MAST ENERGY DEVELOPMENTS PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

INDEX

CORPORATE DIRECTORY

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STOCK EXCHANGE LISTING:	London Stock Exchange: Main Market (Share code: MAST)
WEBSITE:	www.med.energy
DATE OF INCORPORATION:	17 September 2020
REGISTERED NUMBER:	12886458

CHAIRMAN'S REPORT

I am pleased to provide a review of MAST Energy Developments PLC ('MED' or the 'Company') and its subsidiaries (collectively, the 'Group') activities and audited financial statements for the year ended 31 December 2024.

The past year has seen the Company turn a corner in pursuing its business strategy to expand its operations in the flexible power generation market in the United Kingdom following some set-backs in 2023 beyond its expectation or control, which saw the Company terminate the joint venture agreements with two investors because of failure of said investors to fulfil their contractual obligations. In early 2024, the Company successfully secured alternative funding under a loan facility for up to £4m with institutional investor, RiverFort Global Opportunities PCC Limited (RiverFort) further to an agreement signed with MED subsidiary Pyebridge Power Ltd ("Pyebridge") on 28 February 2024. This loan facility on which the Company made three gross drawdowns during 2024 totalling £2,769,297 enabled the Company to pursue a comprehensive refurbishment programme and successful completion of the overhaul of two of the engines at our Pyebridge flexible power generation site. The Company repaid the Pyebridge loan facility owing to RiverFort to the value of £529,969 during the year, resulting in a net balance owing at year-end amounting to £2,239,328. The results of the positive progress at Pyebridge can clearly be seen from the Company's regular RNS announcements throughout 2024 to date. Most notably, they report significantly improved operating performance and enhanced revenue generation at Pyebridge. Pyebridge also benefited from extended periods of low winds during the last quarter of 2024 which sent UK power prices to a multi-year high, with the intraday price for electricity surging to c. £600 per MWh during December 2024.

Following successful pre-qualification for additional Capacity Market ("CM") T-1 and T-4 contracts during the assessment window in August 2024, and the implementation of a robust CM auction bid strategy, for the first time Pyebridge has now successfully secured both contracts at its maximum generation capacity permissible under the CM rules. The recent CM T-4 auction cleared at £60,000 per MW/year, and the CM T-1 auction cleared at £20,000 per MW/year. This means that Pyebridge now has uninterrupted CM contracts until 2029 with a cumulative total guaranteed gross profit income value of c. £1.73m, over and above its trading income through the Statkraft Power Purchase Agreement ("PPA") and Embedded Benefits.

Since the signing of the loan facility with RiverFort in February 2024, I am glad to report that our relationship has deepened and broadened over 2024 culminating in the signing of a Project Finance Framework Agreement in November 2024 providing for RiverFort to support MED to procure and secure project finance funding in order to grow its portfolio of in production to 300+ MW's, and further provide MED with certain financial advisory support services. Commensurate with the signing of the Project Finance Framework Agreement, we also announced the sale of our greenfield Rochdale Project at a premium to the initial acquisition cost. This sale was in line with our refocused strategy to acquire existing constructed or advanced sites, which have a lower total investment cost and shorter time to production and income generation than earlier stage development sites. The sale also provided additional cashflow to the Company to expedite its refocused acquisition strategy and for general working capital purposes.

In addition to the Rochdale sale, we have continued to examine how we can best achieve value from our remaining three early construction and development sites, Bordesley, Hindlip and Stather while acquiring additional more advanced projects in line with our refocused strategy as mentioned above. In this regard, I am pleased to reflect on MED's new Growth Capital Partnership with long-established and successful UK flexible power developer and operator, Powertree (Holdings) Ltd ("Powertree"), to form a long-term partnership with MED and deploy capital into the portfolio of development flexible power generation projects that MED owns or acquires, starting with Hindlip. As part of this Growth Capital Partnership, Powertree and ADV 001 Limited (MED's special purpose vehicle ("SPV") holding the Hindlip Project), signed an interim finance facility agreement for an initial advance of up to £70,000 of which MED availed of the full amount to cover some of Hindlip site's on-going development costs. Subsequent to the signing of the finance facility MED has now entered a comprehensive investment agreement with Powertree for the construction of Hindlip under the terms of the Growth Capital Partnership. This comprises an investment agreement and a revision of the existing finance facility to provide capital funding for Hindlip up to £5m, resulting in the Hindlip site being fully funded with no further funding obligation from MED. The Growth Capital Partnership, which we expect will be extended to MED's other development and pipeline projects should assist with accelerating the timeframe to our objective to reach a 300+ MW portfolio acquiring, developing and operating multiple small-scale flexible power generation plants across the UK. In terms of pipeline projects, MED and its partners continue to identify potential acquisition opportunities with the objective to grow MED's portfolio of MWs in production at some pace.

CHAIRMAN'S REPORT

With regard to corporate matters, following MED's successful agreement on the reprofiling of the outstanding balances on MED's two existing loan facilities held with RiverFort in May 2023, the Company paid down £325,000 on the outstanding balance in May 2024 via a director loan purchase agreement and a placing, and also secured funding of £325,000 via a new non-convertible fixed term loan with RiverFort. The placing, which was facilitated by the company's broker, Novum Securities, was at a price of 0.20p per share resulting in the issue of an additional 162,500,000 shares during 2024. I am also pleased to welcome Fortified Securities who were appointed in November 2024 as an additional corporate broker. Together with Novum Securities I am confident that they will greatly assist the Company with its future funding requirements. Towards the end of 2024 we also saw Louis Coetzee and Dominic Traynor step-down and retire as directors of MED to pursue other business interests, and I would like to thank them for their significant contributions to the development of the Company while they served as directors.

I would like to extend a special word of thanks and appreciation on behalf of the Company and its board of directors to RiverFort, which was instrumental in ensuring MED's successful business turnaround during 2024 and continues to provide significant support to the Group.

As I write, changes in the global geopolitical environment are rapid, with the threat of a global tariff war on the horizon as well as uncertainty on the outcomes of conflicts in Ukraine and the Middle East and their impact on UK and European energy markets. When added to the impact of the evolving UK Government response to climate change and changes to the regulatory environment, I believe we have to be prepared for volatility in energy markets and prices for the foreseeable future. However, MED remains confident and optimistic that our business strategy and new partner relationships will enable the Company to deliver positive results from a growing robust projects portfolio over the course of the next 12 months and beyond.

In conclusion I would like to thank Pieter Krügel and his management team for their ongoing execution of the MED business strategy which has seen significant positive progress during 2024 following the challenging events the Group faced during 2023, and I look forward to supporting them as we build towards our target of 300+ MWs of flexible power generation available to the UK energy market.

This report was approved on 29 April 2025 and signed by:

Paul Venter
Non-Executive Chairman

REVIEW OF OPERATIONS

Introduction

In 2024, Great Britain's (GB) electricity landscape continued to evolve, reflecting a significant shift towards renewable energy sources with a corresponding impact on electricity prices. This transition was influenced by various factors, including favourable weather conditions and strategic energy policies.

The year began with a notably mild winter, resulting in reduced heating demand and contributing to lower natural gas consumption. This decrease in demand, coupled with robust gas storage levels across GB and continental Europe, led to a stabilisation of gas prices throughout the year. Occasional price fluctuations occurred due to geopolitical events and infrastructure developments, but overall, the gas market remained relatively stable.

Electricity demand in GB experienced a slight decline compared to previous years, primarily attributed to the mild weather and ongoing energy efficiency measures. The average domestic demand decreased to 25.8 GW in 2024, down from 26 GW in 2023. This reduction underscores the nation's progress in optimising energy consumption and integrating more efficient technologies.

Renewable energy generation reached unprecedented levels in 2024, marking a historic milestone for GB's energy sector. Total renewable generation amounted to 140 TWh, with wind energy contributing approximately 83 TWh, accounting for nearly 59% of the renewable output. Solar energy also saw substantial growth, producing 26.6 TWh and representing 19% of the renewable mix. This surge in renewable generation led to a cleaner energy grid, with low-carbon sources supplying a record 58% of the country's electricity.

The increased supply of renewable energy, particularly from wind and solar, exerted downward pressure on electricity prices. In 2023, the average day-ahead electricity price in the United Kingdom was approximately £105/MWh. For the entire 2024 period, this average fell to around £75/MWh, representing a significant year-on-year reduction in wholesale electricity prices. This decline can be attributed to several factors, including the stabilisation of energy markets following the volatility of 2022, increased availability of renewable energy sources, and a reduction in natural gas prices. Notably, the average day-ahead electricity price in the UK dropped below 2021 levels, indicating a return to more stable pricing after the fluctuations of recent years. It is worth noting that while wholesale prices have decreased, the extent to which these reductions have been passed on to consumers varies. This is influenced by factors such as existing contracts, supplier pricing strategies, and regulatory measures. Both peak and off-peak settlement periods experienced similar declines, benefiting consumers and businesses alike. The use of renewable energy results in instability due to a lack of consistency of wind and solar energy and base-load power requirements. To stabilise the UK national grid, flexible-power plants that are small, adaptable and produce stable, low-emission electricity immediately when there is a power-supply shortage are needed.

During 2024, our Pyebridge generation facility underwent significant operational changes details of which are discussed in the next section. Despite the initial downtime, Pyebridge exported a total of 3,407 MWh to the grid during the 2024 financial year. In line with our commitment to expanding our renewable energy portfolio, we are actively evaluating and conducting due diligence on several flexible-power site acquisition opportunities. We anticipate providing significant updates and announcements regarding these acquisitions during 2025, reinforcing our dedication to supporting Great Britain's transition to a sustainable and resilient energy.

Presented below are further details on our current projects and future plans.

Project Details

Pyebridge

In 2024, the Company focused on enhancing the operational efficiency and financial performance of its Pyebridge site (‘Pyebridge’), an 8.1 MW gas-powered flexible generation power facility located in Derbyshire. The year was marked by significant refurbishment efforts on-site enabled by availing of drawdowns of £2,769,297on a secured loan facility of up to £4m from RiverFort and strategic participation in Capacity Market (‘CM’) contracts, contributing to improved operational outcomes.

As Pyebridge remained non-operational for most of the first quarter, a comprehensive two-phase refurbishment work Programme (‘Works Programme’) was undertaken. This Works Programme initially prioritised the reinstatement of Engines 1 and 2 to comply with the Capacity Market's Satisfactory Performance Day (‘SPD’) requirement, ensuring a generated volume of c. 5.4 MW during the SPD tests (‘Phase 1’). Following Phase 1, Engine 3 and 2 received a

REVIEW OF OPERATIONS

comprehensive overhaul designed to improve operational reliability, minimise maintenance costs and extend the asset's lifespan (Phase 2). Following Phase 2, Engines 3 and 2 were put in full commercial operation from July 2024 and mid-December 2024 respectively. Engine 1 was placed in care and maintenance in 2024 and is scheduled for a full overhaul in 2025 similar to what has already been completed on Engines 3 and 2.

In addition to the overhaul of Engines 3 and 2, the following significant site technical upgrades were implemented at the Pyebridge site during 2024:

- Redundancy on the internet connection in the form of a Starlink satellite connection, backed up by a SIM connection; thereby always ensuring uninterrupted connectivity.
- Redundancy on the main compressed gas supply line in the form of a backup gas compressor.
- Installation of a new roof, covering all gensets and ancillary components. This ensures no water ingress.
- Full HD CCTV security system upgrade.

The Pyebridge average electricity sales price for the period March to December 2024 was £109.02/MWh, exceeding the market average of £73.13/MWh by nearly 50% for the same period. This outperformance was driven by the successful refurbishment and reinstatement of Engines 1 and 2, which enhanced operational efficiency and reliability. Despite the facility being non-operational for most of Q1, due to the refurbishment programme, strong market conditions and optimised dispatch strategies, Pyebridge secured a higher-than-average sales price throughout the remainder of the year. Pyebridge exported a total of 3,407 MWh to the grid during the 2024 financial year which resulted in sales revenue of c. £737,158.

Pyebridge secured the following Capacity Market ('CM') Contracts during March 2024:

- A T-1 CM contract for 2024/2025 was secured at a rate of £35,790/MW/year, with SPDs scheduled for completion by April 2025.
- A T-4 CM contract for 2027/2028 was secured at a rate of £65,000/MW/year securing long-term revenue streams.

Additionally, following successful pre-qualification for additional CM T-1 and T-4 contracts during the assessment window in August 2024, and the implementation of a robust CM auction bid strategy, Pyebridge has recently (February 2025) secured additional CM contracts at its maximum generation capacity permissible under the CM rules for the first time, as follows:

- A T-1 CM contract for 2025/2026 secured at a rate of £20,000 per MW/year .
- A T-4 CM contracts for 2028/2029 secured at a rate of £60,000 per MW/year.

Pyebridge now has uninterrupted CM contracts until 2029 with a cumulative total guaranteed gross profit income value of c. £1.73m, over and above its Power Purchase Agreement ('PPA') trading income and Embedded Benefits.

Bordesley

Located in central Birmingham, the Bordesley project is a 5 MW gas-powered flexible power generation site. The project remains in a construction-ready state and will move further into construction once funding has been secured. The site's 15-year T-4 Capacity Market contract, valued at £30.59/kW/annum, or £146,037 per annum, remains in place and is set to commence on 1 October 2025. Planning consent has been granted, and both grid and gas connection agreements have been secured. MED is exploring opportunities to optimise capital expenditure by potentially incorporating refurbished gensets and Balance of Plant equipment, following the proven approach taken at Pyebridge as part of this sites Works Programme discussed earlier.

Rochdale

As announced by RNS on 22 November 2024, MED completed the sale of its Rochdale site to Balance Power in quarter 4 of 2024. This transaction aligns with the Company's refined strategy to acquire existing sites, reducing both total investment costs and the time required to achieve production and revenue generation. Additionally, the disposal eliminates ongoing costs linked to the Rochdale project and its SPV. The proceeds will strengthen MED's cash flow runway, enabling the Company to accelerate its strategic focus. These funds will be allocated towards M&A opportunities and general working capital needs.

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Hindlip

The Hindlip project is located in Worcester, is a 7.5 MW gas-powered flexible power generation facility. The project remains shovel-ready, with all key regulatory approvals and infrastructure agreements in place. A long-term leasehold option agreement is in place, and grid and gas connection offers have been secured.
Planning consent has also been granted, with amendments underway to accommodate the use of Jenbacher engines.
In quarter 3 the project achieved conditional prequalification for the T-4 Capacity Market auction and secured a Capacity Market Contract at the recent auction (March 2025) with a contract price of £60,000 per MW/year; over a 15 year period As per the Company's RNS announcement on 19 March 2025, MED has since signed a binding definitive agreement ("Investment Agreement") with Powertree (Holdings) Ltd whereby Powertree will invest up to £5,000,000 in the Hindlip project resulting in the project being fully funded. The closing of the Investment Agreement is subject to customary closing conditions. Subject to finalisation of agreements, construction is expected to commence during Q2 2025, with commercial operations targeted for 2026.

Stather Road

The Stather project, located in Scunthorpe, Lincolnshire, is a 2.4 MW gas-powered flexible power generation plant. Development has been delayed due to grid connection constraints following upgrade works at the nearby Keadby Power Station. The local Distribution Network Operator ('DNO') has indicated that new grid connections in the area, including Stather Road, are unlikely to be available before October 2025. As a result, project development has been postponed until closer to that time. To manage costs effectively, MED successfully renegotiated a Deed of Variation ('DoV') on the existing lease agreement, whereby lease payments are postponed until there is certainty on the Grid Connection date, thereby avoiding unnecessary lease expenses while maintaining site control and associated rights. Management continues to engage with the DNO to explore the possibility of securing an earlier grid connection date.

Other Projects

In line with its strategic objective of developing a portfolio of 300+ MW of flexible power generation solutions in the UK, MED continues to evaluate and pursue new site opportunities. The company remains focused on optimising capital allocation, enhancing operational efficiency, and selectively expanding its portfolio through targeted acquisitions and developments.

This report was approved by the Board on 29 April 2025 and signed on its behalf by:

Pieter Krügel
Chief Executive Officer

STRATEGIC REPORT

Introduction

The Board of Directors (the 'Board') present their strategic report together with the audited financial statements for the year ended 31 December 2024 of MAST Energy Developments PLC (the 'Company' or 'MED') and its subsidiaries (collectively, the 'Group'). The Company was incorporated and registered in England and Wales on 17 September 2020 with company number 12886458 as a private limited company under the Companies Act 2006 with the name MAST Energy Developments Limited. The Company re-registered as a public limited company on 18 November 2020 and changed its name to MAST Energy Developments PLC.

During November 2024, two directors of the Board retired, and the Board currently consists of the two remaining directors comprising a CEO and a non-executive Chairman. The Company intends to replace the two recently retired directors and is currently considering candidates to ensure that there is an appropriate balance between the executives and non-executive directors and that no individual or small group dominates the Board's decision-making. While the Board's current two members have a wide range of expertise and experience that the Board considers to be conducive to the effective leadership of the Group and to the optimisation of shareholder value, the Company recognises that appointing additional directors would be beneficial to the Company

The Board members' diverse range of skills and experience span technical, financial and operational, areas relevant to the management of the Company. Summary biographies of each Board member are shown on the Company's website at www.med.energy.

As the Group evolves, the Board composition will be reviewed to ensure appropriate expertise is always in place to support its business activities. While the Board is all male at the date of this report, it is committed to fair and equal gender opportunity and fostering diversity, subject to ensuring appointees are appropriately qualified and experienced for their roles. The Group acknowledges that as it expands its operations, it will be to its benefit to align the composition of its Board and profile of its management and staff to reflect balance in the ethnicity and gender of its personnel.

Analyses of gender of Group personnel during reporting period:

	Identify as Male	**Identify as Female**	**Identify as Other**
Board	4 (2 from 21 November 2024)	0	-
Management	3	2 (1 from 1 July 2024)	-
Employees	No direct employees	No direct employees	No direct employees

Strategy Objectives and Business Model

The Group maintains a focused strategy to acquire advanced power generation assets of varying capacity and to develop its targeted sites to fully commercially operating units, exploiting a growing niche market in the UK for flexible power generation to balance out the UK National Grid (the 'Grid') at critical times. The power generation assets being acquired and developed are peaker power plants fuelled by gas-fuelled reciprocating engines with typical outputs of 5 to 20 MW. The Group's 8.1 MW Pyebridge flexible power generating facility is an example. The company may also acquire and/or develop battery-storage sites (either stand-alone or co-located with its peaker plants) where grid power is stored in periods of low demand to be fed back into the Grid at periods of peak demand. The company does not have any battery-storage sites in development or operation presently.

The Group structure is maintained through a group of subsidiary companies (Special Purpose Vehicles or 'SPV'), each SPV holding one site. MED's four current sites are held within Pyebridge Power Ltd (Pyebridge Project – production site), Bordersley Power Ltd (Bordesley Project – construction site), ADV 001 Limited (Hindlip– development site) and ARL 018 Limited (Stather– development site), respectively. MED will provide flexible power solutions that are adaptable, respond immediately to demand and create multi-stream revenues. Targeting this market, MED is structured to acquire, own, develop and operate a portfolio of projects of flexible, small-scale power generation plants throughout the UK totalling c. 30 – 40 MW in the short term and a target of expanding to 300 MW over three to six years.

STRATEGIC REPORT

Trends and Factors Affecting the Operation of the Group

Since 2007, the development of the UK electricity market has been driven by the policy trilemma of affordability, security of supply and low-carbon generation. While the relative importance of these three pillars has changed through successive governments, it has created a UK generation mix that is slowly moving away from baseload, fossil-fuel generation driven by coal and gas to more intermittent, low-carbon generation of wind and solar. This has created an exciting and immediate opportunity of scale in the UK electricity market to provide flexible, or reserve, power to compensate for the increased intermittency of electricity generation from wind and solar energy technologies. In addition, the phasing out of base-load technologies such as coal and large gas generation, and, over the next few years, large legacy nuclear plants, has reduced the amount of existing generation that can respond flexibly creating substantial requirements for new capacity. Renewables are also undermining the economics of existing and new large gas-fired plants. For example, the UK electricity generation output (excluding imports) was around 70 TWh for Q1 2025, made up of c. 27 TWh from gas, c. 9 TWh from nuclear, c. 34TWh from renewables, dominated by wind at 22 TWh. When there is no wind, the UK therefore has a c. 32% generation output shortage. Most of that shortfall is being imported from EU at this stage creating significant potential for growth of both gas peakers and batteries. Therefore, the overall structure of the UK's power generation requirements is fundamentally changing, with a greater requirement for smaller, flexible plants that are distributed on the electricity network. The UK Government policy has steadily moved in the direction of encouraging the development of small-scale distributed generation that can serve as quick-start back-up in times of a shortage in production from the increasing dependence on renewables. Various revenue mechanisms exist to monetise these plants, including capacity market auctions, short-term reserve and merchant operation, all of which can be optimised by an experienced team.

The Group has positioned itself to partake in, and adapt, to this dynamic UK electricity market by structuring its power generation projects to participate in all revenue-generating opportunities available to it to ensure maximum return on its investment.

