Company Registration No. 03926192

Quantum Blockchain Technologies PLC

Annual Report and Financial Statements for the year ended 31 December 2024

Contents

COMPANY INFORMATION

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Company Secretary	James Gordon
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CHAIRMAN'S STATEMENT

I am pleased to present the Group's Annual Report and Financial Statements for the year ended 31 December 2024. This has been a year of progress and strategic advancements for Quantum Blockchain Technologies PLC ("**QBT**" or the "**Company**"), with the goal being to establish ourselves at the forefront of Bitcoin mining technology. Our commitment to research and development ("**R&D**") has yielded significant breakthrough results, while our efforts to start monetising legacy assets have provided encouraging results. In addition, the achievement of a number of significant R&D milestones provided the foundations upon which the Company is now working to launch its first commercial products (Software as a Service "**SaaS**" and IP rights) aimed at entering the highly valued Bitcoin market.

Breakthroughs in R&D and Technological Advancements
Since launching our R&D programme at the beginning of 2021, the Company has focused on developing disruptive proprietary technology to enhance Bitcoin mining efficiency. 2024 has been an important year for QBT, marked by the continued evolution of our artificial intelligence ("**AI**")-driven mining optimisation techniques, and our hardware and software innovations, which are explained in more detail below.

Method C AI Oracle
One of the most significant achievements is represented by "**Method C**", seen by the Company as a breakthrough technology with the potential to redefine Bitcoin mining by making it significantly more efficient and cost-effective.

Method C, which was initially announced by the Company as a potential new innovation in Bitcoin mining in March 2024 leverages a predictive AI Oracle developed by QBT to identify and prioritise the most likely successful inputs to SHA-256 computations, while disregarding the non-relevant inputs.

During lab testing which was initially conducted with historical Bitcoin blocks, *i.e*., blocks with a lower mining difficulty than present, Method C demonstrated a remarkable 30%-50% predictive accuracy, allowing for a substantial reduction in energy consumption and an overall improvement in mining efficiency. These results were announced in October 2024 and then confirmed in January 2025 when the Company determined it was able to mine Bitcoin with a 30% enhanced efficiency on *current* Bitcoin blocks.

In parallel, the Company successfully implemented Method C's AI Oracle on ASIC Hardware through testing on a slower yet programmable Field Programmable Gate Array ("**FPGA**") chip, which was a necessary step forward towards development of a commercial product. This breakthrough led to the filing in January 2025 of a patent application entitled "Implementation of Binary Decision Tree".

QBT is currently collaborating with two ASIC chip manufacturers who are about to begin detailed evaluations of Method C and its integration into their upcoming ASIC designs.

Method A and Method B
Method A and Method B are two different machine learning ("**ML**") based techniques developed by QBT that in lab tests significantly outperform standard Bitcoin mining.

During 2024, the Company worked on a solution to port the QBT Client SaaS version of these two methods, working first with the standard CGminer operating system, then migrating to an ESP-miner operating system (as announced by the Company in August 2024).

The porting on ESP-miner was completed in December 2024. Since then:

- With regards to Method A, the Company has been mining live in QBT's Milan-based lab in single chip mode since January 2025 using commercially bought ASICs for Bitcoin mining and connected to an existing mining pool. The operational performance of Method A is being assessed based on its hash rate measured against that of the standard mining pool and the respective success rates from comparing one ASIC chip running from Method A and the one

CHAIRMAN'S STATEMENT (continued)

- without it.
- With regards to Method B, the Company commenced real-time mining tests using the same ASIC chip used in the latest version of the most powerful Bitcoin mining rigs available. Consistency checks between the recent real time mining tests and past lab results are being undertaken before modifying the mining rigs' operating systems so as to allow the installation of the QBT Client version of Method B.

In both cases the Company is meticulously checking the intermediate and final results of the testing before moving into the final steps that are hoped will lead to the commercialisation of the method-hosted products.

QBT is currently in discussion with two companies to integrate its Method A and B AI technologies into existing aftermarket control boards, aiming for rapid market entry through this large user base (as announced on 19 June 2025).

Other
In addition to the above, the Company has previously filed patent applications for "ASIC UltraBoost" and "ASIC EnhancedBoost" and developed a "Quantum mining algorithm" for the use of powerful (but not yet commercially available) quantum computer for bitcoin mining, which remain under review by the relevant patent offices.

As QBT's R&D efforts continue to yield promising results, the Company has strengthened its efforts to engage with potential commercial partners. The Company has initiated early-stage discussions with some of the largest Bitcoin mining companies in North America and ASIC chip manufacturers. The Company is also assessing partnerships with leading mining rig manufacturers to explore potential licensing agreements and joint development initiatives.

To support these efforts, the Company has strengthened its leadership team. In September 2024, Jose Rios was appointed as US Strategic Advisor. He brings extensive experience in the blockchain and semiconductor industries which enhances our ability to navigate the rapidly evolving cryptocurrency landscape and establish QBT as a trusted provider of next-generation mining solutions.

