annually and included with the amount being converted or paid at the end of the 4-year loan period if not converted. The equity portion of the loan is computed as £96,836(30 June 2024: £197,020; 31 December 2024: £96,836) using market discount rate of 9.0% (30 June 2024: 15.71%; 31 December 2024: 9.0%), recorded within statement of changes in equity. Notwithstanding this, if not converted the loan note is repayable at its nominal value of £597,805 if not converted.

In addition, in June 2025 the Company issued Zero-Coupon Convertible Loan Notes for £750,000. Of this amount, £150,782 has been repaid since 30 June 2025 and is disclosed as a current liability, and £599,218 was converted to Ordinary Shares on 14 August 2025 at a price of 1.4p per share, and is included in Convertible Loan Note Reserves at 30 June 2025.

14. Acquisition of non-controlling interest in Falcon Isle

In March 2022, the Group agreed to acquire the then outstanding 49% equity interest in Falcon Isle, together with loans totalling $1,816,527 made by the vendor to Falcon Isle, for total consideration of $3.2 million payable in four annual tranches of $800,000 commencing on 1 July 2022. The first three tranches have been paid previously. The third tranche, although due on 1 July 2025, was paid on 30 June 2025.

15. Related party transactions

With the exception of $650,000, all the subscriptions for Promissory Notes ($1,012,500) and Convertible Loan Notes (£897,805) as set out in Note 13 were made by related parties. Each of Russell Lamming and Graham Stacey, directors of the Company, subscribed $100,000, divided equally between Unsecured Promissory Notes and 4% Convertible Loan Notes. The balance was subscribed by Christopher Grosso, a substantial Shareholder, and the Diane H. Grosso Credit Shelter Trust, an associated party of Christopher Grosso.

Of the Zero-Coupon Convertible Loan Notes for £750,000 issued in June 2025, £350,000 was subscribed by Christopher Grosso, a substantial Shareholder, through the Diane H. Grosso Credit Shelter Trust.

16. Subsequent events

In July 2025 the Company announced an Open Offer to Shareholders which raised £150,782 (before expenses) at the issue price of 1.4 pence per Offer Share. This amount was used to partially repay the £750,000 Zero Coupon Convertible Loan Note set out in Note 13, and the balance of £599,218 was converted to Ordinary Shares at 1.4p per share.