The Board believes that in the future, there will continue to be significant expansion of renewable generating capacity in the UK. The UK Government's target of net-zero greenhouse emissions by 2050 (COP26 Climate Conference 2021) presents unique and solid opportunities for electricity production through the use of low-carbon technologies other than wind and solar.

Based on the above projections, the Board believes there are attractive opportunities for the Group to rapidly increase its project portfolio over the coming years to meet the increasing demand for small, flexible electricity generation to support the stability of the grid as renewables dominate the energy generation mix.

Review of Operational Activities

A detailed discussion of the Group's activities during the current 12-month period ended 31 December 2024 is presented in the previous section – 'Review of Operations'.

Below are the highlights for Pyebridge (MED's sole operating project):

- The site underwent a two-phase refurbishment programme aimed at optimising operational efficiency and extending the lifespan of generating assets.
- The first initial phase of the refurbishment programme focused on restoring Engines 1 and 2 to meet the Capacity Market's Satisfactory Performance Days (SPD) requirement, ensuring a generation output of 5.4 MW during the SPD tests. These works were completed in April 2024.
- No generation occurred during January and February of 2024, with some limited operational runs in March and April. Following the completion of the first phase refurbishment programme, generation resumed by Engines 1 and 2 and both engines ran for most of the remainder of the year.
- Engine 3 was fully overhauled and recommissioned in July 2024, running continuously since then with no significant breakdowns.
- Engine 2 was fully overhauled in December 2024, following a slight delay due to sourcing a long-block replacement.

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Review of financial performance during the period

The following information is included to highlight the financial performance of the Group:

Description	**Year ended 31 December 2024**	**Year ended 31 December 2023**
Revenue	737,158	341,207
Cost of sales	(441,541)	(223,838)
Gross profit	**295,617**	**117,369**
Administrative expenses	(764,441)	(941,941)
Listing and capital raising fees	(130,421)	(464,853)
Project expenditure	(340,582)	(343,718)
Impairments	-	(1,857,604)
Disposal/de-recognition of non-current asset	87,005	-
Other income	-	40,375
Finance income	18	1,117
Finance cost	(244,629)	(90,139)
Loss for the period	**(1,097,433)**	**(3,539,394)**

The decrease in the loss year-on-year, as disclosed in the table above and in the statement of comprehensive income, is mainly owing to the following reasons:

- Revenue increased 77% year-on-year due the comprehensive refurbishment programme started at Pyebridge earlier in 2024 in partnership with RiverFort and the successful completion of the overhaul of two engines at the Pyebridge site. The first overhauled engine was commissioned in July 2024, and the second during December 2024. The increase in cost of sales is directly aligned with the increase in revenue.
- Pyebridge successfully qualified for and secured a number of Capacity Market ("CM") contracts, the first being a T-1 CM contract for delivery year 2023/2024 and the second CM for the delivery year 2024/2025, contributing to increased revenue earnings compared to 2023.
- Administrative expenses reduced with 19% year-on-year, due to concerted efforts to reduce costs.
- Listing and capital raising fees reduced with 72% year-on-year since new shares were only issued on one occasion during 2024.
- The impairment expense in 2023 was high due the pressure on the UK economy which influenced the assumptions used by management for the impairment assessment. There were no impairments recognised in 2024 largely due to the current improved market conditions, most notably the inflation and interest rate environment that have stabilised since 2023. Possible impairment reversals were identified during the impairment assessment performed as at year-end but are not recognised in the accounts until it is confirmed to be of more permanent nature. Refer to note 11 for further details.
- A gain on disposal of the Rochdale site to the value of c. £16k.
- The de-recognition of the Stather Road lease (c. £70k) that was due to a Deed of Variation signed during 2024 resulting in the lease liability and corresponding right-of-use asset being de-recognised in terms of IFRS16. Due to the asset being impaired in 2023, it is showing as a gain in 2024.

Key Performance Indicators

Management does not consider there to be any key financial key performance indicators ('KPIs') at this stage of its development, other than the loss per share for the period, which is included in the statement of comprehensive income.

As and when operational activities increase, management will reconsider the key financial KPIs and update the necessary disclosures accordingly.

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Non-financial KPIs comprises the measure of advancement with respect to the various key projects over the medium to long term. The Group's target, as originally stated in its listing Prospectus in April 2021, was to have rolled out sites totalling 50 MW capacity within 12 months as part of its Phase 1 development pipeline. This target has not been met, initially due to delays caused by the impacts of COVID-19 on the Bordesley project and knock-on operational issues and challenges over 2022 and 2023 as more fully explained in the Review of Operations on pages 5 to 7. The Group has one project in production, Pyebridge, at year-end and at the date of this report following the successful overhaul of two of the Pyebridge site's generating engines during 2024. It currently has an additional 3 projects totalling 14 MW in development.

During 2023, the Group expected to have an additional 12 MW in production and was intent on acquiring and commencing development of an additional 20 MW in its pipeline (2023 Development Targets). These targets were not achieved primarily due to non-delivery of contractually committed funding to the Group, initially following the JV agreement signed in July 2023 with Seira Capital Limited ("Seira") and again following the signing of the replacement JV signed with Proventure Holdings (UK) Limited ("Proventure") in October 2023. This non-fulfilment of contractually agreed terms by Seira and Proventure for agreed joint venture funding meant that MED could not progress on its total 32 MW development pipeline and keep it in good standing during 2023. Some projects for which the Company was at an advanced stage of negotiation for acquisition had to be relinquished. The Company's existing development pipeline now stands at c. 14 MW.

The Company terminated the Seira and Proventure joint venture agreements in February 2024 and continues to pursue its rights under the terms of the Proventure joint venture to recover costs and penalties for breach of contract. Following the termination of the foregoing joint venture agreements, it availed of funding under a loan facility for up to £4m with institutional investor, RiverFort Global Opportunities PCC Limited, further to an agreement signed with MED subsidiary Pyebridge Power Ltd on 27 February 2024. This funding, of which the gross tranches totalling £2,769,297 were drawn down during February –August 2024 was primarily used to complete the overhaul of two of the generating engines and ancillary equipment at the Pyebridge site to get the site back in operation and generating revenues. Repayments on the drawdowns to the value of £529,969 were made during the year under review. The site was taken out of care and maintenance in early April 2024 following completion of an initial phase of remedial work and continued operating throughout the subsequent engine overhaul period, albeit at lower capacity with at most two engines available for electricity generation at any one time. Completion of the overhaul of the two engines during April to December 2024 saw corresponding significant improvement in the site's performance with enhanced revenue generation and reduced engine downtime. The Company expects to complete overhaul of the third site engine in due course and anticipates further commensurate performance and revenue generation when this is complete, and the site is operating at its full optimal commercial production at 8.1 MW output capacity for the first time. While the focus of the Company's operations during 2024 was in implementing the engine overhaul work to optimise Pyebridge's revenue generating potential, the Company has resumed working towards its postponed 2023 Development Targets during 2025. It expects that the RiverFort Framework Agreement and the recently completed Powerup Investment will greatly assist in this regard.

Risks and Uncertainties

The realisation of the various projects is dependent on the successful completion of technical assessments, project development and project implementation and is subject to several significant potential risks summarised as follows, and described further below:

- Funding risk
- Regulatory risk
- Commodity risk
- Development and construction risk
- Staffing and key personnel risk
- Information technology risk
- Successful refinancing of the historic shareholder loan amounting to £849,253 owing by the Company to its former parent company, Kibo Energy PLC ("Kibo"), which Kibo sold to RiverFort during 2024, resulting in the deferral of loans payable in the foreseeable future beyond a 12-month period after sign off of these financial statements.

STRATEGIC REPORT

Funding risk
Following the successful conclusion of an Initial Public Offering ('IPO') on 14 April 2021, the Group was able to raise £5.54 million in cash, which was utilised to further advance the various projects of the Group to date. During 2022, the Group raised a further £650 000 for acquisitions and general working capital purposes and availed of a further £100,000 during 2023 under the reprofiled loan with institutional investors agreed in May 2023. During 2024, the Company continued to avail of loan facilities under a facility agreement with RiverFort on which £2,769,297 has been drawn down to date, and £637,969 has been repaid to date. Funds from a broker sponsored placing of £350,000 were raised. Funds from a 2nd loan facility with RiverFort on which £350,000 was drawn down were obtained coincident with a partial re-settlement of the same amount on the outstanding balance on the May 2023 reprofiled loan.

There can be no assurance that such funds will continue to be available on reasonable terms, or at all in future, and that projects will be completed within the anticipated timeframes to supplement cashflows through operational activities. This risk was realised to a significant extent during 2023 where anticipated funding from the Seira and subsequently, Proventure joint venture agreements, did not materialise and has delayed the Company's anticipated timeframes for project completion.

The Group generated revenue of £737,158 (2023: £341,207) for the period ended 31 December 2024 and had a net liability position of £1,238,271 (2023: £384 509) as at 31 December 2024. As at year end, the Group had liquid assets in the form of cash and cash equivalent and other receivables of £146,446 and £364,469 (year to 31 December 2023: £122,901), respectively.

The Directors have reviewed budgets, projected cash flows and other relevant information, and based on this review and the rationale set out below, they are confident that the Group will have adequate financial resources to continue in operational existence for the foreseeable future.

The budgets and projected cash flows are reliant on continued successful drawdowns on current loan facilities, as well as continued operation of Pyebridge and its anticipated revenue generation from electricity production. Unforeseen challenges with either of the aforementioned cause a risk that the Group may not be able to meet its current liabilities without another cash injection. The directors have concluded that the combination of these circumstances represents a material uncertainty that casts significant doubt upon the Group's ability to continue as a going concern and that, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors continue to review the Group's options to secure additional funding for its general working capital requirements as well as project financing for commercial production-ready sites, alongside its ongoing review of anticipated revenue generation from existing sites, potential acquisition targets and corporate development needs. The Directors are confident that such funding will be available, although there is no guarantee of such funding. In addition, any equity funding may be subject to shareholder approvals and in line with legal and regulatory requirements as appropriate.

As a result, the Directors continue to monitor and manage the Group's cash and overheads carefully in the best interests of its shareholders and believe that the Company and the Group, by successfully implementing the above responses, will remain a going concern for the foreseeable future.

Regulatory risk
The United Kingdom power sector has undergone several considerable regulatory changes over the last few years and is now at a state of transition from large fossil-fuel plants to a more diverse range of power-generation sources, including renewables, small, distributed plants and new nuclear. As a result, there is greater regulatory involvement in the structure of the UK power market than has been the case over the last 20 years. Therefore, there remains a risk that future interventions by Ofgem or Government could have an adverse impact on the underlying assets that the Group manages and/or owns. The Company continually monitors this risk and, where possible, acts proactively to anticipate and mitigate any regulatory changes that may have an adverse impact on the ongoing financial viability of its projects. To monitor compliance with evolving UK government energy regulations, the Company subscribes to relevant environmental and energy regulation bodies' updates which management reviews on a regular basis. It makes recommendations to the Board in terms of mitigation that may be required should it become aware of any pending regulatory changes that may threaten the economic viability of its projects.

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Climate Risk
The Board considers Climate Risk to be a principal risk that may threaten the business viability of the Company insofar as it informs greater regulatory involvement by the UK Government in the structure of the UK power market as discussed under Regulatory Risk above. As the Company currently relies on the availability and permitted use of natural gas to fuel its current and planned reserve power sites, accelerated climate change, and associated adverse weather events may prompt further restrictions on the use of natural gas by UK regulators including its phasing out within a shorter period than the Company currently anticipates. In order to mitigate this risk, in addition to keeping itself informed of any pending regulatory risk that may threaten the economic viability of its projects, the Company will ensure that the engineering design and location of its projects are amenable to the use of alternative electricity generating fuels to natural gas e.g. green Hydrogen or biofuel and at minimum conversion costs should it be required. The Company will also plan to incorporate alternative renewable energy projects in its project pipeline such as solar, wind, waste-to-energy or long-duration storage (battery) do diversify its project portfolio in response to any accelerated phasing out of natural gas as an electricity generating fuel. As well as Climate Risk, the Company also recognises Climate Opportunity and more details on both are discussed under the Strategy heading in the Task Force on Climate-related Financial Disclosures (TCFD) section of this report. The TCFD section, in addition to providing the information required under the TCFD Framework in compliance with the Listing Rules also includes the Group's Climate Related Financial Disclosures (CFD)as required under s414C, s414CA and s414CB of the Companies Act 2006 (the Act).

Commodity Risk
The assets that the Group manages and owns will receive revenue from the sale of energy onto the wholesale market or to end users at a price linked to the wholesale power market price. Volatility in power prices going forward will affect the profitability of the underlying reserve power assets. For example, the significant reduction in wholesale electricity prices from 2022 to 2023 resulted in lower electricity prices received from sales at Pyebridge during the period that it was in operation during 2023 while the wholesale electricity prices significantly increased in the second half of 2024 which coincided with improved operating performance at Pyebridge following engine overhauls. The Group will also use its skills, capabilities and knowledge of the UK power market to optimise these wholesale revenues. The Group's ability to effectively manage price risk and maximise profitability through trading and risk management techniques with the assistance of its electricity off-taker and trading platform provider, Statkraft, will have a considerable impact on the revenues and returns.

Development and Construction Risk
The Group will continue to develop new project sites that includes obtaining planning permission, securing land (under option to lease or freehold), and obtaining gas and grid connections. The Group will also oversee the construction of these projects where needed.

Risks to project delivery include damage or disruption to suppliers or to relevant manufacturing or distribution capabilities due to weather, natural disaster, fire, terrorism, pandemic, strikes or other reasons that could impair the Company's ability to deliver projects on time.

Failure to take adequate steps to mitigate the likelihood or potential impact of development and construction setbacks, or to effectively manage such events if they occur, could adversely affect the business or financial results. There are inherent risks that the Group may not ultimately be successful in achieving the full development and construction of every site and sunk costs could be lost. However, the risk is mitigated as the Group targets shovel-ready sites that adhere to specific requirements, coupled with an experienced senior management team.

Staffing and Key Personnel Risks
Personnel are our only truly sustainable source of competitive advantage and competition for key skills is intense, especially around science, technology, engineering and mathematics ('STEM') disciplines. While the Group has good relations with its employees, these relations may be impacted by various factors. The Group may not be successful in attracting, retaining, developing, engaging and inspiring the right people with the right skills to achieve our growth ambitions, which is why staff are encouraged to discuss with management matters of interest and subjects affecting day-to-day operations of the Group.

Information Technology Risks
The Group relies on information technology ('IT') in all aspects of its business. Any significant disruption or failure, caused by external factors, denial of service, computer viruses or human error could result in a service interruption, accident or misappropriation of confidential information. Process failure, security breach or other operational difficulties may also lead to revenue loss or increased costs, fines, penalties or additional insurance requirements. The Group continues to implement more cloud-based systems and processes and improve cyber security protocols and facilities in order to mitigate the risk of data loss or business interruption.

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Section 172(1)(a) to (f) of the Companies Act 2006

Section 172(1)(a) to (f) of the Companies Act 2006 requires each Director to act in the way he or she considers would be most likely to promote the success of the Group for the benefit of its members as a whole regarding the following matters:

a. **The likely consequences of any decision in the long-term**
MED is a flexible power generation Group. By their natures, energy projects are complex, capital intensive, last several years and involve a varied group of stakeholders. As such, it is extremely important that the Board considers all decisions made by the Group in the context of their long-term impact on the Group. Consequences of such decisions include (but are not limited to) the impact on all stakeholders, impact on environmental issues in and around project areas and the financial impact on the Group and its ability to function effectively. MED is careful and considered in its planning, as is required for energy projects. As such, the Group prepares detailed planning documents before initiating any major work programme.

Such planning documents assess a variety of factors, from technical and project funding matters to environmental matters. Where appropriate, the Group provides copies of these reports on its website or releases excerpts via the London Stock Exchange's Regulatory News Service.

b. **The interests of the Group's employees and contractors**
The health and safety of MED's employees and contractors is of paramount concern to the Board. It is imperative that MED provides a safe and secure working environment for all staff and contractors. The Group conducts regular Health & Safety reviews and ensures that any operational plans are subject to rigorous scrutiny in their creation and constant monitoring during their implementation. As a small Group at an early business development stage, there are no direct employees in any of the Group companies and all business functions to the Group are provided under service contracts with third parties. As the Group grows, it is expected that the Group's workforce will expand and personnel will be engaged on various arrangements, including, for example, direct employee contracts and temporary and long-term service contracts commensurate with the requirements of each Group company as it develops.

The Group is and will continue to be a responsible employer in respect to the approach it takes towards employee and contractor pay and other terms of the engagement as it develops. These are constantly reviewed.

c. **The need to foster the Group's business relationships with suppliers, customers and others**
Power generation projects involve a diverse and varied group of stakeholders. These include (but is not limited to) the Group's employees, government officials, local communities, financial backers, shareholders and other suppliers. The Group adopts a transparent and open stance in its dealings with all stakeholders to help build trust. Energy and power development projects can only succeed with the full support of all involved.

The Board has oversight of the procurement and contract management processes in place and receives regular updates on any matters of significance, as well as approving the awarding of large contracts. The Board ensures the Group fully adheres to the Bribery Act 2010 by means of Anti-Corruption & Bribery and Whistle-Blowing policies that is has implemented.

d. **The impact of the Group's operations on the community and environment**
Energy and power development projects can have a significant impact on local communities and the environment. The Board constantly reviews the impact of its operations on local communities and its projects' surrounding environments. Where required, the Group completes detailed surveying work, such as Environmental Impact Assessments, and, where necessary, applies for relevant permits. Such processes require diligence and concentrated effort. The Group's projects, namely Bordesley, Hindlip Lane and Stather Road, are at the early construction or development stage and are going through the strict UK planning and permitting regulatory processes to enable construction to be completed while Pyebridge, the Group's operating site, abided with all regulations required during operations. The footprint of the Group's existing and planned power-generation sites are small, compared with large base-power generating sites, and do not have a significant impact on the community or environment in which they are located.

e. **The desirability of the Group maintaining a reputation for high standards of business conduct**
As a listed PLC, MED's reputation for the high standards of its business conduct is paramount. The Board makes every effort to ensure it maintains these.

The Group is subject to the disclosure requirements of the LSE's Listing Rules for Companies and Financial Conduct Authority's Disclosure Guidance and Transparency Rules. These comprehensive set of rules enforce a

STRATEGIC REPORT

strict discipline upon the Group in terms of the manner, timeliness, subjectivity and content of its public disclosures.

MED is also required to complete an annual audit with the objective being a thorough examination and evaluation of the financial statements of the Group to make sure that the financial records are a fair and accurate representation of the transactions they claim to represent. The results of this are published each year in the Group's Annual Report.

MED is committed to a high level of corporate governance and has selected the Quoted Companies Alliance Corporate Governance Code (the 'QCA Code') as the appropriate corporate governance code for a company at its level of development and to meet its mandatory requirements as an LSE standard listed company. Full details on how MED meets the requirements of the QCA Code are outlined under the Corporate Governance Report on page 25.

f. **The need to act fairly between members of the Group**
As a listed Group, MED is committed to treating its shareholders fairly and delivering shareholder value.

MED is registered in England and Wales and is subject to the Companies Act. The Group is also subject to the UK City Code on Takeovers and Mergers. The Company's articles of association, which help define some of the actions between the Company and its shareholders, can be found on the Company's website.

Task Force on Climate-related Financial Disclosures (TCFD)

As climate change continues to be one of the most significant global challenges, the Company remains committed to transparent reporting on climate-related risks and opportunities. Operating within the flexible power generation industry, we recognize our responsibility in the transition to a low-carbon economy and align our disclosures with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations under the categories of Governance, Strategy, Risk Management, and Metrics & Targets. While the Company is still in its early growth phase and lacks extensive historical data, we continue to enhance our reporting framework and currently consider our disclosures to be partially consistent with the full set of TCFD recommendations.

More specifically, we believe that we have reached full consistency with 9 of the 11 recommendations set out under the four pillars of the TCFD Recommendations and Guidelines, as highlighted under each section below.

Governance

TCFD Recommended Disclosure	Status
a) Describe the Board's oversight of climate-related risks and opportunities	Disclosed
b) Describe management's role in assessing and managing climate-related risks and opportunities	Disclosed

The Board of Directors maintains ultimate responsibility for the Company's climate change strategy, ensuring alignment with identified climate-related targets and long-term sustainability goals. Climate-related matters are routinely discussed during scheduled monthly Board meetings, particularly when assessing new site acquisitions and capital expenditures.

The Chief Executive Officer (CEO) is responsible for executing climate strategy and overseeing day-to-day climate-related responsibilities. The Management Teams (Finance and Operations) provide support by executing activities in line with climate objectives, identifying and mitigating risks, and reporting key updates to the CEO.

The Audit Committee retains responsibility for climate-related reporting. Due to the Company's current scale, specialized climate-focused committees have not yet been established. However, we anticipate forming such committees as the business expands.