Focus: Bitcoin Market and Mining Sector in 2024

In 2024, Bitcoin achieved a significant milestone with its market capitalisation surpassing US$1.9 trillion and the price of a Bitcoin exceeding US$100,000. This growth is largely attributed to increased institutional investment and a favourable regulatory environment[1].

The mining sector underwent notable changes, particularly following the April 2024 halving event, which reduced block rewards from 6.25 Bitcoin to 3.125. This reduction prompted miners to enhance operational efficiency and manage increased production costs. Globally, Bitcoin mining's annual electricity consumption is estimated at 146 terawatt-hours ("**TWh**"), surpassing the energy usage of entire countries like Sweden[2].

In response to environmental concerns, the mining industry increasingly adopted renewable energy sources. By the end of 2024, renewable energy usage in Bitcoin mining reached 41%, up from 20% in 2011, and it is expected to reach 70% by 2030 [3]. Mining companies have invested in hydroelectric, wind

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[1] https://www.reuters.com/technology/view-bitcoin-surges-above-100000-2024-12-05/#:~:text=%22Bitcoin%20reaching%20%24100%2C000%20is%20a,has%20proven%20its%20staying%20power.
[2] https://www.ft.com/content/8ad1b83f-4b68-43ca-a6d2-56edbca0ef0a
[3] https://cryptoslate.com/bitcoin-mining-edges-toward-green-dominance-with-70-renewables-by-2030/

CHAIRMAN'S STATEMENT (continued)

and solar power to mitigate carbon footprints and align with global sustainability goals. For instance, Mara Holdings acquired a wind farm in Texas to mine Bitcoin with near-zero carbon emissions during periods of sufficient wind[4].

Looking ahead, the integration of AI with Bitcoin mining could drive further innovation. AI-powered optimisation tools may help miners reduce energy consumption and improve hardware efficiency. The integration of AI into Bitcoin mining reflects a broader trend of technological convergence, where advanced computing enhances efficiency and sustainability. As AI continues to reshape industries, its role in optimising resource-intensive operations like mining could contribute to a more resilient and adaptive digital economy.

Strategic Financial and Legal Achievements
In parallel with its technological advancements, the Company has further strengthened its financial position through proactive management of our legacy assets. A significant milestone was reached in June 2024 with the partial resolution of the longstanding litigation concerning Sipiem in Liquidazione S.p.A ("**Sipiem**"). The Venice Court of Appeal ruled in favour of Clear Leisure 2017 Ltd ("**CL17**"), a wholly owned subsidiary of QBT, confirming the trial court's damage award of €6,274,000 ("**Judgment**").

In May 2024, CL17 had reached a settlement agreement with certain Sipiem defendants ("**Participating Defendants**") for the amount of €700,000. This amount was paid to CL17. However, the settlement agreement was conditional upon the execution of a separate judicial settlement agreement before the Court of Appeal. The Court, however, did not set the requested new hearing to execute the (second) agreement and instead it affirmed the Judgment.

Additionally, the Venice Court of Appeal also held that the damages for the Participating Defendants to be the higher than agreed in the settlement, namely, €1 million

At the same time, CL17 also reached a settlement agreement with the receiver of Sipiem by which these parties agreed to amend the final and overall price of the credits and judicial claims involving Sipiem purchased by CL17 in 2019. It was agreed that for a cash consideration of €170,000, the receiver renounced any present or future claims regarding Sipiem, including, but not limited to, its right to receive 30% of any future sums collected (net after deduction of legal costs) as agreed in the 2019 claim purchase agreement with CL17 (and as announced by QBT on 10 September 2019).

Meanwhile, in January 2025, the defendants filed an appeal with the Italian Court of Cassation (Italy's highest court for civil and commercial matters) against the Judgment issued in June 2024. It is anticipated that this court will not issue a ruling for a number of years. However, in the meantime this does not prevent CL17 from enforcing the Judgment.

The Company has also successfully managed outstanding bond obligations:
- extending the maturity of the Company's 2020 Zero-Coupon Bond from December 2024 to December 2026 (as announced in January 2024), adjusting the yield to maturity from 1% to 3%, and
- extending maturity of the Company's 2013 Zero-Coupon Bond from December 2024 to December 2026 (as also announced in January 2024), modifying the conversion price from £0.05 to £0.03

Conclusion
Looking ahead, the Board believes QBT is entering a defining phase. The significant progress made with all three Methods has placed the Company in a position to start progressing its commercial options.

[4] https://www.ft.com/content/8ad1b83f-4b68-43ca-a6d2-56edbca0ef0a

CHAIRMAN'S STATEMENT (continued)

The Board is of the opinion that QBT is well-positioned to emerge as a key technology provider in the Bitcoin mining sector. The dedicated R&D team, cutting-edge research facilities and a well-funded strategy has provided the foundations for long-term success for the Company. As progress continues to move forward, the Company remains committed to its core mission: Developing innovative solutions that redefine the efficiency and profitability of Bitcoin mining.

The Directors would like to extend their gratitude to shareholders, staff and commercial partners for their continued support as the Company moves forward on its exciting journey.

Financial Review
The Group reported a total comprehensive loss of €2,853,000 for the year ended 31 December 2024 (2023: €4,206,000) and a loss before tax of €3,005,000 (2023: €4,348,000). Operating losses for the period were €2,977,000 (2023: €4,025,000). Included within administrative expenses are charges relating to the recognition of share options totalling €9,000 (2023: €416,000) and within finance costs are charges for the revaluation of derivatives representing a profit of €141,000 (2023: profit of €9,000). The movement in these items is dependent on the volatility of the Company's share price used for the calculation according to the relevant accounting standards. The undiluted Net Asset Value ("NAV") of the Group decreased by €2,853,000 in 2024, compared to a decrease of €675,000 in 2023. The Group had Net Current Assets of €2.2m as at 31 December 2024 (2023: Net Current Liabilities €3.1m).

Post-Balance Sheet Events
In January 2025 the Company announced:

- it had filed a new patent application covering Method C's disruptive AI Oracle ("**AI Oracle**"): "IMPLEMENTATION OF BINARY DECISION TREES.
- its Method C AI Oracle started performing live Bitcoin mining of current blockchain blocks, considered a significant milestone. The material competitive advantage in mining enabled by the AI Oracle is achieved either by (i) reducing the energy cost of mining by approximately 30%; or (ii), accelerating the mining speed at current energy consumption and costs with approximately a 30% greater hash rate.
- it raised £2 million (before expenses) through the placing of 173,913,044 new ordinary shares of 0.25 pence each in the Company at a price of 1.15 pence per share.

In March 2025, the Company provided a General Update on the R&D programme on Sipiem and on its other Legacy Assets. Specifically regarding Sipiem, the Company informed that the defendants filed an appeal with the Italian Court of Cassation (Italy's highest court for civil and commercial matters) against the judgment of the lower Court of Appeal of Venice issued in June 2024.

In April 2025, QBT reported it attended the Mining Disrupt 2025 conference in Florida, engaging with key industry players to discuss integrating its AI-driven Bitcoin mining solutions. The company's Method C AI Oracle demonstrated consistent mining efficiency improvements in live FPGA tests, garnering interest from potential partners for further testing and collaboration. Following which, Following the conference (as announced on May 2025), QBT signed an NDA with a leading ASIC chip manufacturer to evaluate the performance of its Method C AI Oracle on the manufacturer's hardware. The evaluation, supervised by QBT's R&D team, aims to validate the technology's effectiveness and could lead to a commercial partnership.

On 19 May 2025, the Company reported that Peter Fuhrman, a Company Non-Executive Director had passed away. On 21 May 2025 QBT announced the appointment of Vladimir Basilio Kusznirczuk as a new Non-Executive Director.

DIRECTORS' PROFILES

Francesco Gardin
Chief Executive Officer & Chairman

Francesco Gardin (aged 70), born in Rovigo, Italy, graduated in Theoretical Physics at Padova University in 1979, before undertaking a UK Government research project at University of Exeter, UK from 1980 to 1982. In 1983, Francesco founded AISoftw@re SpA to develop and distribute AI systems within Italy, which he took public on NASDAQ Europe in 1999 and the Milan Stock Exchange in 2000. He sold the company in 2005 but agreed to remain Non-Executive Chairman until March 2008. When he left, the company employed more than 1,400 people and had revenues in excess of £70m. In February 2002 Professor Gardin became Chairman of The Company until February 2011. He was re-appointed as Chairman and CEO of the Company in July 2015. During the period between February 2011 and July 2015, Professor. Gardin had no association with the Company. In December 2008, he was appointed Executive Director of London Asia Capital plc, a UK company investing in Asia, he resigned in July 2013. In October 2013 he was appointed to the board of Pan European Terminals PLC, listed on AIM of the London Stock Exchange. He resigned in July 2014 following the sale of the company. In December 2014, he co-founded First IPO Capital Ltd, a UK company aiming at financing IPO costs to companies listing on the London AIM market. During the last twenty years, he has been a director of almost fifty companies in Italy, UK, USA, Israel, Hong Kong, China, Singapore, Mauritius and Jersey. From 1984 to 2014, he was a Research Associate Professor at Udine, Milano and Siena University lecturing in Artificial Intelligence, Theory and Application of Computation, and Virtual Reality. His academic papers include more than 50 individual and joint publications and three books on the subject of Artificial Intelligence as editor.

Mark Michael Trafeli
Non-Executive Director

Mark Michael Trafeli (aged 58) is a lawyer qualified in England and Wales, California and New York. Based in London, he has extensive expertise in regulation, compliance and corporate governance. He is currently General Counsel for an enterprise in the online gaming sector with operations in multiple countries and licences from the Gambling Commission of Great Britain. He also maintains a private law practice that he established in 2008 advising on UK and USA-related financial services, stock exchange regulation, commercial contracts, M&A, corporate governance, compliance, and litigation. Previously, Mark served as General Counsel and Interim Head of Compliance at RJ O'Brien Europe Limited, a London based FCA regulated clearing firm with multiple exchange memberships and General Counsel to First World Trader (Pty) Limited, a leading South African global fintech company best known for its Easy Equities platform. Mark holds a Bachelor of Arts degree in History and Political Science and a Juris Doctor (JD) in law, both from the University of Michigan.