The Board assigns the day-to-day responsibilities for climate-related matters to the Company Chief Executive Officer ('CEO'), who in turn is supported by the Management Teams, as illustrated on the next page:

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Board of Directors
Has ultimate responsibility for climate-related matters.
Sets climate-related strategies, reviews and provides final sign-off on all reports.
Delegates implementation of climate strategy to CEO.

Frequency of Board meetings: *Monthly*
Frequency of meetings with CEO: *Weekly*

CEO
Implements climate strategy by overseeing day-to-day climate-related responsibilities.
Reviews reports on identified and assessed risks and opportunities and relays objectives in line with strategy.
Further delegates implementation of climate strategy to Management Teams.

Frequency of meetings with Board: *Monthly*
Frequency of meetings with Management: *Weekly*

Management Teams
(Finance and Operations)
Executes activities in line with climate-related strategies and objectives.
Identifies, assesses, and mitigates climate-related risks and opportunities.
Reports on all climate-related matters to CEO.

Frequency of interdepartmental meetings: *Weekly*
Frequency of meetings with CEO: *Weekly*

Strategy

TCFD Recommended Disclosure	Status
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Disclosed
b) Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning.	Disclosed
c) Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Disclosed

Our core business model focuses on small gas-fueled electricity-generating peaker plants that provide grid stability amid growing renewable energy reliance. We recognise that, while natural gas is currently the lowest-carbon fossil fuel and plays a vital role in ensuring grid stability through flexible generation, its role in the UK energy mix will diminish over time in line with Net Zero 2050 objectives and the anticipated tightening of emissions regulations.

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This transition presents a strategic risk to our current business model, which is highly dependent on gas-peaking assets. We have assessed this risk as material and within our current risk appetite, given the continued short- to medium-term demand for flexible generation to support intermittent renewables.
However, we also acknowledge the longer-term viability challenge this poses. In response, we are pursuing a number of strategic mitigation actions, including:

- Evaluating the technical and commercial feasibility of integrating low-carbon alternatives, such as hydrogen-ready turbines or battery energy storage systems (BESS), at selected sites.
- Advocating for market mechanisms that appropriately value flexibility and capacity availability, including capacity market reform and ancillary services participation.
- Engaging with OEMs and technology partners on modular upgrades that can enable transition to blended or renewable fuels.
- Establishing a decarbonisation roadmap with interim review points aligned to UK government policy signals and regulatory milestones.

Gas-peaking power generation plays a vital role in the UK's energy infrastructure, ensuring grid stability when intermittent renewable sources such as wind and solar cannot meet demand. In the short term, the reliance on natural gas for flexible generation provides an opportunity to support energy security while reducing overall emissions compared to coal-fired alternatives. However, the medium-to-long-term risks include increasing regulatory restrictions on carbon-intensive energy sources, rising carbon pricing, and shifts in investor sentiment favouring renewables. These factors could impact operational costs, asset valuations, and overall project viability.

The Company's financial planning integrates climate-related considerations by assessing policy risks, fuel price fluctuations, and the potential for alternative low-carbon technologies. Our ongoing commitment to improving operational efficiency—such as the recent overhaul of two gas-powered engines at our Pyebridge site—demonstrates our proactive approach to managing transition risks. In the medium term, we anticipate growing opportunities for hybrid energy solutions, including the integration of battery storage to optimise the dispatchability of our gas-peaking assets.

In evaluating resilience across different climate scenarios, we acknowledge that a 2°C or lower warming trajectory would necessitate faster decarbonisation across all industries, potentially accelerating policy shifts towards low-carbon energy. In such a scenario, our strategy remains adaptable. We are actively assessing emerging technologies — including battery storage integration, carbon capture solutions, and hydrogen fuel conversion — for their technical and commercial viability across our existing asset base. This evaluation includes site-level feasibility studies, cost-benefit analyses, and grid interconnection assessments. Hydrogen, in particular, is being reviewed as a long-term transition fuel, with our analysis focusing on the infrastructure requirements, policy support mechanisms, and potential retrofitting pathways for existing engines. These options form part of our strategic risk mitigation planning. Their successful adoption would materially reduce our exposure to stranded asset risk, revenue volatility from carbon pricing, and compliance costs under a tightening emissions regime. The Board regularly reviews progress and the evolving investment case for each pathway as part of our decarbonisation roadmap.

Conversely, under a >2°C warming scenario, demand for gas-peaking plants could persist longer due to slower renewable infrastructure development and the continued need for grid balancing services.

Climate-Related Risks and Potential Financial Impacts

◇ = Minimal, ◇◇ = Moderate, ◇◇◇ = Severe

Risk Type	Climate-Related Risks	Potential Financial Impacts	Impact Horizon & Effect			
			Scenario	Short-Term (2028)	Medium-Term (2035)	Long-Term (2050)
Transition - Policy and Legal	Reduction in permitted emissions under MCPD regulations, leading to restrictions on operating hours; increased emissions pricing/penalties; exposure to litigation.	Reduced revenue, increased operational costs, risk of fines.	> 2°C	◇◇◇	◇◇◇	◇◇◇
			< 2°C	◇◇◇	◇◇	◇
Transition - Technology	Shift to low-carbon energy sources, unsuccessful investment in new technologies, capital-intensive infrastructure upgrades.	R&D costs, capital expenditures, increased operational costs.	> 2°C	◇◇	◇	◇
			< 2°C	◇	◇	◇

STRATEGIC REPORT

Climate-Related Risks and Potential Financial Impacts

◇ = Minimal, ◇◇ = Moderate, ◇◇◇ = Severe

Risk Type	Climate-Related Risks	Potential Financial Impacts	Impact Horizon & Effect			
			Scenario	Short-Term (2028)	Medium-Term (2035)	Long-Term (2050)
Transition - Market	Volatility in electricity sales price with rising gas costs.	Reduction in revenue, financial strain on operational budgeting.	> 2°C	◇◇	◇	◇
			< 2°C	◇◇	◇	◇
Transition - Financial	Decrease in industry funding due to perception of gas generation as "dirty" energy.	Limited investment, hindrance to expansion, restricted credit access.	> 2°C	◇◇◇	◇◇◇	◇◇◇
			< 2°C	◇◇	◇◇	◇◇
Physical - Acute	Risk of infrastructure damage due to extreme weather events such as flooding or windstorms.	Increased maintenance and insurance costs, potential site disruptions.	> 2°C	◇	◇	◇
			< 2°C	◇	◇	◇

Climate-Related Opportunities and Potential Financial Impacts

◇ = Minimal, ◇◇ = Moderate, ◇◇◇ = Severe

Opportunity Type	Climate-Related Opportunity	Potential Financial Impacts	Impact Horizon & Effect			
			Scenario	Short-Term (2027)	Medium-Term (2035)	Long-Term (2050)
Physical	Extreme weather events could drive higher electricity demand, increasing revenue potential.	Increase in sales price, longer operating hours.	> 2°C	◇◇	◇◇	◇◇
			< 2°C	◇◇	◇◇	◇◇
Resource Efficiency	Adoption of hydrogen as a supplementary fuel source and exploration of alternative storage technologies.	Lower exposure to fossil fuel volatility, reduced GHG-related costs.	> 2°C	◇◇	◇◇◇	◇◇◇
			< 2°C	◇◇	◇◇	◇◇◇

Ultimately, we are confident in our strategy of balancing immediate energy security needs with a clear pathway for long-term transition, ensuring alignment with the UK's Net Zero 2050 ambitions while maintaining financial resilience.

Risk Management

TCFD Recommended Disclosure		Status
a)	Describe the organization's processes for identifying and assessing climate-related risks.	Disclosed
b)	Describe the organization's processes for managing climate-related risks.	Disclosed
c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Disclosed

The Company identifies and assesses climate-related risks through regular engagement between the Board, senior management, and operational teams. Climate risks are categorised into transition risks (such as policy changes, market shifts, and technological advancements) and physical risks (such as extreme weather events and temperature fluctuations). These risks are evaluated across short-, medium-, and long-term horizons to assess their financial implications and impact on operational resilience.

A structured risk assessment approach is employed, incorporating:

- Scenario analysis: Evaluating potential regulatory, market, and environmental scenarios based on global climate targets.
- Industry benchmarking: Monitoring best practices and regulatory developments in the energy sector.
- Stakeholder engagement: Engaging with regulators, investors, and industry experts to anticipate policy changes.
- Internal risk assessments: Conducted during weekly Management Committee (ManCo) meetings and formal Board discussions.

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The Company has implemented a risk management framework to address and mitigate identified climate-related risks. This framework includes:

- Regulatory compliance measures: Ensuring operations align with evolving UK and international climate policies.
- Investment in efficiency: Upgrading infrastructure, such as the engine overhaul works at Pyebridge, to improve emissions efficiency.
- Financial planning: Incorporating carbon pricing forecasts and regulatory costs into investment models.
- Operational adjustments: Exploring hybrid generation solutions, including battery storage, to enhance flexibility.
- Business continuity planning: Developing contingency strategies to manage supply chain disruptions and extreme weather events.

The Company's climate-related risk management is generally integrated into the broader corporate risk governance framework, ensuring that it is not treated as a standalone issue but rather as a fundamental consideration in strategic planning. The key integration points include:

- Board oversight and accountability: Climate risks are discussed in monthly Board meetings, where they are assessed alongside financial and operational risks.
- Audit Committee involvement: The Audit Committee ensures that climate-related disclosures are accurate and aligned with regulatory reporting requirements.
- Operational risk assessments: Climate considerations are incorporated into site evaluations and expansion plans.
- Annual strategic reviews: The Company conducts annual reviews of its climate risk strategy, incorporating lessons learned from industry trends and policy developments.

While the Company does not yet have a dedicated climate risk committee, the integration of climate risks within broader risk management structures ensures comprehensive oversight and mitigation strategies. As the business expands, the establishment of specialised committees focused on Environmental, Social and Governance (ESG) and climate resilience will be considered to enhance governance in this area.

Metrics and Targets

TCFD Recommended Disclosure		**Status**
a)	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Partially Disclosed
b)	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Disclosed
c)	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Partially Disclosed

The Company is still young, with just one small operating generating plant in production. As such, it has not yet developed a standalone metric and target framework to quantitatively assess climate-related risks and opportunities other than the use of the Streamlined Energy & Carbon Reporting (SECR) framework (shown below) tracking emissions under Scope 1, Scope 2, and Scope 3 categories. As the Company matures and brings more projects into production over the next few years, committees with specific responsibilities will be established who will develop frameworks and methodologies to enable it to accurately measure and report progress against set targets.

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Furthermore, limited historic carbon emission data exists, and this is only relevant to the Company's operational site, Pyebridge. This makes the establishment of accurate targets, and the analysis therefore, difficult. It was previously reported that the total energy usage for 2024 was projected to reach 30,000 MWh, with an anticipated GHG emissions figure of approximately 5,000 tCO_2e., which would have resulted in an estimated intensity metric of approximately 4,200 tCO_2e per million GBP of revenue. Looking at the data in the table below, the actual figures were c. 11,520 MWh, leading to emissions of 1552 tCO_2e, resulting in an intensity metric of 2106 tCO_2e per million GBP of revenue. This is significantly lower than initially predicted, which is most likely due to insufficient data during the previous report, but the recent Pyebridge engine overhauls also contributed to a much more efficient site. It is estimated that the total energy usage for 2025 will be 12,600 MWh, with an anticipated GHG emissions figure of approximately 2100 tCO_2e, resulting in an intensity metric of 1891.89 tCO_2e per million GBP of revenue. As further operational data becomes available over the next three to five years, the Company will refine its emission reduction targets accordingly. The Company therefore only partially complies with the *Metrics and Targets* section of the TCFD Recommendations and Guidelines.

Table 1 below, and the accompanying graphs, show the Company's greenhouse gas emissions (GHG) for the reporting period in tonnes of carbon dioxide equivalent (tCO2e) and calculated in accordance with the SECR guidance on carbon and energy reporting. These values were compared to the previous reporting periods, and then analysed, in the various graphs' subsequent paragraphs. The data in Table 1 covers the same period to which this Directors' Report applies.

Table 1- Streamlined Energy & Carbon Reporting (SECR) REPORT DATA

Activity	Activity Data	Activity data units	Conversion factors	Carbon footprint (kgCO2e)	Carbon footprint (tCO2e)
Scope 1 – GHG emissions resulting from activities for which the Company is responsible					
Natural Gas (100% Mineral Blend)	7,842,244	kWh	0.1829	1,434,346.43	1,434.35
Business Travel (Medium-sized car of unknown fuel type)	2,210	miles	0.2705	597.805	0.597805
			Sub-total 1	1,434,944.23	1,434.94
Scope 2 -GHG emissions resulting from purchase of electricity for its own use					
Electrical Consumption	253,140	kWh	0.20705	52,412.637	52.412637
			Sub-total 2	52,412.64	52.41
Scope 3- GHG emissions resulting from Company actions not owned or controlled					
Homeworking	8,694.40	FTE working hours	0.3338	2,902.02	2.90
Business travel (Rail)	28.00	miles	0.0355	0.99	0.00
Business travel (Underground)	60.00	miles	0.0278	1.67	0.00
Hotel Stays (UK - Within London)	0.00	room per night	11.5000	0.00	0.00
Hotel Stays (UK - Outside London)	10.00	room per night	10.4000	104.00	0.10
Water Supply	196.81	cubic metres	0.1531	30.13	0.03
Electricity Transmission & Distribution (UK)	3,407,160.00	MWh	0.0183	62,351.03	62.35
			Sub-total 3	65,389.84	65.39
			TOTAL	**1552746.71**	**1552.75**

Intensity Metric	2,106.4 tCO2e per million £ of revenue
Total Energy Usage across all energy types	11,520.26 MWh

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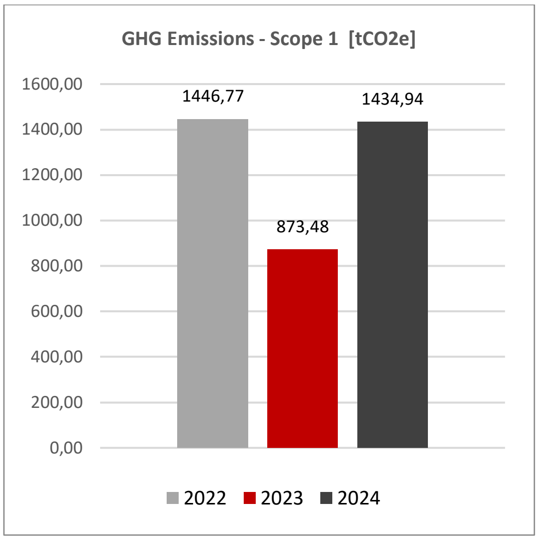

Fig. 1 – GHG Emissions Scope 1

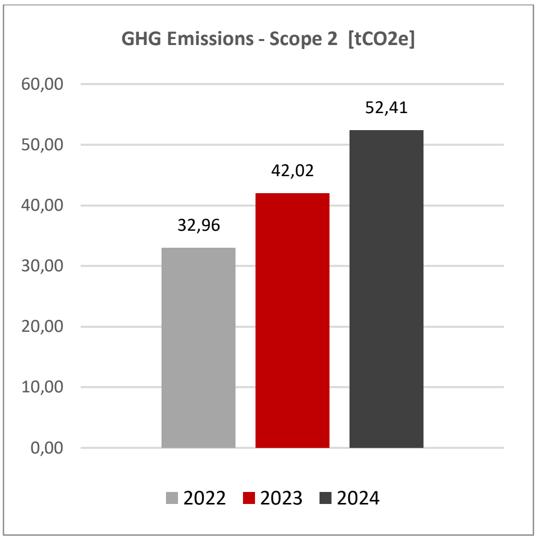

Fig. 2 – GHG Emissions Scope 2

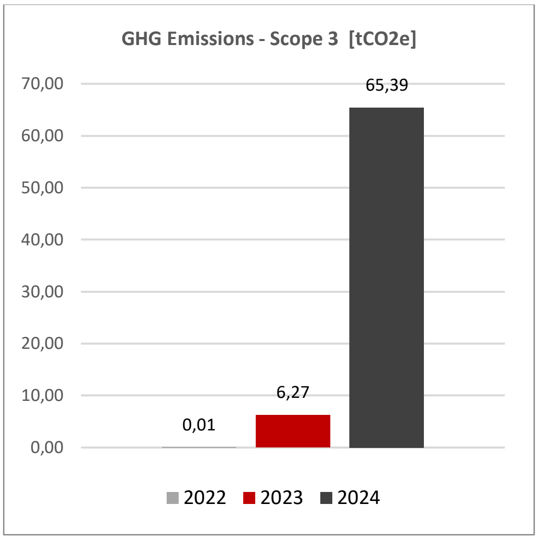

Fig. 3 – GHG Emissions Scope 3

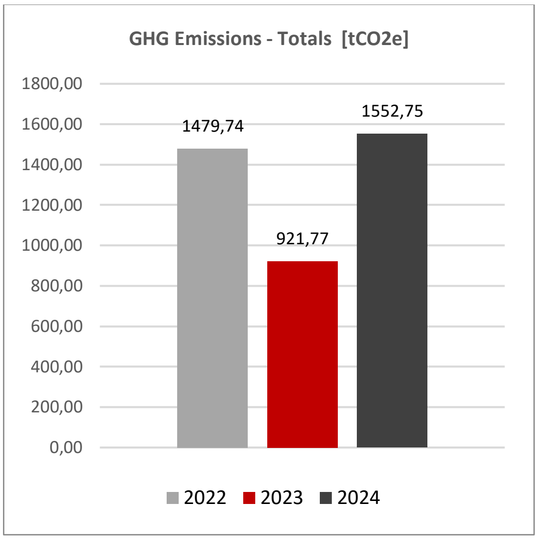

Fig. 4 – Total GHG Emissions

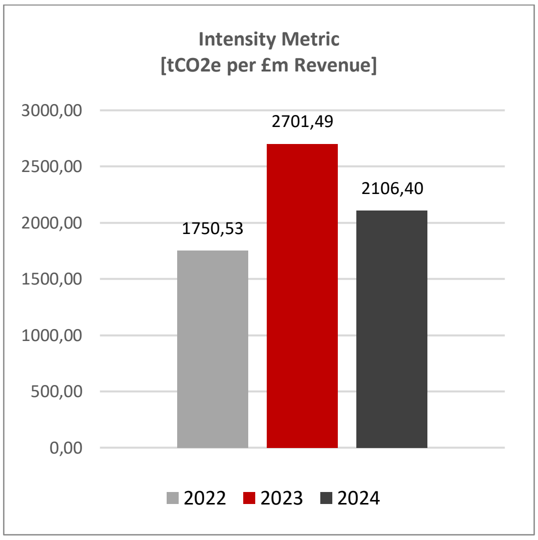

Fig. 5 – Intensity Metric

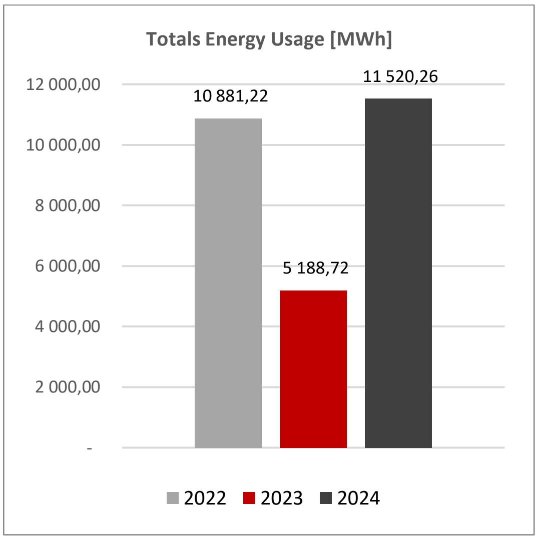

Fig. 6 – Total Energy Usage

STRATEGIC REPORT

The activity data in Table 1 and Figures 1-6 above were obtained from the Company's internal records of energy generation and consumption and converted to tCO2e using the appropriate conversion factors obtain from the UK Government website at https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024.

It should be stated that the Revenue-Based Intensity was used as we believe this provides the most accurate portrait of our company. With our minimal headcount, the Headcount-Based Intensity metric would be misleading due to the highly distorted intensity figure. It would make us look artificially emissions-intensive on paper, which could be misinterpreted by stakeholders. Similarly, for gas-peaking plants, generation in kWh is highly variable and demand-responsive, not steady or predictable like baseload generation. Using kWh as the denominator, as would be the case for an Energy-Based Intensity metric, could therefore penalise the company in periods of low utilisation, not because of operational inefficiency, but simply due to low run hours.

There was a significant increase in Scope 1 GHG Emissions from 873.48 tCO_2e in 2023 to 1434.94 tCO_2e in 2024. This 64.3% rise can be attributed to increased generation activity as the Pyebridge site underwent operational improvements and functioned at higher capacity compared to the previous year. Similarly, Scope 2 emissions increased by 24.7%, reflecting greater electricity consumption across the Company's operations. However, the most notable change was observed in Scope 3 emissions, which rose from 6.27 tCO_2e to 65.39 tCO_2e. This increase is primarily due to a reclassification of certain emission sources previously excluded or allocated under different reporting categories, leading to a more comprehensive Scope 3 disclosure.