Peter Fuhrman
Non-Executive Director (passed away on 16 May 2025)

Peter Fuhrman had extensive experience in High-Technology, Semiconductors, Finance and Investment industries. He graduated summa cum laude from Tufts University in 1980 and held an M.Phil degree in International Relations from Cambridge University. He did additional postgraduate studies at Nanjing University, and as a Yale-in-China Fellow at the Chinese University of Hong Kong. Peter served as: - Chairman and CEO at China First Capital, which is one of China's older specialist international investment banks in the technology sector, with deep experience and expertise in China's semiconductor industry, advanced manufacturing, robotics, precision automation, nano-positioning, photonics and breakthrough energy technologies, and - Strategic Advisor on advanced technologies and market expansion for CEOs of one of China's largest listed high-technology manufacturing companies as well as one of Germany's and Europe's largest market-leading semiconductor technology companies. He had also previously been the CEO of Awareness Technologies, a Los Angeles based Cloud-based enterprise security software company (which was successfully sold in 2008) and, in London, Peter was Head of Europe at Forbes Inc., publisher of Forbes Magazine, one of the world's largest and most

DIRECTORS' PROFILES (continued)

successful business publications. Peter was an "Industry Thought Leader" who had been published in The Wall Street Journal, The New York Times, The Economist, The Financial Times, Bloomberg, CNBC, The Washington Post, China Daily, The South China Morning Post. Peter also gave guest lectures and was a speaker on China and technology-related topics and innovation at the University of Chicago's Business School, the University of Michigan Ross School of Business and to Harvard Business School's global alumni.

Vladimir Basilio Kusznirczuk
Non-Executive Director (appointed on 19 May 2025)

Vladimir B. Kusznirczuk (aged 63) is an experienced executive with over 35 years of global experience., He is presently Director at Ceterra Ltd, operating between London and Vienna, where he advises satellite and telecom providers on strategic expansion, regulatory affairs, and infrastructure optimization. His recent work includes advising on satellite-to-mobile deployment and fostering strategic relationships with mobile operators and governmental bodies, especially in Ukraine and the GCC.

Previously, he held senior roles at AT&T and Blackberry, where he led cost-reduction strategies, managed regional carrier partnerships, and drove commercial growth across telecom services and mobile technologies. At AT&T, he was responsible for negotiating technical and commercial arrangements across Eastern Europe, while at Blackberry, he successfully expanded regional operations in Central Europe.

Vladimir's early career included significant leadership roles at Sprint and AT&T Europe, where he developed and managed telecom infrastructure, launched new market operations, and led carrier services across 19 countries. His expertise combines technical acumen, strategic negotiation, and business development.

Fluent in English and Ukrainian, with working knowledge of German, Italian, Polish, and Romanian, Vladimir also holds an MBA and a Bachelor of Science in Decision Sciences and Computers from Rider University, New Jersey.

STRATEGIC REPORT

The Directors present their *Strategic Report* on Quantum Blockchain Technologies PLC ("**QBT**" or the "**Company**") and its subsidiary undertakings (the "**Group**") for the year ended 31 December 2024.

Review of the Business and Developments During the Year
During the year under review the Company provided regular updates to its stakeholders regarding the business:
R&D Programme and Technology Advancements
QBT's research and development efforts have continued to deliver breakthroughs in AI-enhanced Bitcoin mining and custom hardware design:

- **Method A**
  - In March 2024, QBT confirmed it was working on the complex stage of porting Method A onto commercial miners.
  - In August 2024, and as below for Method B, the Company reported that it decided to migrate away from CGMiner (the most popular software system for GPU/FPGA/ASIC based miners) to AxeOS (ESP-miner) to better facilitate successful porting operations.
- **Method B**
  - In March 2024, the Company confirmed that Method B was progressing towards integration with commercial mining rigs although the process has proved to be challenging.
  - In August 2024, QBT reported that it decided to migrate away from CGMiner (the most popular software system for GPU/FPGA/ASIC based miners) to ESP-miner to better facilitate successful porting operations.
- **Method C**
  - In March 2024, the Company announced that Method C achieved a 30% predictive accuracy in lab testing, reducing energy consumption and improving efficiency.
  - In August 2024, the Company announced that the laboratory results continued to be confirmed at a high efficiency level.
  - In October 2024, the Company announced Method C's AI Oracle had been successfully and efficiently implemented onto Bitcoin mining hardware, that the hashing performance had increased from 30% to 50% (at lower mining difficulty) and that lab tests at current level of mining difficulty confirm the effectiveness of the model.

Financial and Legal Developments
QBT has improved its financial standing through legal recoveries and bond restructuring:

- **Sipiem Litigation Settlement and Appeal**
  - In May 2024, QBT announced that its wholly-owned subsidiary CL17 had reached a €700,000 settlement with some of the defendants in the Sipiem litigation. The settlement which was conditional upon the execution of a further agreement to be reached during a future hearing before the Venice Court of Appeal.
  - At the same time, CL17 also reached an agreement with the receiver of Sipiem by which the parties agreed to establish the final and overall price of the credits and judicial claims purchased by CL17 in 2019. Under that agreement, in significant part the receiver, waived its right to receive 30% (minus legal expenses) of any future sums collected from the Sipiem defendants for a cash consideration of €170,000 (as announced on 10 September 2019).
  - In June 2024, the Venice Court of Appeal denied the Sipiem defendants the requested new hearing and issued the final judgement upholding the 2022 ruling, awarding €6.08 million, plus interest and inflation adjustments, to QBT's subsidiary, CL17.