Consequently, total GHG emissions for 2024 rose from 921.77 tCO_2e in 2023 to 1552.75 tCO_2e, a 68.4% increase. This increase aligns with the expansion of generation activities and the improved operation of existing assets. The Total Energy Usage also saw a corresponding rise, increasing from 5,188.72 MWh in 2023 to 11,520.26 MWh in 2024, reflecting the higher energy demands of the Company's operations.

Despite the increase in absolute emissions, the Intensity Metric (tCO_2e per million GBP of revenue) improved significantly, decreasing from 2701.49 in 2023 to 2106.40 in 2024, representing a 22% reduction. This indicates that while total emissions have increased, the Company has improved its efficiency by generating more revenue per unit of carbon emitted.

Looking ahead, the Company's core focus for 2025 will be to optimise energy efficiency further by continuing infrastructure upgrades and investigating lower-carbon fuel alternatives. While the total emissions are expected to remain elevated due to expanded operations, efforts will be made to improve intensity metrics and reduce emissions per unit of energy generated.

Once the Pyebridge site reaches full operational capacity, more accurate emissions targets can be established, allowing the Company to define medium- and long-term reduction strategies. Furthermore, with ongoing assessments of alternative energy sources, including potential hydrogen integration, future emissions trajectories will be influenced by technological advancements and regulatory developments.

The Company remains committed to strengthening its emissions reporting framework and aligning with the UK's Net Zero 2050 strategy, ensuring that sustainability considerations remain at the forefront of strategic planning.

This report was approved by the Board on 29 April 2024 and signed on its behalf by:

Paul Venter
Non-Executive Chairman

REMUNERATION REPORT

The following Directors remuneration was earned during the period.

Directors	31 December 2024 Audited (GBP)	31 December 2023 Audited (GBP)
Louis Coetzee (resigned on 21 November 2024)	20,550	36,000
Pieter Krügel	157,844	157,844
Paul Venter	22,500	36,000
Dominic Traynor (resigned on 21 November 2024)	20,550	36,000

The remuneration shown in the table above comprises total cost-to-company salaries and Directors' fees earned in accordance with Director contracts approved by the Board prior to appointment. The amounts per the table above represent the totality of gross remuneration earned by each Director. The full amount has not been paid, and the outstanding balances are disclosed in note 21 in the financial statements. No share awards were made to Directors during the period as part of remuneration nor were any payments linked to any key performance indicators, including the performance of the Company share price. The Company does not have a pension plan and, consequently, no pension contributions form part of Director's pay during the period. The Company has not employed any external remuneration consultants to advise on remuneration during the period.

Paul Venter, a director and the Company's non-executive chairman has a beneficial interest in 2,897,175 MED shares through PSCD Power 1 Ltd.

As the Company has been in operation for just over four and a half years, there are no comparable figures available to conduct a detailed analyses of historical and current remuneration and changes therein and for comparison with average pay levels for similar roles over a 5-year rolling period. However, the Directors believe that their remuneration levels are in line with industry norms for a company like MED in its current stage of development. The variations in individual director remuneration from 2023 to 2024 reflect variable board appointment and retirement dates and changes to levels of responsibility. A detailed remuneration plan for directors, management and staff has not yet been established for the Company. As the Company and the Group grows, the Board is committed to putting such a remuneration plan in place commensurate with business development. The components of such a plan may comprise, inter alia, payments linked to agreed key performance indicators, a performance incentive plan based on agreed project milestones, a share option plan, share payments, health insurance contributions and pension contributions.

Renumeration Policy

Overview of Remuneration Policy

The Company's policy for the remuneration of the Company's Directors is that it should be structured to attract and retain executives of a high calibre with the skills and experience necessary to successfully grow the Company. The objective of the policy is to help deliver long-term value for shareholders by enabling the efficient and effective delivery of the Company's strategy as outlined in the Strategic Report.

When determining levels of remuneration, the Company will review the remuneration practices adopted by peer companies both in the market generally and in the same business sector as the Company.

The Company intends that a significant portion of the remuneration package of senior executives will be linked to performance while maintaining an appropriate balance between fixed and variable pay, short-term and long-term variable pay, and rewards in cash and shares. While this remuneration structure is not yet implemented, the Company is working towards it as part of its strategy to retain and attract skilled executives and management. The Company, by considering recommendations from the Remuneration, Nominations & Governance Committee, will regularly review the Company's remuneration policies to ensure that these policies do not encourage and reward inappropriate risk-taking that may not be in the best interests of shareholders. It will also ensure that its remuneration policy aligns with the Company's corporate and financial governance policies as well as all regulatory and listing regulations. As the Company's Board grows, it will establish a separate standalone Remuneration Committee to exclusively deal with remuneration policy matters.

The Company will strive to align its remuneration policy to the principles below, which are taken from the 2018 UK Corporate Governance Code:
Clarity – remuneration arrangements should be transparent and promote effective engagement with shareholders

REMUNERATION REPORT

and the workforce.
Simplicity – remuneration structures will avoid complexity and their rationale and operation should be familiar to all stakeholders and be easy to understand.
Risk – remuneration arrangements should ensure reputational and other risks from excessive rewards and behavioural risks that can arise from target-based incentive plans are identified and mitigated.
Predictability – the range of possible values of rewards to individual directors and any other limits or discretions should be identified and explained at the time of approving the policy.
Proportionality – the link between individual awards, the delivery of strategy and the long-term performance of the Company should be clear. Outcomes should not reward poor performance.
Alignment to culture – incentive schemes should drive behaviours consistent with Company purpose, and in consistency with the Group's purpose, values and strategy.

The Company will develop a detailed remuneration policy on the above principles in alignment with business growth and expansion of its staff numbers above the current low levels. This policy will provide a framework and baseline for future remuneration reports.

CORPORATE GOVERNANCE REPORT

Our Group is dedicated to upholding a high standard of corporate governance. As Chairman, it remains my responsibility, working with my fellow Board members, to ensure that good standards of corporate governance are encompassed throughout the Group. As a Board, we set clear expectations regarding our culture, values and behaviours. We firmly believe that by encouraging the right way of thinking and behaving across all our people, our corporate governance culture is reinforced, enabling us to conduct business sustainably, responsibly and deliver value for our shareholders.

It is the Board's role to ensure that the Group is managed for the long-term benefit of all shareholders, with effective and efficient decision-making. Corporate governance is an important part of that role, reducing risk and adding value to our business.

The Group has adopted the Quoted Companies Alliance Corporate Governance Code (the 'QCA Code'). This statement sets out how the Group complies with, and, where relevant, departs from the 10 principles of the QCA Code:

1. **Establish a strategy and business model that promotes long-term value for shareholders**

   MED's primary focus is on advancing and developing its UK reserve power projects. Accordingly, the majority of MED's resources will be used to fund the continued development of the Company's projects.

   The Board sets the Company's strategy and monitors its implementation through management and financial performance reviews. It also works to ensure that adequate resources are available to implement strategy in a timely manner. The Group has set out a strategy and business model to promote long-term value for shareholders and will update all shareholders on this in the annual reports for each year.

   The Board meet on a regular basis to discuss the strategic direction of the Group and any significant deviation or change will be highlighted promptly should this occur.

   The Strategic Report of the Group can be found on pages 8 to 22.

2. **Seek to understand and meet shareholder needs and expectations**

   The Group is committed to listening to, and communicating openly with, its shareholders to ensure that its strategy, business model and performance are clearly understood. The Group regards the annual general meeting as a good opportunity to communicate directly with shareholders via an open question-and-answer session. The Board, led by the CEO, are also responsible for understanding and meeting shareholder needs and expectations.

   In addition, the Group's progress on achieving its key targets is regularly communicated to investors via presentations and through its announcements to the market, which can be accessed at www.med.energy.

   The Group also utilises professional advisers such as the Solicitors, Brokers and the Company Secretary, to provide advice and recommendations on shareholder communication.

   Contact details are provided on the Company's website and within public documents should shareholders wish to communicate with the Company.

3. **Consider wider stakeholder and social responsibilities and their implications for long-term success**

   The Board recognise their responsibilities to stakeholders, including staff, suppliers and customers and those within the community it operates in. The Board, led by the CEO is also responsible for fostering and improving open communication and contact with relevant stakeholders of the Group.

CORPORATE GOVERNANCE REPORT

4. Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board regularly reviews the risks facing the business and the internal controls that are in place to address risks. In order to support its duties and responsibilities, the Board implements control procedures that assess and manage risk and ensure robust financial and operational management within the Group. The principal risks that the Group is exposed to can be classified under the general headings of funding risk, regulatory risk, commodity risk and development, and construction risk. A more detail analysis of the principal risks can be found on pages 12 to 13 within the Company's annual report.

Although there is no specific committee tasked with identifying, analysing and reporting on risk during the financial period, it is nevertheless part of the everyday function of the Directors and is managed at Board level.

Accepting that no systems of control can provide absolute assurance against material misstatement or loss, the Directors believe that the established systems for internal control within the Group are appropriate to the business.

5. Maintain the board as a well-functioning, balanced team led by the Chairman

The Board acknowledge their responsibility for, and recognises the importance of, implementing and maintaining, high standards of corporate governance. The Board is responsible for establishing and maintaining the system of internal controls. The Group subscribes to the values of good corporate governance at all levels and is committed to conduct business with discipline, integrity and social responsibility.

The Board currently comprises one Non-Executive Director, who is also Chairman and one Executive Director who is the Chief Executive of the Group. Short biographies of the Directors can be found within the Directors' Report on pages 30 to 34. The Corporate Governance Report includes details of the Committees and the number of meetings held during the year, detailing the attendance record of each Director.

The QCA Code recommends that the Chair and Chief Executive should not be the same person. Following the retirement of two non-executive board members, Louis Coetzee and Dominic Taynor, in November 2024, the two remaining directors, Paul Venter and Pieter Krügel assumed the responsibilities of the departing directors on the Board and on Board Committees. Thus, currently, Paul Venter acts as Non-Executive Chairman and Pieter Krügel continues as Chief Executive Officer. The re-assigned board committee roles are outlined under the Role of Directors section below. The Directors believe that it is appropriate for the Company increases its board representation to better comply with good governance practice and plans to address this during 2025.

The Board is of the view that the Chairman and each of the Directors who held office during 2023 committed sufficient time to fulfilling their duties as members of the Board.

6. Ensure that the Directors have the necessary up-to-date experience, skills and capabilities

The Board has a diverse range of skills, experience and personal qualities that help deliver the strategy of the Group. The Group will ensure that, between them, the Directors have the necessary up-to-date experience, skills and capabilities to deliver the Group's strategy and targets. Each Director's biographical details, along with a description of their role and experience, can be found within the Directors' Report on pages 30 to 34.

7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

Given the Group's current size, the Board has not considered it necessary to undertake an assessment of the Board performance and effectiveness.

CORPORATE GOVERNANCE REPORT

8. **Promote a corporate culture that is based on ethical values and behaviours**

The Group operates a corporate culture that is based on ethical values and behaviours. It will maintain a quality system appropriate to the standards required for a Group of its size. The Board communicates regularly with staff through meetings and messages.

The Group also has a Corporate Social Responsibility Policy, details of which can be found in the Directors' report on page 33.

9. **Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board**

The Board sets the direction for the Group through a formal schedule of matters reserved for its decision. The Chief Executive implements the strategy for the Group and regularly reports to the Board on progress as well as continuously engages with the Group's shareholders and stakeholders. The Board has a schedule of matters reserved for its review and approval; such items include Group strategy, approval of major capital expenditure projects, approval of the annual and interim results, annual budgets, dividend policy and Board structure. It monitors the exposure to key business risks and reviews the strategic direction of all trading subsidiaries, their annual budgets, their performance in relation to those budgets and their capital expenditure. The Board delegates day-to-day responsibility for managing the business to the Chief Executive and the senior management team.

The Board and Committees, along with the matters reserved for each, are explained within point 10 below. Further information can also be found on the Company's website at www.med.energy.

10. **Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders**

The Group already publishes historical annual reports, notices of meetings and other publications on the Company's website, www.med.energy. The Board has not published Audit Committee or Remuneration Committee reports in the Company's latest annual report and accounts. The Board feels that this is appropriate given the size and stage of development of the Company.

Once a general meeting of the Group has concluded, the results of the meeting are released through a regulatory news service and a copy of the announcement is posted on the Company's website at www.med.energy. If it becomes relevant, an explanation of actions where a significant proportion of votes (e.g., 20% of independent votes) is cast against, a resolution will be provided.

Role of Directors

All Board members ensure that appropriate governance procedures are adhered to and there is a clear division of responsibilities at Board level to ensure a balance of power and authority so that no one individual has unfettered powers of decision-making.

Board and Audit Committee meetings have been taking place periodically and the Executive Director manages the daily Company operations with Board meetings taking place on a regular basis throughout the financial period. During the current reporting period, the Board met 15 (fifteen) times and provided pertinent information to the Executive Committee of the Company.

The Board is responsible for effective control over the affairs of the Company, including strategic and policy decision-making, financial control, risk management, communication with stakeholders, internal controls and the asset management process.

Climate change remains a standing item on the Board agenda, with quarterly reviews of progress against climate-related objectives embedded within the Company's broader sustainability strategy. At the end of 2025, the Board reviewed and approved the interim emissions figures related to Scope 1, 2 and 3 of the Streamlined Energy & Carbon Reporting (SECR) data. The Board also ensures that climate considerations are integrated into capital allocation decisions, with a revised investment appraisal framework now incorporating internal carbon pricing.

CORPORATE GOVERNANCE REPORT

The Board regularly ensures that Management is regularly briefed on the importance of climate change and the financial implications of the Company's investments in terms of decarbonisation. Management is enabled to implement the Company's climate strategy and drive progress against our emissions reduction roadmap.

In 2025, Management initiated feasibility studies for Battery Storage Solutions (BSS) at peaking sites, with an aim of incorporating these technologies in the future. Management reports quarterly to the Board on progress against KPIs, including energy efficiency and associated improvements.

The Risk, Audit & FPPP Committee were tasked with, amongst other things, identifying, analysing and reporting on risk during the financial period.

Directors are entitled, in consultation with the Chairman, to seek independent professional advice about the affairs of the Company, at the Company's expense.

The Risk, Audit & Financial Position & Prospects Procedures ('RAFPPP') Committee

The RAFPPP Committee comprised Dominic Traynor and Louis Coetzee until their retirement from the MED Board on 21 November 2024, following which the two remaining directors, Paul Venter and Pieter Krügel, were appointed to the RAFPPP on 26 November 2024.

The RAFPPP Committee has set out its roles and responsibilities within its charter to ensure that it is aligned to good financial governance principles. These include:

- The establishment of an Audit and Risk Committee to guide the audit approach, as well as its modus operandi and the rules that govern the audit relationship;
- Assess the processes relating to, and the results emanating from, the Group's risk and control environment;
- Monitor the integrity of the Group's integrated reporting and all factors and risks that may impact on reporting;
- Annually review the expertise, appropriateness and experience of the finance function;
- Annually nominate the external auditors for appointment by the shareholders;
- Review developments in governance and best practice;
- Foster and improve open communication and contact with relevant stakeholders of the Group; and
- Assess the external auditor's independence and determine their remuneration.

The RAFPPP Committee further sets the principles for recommending the external auditors for non-audit services use.

The RAFPPP Committee met twice (2) during the current year to approve the Interim and Annual Report and recommend approval to the Board.

Following the selection and review of the Company's 2023 annual audit by the Financial Reporting Council (FRC) separate meetings were held between the Chairman of the FPPP Committee and the FRC, and the FRC and the Company's auditors, to discuss the FRC findings. The feedback from these meetings was considered at a follow-on meeting between the FPPP Committee and the Company's auditors where actions to address the FRC findings were discussed to enable enhanced compliance with the FRC regulations for audits and financial reporting.

The Remuneration, Nominations & Governance Committee (the 'RNGC')

The members of the RNGC comprised Louis Coetzee and Dominic Traynor until their retirement from the MED Board on 21 November 2024, following which the two remaining directors were appointed to the RNGC on 26 November 2024.

Remuneration: With respect to Remuneration, the purpose of the RNGC is to discharge the responsibilities of the Board relating to all compensation, including equity compensation of the Company's Executives. The Remuneration Committee establishes and administers the Company's executive remuneration with the broad objective of aligning executive remuneration with Company performance and shareholder interests, setting remuneration standards aimed at attracting, retaining and motivating the executive team, linking individual pay with operational and Company performance in relation to strategic objectives, and evaluating compensation of executives including approval of salary, equity and incentive-based awards.

CORPORATE GOVERNANCE REPORT

The committee is empowered by the Board to set short-, medium- and long-term remuneration for the Executive Directors. More generally, the committee is responsible for the assessment and approval of a Board remuneration strategy for the Group.

The RNGC manages remuneration risk by ensuring that any awards and the terms of service and employment contracts entered are proportionate to the resources and current early stage of development of the Group while simultaneously providing sufficient incentive to Directors, management and staff to rapidly grow the enterprise in accordance with the Board's corporate strategy. The RNGC will develop a comprehensive remuneration plan that, following approval by the Board, will serve as a guide for performance measurement, employment terms and compensation structure in line with business development.

Nominations: With respect to Nominations the RNGC is responsible for considering and making recommendations to the Board in respect of appointments to the Board. It is also responsible for keeping the structure, size and composition of the Board under regular review, and for making recommendations to the Board regarding any changes necessary, as well as succession planning, taking into account the skills and expertise that will be needed on the Board in the future.
Governance: With respect to Governance, the principal tasks of the RNGC is to review the Company's ongoing compliance with the QCA Code and to make recommendationsto the Board where it judges that there is a requirement to update, replace or expand corporate governance policies and procedures in line with current activities.

The Remuneration, Nominations and Governance Committee met once (1) during the period.

Directors' Meetings

The Company held the following Board and Committee meetings during the reporting period, of which the number of meetings attended by each of the Directors of the Company during the period to 31 December 2024 were:

Name	**PLC Board (15 Meetings held)**	**Risk Audit & FPPP Committee (2 Meetings held)**	**Remuneration, Nominations & Governance Committee (1 Meeting held)**
Pieter Krügel	15	2	1
Paul Venter	14	n/a	n/a
Louis Coetzee (retired 21 November 2024)	15	n/a	n/a
Dominic Traynor (retired 21 November 2024)	15	2	1

This report was approved by the Board on 29 April 2025 and signed on its behalf by:

Paul Venter
Non-Executive Chairman

DIRECTORS' REPORT

The Board of Directors (the 'Directors' or the 'Board') present their Annual Report together with the Audited Financial Statements ('AFS') for the year ended 31 December 2024 of MAST Energy Developments PLC ('MED' or the 'Company') and its subsidiaries (collectively, 'the Group').

The Board comprises a Non-Executive Chairman and Chief Executive Officer. As the Group evolves, the Board will be reviewed and expanded to ensure appropriate expertise is always in place to support its business activities.

The Board is responsible for formulating, reviewing and approving the Group's strategy, budgets, major items of capital expenditure and acquisitions. An agenda and all supporting documentation are circulated to Directors before each board meeting. Open and timely access to all information is provided to all Directors to enable them to bring independent judgement on issues affecting the Company and facilitate them in discharging their duties.

At the date of this report, the Board of Directors comprised:
Paul Venter – Non-Executive Chairman
Pieter Krügel – Chief Executive Officer

Paul Venter, B.Comm, HBA, MDP, Age 72 – Director & Chairman (Non-Executive)
Paul Venter has 35 years' experience within the mining and power-generating industries. He spearheaded the projected development of an integrated open-pit mine, 4 by 150 MW power plant and 200-kilometre transmission complex in Mongolia prior to successfully rebranding and leading the developing of Ncondezi Coal into an integrated open-pit mine with 2 by 150 MW power plants and 93-kilometre transmission complex. In recent years, Paul established Mast Energy Projects Limited and contributed to the successful sale of a 60% equity interest of Mast Energy Projects Limited to Kibo Energy PLC. Between 1982 and 1998, Paul was a certified financial accountant of South Africa. Furthermore, he holds an MDP in Mining from the University of South Africa and an honours degree in Business Administration from Potchefstroom University, South Africa. From 2009 to 2012, he was a director and the Vice-President of Energy Operations at Canadian-listed Prophecy Coal Corp and from 2012 to 2015, he held the position of Chief Executive Officer of Ncondezi Energy, an AIM-listed company (AIM: NCCL). Paul is the former CEO of MED.

Pieter Krügel, ACA, BFP, CA (SA), Age 39 – Chief Executive Officer
Pieter Krügel previously worked as the Group Chief Financial Officer of the Kibo Group, where he has leveraged his experience in capital raising, corporate restructuring, economic analysis, IFRS reporting and strategic planning to contribute to the growth of the Group. Prior to this, he held senior financial and executive roles over the course of 15 years, with specific reference to the energy and resources industries. He is a qualified chartered accountant and a member of the Institute of Chartered Accountants in England and Wales (ICAEW). Pieter has been intimately involved in the MED business since the Group's initial acquisition of MED in 2018 as well as its involvements in the reserve power market. He was also part of the core team that led to the successful IPO of the Company in 2021.

Review of Business Developments

As noted in the Chairman's Report, the Group continued to pursue its business strategy as a flexible power developer in the UK market, with further site acquisitions having been concluded and continuous development of the existing sites progressing well during the period.

Results

The performance for the year ended 31 December 2024 resulted in a loss of £1 097,433 (year ended 31 December 2023: loss of £3,539,394).

Events after reporting period

As at the date of this report, no significant post-statement of financial position events or conditions were identified that required adjustment to the financial results. Refer to Note 23 for non-adjusting events.

Directors' Interests

Paul Venter, a non-executive director provided MED with a director loan amounting to £81,329 (the 'Director Loan') under a loan agreement signed on 14 December 2023 (the "Director Loan Agreement"). The proceeds of the Director Loan will be used for MED's working capital requirements. To fund the Director Loan, Mr. Venter sold 14,000,000 MED shares (the 'Loan Shares') of his total beneficial holdings of 17,708,538 MED shares that he held on 14 December 2023.

DIRECTORS' REPORT

The key terms of the Director Loan Agreement are as follows:

- No fixed term of repayment, with a repayment longstop date of 12 months from the date of the Director Loan (the "Longstop Date");
- Interest shall accrue and be paid on the principal amount of the Director Loan outstanding at 7% per annum;
- Prior to the Longstop Date, the repayment will be by the issuance of the 14,000,000 Loan Shares, subject to the Company complying with its statutory obligations and shareholder authorities; and
- On or after the Longstop Date, the re-payment will be in shares or otherwise in cash for the full loan value plus interest at Mr. Venter's election.

The repayments were not made at the longstop date in 2024. Therefore, repayment of the loan started in November 2024. The balance of the loan at year-end, including accrued interest is GBP 84 328.

As announced in the RNS dated 7 May 2024 the Company has entered into a partial settlement deed with the Institutional Lender (RiverFort Global Opportunities), in relation to the Reprofiled Balance due under the Reprofiling Agreement. Under the terms of the settlement deed Pieter Krügel, a director of the Company purchased from the Institutional Lender £325,000 (the "Capitalised Balance") of the Reprofiled Balance due under the Reprofiling Agreement, in consideration, the Institutional Lender of the Reprofiling Agreement was paid £325,000 in cash (the "Acquisition").

In accordance with the terms of the Reprofiling Agreement, the Capitalised Balance was converted into 162,500,000 new MED ordinary shares of 0.1p (the "Subscription Shares") at a conversion price of 0.20p per share by Mr. Pieter Krügel, a director of the Company (the "Conversion"). The Capitalised Balance has been transferred and assigned to Mr. Krügel. Following the Acquisition and Conversion, the remaining outstanding balance due under the Reprofiling Agreement was £477,005.

Following admission of the Subscription Shares, Pieter Krügel has agreed to sell the Subscription Shares to new investors arranged by the Company's broker, Novum Securities Limited ("Novum") at the same price per share as the Conversion, being 0.20p (the "Placing"), for a gross consideration of £325,000.

Other than the Director Loan from Paul Venter and the back to back agreement with Mr. Krügel there have been no contracts or arrangements of significance during the period in which Directors of the Company, or their related parties, were interested other than as disclosed in Directors Remuneration report.

None of the Directors who held office at the date of approval of the financial statements held any share capital of the Company, save for Paul Venter who holds an indirect shareholding in the Company through PSCD Power1 Limited of 0.31%.

Significant Shareholdings

The Company has been informed that the following shareholders own 3% or more beneficial interest, either direct or indirect, in the issued share capital of the Company:

Percentage of Issued Share Capital			
Shareholder	**29 April 2025**	**31 December 2024**	**31 December 2023**
RiverFort Global Opportunities PCC Ltd	**15.99%**	**19.52%**	**-**
Kibo Mining (Cyprus) Limited	-	-	47.08%%
Care 1 Guernsey Limited	-	-	5.48%

Subsidiary Undertakings

Details of the Company's subsidiary undertakings are set out in Note 21 to the financial statements.

Political and Charitable Donations

During the period, the Group made no charitable or political contributions (2023: £ nil).

DIRECTORS' REPORT

Going Concern

The financial results have been prepared on the going concern basis that contemplates the continuity of normal business activities, the realisation of assets and the settlement of liabilities in the normal course of business.

In performing the going concern assessment, the Board considered various factors, including the availability of cash and cash equivalents, data relating to working capital requirements for the foreseeable future, cashflows from operational activities, available information about the future, the possible outcomes of planned events, changes in future conditions, geopolitical events (e.g. escalation of the Ukraine conflict), and the responses to such events and conditions that would be available to the Board. Refer to note 24 for further details on each of the above.

Although there is no guarantee, the Directors have a reasonable expectation that the Group will be able to raise further financing to support its ongoing development and commercialisation activities and continue in operational existence for the next 12 months, from date of sign off of these financial statements. The directors have concluded that the combination of these circumstances represents a material uncertainty that casts significant doubt upon the Group's ability to continue as a going concern and that, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. As the Board is confident it would be able to successfully implement the above responses, it has adopted the going concern basis of accounting in preparing the consolidated financial statements.

Dividends

There have been no dividends declared or paid during the current financial period (2023: £Nil).

Corporate Governance Policy

The Board is aware of the importance to conform to its statutory responsibilities and industry good practice in relation to corporate governance of the Group and, as a result, has adopted the Quoted Companies Alliance Corporate Governance Code (the 'QCA Code').

The Company's statement of compliance against the QCA code is set out on pages 25 to 26.

Internal Audit

The Group does not have an internal audit function. Currently, the operations of the Group do not warrant an internal audit function, however, the Board is assessing the need to establish an internal audit department in consideration of future prospects as the Group's operations increase. During the period under review, the Board has taken responsibility to ensure effective governance, risk management and that the internal control environment is maintained.

Health, Safety and Environmental Policy

The Group is committed to high standards of Health, Safety and Environmental performance across the business. The goal is to protect people, minimise harm to the environment, integrate biodiversity considerations and reduce disruption to neighbouring communities. The Group seeks to achieve continuous improvement in its Health, Safety and Environmental performance.

Corporate Social Responsibility Policy

The Group's policy is to conduct all business operations to best industry standards and to behave in a socially responsible manner. The goal is to behave ethically and with integrity and to respect cultural, national and religious diversity.

Governance of Information Technology (IT)

The Board is responsible for IT governance as an integral part of the Group's governance. The IT function is not expected to significantly change in the foreseeable future. The Board has the required policies and procedures in place to ensure governance of IT is adhered to.

DIRECTORS' REPORT

Integrated and Sustainability Reporting and Environmental responsibility

Integrated Reporting is defined as a "holistic and integrated representation of the Group's performance in terms of both its finances and its sustainability". The Group currently does not have a separate integrated report. The Board and its sub-committees are in the process of assessing the principles and practices of integrated reporting and sustainability reporting to ensure that adequate information about the operations of the Group, the sustainability issues pertinent to its business, the financial results and the results of its operations and cashflows are disclosed in a single report.

The Company recognises that its activities require it to have regard to the potential impact that it, its subsidiaries and partners may have on the environment. Where energy development projects are undertaken, care is taken to limit the amount of disturbance and where any remediation works are required, they are carried out as and when required.

Once commercial production is undertaken, the Group ensures adequate provisions or rehabilitation, and decommissioning is made in accordance with the relevant laws and regulations.

Refer to page 15 in the Strategic report for detailed disclosure per the TCFD requirements.

Statement of Directors' Responsibility

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards as adopted by the United Kingdom.

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

In preparing these financial statements, the Directors are required to:

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

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

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

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

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

DIRECTORS' REPORT

The Board

The Board is responsible for the supervision and control of the Group and is accountable to the shareholders. The Board has reserved decision-making on a variety of matters, including determining strategy for the Group, reviewing and monitoring executive management performance and monitoring risks and controls.

The Board has two Directors, comprising of an executive director and one non-executive director who also acts as non-executive Chairman. The Board met formally on 15 (fifteen) occasions during the year ended 31 December 2024. An agenda and supporting documentation were circulated in advance of each meeting. All the Directors bring independent judgement to bear on issues affecting the Group and all have full and timely access to information necessary to enable them to discharge their duties. The Directors have a wide and varying array of experience in the industry.

Auditors

The auditors, Crowe U.K. LLP, were appointed as the Company's auditors at incorporation and have indicated their willingness to continue in office in accordance with section s475 of the Companies Act 2006.

Annual General Meeting

Notice of the forthcoming Annual General Meeting of the Company, together with resolutions relating to the Company's ordinary and special business, will be given to the members separately.

Provision of information to the auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- So far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- That Director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditor is aware of that information.

This report was approved by the Board on 29 April 2025 and signed on its behalf by:

On behalf of the Board

Pieter Krügel **Paul Venter**

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report to the Members of Mast Energy Developments Plc

Opinion

We have audited the financial statements of Mast Energy Developments Plc (the "company") and its subsidiaries (the "group") for the year ended 31 December 2024 which comprise Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows, Company Statement of Cash Flows and notes to the financial statements, including material accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent company's affairs as at 31 December 2024 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty relating to going concern

We draw attention to the Going Concern section on page 48 of the financial statements. As detailed in the relevant note on page 75, the cash shortfalls forecast in the directors' base case scenario without an immediate cash injection, the uncertainty surrounding the availability of funds to finance the commercial development of the group and company's projects through to cash generation, as well as ongoing working capital requirements, indicates the existence of a material uncertainty that may cast significant doubt on the group and company's ability to continue as a going concern. Our opinion is not modified in respect of this matte

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

- obtaining an understanding of directors' going concern assessment and working capital management process and evaluating the design and implementation of embedded controls.
- reviews of directors' cash flow forecasts for at least twelve months from the date of accounts approval.
- challenge to assumptions that directors made, having assessed the historical accuracy of assumptions made in the forecasts prepared by management to the actuals (retrospective review).
- obtaining supporting evidence for the options available to directors for further fundraising, or additional sources of funding, such as the additional drawdown on the existing facilities and long term equity finance at project level.
- assessment of the post-year end performance including revenues generated and the cash position as compared to the budget.
- understanding what forecast expenditure is committed and what could be considered discretionary.
- considering potential downside scenarios and the resultant impact on available funds.
- assessing the appropriateness of the disclosure in the financial statements relating to the going concern position of the group, including consideration of the material uncertainty identified.

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

INDEPENDENT AUDITOR'S REPORT

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the financial statements as a whole to be £69,500 (2023: £66,000), based on approximately 5% of normalised group loss. Materiality for the parent company financial statements was set at £45,000 (2023: £50,000), based on 5% of normalised loss for the period. We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. Performance materiality was set at 70% of materiality for the financial statements as a whole, which equates to £41,700 (2023: £46,200). Performance materiality for the parent company was set at 70% of the parent company materiality, which equates to £27,000 (2023: £30,000).

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Risk, Audit and Financial Position & Prospects Procedure (FPPP) Committee and the Board to report to it all identified errors in excess of £3,475 (2023: £3,300). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

The group operates in the UK, and therefore the audit was conducted from the UK. The group audit team also undertook full scope audit of the individual trading subsidiaries of the group.

Our audit effort focused on higher risk areas, such as areas of management estimate and judgement, and revenue recognition. The audit approach and key audit matters identified in the current year have remained largely consistent with the prior year, being predominantly substantive, due to the business operations and group structure remaining consistent. As such, we placed limited reliance upon the group's internal control over financial reporting.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

INDEPENDENT AUDITOR'S REPORT

Key audit matter	*How our scope addressed the key audit matter*
Carrying value of intangible assets (group) and investment in subsidiary (parent only)	
The parent company holds a significant investment in subsidiary balance that is supported by a value in use cashflow model. The balance of the investment in subsidiary at 31 December 2024 is £4,303,801 as disclosed in Note 20. The value in use assessment also supports the carrying value of the intangible assets. It is a forecast-based management estimate, underpinned by the future cash flows generated by the underlying projects, discounted to net present value. The balance of Group intangible assets at 31 December 2024 is £247,405 as disclosed in Note 11. There is an indicator of impairment because the market capitalisation of the Group is less than the net assets of the parent and Group. The risk is that potential impairment is not identified on a timely basis, as well as a risk that the underlying assumptions and judgements made in the cashflow forecasts do not support the valuation or are not attainable and the assets therefore require an impairment. The group's accounting policy for impairment and intangible assets is set out on page 49 of the financial statements. The key assumptions involved in estimating the value in use of the underlying projects which support the valuation of intangible assets and investment in subsidiary are presented in Note 11.	We reviewed the accounting policies adopted by management in relation to the impairment assessment of intangible assets and investments in subsidiaries, confirmed that these are compliant with IFRS and have been applied consistently. We have assessed the design and implementation of systems and controls relevant to the impairment assessment. We challenged the key estimates and assumptions made in the value in use calculation prepared by a third party and updated by management, such as the amounts and timing of the forecast cash flows, length of the model, the discount factor, and the sensitivities applied. We compared the group's assumptions to externally derived data in relation to key inputs in particular the discount rate applied. Based on the models provided, management had initially proposed certain impairment reversals. We challenged management regarding conditions for the reversal of impairments, including whether the conditions for such a reversal are sustainable. As a result of this challenge, no impairment reversal has been recognised in these financial statements. We ensured that the financial statements disclosures are fairly presented, complete and accurate. Based on the work performed, we are satisfied that the judgement and assumptions used by management in their impairment assessment are appropriate. We refer to Note 11 for the results of management's sensitivity analysis.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion based on the work undertaken in the course of our audit
- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report and the strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibility set out on page 33, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We obtained an understanding of the legal and regulatory frameworks within which the group and company operate, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and Taxation legislation.

We assessed the nature of the group's business, the control environment and performance to date when evaluating the incentives and opportunities to commit fraud.
We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management to manipulate financial reporting through bias in accounting estimates, override of controls with the aim of misappropriating funds, and fraud in revenue recognition.

INDEPENDENT AUDITOR'S REPORT

Our procedures to address the risk of management override included:

- enquiries of management and directors about their own identification and assessment of the risks of irregularities;
- perform walkthroughs and assess the design and implementation of systems and controls;
- review of the system for the generation, authorisation and posting of journal entries;
- obtaining supporting evidence for a risk-based sample of journals, derived using a data analytics tool;
- audit of significant transactions outside the normal course of business, or those that appear unusual, including incorporating an element of unpredictability through enquiries with those outside of the finance function;
- considering audit adjustments identified from our audit work for evidence of bias in reporting;
- considering significant estimates and judgements made by management for evidence of bias, and performing retrospective reviews;
- reviewing the other information presented in the annual report for fair representation and consistency with the audited financial statements and the information available to us as the auditors.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

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

Other matters which we are required to address

We were appointed by the Risk, Audit and FPPP Committee on 31 January 2022 to audit the financial statements for the period ended 31 December 2021. Our total uninterrupted period of engagement is 4 years, covering the period ended 31 December 2021 and years ended 31 December 2022, 31 December 2023 and 31 December 2024.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

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

John Glasby

Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
55 Ludgate Hill
London
EC4M 7JW

29 April 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Group	
		Year ended 31 December 2024 Audited	Year ended 31 December 2023 Audited
	Note	£	£
Revenue	2	737,158	341,207
Cost of sales		(441,541)	(223,838)
Gross profit		**295,617**	**117,369**
Administrative expenses		(764,441)	(941,941)
Impairments	11	-	(1,857,604)
Listing and other corporate fees		(130,421)	(464,853)
Project expenditure		(340,582)	(343,718)
Operating loss		**(939,827)**	**(3,490,747)**
Other income	3	87,005	40,375
Finance income		18	1,117
Finance costs		(244,629)	(90,139)
Loss before tax	4	**(1,097,433)**	**(3,539,394)**
Taxation	7	-	-
Loss for the period		**(1,097,433)**	**(3,539,394)**
Total comprehensive loss for the period		**(1,097,433)**	**(3,539,394)**
Loss for the period		**(1,097,433)**	**(3,539,394)**
Attributable to the owners of the parent		(1,097,433)	(3,539,394)
Attributable to the non-controlling interest		-	-
Total comprehensive loss for the period		**(1,097,433)**	**(3,539,394)**
Attributable to the owners of the parent		(1,097,433)	(3,539,394)
Attributable to the non-controlling interest		-	-
Loss Per Share			
Basic loss per share(pence)	9	(0.32)	(1.51)
Diluted loss per share(pence)	9	(0.32)	(1.51)

All activities derive from continuing operations.

The accompanying notes on pages 47-76 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Group	
		31 December 2024 Audited	31 December 2023 Audited
	Note	£	£
Assets			
Non-current assets			
Property, plant and equipment	10	3,278,530	2,080,869
Intangible assets	11	247,405	397,779
Total non-current assets		**3,525,935**	**2,478,648**
Current assets			
Other receivables	13	364,469	122,649
Cash and cash equivalents	14	146,446	252
Total current assets		**510,915**	**122,901**
Total assets		**4,036,850**	**2,601,549**
Equity and liabilities			
Equity			
Called up share capital	15	426,354	263,854
Share premium account	15	13,326,277	13,183,277
Share reserve	15	-	81,329
Warrant reserve	16	400,241	380,741
Common control reserve	16	383,048	383,048
Non-controlling interest acquired	16	(4,065,586)	(4,065,586)
Retained deficit		(11,708,605)	(10,611,172)
Total equity		**(1,238,271)**	**(384,509)**
Liabilities			
Non-current liabilities			
Lease liability	10	341,149	405,390
Other financial liabilities	19	2,268,089	318,925
Total non-current liabilities		**2,609,238**	**724,315**
Current liabilities			
Lease liability	10	3,867	4,205
Loans from related parties	17	-	849,253
Trade and other payables	18	696,049	941,688
CLN Derivative liability	19	-	22,232
Other financial liabilities	19	1,965,967	444,365
Total current liabilities		**2,665,883**	**2,261,743**
Total liabilities		**5,275,121**	**2,986,058**
Total equity and liabilities		**4,036,850**	**2,601,549**

The accompanying notes on pages 47-76 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 29 April 2025 and signed on its behalf by:

On behalf of the Board:

Pieter Krügel **Paul Venter**

COMPANY STATEMENT OF FINANCIAL POSITION

		31 December 2024 Audited	31 December 2023 Audited
		£	£
Assets			
Non-current assets			
Property, plant and equipment		838	2,427
Investments in group undertakings	12 & 20	4,303,801	4,469,113
Total non-current assets		**4,304,639**	**4,471,540**
Current assets			
Other receivables	13	27,622	30,862
Cash and cash equivalents	14	43,207	6
Total current assets		**70,829**	**30,868**
Total assets		**4,375,468**	**4,502,408**
Equity and liabilities			
Equity			
Called up share capital	15	426,354	263,854
Share premium	15	13,326,277	13,183,277
Share reserve	15	-	81,329
Warrant reserve	16	400,241	380,741
Retained deficit		(11,497,255)	(10,713,861)
Total Equity		**2,655,617**	**3,195,340**
Liabilities			
Non-current liabilities			
Other financial liabilities	19	-	318,925
Total non-current liabilities		**-**	**318,925**
Current liabilities			
Other financial liabilities	19	938,921	444,365
Loans from related parties	17	375,047	-
CLN Derivative liability	19	-	22,232
Trade and other payables	18	405,883	521,546
Total current liabilities		**1,719,851**	**988,143**
Total liabilities		**1,719,851**	**1,307,068**
Total equity and liabilities		**4,375,468**	**4,502,408**

Equity includes a loss for the period of the parent Company of £783,394 (2023: loss of £5,814,868).

The accompanying notes on pages 47-76 form integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 29 April 2025 and signed on its behalf by:

On behalf of the Board:

PBrügel

Wenter.