STRATEGIC REPORT (continued)

- **Bond Maturity Extension**
    - In January 2024, QBT reached an agreement with MC Strategy S.A. to extend the maturity of its 2020 Zero-Coupon Bond from December 2024 to December 2026, increasing the yield from 1% to 3%.
    - In February 2024 at a QBT bondholder's meeting, the bondholders agreed to extend the maturity of the Company's 2013 Zero-Coupon Bond from December 2024 to December 2026, in exchange for lowering the conversion price from 5p to 3p.

Section 172(1) Statement – Promotion of the Company for the benefit of members as a whole:

The Directors believe they have acted in the way they consider to be in good faith that would promote the success of the Company for the benefit of its members as a whole, as required by section 172 of the Companies Act 2006. In doing so they have had regard to:

- the likely consequences of any decision in the long term;
- the need to act fairly between the members of the Company;
- the desirability of maintaining the Company's reputation for high standards of business conduct;
- the interests of the Company's employees;
- the need to foster the Company's relationships with suppliers, customers and others; and
- the impact of the Company's operations on the community and the environment.

In order to fulfil their duties under section 172 and promote the success of the Group for the benefit of all its stakeholders, the directors need to ensure that they not only act in accordance with the legal duties but also engage with, and have regard for, all its stakeholders when taking decisions. The Group has a number of key stakeholders with whom it is committed to maintaining a strong relationship.. Understanding the Group's stakeholders and how they and their interests will impact on the strategy and success of the Group over the long term is a key factor in the decisions that the Board has made and may make.

Shareholders

The promotion of the success of the Group is ultimately for the benefit of the Company's shareholders who provide the Company's permanent capital. As a company listed on the AIM Market of the London Stock Exchange, the Company is responsible for ensuring that it is aware of shareholder needs and expectations. The Directors attach great importance to maintaining good relationships with all of its shareholders and interested parties and seeks to ensure that they have access to correct and adequate information in a timely fashion. The Directors are aware that as stakeholders, its shareholders play a vital role in the fabric of the Company and therefore regularly engages in dialogue with these shareholders and is available for meetings with institutional and major shareholders following the release of the Group's Annual and Interim Results or on an *ad hoc* basis. The Directors welcome all shareholders to make contact with the Company and provide any feedback or comments that they may have, and contact details are available on the Company's website. The Company's Annual General Meeting is also an important opportunity for shareholders to meet and engage with Directors and put questions to the Company regarding its business, operations and performance.

Employees

The Group's employees are key to its success and recruiting, retaining and developing our team is one of the Group's most important priorities. The Directors expect a high standard of integrity and accountability from the Group's employees. In return, they reward and incentivise the staff on the basis of merit, ability and performance. Employee engagement is a key factor of this performance, and the Directors encourage an open communication forum amongst all members of staff, aided by the Group's small size and relatively flat hierarchical structure. The Directors are committed to promoting diversity

STRATEGIC REPORT (continued)

and equal opportunities and consider the Group to be a supportive employer, providing training and development where required.

Investee Companies

Engagement with the Group's portfolio of investee companies is critical to delivering the Company's long-term strategy of delivering shareholder return. Whilst the Group does not involve itself in the day-to-day operations of its investee companies, it does retain formal oversight by being part of the board of each investee.

Regulatory Bodies

Although the Company is not itself directly regulated, it operates within a regulated markets environment (e.g., AIM rules) and therefore actively engages with various regulatory bodies and advisory firms to ensure that compliance standards are maintained and that the Company continues to act with the high standards of business conduct that have established its reputation thus far.

TCFD (Task Force on Climate-related Financial Disclosures)

The Company recognises the importance of climate change as a material financial risk and opportunity. As part of its commitment to transparency and accountability, it has aligned its disclosure practices with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). These disclosures aim to provide investors and stakeholders with relevant information on QBT's climate-related risks, opportunities, and performance. By doing so, the Company seeks to support the transition to a low-carbon and resilient economy while enhancing long-term value for its shareholders.

Suppliers and Advisors

The Company's suppliers and advisors are integral to the day-to-day operation of the Group. Relationships with suppliers are carefully managed to ensure that the Group is always obtaining value for money. The Group seeks to ensure that good relationships are maintained with its suppliers and advisors through regular contact and the prompt payment of invoices.

Other stakeholders and the wider community

The Directors are committed to ensuring that none of its activities have a detrimental impact on the wider community and the environment. The Group actively encourages its employees to participate in charitable work and community projects.

Decision making and section 172 of the Companies Act 2006

The Group's primary strategy is to deliver shareholder value. The key driver of this growth is the investment of the Group's resources into businesses with experienced management teams that have excellent growth potential and where the Group can offer its expertise and add value. . Historically the Group has used funds from past realisations and external fundraising to fund future opportunities both within its current portfolio and to new investments.

Board changes On 31 July 2024, Mr Mark Michael Trafeli was re-elected as a Director of the Company.

STRATEGIC REPORT (continued)

Events after the reporting date

- In January 2025, the Company announced it filed a new patent application covering Method C's disruptive AI Oracle ("**AI Oracle**"): "IMPLEMENTATION OF BINARY DECISION TREES.
- In January 2025, the Company announced that its Method C AI Oracle, started performing live Bitcoin mining of current blockchain blocks, considered a significant milestone, since this proprietary technology has been used in trials to mine Bitcoin with a competitive advantage against the same hardware without the AI Oracle implementation. The material competitive advantage in mining enabled by the AI Oracle may be achieved either by (i) reducing the energy cost of mining by approximately 30%; or (ii), accelerating the mining speed at current energy consumption and costs with approximately a 30% greater hash rate.
- In January 2025, QBT announced it raised £2,000,000 (before expenses) through the placing of 173,913,044 new ordinary shares of 0.25 pence each in the Company ("**Placing Shares**") at a price of 1.15 pence per Placing Share (the "**Placing**").
- In March 2025, the Company provided a general update on its R&D programme on Sipiem and on its other legacy assets. Specifically regarding Sipiem, the Company informed that the defendants filed an appeal with the Italian Court of Cassation (Italy's highest court for civil and commercial matters) against the judgment of the lower Court of Appeal of Venice issued in June 2024.
- In April 2025, QBT reported it attended the Mining Disrupt 2025 conference in Florida, engaging with key industry players to discuss integrating its AI-driven Bitcoin mining solutions. The Company's Method C AI Oracle demonstrated consistent mining efficiency improvements in live FPGA tests, garnering interest from potential partners for further testing and collaboration. Following the conference (as announced in May 2025), QBT signed an NDA with a leading ASIC chip manufacturer to evaluate the performance of its Method C AI Oracle on the manufacturer's hardware. The evaluation, supervised by QBT's R&D team, aims to validate the technology's effectiveness and could lead to a commercial partnership.
- On 19 May 2025, the Company reported that Pether Fuhrman, a Company Non-Executive Director had passed away. On 21 May 2025 QBT announced the appointment of Vladimir Basilio Kusznirczuk as a new Non-Executive Director.

Principal Risks and Uncertainties

The Group's investments as at 31 December 2024 were all in unlisted entities. As a result, there is no readily available market for their sale in order to arrive at a fair value. The valuation of each investment is appraised on a regular basis and requires a significant amount of judgement together with reviewing the cash flows and budgets of the investee company in order to arrive at a fair value.

The Company received an equity financing during the year under analysis and during the first months of 2025. The Directors consider that the amount may be sufficient to meet operating expenditure over the next 12 months from the date of this report. This is covered further in the Going concern section of this report and Note 2 to the financial statements.

As the Company focuses more on improving existing practices to accelerate Bitcoin mining, risks arise in relation to the development of new solutions and products. These risks arise in regard to

STRATEGIC REPORT (continued)

developing products to a marketable stage and eventually bringing them to market. The risks are mitigated through the Board's strong knowledge of the market and the finished product being a new, innovative addition to the industry.

Key performance indicators ("KPIs")

The KPIs are set out below

	31 December 2024	31 December 2023	Change %
Net asset value	(€5,371,000)	(€2,547,000)	112.01
Closing share price	0.650p	1.575p	(58.73)
Market capitalisation	€10,144,348	€23,461,528	(56.76)

Assessment of business risk

The Board regularly reviews operating and strategic risks. The Group's operating procedures include a system for reporting financial and non-financial information to the Board including:

- reports from management with a review of the business at each Board meeting, focusing on any new decisions/risks arising;
- reports on the performance of investments;
- reports on selection criteria of new investments;
- discussion with senior personnel; and
- consideration of reports prepared by third parties.

Financial risk management

Details of the Group's financial instruments and its policies with regard to financial risk management are contained in Note 21 to the financial statements.

Results for the year and dividends

The loss for the year was €2,853,000 (2023: loss of €4,206,000). Since the Group does not have any distributable reserves, the Directors are not recommending the payment of a dividend.

Going Concern

In 2024 the Group incurred a loss of €2,853,000 (2023: €4,206,000) and had net current assets as at 31 December 2024 of €2,168,000 (2023: net current liabilities of €3,121,000). Its forecasts for the period to 30 June 2025 has been prepared on the prudent assumptions that the Group will still be nonrevenue-generating, will not receive any portion of its litigation claims. Nonetheless, on the basis of the equity funding raised in January 2025 which raised a total of €2.417 million (before expenses), and the extension on our two convertible bond repayments from December 2024 to December 2026, the Board believes that the Group, at the date of this report, may hold sufficient liquidity to sustain its operational existence for the following 12 months without the specific necessity to raise further funding either through an equity placing on AIM, or through other external sources, unless for additional specific investment opportunities or ventures.