Pieter Krügel | **Paul Venter**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium	Share Reserve	Common Control Reserve	Warrants Reserves	Non-controlling interest acquired	Retained deficit	Total
	£	£	£	£	£	£	£	£
Balance at 31 December 2022	**217,453**	**12,653,607**	**-**	**383,048**	**-**	**(4,065,586)**	**(7,071,778)**	**2,116,744**
Total comprehensive loss for the period	-	-	-	-	-	-	(3,539,394)	(3,539,394)
Warrants issued during the year	-	-	-	-	380,741	-	-	380,741
Loans partially settled in shares	14,755	92,317	-	-	-	-	-	107,072
Directors loan repayable in shares	-	-	81,329	-	-	-	-	81,329
Loan with holding company settled in shares	31,646	437,353	-	-	-	-	-	468,999
Balance at 31 December 2023	**263,854**	**13,183,277**	**81,329**	**383,048**	**380,741**	**(4,065,586)**	**(10,611,172)**	**(384,509)**
Total comprehensive loss for the period	-	-	-	-	-	-	(1,097,433)	(1,097,433)
Shares issued	162,500	143,000	-	-	19,500	-	-	325,000
Derecognition of equity component of directors' loan repayable in shares	-	-	(81,329)	-	-	-	-	(81,329)
Balance at 31 December 2024	**426,354**	**13,326,277**	**-**	**383,048**	**400,241**	**(4,065,586)**	**(11,708,605)**	**(1,238,271)**

The notes on pages 47-76 form part of the financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium	Share Reserve	Warrants Reserve	Retained deficit	Total
	£	£	£	£	£	£
Balance at 31 December 2022	**217,453**	**12,653,607**	**-**	**-**	**(4,898,993)**	**7,972,067**
Total comprehensive loss for the period	-	-	-	-	(5,814,868)	(5,814,868)
Warrants issued during the year	-	-	-	380,741	-	380,741
Loans partially settled in shares	14,755	92,317	-	-	-	107,072
Directors loan repayable in shares	-	-	81,329	-	-	81,329
Loan with holding company settled in shares	31,646	437,353	-	-	-	468,999
Balance at 31 December 2023	**263,854**	**13,183,277**	**81,329**	**380,741**	**(10,713,861)**	**3,195,340**
Total comprehensive loss for the period	-	-	-	-	(783,394)	(783,394)
Loans partially settled in shares	162,500	143,000	-	19,500	-	325,000
Derecognition of equity component of director's loan repayable in shares	-	-	(81,329)	-	-	(81,329)
Balance at 31 December 2024	**426,354**	**13,326,277**	**-**	**400,241**	**(11,497,255)**	**2,655,617**

The accompanying notes on pages 47-76 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Year ended 31 December 2024 Audited £	Year ended 31 December 2023 Audited £
Cash flows from operating activities			
Loss for the period before taxation		(1,097,433)	(3,539,394)
Adjusted for:			
Impairment of intangible assets		-	1,397,904
Impairment of property, plant and equipment		-	459,700
Depreciation		78,894	74,542
Gains on disposal of non-current assets and liabilities	3&12	(87,005)	-
Implementation fee on reprofiling of convertible loan notes			48,950
Loss on revaluation of CLN derivative liabilities		-	86,558
Non-cash interest accrued		244,629	88,731
Amounts due settled from share issue proceeds		64,500	
Amounts due settled from Rochdale disposal proceeds		41,234	
Other non-cash items		11,451	369
		(743,730)	**(1,382,640)**
Movement in working capital:			
Increase / (Decrease) in debtors	13	(241,820)	14,152
(Decrease) / Increase in creditors	18	(245,639)	641,363
		(487,459)	**655,515**
Net cash outflows from operating activities		**(1,231,189)**	**(727,125)**
Cash flows from investing activities			
Disposal of subsidiary		216,936	-
Property, plant and equipment acquired		(1,636,555)	-
Property, plant and equipment disposed		270,000	-
Net cash outflows to investing activities		**(1,149,619)**	**-**
Cash flows from financing activities			
Lease liabilities repaid		(39,826)	(39,292)
Proceeds from convertible loan notes		-	85,800
Proceeds from term loan		2,839,297	-
Proceeds from director's loan		-	81,329
Proceeds from shareholders loan		-	86,615
Repayments of term loan		(529,969)	-
Repayments of director's loan		(3,000)	-
Shares issued net of share issue costs		260,500	-
Warrants issued		-	380,741
Net cash received from financing activities		**2,527,002**	**595,193**
Net increase / (decrease) in cash and cash equivalents		**146,194**	**(131,932)**
Cash and cash equivalents at beginning of period		252	132,184
Cash and cash equivalents at end of the period	14	**146,446**	**252**

The accompanying notes on pages 47-76 form an integral part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS

	Notes	Year ended 31 December 2024 Audited £	Year ended 31 December 2023 Audited £
Cash flows from operating activities			
Loss for the period before taxation		(783,394)	(5,814,868)
Adjusted for:			
Non-cash interest accrued		75,071	52,772
Depreciation		1,588	1,589
Impairment of investments in subsidiaries		-	4,371,432
Implementation fee on reprofiling of convertible loan notes			48,950
Loss on disposal of non-current assets		613	-
Loss / (gain) on revaluation of CLN derivative liabilities		(1,374)	86,558
Amounts due settled from share issue proceeds		64,500	-
Other non-cash items		1	267
		(642,995)	**(1,253,300)**
Movement in working capital:			
Increase in debtors	13	(45,360)	(14,405)
(Decrease) / Increase in creditors	18	(115,663)	422,347
		(161,023)	**407,942**
Net cash outflows from operating activities		**(804,018)**	**(845,358)**
Cash flows from investing activities			
Investment in subsidiaries		(50,864)	-
Return of capital contribution in subsidiaries		216,936	248,678
Net cash received from / (outflows to) investing activities		**166,072**	**248,678**
Cash flows from financing activities			
Proceeds from convertible loan notes		-	85,800
Proceeds from director's loan		-	81,329
Proceeds from loans from group companies		423,647	-
Shares issued net of share issue costs		260,500	-
Repayments of director's loan		(3,000)	-
Warrants issued		-	380,741
Net cash received from financing activities		**681,147**	**547,870**
Net increase / (decrease) in cash and cash equivalents		**43,201**	**(48,810)**
Cash and cash equivalents at beginning of period		6	48,816
Cash and cash equivalents at end of the period	14	**43,207**	**6**

The accompanying notes on pages 47-76 form an integral part of these financial statements.

During the year the loan from group companies was partially settled in the amount of £48,600 through the provision of services by the Company to its subsidiary Pyebridge. This transaction was treated as a non-cash movement in debtors and loans from group companies.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

General Information

MAST Energy Developments PLC ("the Company") is a Company incorporated in England and Wales. The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group").

The principal activities of the Company and its subsidiaries are related to the development and production of power generation projects in the United Kingdom.

The individual financial statements of the Company ("Company financial statements") have been prepared in accordance with the Companies Act 2006 which permits a Company that publishes its Company and Group financial statements together, to take advantage of the exemption in Section 408 of the Companies Act 2006, from presenting to its members its Company Income Statement and related notes that form part of the approved Company financial statements.

Going Concern

Please refer to the Directors' Report and Note 24 for the directors' assessment and disclosure of the going concern basis of preparation.

Statement of Preparation

The Group and Company's financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards adopted by the United Kingdom. The individual financial statements of the Company ("Company financial statements") have been prepared in accordance with the Companies Act 2006 and UK adopted international financial reporting standards.

Statement of Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

Basis of Preparation

The Group and Company financial statements are prepared on the historical cost basis except for certain financial instruments which are at fair value. The accounting policies have been applied consistently throughout the Group entities, and are consistent with those of the comparative period. The Group and Company financial statements have been prepared on a going concern basis as explained in the notes to the financial statements.

The individual financial information of each Group entity is measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial information of the Group is presented in Pounds Sterling, which is the presentation currency for the Group. The functional currency of each of the Group entities is the local currency of each individual entity.

Use of Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

In particular, there are significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

Estimation uncertainty:
Information about estimates and assumptions that may have the most significant effect on recognition and measurement on assets, liabilities and expenses is provided below:

Impairment assessment of non-financial assets
In applying IAS 36, impairment assessments are performed whenever events or changes in circumstances indicate that the carrying amount of an asset or cash generating unit ("CGU") may not be recoverable. Estimates are made in determining the recoverable amount of assets which includes the estimation of cash flows and discount rates used. In estimating the cash flows, management bases cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the assets. The discount rates used reflect the current market assessment of the time value of money and the risks specific to the assets for which the future cash flow estimates have not been adjusted. Refer to Note 11 for detailed sensitivity analysis related to a potential change in the key estimation uncertainties inherent in the impairment assessment.

Useful life of Intangible assets
Amortisation is charged on a systematic basis over the estimated useful lives of the assets after taking into account the estimated residual values of the assets. Useful life is either the period of time over which the asset is expected to be used or the number of production or similar units expected to be obtained from the use of the asset.

Estimation uncertainty in the valuation of share-based instruments in issue
Share-based instruments issued, such as warrants or options, or payments made require significant judgment and estimate concerning the method of valuation applied and key inputs applied respectively. In order to calculate the charge for share based warrants issued or payments as required by IFRS 9 and IFRS 2 respectively, the Group makes estimates principally relating to the assumptions used in its option-pricing model. Refer to Note 16 for details on valuation of share-based transactions, including options and warrants granted.

Useful life of Property, plant and Equipment
The depreciable amounts of assets are allocated on a systematic basis over their useful lives. In determining the depreciable amount, management makes assumptions in respect of the residual value of assets based on the expected estimated amount that the entity would currently obtain from disposing the asset, after deducting the estimated costs of disposal. If an asset is expected to be abandoned, the residual value is estimated at £nil. In determining the useful lives of assets, management considers the expected period of use of assets, expected physical wear and tear, legal or similar limits of assets such as rights, condition and location of the asset as well as obsolescence.

Estimation uncertainty in the accrual for variable revenue in relation to electricity generation
The group's revenue is dependent on the sale of electricity through an offtake partner based on the quantity of variable units generated over the course of the year. The utilisation rate is determined by the offtake partner who in turn relies on on-demand electricity request from the applicable service area. The group estimates its accrued revenue based on preliminary data received from the offtake partner which is obtained daily from the portal. Upon receipt of the final monthly invoice, which is usually in time for year-end reporting purposes, the estimates are updated to the actual values. No estimation uncertainties exist over fixed amount contracts for management fees and capacity market revenues.

Critical judgements:
Information about critical judgements that may have the most significant effect on recognition and measurement on assets, liabilities and expenses is provided below:

Going Concern
The Groups liabilities exceed its assets as at 31 December 2024, mainly due to the loan from the former ultimate holding company ceded to institutional investments and convertible loan notes of £849,253 and £854,594 respectively (2023: loans from related parties £849,253) which contributes significantly to the material uncertainty related to the going concern assumption applied in preparation of the financial statements. Management applies judgement in determining whether or not the Group is able to continue as a going concern for the foreseeable future, in identifying the matters which give rise to the existence of the material uncertainty, and in developing responses thereto in order to address the risk of material uncertainty. Refer to Note 24 for further information regarding the Going Concern assessment.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

Consolidation

The consolidated annual financial statements comprise the financial statements of MAST Energy Developments PLC and its subsidiaries for the year ended 31 December 2024, over which the Company has control.

Control is achieved when the Company:
- has the power over the investee;
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affect its returns.

In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. Subsidiaries are fully consolidated from the date that control commences until the date that control ceases. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Intragroup balances and any unrealised gains or losses or income or expenses arising from intragroup transactions are eliminated in preparing the Group financial statements, except to the extent they provide evidence of impairment.

The Group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business Combinations are recognised at their fair values at acquisition date.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

Non-controlling interest arising from a business combination is measured either at their share of the net asset value of the assets and liabilities of the acquiree or at fair value. The treatment is not an accounting policy choice but is selected for each individual business combination, and disclosed in the note for business combinations.

Changes in the Group’s interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

Intangible Assets

Intangible assets acquired separately
Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives which are disclosed in Note 11. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Derecognition of intangible assets
An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment

Non-financial assets
Assets are reviewed for impairment at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Comprehensive Income immediately.

Property, Plant and Equipment

Property, Plant and Equipment is stated at cost, less accumulated depreciation.

Cost includes expenditure that is directly attributable to the acquisition of the items of property, plant and equipment. The cost of self-constructed items of property, plant and equipment includes the cost of materials and direct labour, any other costs directly attributable to bringing the items of property, plant and equipment to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Assets under construction are not depreciated.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

- Plant & machinery at 5% straight line;
- Right of Use assets straight line over the lower of asset life or lease term.

Depreciation methods, useful lives and residual values are reviewed at each reporting date. Useful lives are affected by technology innovations, maintenance programmes and future economic benefits. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

On disposal of property, plant and equipment the cost and the related accumulated depreciation and impairments are removed from the financial statements and the net amount, less any proceeds, is taken to the Statement of Comprehensive Income.

Right-of-use assets and corresponding lease liability

For any new contracts entered into the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, and any lease payments made in advance of the lease commencement date. The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. In determining the present value of the lease liability, the Group has used its incremental borrowing rate of prime as the rate implicit in the lease was not readily available. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts

SUMMARY OF MATERIAL ACCOUNTING POLICIES

expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.
The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in trade payables.

Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the Income Statement.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. The balance of unrecognised deferred tax assets for the year ended 31 December 2024 is £1,684,628 (2023: £1,410,270).

Employee benefits

Short-term benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonuses or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Finance income and expense

Finance income comprises interest income on funds invested, dividend income, gains on the disposal of available-for-sale financial assets, and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of listed securities is the ex-dividend date.

Finance expenses comprise interest expense on borrowings, unwinding of discount on provisions, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets and losses on forward exchange contracts that are recognised in profit or loss. All borrowing costs are recognised in profit or loss using the effective interest method.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

Earnings per Share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Financial Instruments

Recognition
Financial instruments comprise loans receivable, trade and other receivables, cash and cash equivalents, trade and other payables, other financial liabilities and bank overdrafts.
Financial assets and liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Classification
The Group classifies financial assets on initial recognition as measured at amortised cost as the Group's business model and objective is to hold the financial asset in order to collect the contractual cash flow and the contractual terms allows for cash flows on specified dates for the payment of the principal amounts outstanding.

Financial liabilities are classified at amortised cost.

Financial assets	**Classification**
Trade and other receivables	Financial assets at amortised cost
Cash and cash equivalents	Financial assets at amortised cost

Financial liabilities	**Classification**
Loans from related parties	Financial liabilities at amortised cost
Trade and other payables	Financial liabilities at amortised cost
Other financial liability	Financial liabilities at amortised cost
CLN Derivative liability	Financial liabilities at fair value through profit or loss

Financial assets are classified as current if expected to be realised or settled within 12 months from the reporting date; if not, they are classified as non-current. Financial liabilities are classified as non-current if the Group has an unconditional right to defer payment for more than 12 months from the reporting date.

Measurement on Initial recognition
All financial assets and liabilities are initially measured at fair value, including transaction costs.

Subsequent measurement
Financial assets held at amortised cost are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Financial assets held at fair value through profit or loss are revalued at year end to relevant market prices of the underlying instruments.

De-recognition
Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised when the obligations specified in the contracts are discharged, cancelled or expire.
On de-recognition of a financial asset/liability, any difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

Impairment of Financial Assets not carried at Fair value

Under IFRS 9 the Group calculates its allowance for credit losses as expected credit losses (ECLs) for financial assets measured at amortised cost. ECLs are a probability weighted estimate of credit losses.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in Groups that share similar credit risk characteristics.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in the profit or loss.

Warrant reserves

For such grants of share options or warrants qualifying as equity-settled share-based payments, the fair value as at the date of grant is calculated using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options or warrants were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options or warrants that are likely to vest, except where forfeiture is only due to market-based conditions not achieving the threshold for vesting.

Share capital

Incremental costs directly attributable to the issue of ordinary shares are recognised directly in equity.

Issue expenses and share premium account

Issue expenses are separately disclosed and not written off against the premium arising on the issue of share capital.

Share-based payment transactions of the company

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Revenue from contracts with customers

The Group and Company recognise revenue from the following major sources:

- Sale of electricity generated through small scale flexible power plants.
- Receipt of payments based on Capacity Market contracts to provide electricity capacity to the UK market during stress events.
- Provision of management services by the Company to its subsidiaries.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The revenue is generated upon consumption by the customer and is recognised at a point in time based on the variable consumption for the specific period for which the revenue is recognised.

The revenue recognition timing for each service line is as follows:

SUMMARY OF MATERIAL ACCOUNTING POLICIES

Over time
Capacity market – the revenue is recognised over time as the performance obligation is satisfied over the duration for which the capacity market contract has been agreed. The performance obligation relates to the availability to provide emergency capacity to the National Grid ESO in the event that a grid stress event occurs. The consideration for the contract term is fixed, however the value of the monthly payments is variable to the extent in which the monthly weightings have been applied to variable factors applicable to the cyclical nature of electricity supply throughout any given year. The revenue is recognised monthly with the availability of capacity being tested during Satisfactory Performance Days ("SPD"). In the event that a stress event occurs MED will accrue further electricity utilisation revenues based on the capacity utilised by the National Grid ESO.

Management services – the revenue is recognised over time as the performance obligation is satisfied over the duration of the contract review period. The performance obligations include a number of management related functions provided by MED to the projects under its control. The consideration for the contract term is fixed annually based on a fixed Tier Sum multiplied by the expected MW capacity of the relevant project. The capacity is determined by the generator hardware installed and its condition at review date.

At a point in time
Sale of electricity – the revenue is recognised at a point in time as the performance obligation is satisfied as it is consumed. The performance obligations are not predetermined in value and no requirements exist to provide a targeted amount of Power (measured in MW) during any given month. The consumer does not take any responsibility for the operation and maintenance of the power generation facilities. The revenue is recognised monthly based on the units consumed multiplied by the applicable market electricity price.

Customers are invoiced on a monthly basis and consideration is payable when invoiced.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

NEW STANDARDS AND INTERPRETATIONS

Standards issued but not yet effective:

At the date of authorisation of these financial statements, the following standards and interpretations relevant to the Group and which have not been applied in these financial statements, were in issue but were not yet effective.

<table>
<tr><th>Standard</th><th>Effective date, annual period beginning on or after</th></tr>
<tr><td>IFRS 9 (Financial Instruments) and IFRS 7 (Financial Instruments: Disclosures)

Amendments to IFRS 9 Financial Instruments

• the own-use requirements in IFRS 9 are amended to include the factors an entity is required to consider when applying IFRS 9:2.4 to contracts to buy and take delivery of renewable electricity for which the source of production of the electricity is nature-dependent; and
• the hedge accounting requirements in IFRS 9 are amended to permit an entity using a contract for nature-dependent renewable electricity with specified characteristics as a hedging instrument:
    o to designate a variable volume of forecast electricity transactions as the hedged item if specified criteria are met; and
    o to measure the hedged item using the same volume assumptions as those used for the hedging instrument.

Amendments to IFRS 7 Financial Instruments: Disclosures and IFRS 19 Subsidiaries without Public Accountability: Disclosures

The IASB amends IFRS 7 and IFRS 19 to introduce disclosure requirements about contracts for nature-dependent electricity with specified characteristics.</td><td>01 January 2026.</td></tr>
<tr><td>IFRS 18 (Presentation and Disclosure in Financial Statements)

The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity’s assets, liabilities, equity, income and expenses.</td><td>01 January 2027.</td></tr>
</table>

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material financial impact other than additional disclosures on the financial statements of the Group.

The Group expects to adopt all relevant standards and interpretations as and when they become effective.

Standards and interpretations which are effective in the current period (Changes in accounting policies):

None of the standards which became effective during the period which are applicable to the Group, have had a material impact.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1. Segment analysis

The Group discloses segmental analysis based on its different operations, being ADV 001 (Hindlip Lane), ARL 018 (Stather Road), Bordersley, Rochdale and Pyebridge.

	ADV001 Hindlip Lane	**ARL018 Stather Road**	**Bordersley**	**Rochdale**	**Pyebridge**	**Treasury and Investment**	**Group**
31 December 2024	**(£)**	**(£)**	**(£)**	**(£)**	**(£)**	**(£)**	**(£)**
Revenue	-	-	-	-	737,158	-	737,158
Cost of sales	-	-	-	-	(441,541)	-	(441,541)
Administrative and other expenses	(36,470)	(9,820)	(9,248)	(2,616)	(73,218)	(763,490)	(894,862)
Depreciation	-	-	-	-	(77,305)	(1,589)	(78,894)
Project costs	(2,278)	(512)	(6,717)	(1,171)	(299,424)	48,414	(261,688)
Other income	-	70,673				16,350	87,023
Finance costs	(230)	(3,690)	(29,309)	-	(136,329)	(75,071)	(244,629)
Operating profit/(loss)	**(38,978)**	**56,651**	**(45,274)**	**(3,787)**	**(290,659)**	**(775,386)**	**(1,097,433)**
Total assets	**110,597**	**5,248**	**50,749**	**-**	**3,591,046**	**279,210**	**4,036,850**
Capital expenditure	-	-	-	-	1,636,555	-	1,636,555
Total liabilities	**(128,077)**	**(59,657)**	**(398,656)**	**-**	**(2,595,350)**	**(2,093,381)**	**(5,275,121)**
31 December 2023	**(£)**	**(£)**	**(£)**	**(£)**	**(£)**	**(£)**	**(£)**
Revenue	-	-	-	-	341,207	-	341,207
Cost of sales	-	-			(223,838)	-	(223,838)
Administrative and other expenses	(14,302)	(20,313)	(37,736)	(9,377)	(46,424)	(1,319,017)	(1,447,169)
Depreciation	-	(2,509)	(11,941)		(58,504)	(1,588)	(74,542)
Impairment	-	(208,398)	(1,649,206)	-	-	-	(1,857,604)
Project costs	(38,434)	(5,743)	(27,972)	(23,396)	(173,631)	-	(269,176)
Other income					126,933	(86,558)	40,375
Loss before tax	**(52,736)**	**(236,963)**	**(1,726,855)**	**(32,773)**	**(34,257)**	**(1,407,163)**	**(3,490,747)**
Total assets	**9,163**	**117,215**	**392,155**	**91,134**	**2,020,584**	**28,702**	**2,658,953**
Total liabilities	**(25,979)**	**(139,276)**	**(389,225)**	**(38,391)**	**(174,537)**	**(2,218,650)**	**(2,986,058)**

As the Group currently operates solely from the United Kingdom, consequently there is no segmented disclosure with regard to different geographic areas of operation.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. Revenue

	31 December 2024 (£) Group	**31 December 2023 (£) Group**
Wholesale electricity sales	463,073	261,126
Capacity market	274,085	80,081
	737,158	**341,207**
Disaggregation of Income:		
- At a point in time	463,072	261,126
- Over time	274,085	80,081
	737,158	**341,207**

	31 December 2024 (£) Company	**31 December 2023 (£) Company**
Management fee	48,600	-
Disaggregation of Income:		
- Over time	48,600	-

Revenue at group level comprised electricity sales and capacity market receipts. Revenue at company level comprised management fees charged to subsidiaries.

3. Other Income

	31 December 2024(£) Group	**31 December 2023 (£) Group**
Reversal of gain on revaluation of CLN derivative liabilities	-	(86,558)
Gain on disposal of subsidiary assets	16,332	-
Gain on derecognition of lease	70,673	-
Insurance claims	-	126,933
	87,005	**40,375**

During the financial year the Group had no other income not listed above.

4. Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after the following key transactions:	**31 December 2024 (£) Group**	**31 December 2023 (£) Group**
Depreciation of property, plant and equipment	78,894	74,542
Impairment of intangible assets & property, plant and equipment	-	1,857,604
Reversal of gain on revaluation of CLN derivative liabilities	-	86,558

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

5. Auditors remuneration

	31 December 2024 (£)	31 December 2023 (£)
Audit fees for the audit of the Company's annual accounts	21,000	20,000
Fees payable to the Company's auditor and its associates for:		
Audit fees for audit of Company's subsidiaries required by legislation	32,275	43,875
Audit fees to the Company's auditors	**53,275**	**63,875**
Non-audit services (Reporting Accountant Engagement)	-	14,400

6. Directors' emoluments

	Group 31 December 2024 (£)	Group 31 December 2023 (£)	Company 31 December 2024(£)	Company 31 December 2023 (£)
Basic salary and fees	221,444	265,844	221,444	265,844
	221,444	**265,844**	**221,444**	**265,844**

The emoluments of the Chairman were £20,550 (2023: £36,000).

The emoluments of the highest paid Director were £157,844 (2023: £157,844).

The following table summarises the remuneration applicable to each of the individuals who held office as a Director during the reporting period:

31 December 2024	Salary and fees £	Salary and fees settled in shares £	Warrants issued £	Total £
Louis Coetzee	20,550	-	-	20,550
Pieter Krügel	157,844	-	-	157,844
Paul Venter	22,500	-	-	22,500
Dominic Traynor	20,550	-	-	20,550
Total	**221,444**	**-**	**-**	**221,444**

31 December 2023	Salary and fees £	Salary and fees settled in shares £	Warrants issued £	Total £
Louis Coetzee	36,000	-	-	36,000
Pieter Krügel	157,844	-	-	157,844
Paul Venter	36,000	-	-	36,000
Dominic Traynor	36,000	-	-	36,000
Total	**265,844**	**-**	**-**	**265,844**

Director salaries and fees accrued as at 31 December 2024 amount to £182,912 (2023: £112,858).

There were no other elements of Director's remuneration incurred in the current or prior period, other than those stated above.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

7. Taxation

Current tax

	31 December 2024 (£)	31 December 2023 (£)
Charge for the period in the United Kingdom	-	-
Total tax charge	**-**	**-**

The difference between the total current tax shown above and the amount calculated by applying the standard rate of corporation tax for various jurisdictions to the loss before tax is as follows:

	2024 (£)	2023 (£)
Loss on ordinary activities before tax	**(1,097,433)**	**(3,539,394)**
Income tax expense calculated at 25% (2023: 25%)	(274,358)	(884,849)
Expenses which are not deductible –Impairment of intangible assets and property, plant and equipment	-	464,401
Losses available for carry forward for which no deferred tax assets are recognised	274,358	420,448
Income tax expense recognised in the Statement of Profit or Loss	-	-

The effective tax rate used for the December 2024 and December 2023 reconciliations above is the corporate rate of 25% and 25% payable respectively by corporate entities on taxable profits under tax law in the United Kingdom. The corporate rate changed effective 1 April 2023.

No provision has been made for the 2024 deferred taxation as no taxable income has been received to date, and the probability of future taxable income is indicative of current market conditions which remain uncertain.

At the Statement of Financial Position date, the Directors estimate that the Group has unused tax losses of £6,735,512 (2023: £5,641,079) available for potential offset against future profits which equates to an estimated potential deferred tax asset of £1,684,628 (2023: £1,410,270).

Losses may be carried forward indefinitely in accordance with the applicable taxation regulations ruling within each of the above jurisdictions.

8. Loss of parent Company

As permitted by Section 408 of the Companies Act 2006, the Statement of Profit or Loss of the parent Company has not been separately disclosed in these financial statements. The parent Company's loss for the financial period was £783,394 (2023: loss of £5,814,868).

Furthermore, in terms of the Section 414(1) of the Companies Act 2006, the Statement of Profit or Loss of the parent Company has been approved by the Directors.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

9. Loss per share

Basic loss per share
The basic loss and weighted average number of ordinary shares used for calculation purposes comprise the following:

Basic loss per share	**31 December 2024 (£)**	**31 December 2023 (£)**
Loss for the period attributable to equity holders of the parent	(1,097,433)	(3,539,394)
Weighted average number of ordinary shares for the purposes of basic loss per share	340,131,101	234,172,196
Basic loss per ordinary share (pence)	(0.32)	(1.51)

The Group has no dilutive instruments in issue as at year end.

10. Property, plant and equipment

Group	**Land (£)**	**Plant & Machinery (£)**	**Right of use assets (£)**	**Computer Equipment (£)**	**Asset under constructio n (£)**	**Total (£)**
Cost						
Cost as at 1 January 2024	**602,500**	**1,538,629**	**418,157**	**4,766**	**126,800**	**2,690,852**
Derecognition of leases			(62,717)			(62,717)
Additions		1,604,340			32,215	1,636,555
Disposals	(90,000)	(270,000)				(360,000)
Closing Cost as at 31 December 2024	**512,500**	**2,872,969**	**355,440**	**4,766**	**159,015**	**3,904,690**
Accumulated Depreciation ("Acc Depr")						
Acc Depr as at 1 January 2024	**-**	**(111,136)**	**(418,157)**	**(2,340)**	**(78,350)**	**(609,983)**
Depreciation	-	(77,306)	-	(1,588)	-	(78,894)
Reversal of impairment	-	-	-	-	-	-
Derecognition of leases	-	-	62,717	-	-	62,717
Acc Depr as at 31 December 2024	**-**	**(188,442)**	**(355,440)**	**(3,928)**	**(78,350)**	**(626,160)**
Carrying value						
Carrying value as at 31 December 2023	**602,500**	**1,427,493**	**-**	**2,426**	**48,450**	**2,080,869**
Carrying value as at 31 December 2024	**512,500**	**2,684,527**	**-**	**838**	**80,665**	**3,278,530**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

During the year, the Group reassessed its property, plant and equipment's value in use and found that the conditions that previously lead to its impairment have improved. This has led to reversal of impairments.

The Group has two lease contracts recognised as right of use assets for:
- Land located at Bordersley, Liverpool St. Birmingham and;
- Land lying on the South Side of Stather Road, Flixborough. This lease has been derecognised following deed of variations entered into with the lessors delaying the inception date of the lease until such time that the conditions linked to the inception date are met. There is no clear indication of the date in which the conditions will be met.

The land has a lease term of 20 years, with an option to extend for 10 years which the Group has opted to include due to the highly likely nature of extension as at the time of the original assessment.

The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group's incremental borrowing rate is 10.38% (2023: 10.38%).

	31 December 2024(£) Group	**31 December 2023(£) Group**
Right of use assets		
Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:		
Opening balance	**-**	**333,525**
Change in lease	-	62,274
Reversal of impairment /(Impairment)	-	(381,350)
Depreciation	-	(14,449)
Closing balance	**-**	**-**
Lease liability		
Set out below are the carrying amounts of lease liabilities and the movements during the period:		
Opening balance	**409,595**	**350,654**
Interest	35,621	35,959
Change in lease	(60,373)	62,274
Repayment	(39,826)	(39,292)
Closing balance	**345,016**	**409,595**
Split of lease liability between current and non-current portions:		
Non-current	341,149	405,390
Current	3,867	4,205
Total	**345,016**	**409,595**
Future minimum lease payments fall due as follows		
- within 1 year	32,866	39,826
- later than 1 year but within 5 years	159,304	159,304
- later than 5 years	690,186	851,812
Subtotal	**854,516**	**1,050,942**
- Unearned future finance charges	(537,340)	(641,347)
Closing balance	**345,016**	**409,595**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

The Group has tested its property, plant and equipment for impairment in line with its directors' estimation of the recoverable amount for those assets. Refer to note 11 for the key variables used in the estimation of the value thereof.

A 100bp change in the Incremental Borrowing Rate ("IBR"), would result in a £27,636 (2023: £33,643) change in the Right of Use Asset, and corresponding Lease Liability on transaction date.

11. Intangible assets

Intangible assets consist of separately identifiable assets or intellectual property acquired either through business combinations or through separate asset acquisitions. These intangible assets are recognised at the respective fair values of the underlying asset acquired, or where the fair value of the underlying asset acquired is not readily available, the fair value of the consideration.

The following reconciliation serves to summarise the composition of intangible assets as at period end:

Group	Rochdale Power (£)	Bordersley Power (£)	ARL018 Stather Road (£)	ADV001 Hindlip Lane (£)	Total (£)
Carrying value as at 1 January 2023	**150,273**	**1,306,422**	**91,482**	**247,506**	**1,795,683**
Impairment	-	(1,306,422)	(91,482)		**(1,397,904)**
Carrying value as at 31 December 2023	**150,273**	**-**	**-**	**247,506**	**397,779**
Disposal of Rochdale Power	(150,273)	-	-	-	**(150,273)**
Modification				(101)	**(101)**
Carrying value as at 31 December 2024	**-**	**-**	**-**	**247,405**	**247,405**

Intangible assets are amortised once commercial production commenced, over the remaining useful life of the project, which is estimated to be approximately 20 years, depending on the unique characteristics of each project.

Until such time as the underlying operations commence production, the Group performs regular impairment reviews to determine whether any impairment indicators exist.

When the following circumstance arises, it indicates that an entity should test an intangible asset for impairment:
- the carrying value of the project assets (deemed to be property, plant and equipment as well as intangible asset) exceed the recoverable amount of the assets.

In assessing whether a write-down is required in the carrying value of a potentially impaired intangible asset, the asset's carrying value is compared with its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost of disposal (FVLCD) and value in use (VIU). The valuation techniques applicable to the valuation of the abovementioned intangible assets comprise a combination of fair market values, discounted cash flow projections and historic transaction prices.

The following key assumptions influence the measurement of the intangible assets' recoverable amounts, through utilising the forecast-based estimates performed:
- energy prices pegged from base year;
- commercial viability period;
- cost of capital related to funding requirements;
- applicable inflationary increases in energy prices and related costs;
- future operating expenditure for developments of the project; and
- co-operation of key project partners going forward.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Through review of the project specific financial, operational, market and economic indicators applicable to the above intangible assets, as well as consideration of the various elements which contribute toward the indication of impairment or reversals thereof, it was concluded no impairment or reversal of impairment was necessary in the 2024 financial period.

A summary of the assessment performed for each of the intangible assets are detailed below.

Key estimation variables	**ADV001**	**ARL018**
Recoverable value of project	£1,118,917	£Nil
Recoverable value method of calculation	Value in use	Value in use
Life of project	20 years	20 years
Weighted average cost of capital ("WACC")	9.99%	9.24%
Output	7.0 MW	2.4 MW
Average £/MW output	£386,935	£391,058
Debt/Equity ratio	67/33	67/33
Sensitivity analysis (impact on value)		
Project delayed by 6 months	(£45,721)	£22,745
250bps Increase/Decrease in WACC	(£665,753) / £812,291	(£206,689) / £175,058
250bps Increase/Decrease in £/MW output	£429,480 / (£429,480)	£129,352 / (£129,352)
Project life decreased by 5 years	(£471,608)	(£142,415)

Key estimation variables	**Bordersley**	**Pyebridge**
Recoverable value of project	£436,650	£5,458,913
Recoverable value method of calculation	Value in use	Value in use
Life of project	20 years	20 years
Weighted average cost of capital ("WACC")	9.89%	10.61%
Output	5.0 MW	8.1 MW
Average annual £/MW output	£331,913	£300,792
Debt/Equity ratio	67/33	67/33
Sensitivity analysis (impact on value)		
Project delayed by 6 months	(£18,097)	-
250bps Increase/Decrease in WACC	(£383,972) / £465,300	(£630,280) / £756,159
250bps Increase/Decrease in £/MW output	£226,813 / (£226,813)	£520,551 / (£520,551)
Project life decreased by 5 years	(£208,790)	(£798,613)

The Group is exposed to significant market volatility in its estimate of the weighted average cost of capital. The risk free rate for the market in which the Group operates was negatively affected during the financial year as a direct result of the war between Russia and Ukraine.

The market interest rates have slightly decreased year on year and the weighted average cost of capital decreased from +-12.4% in the previous year to 8.29% for the current financial year. This has resulted in potential impairment reversals for the investments and intangible assets.

The assessment of the value in use of the property, plant and equipment and intangible assets resulted in a potential reversal of impairment of £388,200 (2023: impairment of £1,857,604). The most significant contributor to the improved value in use of the projects were the reductions in inflation, improvements in the spark spread and a general reduction in the banking interest rate environment. The directors have elected to continuing monitoring the markets to confirm that the value in use improvements will be of a more permanent nature before recognising reversals of impairment.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

The directors have performed further sensitivity analysis on the forecasts with the following variables being assessed:

Key estimation variables	Reason for assessment
Projects delayed by 6 months	The projects may be delayed due to project funding restrictions.
250bps Increase/Decrease in WACC	The market interest rates have been volatile during the financial year and due to the above average interest rate increases an assessment of 250bps increase or decrease was performed.
250bps Increase/Decrease in £/MW output	The energy market has experienced above average movements during the financial year and an assessment of 250bps increase or decrease was performed.
Projects life reduced by 5 years	The projects may be abandoned in 15 years due to excessive wear on the plant or significant change in market sentiment regarding natural gas.

12. Acquisitions and disposal of interests in other entities

Sloane Energy Limited – 2023

During 2023, Sloane Developments (Sloane) founded and acquired 100% equity interest in Sloane Energy Limited. At the reporting date the company was dormant.

Rochdale Power Limited – 2024

During 2024, Sloane disposed of its interest in Rochdale Power Limited for an amount of £258,170. The proceeds were applied against amounts due by Rochdale with the remainder of £216,936 paid to the Group. The net asset value of the project assets and liabilities at disposal date was £200,603. The group recognised a profit on disposal of £16,333.

Charges registered with Companies House

Charges in terms of Chapter A1 Part 25 of the Companies Act 2006 have been registered with Companies House over the following investments on 18 May 2023, and 18 December 2024 and remain in effect as at reporting date:

- ADV 001 Limited
- ARL 018 Limited
- Bordersley Power Ltd
- Pyebridge Power Ltd
- Sloane Developments Limited

13. Other receivables

	Group 2024 (£)	Group 2023 (£)	Company 2024 (£)	Company 2023 (£)
Consists of:				
Trade receivables	16,941	-	-	-
Other receivables	347,528	122,649	27,622	30,862
	364,469	**122,649**	**27,622**	**30,862**

The carrying value of current trade and other receivables approximates their fair value due to the short nature thereof.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Trade and other receivables pledged as security

None of the above stated trade and other receivables were pledged as security at period end. Credit quality of trade and other receivables that are neither past due nor impaired can be assessed by reference to historical repayment trends of the individual debtors.

14. Cash and cash equivalents

	Group 2024 (£)	Group 2023 (£)	Company 2024 (£)	Company 2023 (£)
Cash consists of:				
Cash at bank and in hand	146,446	252	43,207	6
	146,446	**252**	**43,207**	**6**

Cash and cash equivalents have not been ceded or placed as encumbrance toward any liabilities as at year end.

15. Share capital - Group and Company

The called-up and fully paid share capital of the Company is as follows:

	2024	2023
Allotted, issued and fully paid shares		
(2024: 426,354,067 Ordinary shares of £0.001 each)	£426,354	-
(2023: 263,854,067 Ordinary shares of £0.001 each)	-	£263,854
	£426,354	**£263,854**

	Number of Shares	Ordinary Share Capital (£)	Share Premium (£)
Balance at 31 December 2023	**263,854,067**	**263,854**	**13,183,277**
Issue of shares	162,500,000	162,500	143,000
Balance at 31 December 2024	**426,354,067**	**426,354**	**13,326,277**

All ordinary shares issued have the right to vote, right to receive dividends, a copy of the annual report, and the right to transfer ownership of their shares.

The group and company issued the following ordinary shares during the period, with regard to key transactions:

- 162,500,000 new MED Shares of £0.001 each were issued on 7 May 2024 at a deemed issue price of £0.002 for £325,000 of which £64,500 was applied against share issue costs and accrued brokers fees.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

16. Reserves

Common control reserve

The common control reserve is the result of the capital reorganisation between the company, its holding and ultimate holding company during the 2020 financial year. As the reorganisation was outside the scope of IFRS 3, predecessor valuation accounting was applied as a result of the common control transaction. The common control reserve amounts to £383,048 (2023: £383,048).

Non-controlling interest acquired

On 31 July 2020, Sloane Developments Limited, MAST Energy Projects Limited and St. Anderton on Vaal Limited entered into the Share Exchange Agreement relating to the acquisition by Sloane Developments Limited of the remaining 40% of the issued share capital of MAST Energy Projects Limited. Under the Share Exchange Agreement, the Company will pay St Anderton on Vaal Limited the sum of £4,065,586 payable by the issue of 36,917,076 ordinary shares of £0.001 each in the Company. Completion of the Share Exchange Agreement was subject to and conditional upon the Admission of MAST Energy Developments Limited to the London Stock Exchange.

Following the completion of the IPO on 14 April 2021, the Group acquired the remaining equity interest in MAST Energy Projects Ltd for the consideration equal to 36,917,076 shares at a total value of £4,065,586. As the controlling stake in the entity had already been acquired and was under control of MED, the transaction was seen as a transaction with owners, and the financial impact recognised directly in equity of £4,065,586.
The rationale for the transaction was to acquire the remaining equity within MAST Energy Projects Limited in order to have the exclusive see-through equity interest in the Bordersley project, held in the form of royalty and revenue agreements between MAST Energy Projects Limited and Bordersley Power Limited, from which MED could restructure the Group through its SPV's.

Warrants

The following reconciliation serves to summarise the value attributable to the warrant reserve as at period end for the Company:

	Group and Company (£)	
	2024	**2023**
Opening balance of warrant reserve	**380,741**	-
Issue of warrants	19,500	380,741
Closing balance	**400,241**	**380,741**

The following reconciliation serves to summarise the quantity of warrants in issue as at period end:

	Group and Company (number of warrants)	
	2024	**2023**
Opening balance	86,814,562	-
New warrants issued	9,750,000	86,814,562
Closing balance	**96,564,562**	**86,814,562**

The weighted average fair value of the warrants are 0.41p per warrant (2023: 0.44p)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

At 31 December 2024 the Group had 96,564,562 warrants outstanding:

Warrants

Date of Grant	Issue date	Expiry date	Exercise price	Number granted	Exercisable as at 31 December 2024
18 May 2023	18 May 2023	18 May 2026	2p	2,255,656	2,255,656
18 May 2023	18 May 2023	18 May 2026	2p	2,255,656	2,255,656
18 May 2023	18 May 2023	18 May 2027	0.89p	20,575,813	20,575,813
18 May 2023	18 May 2023	18 May 2027	1.8p	20,575,813	20,575,813
18 May 2023	18 May 2023	18 May 2027	0.89p	20,575,812	20,575,812
18 May 2023	18 May 2023	18 May 2027	1.8p	20,575,812	20,575,812
29 May 2024	29 May 2024	29 May 2027	0.2p	9,750,000	9,750,000
				96,564,562	**96,564,562**
Total contingently issuable shares				**96,564,562**	**96,564,562**

17. Loans from related parties

	Group 2024 (£)	Group 2023 (£)	Company 2024(£)	Company 2023 (£)
Amounts falling due within one year:				
Kibo Mining (Cyprus) Limited	-	849,253	-	-
Pyebridge Power Limited	-	-	375,047	-
	-	**849,253**	**375,047**	**-**

The loan is unsecured, carries interest at 0%, and is repayable on demand. The carrying value of loans from related parties equals their fair value due mainly to the short term nature of the liability.

18. Trade and other payables

	Group 2024 (£)	Group 2023 (£)	Company 2024 (£)	Company 2023 (£)
Amounts falling due within one year:				
Trade payables	696,049	941,688	405,883	521,546
	696,049	**941,688**	**405,883**	**521,546**

The carrying value of current trade and other payables equals their fair value due mainly to the short term nature of these payables.

19. Other financial liabilities

	Liable Group Company	Group 2024(£)	Group 2023 (£)	Company 2024(£)	Company 2023 (£)
Amounts falling due within one year:					
Convertible loan notes	MED	854,594	444,100	854,594	444,100
CLN Derivative liability	MED	-	22,232	-	22,232
Loan – RiverFort	Sloane Developments	849,253	-	-	-
Term loan - Powertree	Hindlip	70,230	-	-	-
Term loan – RiverFort	Pyebridge	107,563	-	-	-
Accrued interest on director's loan	MED	5,998	265	5,998	265
Director's loan	MED	78,329	-	78,329	-
		1,965,967	**466,597**	**938,921**	**466,597**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Liable Group Company	Group 2024(£)	Group 2023 (£)	Company 2024(£)	Company 2023 (£)
Amounts falling due between one year and five years:					
Convertible loan notes	MED	-	318,925	-	318,925
Term loan - RiverFort	Pyebridge	2,268,089		-	
		2,268,089	**318,925**	**-**	**318,925**
		4,234,056	**785,522**	**938,921**	**785,522**

Convertible loan notes
Convertible loan notes consist of a facility from institutional lenders which reprofiled the outstanding convertible loan notes held during the previous financial year. The interest accrues at 9.5% to 10% per annum based on the terms applied for each advance of the facility. The convertible loan notes have embedded derivative liabilities which were recognised at fair value.

Term loans

- The “Term loan – Powertree” is payable by the Hindlip project SPV. The loan was used to pay the Capacity Market deposit. This loan is payable in full during the 2025 financial year and bears interest at 10% per annum. This term loan has been rolled up into the investment agreement after year-end. Refer to note 23.
- The “Term loan – RiverFort” is payable by the Pyebridge SPV. The funding was used to overhaul the 2 engines at the Pyebridge site. The loan consists of three separate drawdowns all repayable during the 2026 financial year and bear interest at 12% per annum.
- The “Loan – Riverfort” is the historic shareholder loan owing by the Company to its former parent company, Kibo Energy PLC (“Kibo”), which Kibo sold to RiverFort during 2024. This loan has no fixed repayment terms and is repayable on demand and bears no interest.

Director’s loan and accrued interest on director’s loan
The director’s loan consists of interest payable on a director’s loan which is to be settled in cash. The interest is accrued at 7% per annum.

Reconciliation of movements in other financial, CLN derivative liabilities and loans from related parties

Group

	Loans from related parties	Other financial liabilities	CLN Derivative liabilities	Total
	(£)	(£)	(£)	(£)
At 1 January 2024	**849,253**	**763,290**	**22,232**	**1,634,775**
Derecognition of CLN derivative on settlement of loan	-	22,232	(22,232)	-
Interest accrued for convertible loan notes and director’s loan	-	211,624	-	**211,624**
Loan ceded by former shareholder Kibo to Riverfort	(849,253)	849,253	-	**-**
Reclassify director's loan from equity	-	81,329	-	**81,329**
Payments on director’s loans	-	(3,000)	-	**(3,000)**
Term loans received	-	2,839,297	-	**2,839,297**
Payments on term loans	-	(529,969)	-	**(529,969)**
At 31 December 2024	**-**	**4,234,056**	**-**	**4,234,056**
Notes	17	19	19	
Consisting of:				
Loans from related parties				-
Other financial liabilities				4,234,056
At 31 December 2024				**4,234,056**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Company

	Loans from related parties (£)	Other financial liabilities (£)	CLN Derivative liabilities (£)	Total (£)
At 1 January 2024	**-**	**763,290**	**22,232**	**785,522**
Derecognition of CLN derivative on settlement of loan	-	22,232	(22,232)	-
Reclassify director's loan	-	81,329	-	**81,329**
Payments on director's loans	-	(3,000)	-	**(3,000)**
Interest accrued for convertible loan notes and director's loan	-	75,070	-	**75,070**
Loans received from Pyebridge	423,647	-	-	**423,647**
Partial settlement through service rendered	(48,600)			**(48,600)**
At 31 December 2024	**375,047**	**938,921**	**-**	**1,313,968**
Notes	17	19	19	
Consisting of:				
Loans from related parties				375,047
Other financial liabilities				938,921
At 31 December 2024				**1,313,968**

20. Investment in Group undertakings

Subsidiary undertakings

	31 December 2024 (£)	31 December 2023 (£)
Sloane Developments Limited	4,303,801	4,469,113
Total cost of investments	**4,303,801**	**4,469,113**

Subsidiary undertakings	**(£)**
Investments at Cost	
At 1 January 2024	**4,469,113**
Return of capital contributions	(216,176)
Advances to subsidiaries	50,864
At 31 December 2024 (£)	**4,303,801**

The above investment in subsidiaries comprises the carrying value of the investments in Sloane Developments Limited held by MAST Energy Developments PLC. Sloane Developments Limited holds the investments in Bordersley Power Ltd, Pyebridge Power Ltd, Rochdale Power Ltd, ADV 001 Limited as well as ARL 018 Limited, the capital contributions, net of impairment.

As at reporting period end, the investment in Sloane Developments Limited was subject to impairment review, incorporating the underlying recoverable amount estimate of each individual project owned by Sloane Developments Limited, being Pyebridge Power Ltd, Bordersley Power Ltd, ADV 001 Limited as well as ARL 018 Limited. Refer to Note 11 which includes further details surrounding the parameters utilised in determining the recoverable amounts for each of the underlying projects which support the recoverable amount of the investment in Sloane Developments Limited.

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At 31 December 2024 the Company had the following undertakings:

Description	Subsidiary	Activity	Incorporated in	Interest held (2024)	Interest held (2023)
Directly held Investments					
Sloane Developments Limited	Subsidiary	Project holding Company	United Kingdom	100%	100%
Indirectly held Investments					
Bordersley Power Ltd	Subsidiary	Energy production	United Kingdom	100%	100%
Pyebridge Power Ltd	Subsidiary	Energy production	United Kingdom	100%	100%
Rochdale Power Ltd (disposed 2024)	Subsidiary	Energy production	United Kingdom	0%	100%
ARL 018 Limited (Stather Road)	Subsidiary	Energy production	United Kingdom	100%	100%
ADV001 Limited (Hindlip Lane)	Subsidiary	Energy production	United Kingdom	100%	100%
Sloane Energy Limited	Subsidiary	Dormant	United Kingdom	100%	100%

The registered address for all of the above is: Salisbury House, London Wall, London, EC2M 5PS.

21. Related party transactions

Related parties of the Group comprise subsidiaries, significant shareholders and the Directors.

Relationships

Board of Directors/ Key Management

Name	Relationship (Directors of:)
Paul Venter	PSCD Power 1 Ltd
Louis Coetzee	Kibo Energy PLC and Katoro Gold PLC (up to July 2024)
Dominic Traynor	Druces LLP (up to Nov 2024)
Pieter Krügel	Chief Executive Officer
Noel O'Keeffe	Director of subsidiaries Sloane Developments Limited, ADV001 Ltd, ARL018 Ltd and Sloane Energy Limited.

Other entities over which Directors/key management or their close family have control or significant influence:

Name	Relationship
PSCD Power 1 Ltd:	The Director of PSCD Power 1 Ltd is also a Director of MAST Energy Developments PLC.
Kibo Mining (Cyprus) Limited:	Kibo Mining (Cyprus) Limited is the majority shareholder of MAST Energy Developments PLC. (Up to September 2024)
Ultimate shareholder:	Kibo Energy PLC. (Up to September 2024)

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Name	Relationship
Significant shareholders:	PSCD Power 1 Ltd
Associated by fellow directorship:	Kibo Mining (Cyprus) Limited (Up to July 2024) Katoro Gold PLC (Up to June 2024)

MAST Energy Developments PLC is a shareholder of the following companies and as such are considered related parties:

Directly held subsidiaries:	Sloane Developments Limited
Indirectly held subsidiaries:	ADV 001 Limited ARL 018 Limited Bordersley Power Ltd Pyebridge Power Ltd Sloane Energy Ltd

Balances

Name	Amount (£) 2024	Amount (£) 2023
Kibo Mining (Cyprus) Limited – Loan from related parties owing	-	849,253
Paul Venter – Director's loan owing (share reserve)	-	81,329
Paul Venter – Director's loan owing (liability)	78,329	-
Paul Venter – Director's loan owing accrued interest	5,733	265
Kibo Energy PLC - Management and administration services accrued	31,170	32,130
Katoro Gold PLC – Receivable for management services paid on Katoro's behalf	4,246	21,140
Paul Venter – Director's remuneration due	43,500	18,371
Louis Coetzee – Director's remuneration due	47,550	27,000
Dominic Traynor– Director's remuneration due	48,018	17,644
Pieter Krügel – Director's remuneration due	43,844	49,844
Noel O'Keeffe –Professional services remuneration due	4,500	9,000
Druces LLP – Supplier balance for professional services	52,675	143,732

Transactions

Name	(£)
Paul Venter – interest on loan	5,733
Druces LLP – Professional services	84,500

As announced in the RNS dated 7 May 2024 the Company has entered into a partial settlement deed, in relation to the Reprofiled Balance due under the Reprofiling Agreement. Under the terms of the settlement deed Pieter Krügel, a director of the Company, purchased from Riverfort £325,000 (the "Capitalised Balance") of the Reprofiled Balance due, in consideration, Riverfort was paid £325,000 in cash (the "Acquisition"). The Capitalised Balance was converted into 162,500,000 new MED ordinary shares of 0.1p (the "Subscription Shares") at a conversion price of 0.20p per share by Mr. Pieter Krügel. Following admission of the Subscription Shares, Pieter Krügel has agreed to sell the Subscription Shares to new investors arranged by the Company's broker at the same price per share as the Conversion, being 0.20p for a gross consideration of £325,000. Refer to the Directors interest section on page 31 for further details.

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation. The transactions during the period between the Company and its subsidiaries included the settlement of expenditure to/from subsidiaries, working capital funding, and settlement of the Company's liabilities through the issue of equity in subsidiaries. The loans from related parties do not have fixed repayment terms and are unsecured.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

22. Financial Instruments and Financial Risk Management

The Group and Company's principal financial instruments comprise cash. The main purpose of these financial instruments is to provide finance for the Group and Company's operations. The Group has various other financial assets and liabilities such as other receivables and trade payables, which arise directly from its operations.

It is and has been throughout the 2024 and 2023 financial period, the Group and Company's policy not to undertake trading in derivatives. The Group and Company may however recognise derivative liabilities arising from convertible instruments.

The main risks arising from the Group and Company's financial instruments are credit risk, liquidity risk, interest rate risk and capital risk. Management reviews and agrees policies for managing each of these risks which are summarised below.

	2024 (£)		**2023 (£)**	
Financial instruments of the Group are:	**Financial assets**	**Financial liabilities**	**Financial assets**	**Financial liabilities**
Financial assets at amortised cost				
Trade and other receivables	364,469	-	122,649	-
Cash	146,446	-	252	-
Financial liabilities at amortised cost				
Loans from related parties	-	-	-	849,253
Trade payables	-	696,049	-	941,688
Other financial liabilities	-	4,234,056	-	-
Lease liability	-	345,016	-	409,595
Financial liabilities at fair value through profit or loss				
Other financial liabilities	-	-	-	763,290
CLN Derivative liabilities	-	-	-	22,232
	510,915	**5,275,121**	**122,901**	**2,986,058**

	2024 (£)		**2023 (£)**	
Financial instruments of the Company are:	**Financial assets**	**Financial liabilities**	**Financial assets**	**Financial liabilities**
Financial assets at amortised cost				
Trade and other receivables - current	27,622	-	30,862	-
Cash	43,207	-	6	-
Financial liabilities at amortised cost				
Trade payables	-	405,883	-	521,546
Loans from related parties		375,047		-
Financial liabilities at fair value				
Other financial liabilities	-	938,921	-	763,290
CLN Derivative liabilities	-	-	-	22,232
	70,829	**1,719,851**	**30,868**	**1,307,068**

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Credit risk
Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. As the Group has minimal sales to third parties, this risk is limited.

The Group and Company's financial assets comprise receivables and cash and cash equivalents. The credit risk on cash and cash equivalents is limited because the counterparties are banks with high credit-ratings assigned by international credit rating agencies. The Group and Company's exposure to credit risk arise from default of its counterparty, with a maximum exposure equal to the carrying amount of cash and cash equivalents in its consolidated statement of financial position.

The Group does not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are connected or related entities.

The expected credit losses for the Group and Company are £Nil for the year ended 2024 (2023: £Nil).

Financial assets exposed to credit risk at period end were as follows:

Financial instruments	**Group (£)**		**Company (£)**	
	2024	**2023**	**2024**	**2023**
Trade & other receivables	364,469	122,649	27,622	30,862
Cash	146,446	252	43,207	6
	510,915	**122,901**	**70,829**	**30,868**

Liquidity risk management
Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group and Company's short, medium and long-term funding and liquidity management requirements.

The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Cash forecasts are regularly produced to identify the liquidity requirements of the Group.

The Group and Company's financial liabilities as at 31 December 2024 were all payable on demand, other than the trade payables to other Group undertakings and lease liabilities.

Group (£)	**Within 1 year**	**Later than 1 year but within 2 years**	**Later than 2 years but within 3 years**	**Later than 3 years**
At 31 December 2024				
Trade and other payables	696,049	-	-	-
Other financial liabilities	2,000,391	-	2,652,739	-
Lease Liabilities	32,866	32,866	32,866	755,918
	2,729,306	**32,866**	**2,685,605**	**755,918**
At 31 December 2023				
Trade and other payables	941,688	-	-	-
Other financial liabilities	318,925	444,365	-	-
Lease Liabilities	39,826	39,826	39,826	931,464
	1,300,439	**484,191**	**39,826**	**931,464**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Company (£)	**Within 1 year**	**Later than 1 year but within 2 years**
At 31 December 2024		
Trade and other payables	405,883	-
Loans from related parties	375,047	-
Other financial liabilities	938,921	-
	1,719,851	**-**
At 31 December 2023		
Trade and other payables	521,546	-
Other financial liabilities	318,925	444,365
	840,471	**444,365**

Interest rate risk
The Group and Company does not have significant exposure to the risk of changes in market interest rates relating to holdings of cash and short term deposits.

It is the Group and Company's policy as part of its management of the budgetary process to place surplus funds on short term deposit in order to maximise interest earned.

The repayments terms for the financial liabilities are payable on demand except for Other Financial Liabilities and Lease Liabilities which include agreements with deferred payment terms. Refer to notes 19 and 10 respectively for their repayment terms.

Group Sensitivity Analysis:
Currently no significant impact exists due to possible interest rate changes on the Company's interest bearing instruments.

Capital risk management
The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust its capital structure, the Group may adjust or issue new shares or raise debt. No changes were made in the objectives, policies or processes during the year ended 31 December 2024. The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued capital, reserves and retained losses as disclosed in the consolidated statement of changes in equity.

Fair values
The carrying amount of the Group and Company's financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair value. For those assets held at fair value (such as CLN derivative liabilities), they are remeasured at the reporting date.

Hedging
At 31 December 2024, the Group had no outstanding contracts designated as hedges.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

23. Events after reporting period

- Following successful pre-qualification for additional Capacity Market ("CM") T-1 and T-4 contracts during the assessment window in August 2024, and the implementation of a robust CM auction bid strategy, for the first time Pyebridge has now successfully secured both contracts at its maximum generation capacity permissible under the CM rules. The recent CM T-4 auction cleared at £60,000 per MW/year, and the CM T-1 auction cleared at £20,000 per MW/year. This means that Pyebridge now has uninterrupted CM contracts until 2029 with a cumulative total guaranteed gross profit income value of c. £1.73m, over and above its PPA trading income and Embedded Benefits.
- The Company has signed a binding definitive investment agreement (the "Investment Agreement") with Powertree (Holdings) Ltd ("Powertree"). Under the Investment Agreement, Powertree will invest up to £5,000,000 into MED's Hindlip project (the "Investment Consideration"), resulting in the Hindlip project being fully funded. The Investment Consideration will consist of £500,000 for 75% of the fully diluted ordinary equity of the Hindlip SPV, ADV 001 Ltd and, up to £4,500,000 will be by way of secured loan (the "Investor Loan") entered into between Powertree (as the lender) and the Hindlip SPV (as the borrower). MED shall retain 25% of the fully diluted ordinary equity of the Hindlip SPV with no further funding obligations. The closing of the Investment Agreement is subject to customary closing conditions.

24. Going concern

Going Concern

The financial results have been prepared on the going concern basis that contemplates the continuity of normal business activities, the realisation of assets and the settlement of liabilities in the normal course of business.

In performing the going concern assessment, the Board considered various factors, including the availability of cash and cash equivalents, data relating to working capital requirements for the foreseeable future, cashflows from operational activities, available information about the future, the possible outcomes of planned events, changes in future conditions, geopolitical events (e.g. escalation of the Ukraine conflict), and the responses to such events and conditions that would be available to the Board.

The Board has, inter alia, considered the following specific factors in determining whether the Group is a going concern:

- The total comprehensive loss for the year of £1,097,433 compared to £3,539,394 for the preceding 12 month-financial period;
- Cash and cash equivalents available to the Group in the amount of £146,446 in order to partially pay its creditors and maturing liabilities (excluding the Pyebridge facilities) in the amount of £2,558,320; and
- MED and Pyebridge has a secured funding facility of up to GBP 4 million from RiverFort, of which the Company has drawn £2,769,297. The main focus of the facility is to overhaul the Pyebridge gensets in order to get the site generating at its full efficiency and income potential. The current outstanding balance is £2,131,328 following repayments totalling £637,969.
- Whether the Group has available cash resources, or equivalent short term funding opportunities in the foreseeable future, to deploy in developing and growing existing operations or invest in new opportunities.
- Post reporting period end, on 20 March 2025, the Company announced it has signed a binding definitive investment agreement (the "Investment Agreement") with Powertree (Holdings) Ltd ("Powertree"). Under the Investment Agreement, Powertree will invest up to £5,000,000 into MED's Hindlip project (the "Investment Consideration"), resulting in the Hindlip project being fully funded.

The Directors have evaluated the Group's liquidity requirements to confirm the Group has adequate cash resources to continue as a going concern for the foreseeable future. Considering the net current liability position, the Directors have reviewed financial projections to 30 August 2026 which include estimates and assumptions regarding the future revenues and costs and timing of these. The financial projection includes non-committed capex expenditure for the overhaul of the third Pyebridge engine. Thereby projecting revenue for up to three revenue producing Pyebridge engines during 2025. It includes the signed capacity market contracts income.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Based on the cash flow forecast the group experiences cash shortfall throughout the forecast period, ending with a shortfall of c. £286,000 at the end of Aug 2026. The cashflow forecast is reliant on a successful drawdown on a current facility, as well as successful electricity generation by Pyebridge. Unforeseen challenges with either of the aforementioned cause a risk that the Company may not be able to meet its current liabilities without another cash injection. In the event that further funding cannot be secured, the Group may experience continuous cash shortfalls over the next 18 months. The directors are in negotiations with funders and lenders to upgrade and/or develop the sites as per the business model of the Company.

In response to the net current liability position and to address future cashflow requirements, detailed liquidity improvement initiatives have been identified and are being pursued, with their implementation regularly monitored in order to ensure the Group is able to alleviate the liquidity constraints in the foreseeable future. Cost saving measures were identified and implemented on operational expenditure.

The Group has identified the below options in order to address the liquidity risk the Group faces on an ongoing basis. The ability of the Group to continue as a going concern is dependent on the successful implementation or conclusion of one or more of the below:

- The successful drawdown on the funding facility of £4,000,000 with RiverFort. There are terms and conditions limiting the drawdown which has to be adhered to.
- Raising of short- and medium term working capital and project capex funding, by way of capital placings.
- Successful conclusion of current funding opportunities of the Group with strategic funders regarding the funding of specific projects and/or the business.
- Obtaining debt funding or other funding instruments such as credit loan notes to fund MED projects.
- Successful cash generation from the Pyebridge power-generation facilities in order to achieve net-cash positive contributions toward the larger Group.

Although there is no guarantee, the Directors have a reasonable expectation that the Group will be able to raise further financing to support its ongoing development and commercialisation activities and continue in operational existence for the next 12 months, from date of sign off of these financial statements. The directors have concluded that the combination of these circumstances represents a material uncertainty that casts significant doubt upon the Group's ability to continue as a going concern and that, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. As the Board is confident it would be able to successfully implement the above responses, it has adopted the going concern basis of accounting in preparing the consolidated financial statements.

25. Commitments and Contingencies

The Group does not have identifiable material commitments and contingencies as at the reporting date.