STRATEGIC REPORT (continued)

After making due enquiries, the Directors have formed a judgement that there is a reasonable expectation that, in the next 12 months, there should be no need to secure further resources. In case of new investment opportunities the Group can look to secure further funds to sustain such expenses and that adequate arrangements will be put in place to enable the settlement of their financial commitments, as and when they fall due.

On this note, the Directors continue to adopt the going concern basis in preparing the financial statements.

Notwithstanding the above, the Directors believe that due to the tight constraints existing within the budget at 30 June 2026 and given the inherent commercial uncertainties in relation to future events, a material uncertainty over the outcome of the matters described exists and Group might be required to raised further financing and they note the uncertainty in relation to the Group being able to realise its assets and discharge its liabilities in the normal course of business.

By order of the Board.

Francesco Gardin
Director

23 June 2025

DIRECTORS' REPORT

The Directors present their report together with the audited financial statements for the year ended 31 December 2024.

Principal Activity

The principal activities of the Group are the R&D programme and operating as investing company with a portfolio of assets in technology sectors. The main focus of management is to successfully run the R&D programme and release new products to the market. The management is also pursuing the monetisation of all of the Company's legacy assets through selected realisations, court-led recoveries of misappropriated assets and substantial debt recovery processes.

Activities in the field of research and development

During the year, the Company continued an intense in-house R&D programme in respect of advanced proprietary techniques for Bitcoin mining, with the primary goal to encounter and exploit new important efficiencies of the mining process.

Directors

The members of the Board of Directors currently holding office, and/or that held office during period under review, together with brief biographies are shown on page 6 and 7 The Board comprised the following directors who served throughout the year and up to the date of this report, save where disclosed otherwise beside their respective names:

Francesco Gardin
Mark Michael Trafeli
Peter Fuhrman (passed away on 16 May 2025)
Vladimir Basilio Kusznirczuk (appointed on 21 May 2025)

Qualifying third party indemnity provisions

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors during the year. These provisions remain in force at the reporting date.

Directors' interests

During the period, some Directors had a material interest in certain contracts of significance to the Company or any of its subsidiaries. No Director of the Company has any beneficial interests in the shares of its subsidiary companies. The interests of the Directors who served at the end of the year in the share capital of the Company at 31 December 2024 and 31 December 2023 were as follows:

Directors	**31 December 2024 (0.25p ordinary shares)**	**Holding %**	**31 December 2023 (0.25p ordinary shares)**
Francesco Gardin	29,284,149	2.94%	29,284,149

The above 29,284,149 Ordinary Shares do not include the 5,000,000 Ordinary Shares that are the subject of the Sale and Repurchase Agreement between Francesco Gardin and MC Strategies AG, as originally announced on 15 December 2021.

DIRECTORS' REPORT (continued)

The closing market price of the Quantum Blockchain Technologies Ordinary Shares at 31 December 2024 was 0.65p and the highest and lowest closing prices during the year were 1.73p and 0.48p respectively.

Remuneration
Remuneration receivable by each Director during the year was as follows:

	2024	2024	2024	2023
	Board fees	**Remuneration**	**Total**	**Total**
	€'000	**€'000**	**€'000**	**€'000**
Directors				
Francesco Gardin	41	-	41	38
Peter Fuhrman	36	-	36	35
Mark Michael Trafeli	88	-	88	69
Vladimir Basilio Kusznirczuk	-	-	-	-
Total	165	-	165	142

The amount paid to Mark Michael Trafeli includes three months prepaid salary (€21,000) relating to the 2025-year end. None of the Directors had any pension entitlement.

Please note that further payments for the provision of R&D services were made to Infusion (2009) Ltd, which is an entity Francesco Gardin is a director and a shareholder. For further details, please see Note 27.

Directors' interests in share options and warrants

Details of directors' share options are as follows:

	At 1 January 2024	Granted	Exercised	At 31 December 2024	Exercise date	Exercise Price	Date from which exercisable	Expiry date
Directors								
Francesco Gardin	100,000,000	Nil	Nil	100,000,000	N/A	5p	06/05/2022	06/05/2026
Francesco Gardin	100,000,000	Nil	Nil	100,000,000	N/A	10p	06/05/2023	06/05/2026
Peter Fuhrman	2,500,000	Nil	Nil	2,500,000	N/A	5p	12/09/2022	06/05/2026
Peter Fuhrman	2,500,000	Nil	Nil	2,500,000	N/A	10p	12/09/2022	06/05/2026
Mark Michael Trafeli	2,500,000	Nil	Nil	2,500,000	N/A	5p	01/09/2022	06/05/2026
Vladimir Basilio Kusznirczuk	1,000,000	Nil	Nil	1,000,000	N/A	10p	01/11/2023	06/05/2026
Vladimir Basilio Kusznirczuk	1,000,000	Nil	Nil	1,000,000	N/A	5p	01/11/2023	06/05/2026
Total	209,500,000	Nil	Nil	209,500,000				

DIRECTORS' REPORT (continued)

Significant shareholders

As at 17 June 2025, the parties who are directly or indirectly interested in 3 percent or more of the nominal value of the Company's share capital are as follows:

SHAREHOLDER	Number of Ordinary Shares	%
HARGREAVES LANSDOWN (NOMINEES) LIMITED	408,696,560	27.90
INTERACTIVE INVESTOR SERVICES NOMINEES LIMITED	232,083,914	15.80
HSDL NOMINEES LIMITED	159,645,093	10.90
MC STRATEGIES AG	155,000,000	10.60
LYNCHWOOD NOMINEES LIMITED	150,423,656	10.30
LAWSHARE NOMINEES LIMITED	81,765,637	5.60
BARCLAYS DIRECT INVESTING NOMINEES LIMITED	67,893,571	4.60

Corporate Governance. The Board of Directors is accountable to the Company's Shareholders for ensuring good corporate governance and the Directors have agreed (on 27 September 2017) to report under the UK Quoted Companies Alliance ("QCA") Governance Code:

QCA Code Recommendation	*Application by the Company*
Principle 1 **Establish a strategy and business model which promote long-term value for shareholders** • The board must be able to express a shared view of the company's purpose, business model and strategy. • It should go beyond the simple description of products and corporate structures and set out how the company intends to deliver shareholder value in the medium to long-term. • It should demonstrate that the delivery of long-term growth is underpinned by a clear set of values aimed at protecting the company from unnecessary risk and securing its long-term future.	*Quantum Blockchain Technologies plc is an AIM listed investing company which has recently realigned its strategic focus to technology related investments, with special regard to Quantum computing, Blockchain, Cryptocurrencies and AI sectors. The Company has commenced an aggressive R&D and investment programme in the dynamic world of Blockchain Technology, which includes cryptocurrency mining and other advanced blockchain applications.* *A more detailed explanation of the Company's strategy is set out in the preface of the Company's Annual Reports and business updates released to the market which are available on the Company's website in the Regulatory News Section.*

DIRECTORS' REPORT (continued)

Principle 2 **Seek to understand and meet shareholder needs and expectations** • Directors must develop a good understanding of the needs and expectations of all elements of the company's shareholder base. • The board must manage shareholders' expectations and should seek to understand the motivations behind shareholder voting decisions.	*The Company endeavours to maintain a dialogue and keep both private and institutional shareholders informed through its public announcements and its corporate website.* *Shareholders are sent Annual Reports and all shareholders receive a Notice of the Meeting and are encouraged to attend the Annual General Meeting.* *Members of the Board are in attendance at the Annual General Meeting and are available to meet shareholders formally after the meeting to discuss information that is available in the public domain. The Company will advise shareholders attending the AGM of the number of proxy votes lodged for and against each resolution after each resolution has been dealt with by a show of hands.* *In addition, shareholder communication may also be answered, where possible or appropriate, by the Company's Financial PR advisor, Christian T. Wilkinson or the Company's Nominated Advisor and Broker, SP Angel Corporate Finance LLP.* *Christian T. Wilkinson is responsible for the public relations of the Company, which includes assistance in the preparation of public announcements and liaison with the press.* *The Board is responsible for the Company's public announcements to the market and where appropriate takes advice from the Company's advisors in respect of their preparation and the Company's regulatory requirements.* *The Board is responsible for the Company's public announcements to the market and where appropriate takes advice from the Company's advisors in respect of their preparation and the Company's regulatory requirements.*

DIRECTORS' REPORT (continued)

Principle 3 **Take into account wider stakeholder and social responsibilities and their implications for long-term success** • Long-term success relies upon good relations with a range of different stakeholder groups both internal (workforce) and external (suppliers, customers, regulators and others). The board needs to identify the company's stakeholders and understand their needs, interests and expectations. • Where matters that relate to the company's impact on society, the communities within which it operates or the environment have the potential to affect the company's ability to deliver shareholder value over the medium to long-term, then those matters must be integrated into the company's strategy and business model. • Feedback is an essential part of all control mechanisms. Systems need to be in place to solicit, consider and act on feedback from all stakeholder groups.	*The Directors are aware of the impact the business activities have on the communities in which the Group's businesses operate and are very cognisant of the importance of stakeholders, including but not limited to shareholders, employees, advisors, business partners, regulators and the wider society.* *The Company holds formal and informal meetings, to identify both internal and external stakeholders' needs, interests, and expectations.* *The Board, on a case-by-case basis, will take the decision to act on feedback from stakeholders.* *The Company does not have a policy on charity giving, given the current size of the Company, but the Board may from time to time decide to make charitable donations.* *The Company works closely with its advisors to ensure it meets its listing obligations as well as the social, legal, religious, and cultural requirements of the countries in which it operates*.
Principle 4 **Embed effective risk management, considering both opportunities and threats, throughout the organisation** • The board needs to ensure that the company's risk management framework identifies and addresses all relevant risks in order to execute and deliver strategy; companies need to consider their extended business, including the company's supply chain, from key suppliers to end-customer. • Setting strategy includes determining the extent of exposure to the identified risks that the company is able to bear and willing to take (risk tolerance and risk appetite).	*The Company is exposed to a variety of risks that result from its investing activities. A detailed explanation of the Board's management of each risk is outlined in the Annual Reports. Internal controls are designed to manage rather than eliminate risk and therefore even the most effective system cannot provide assurance that each and every risk, present and future, has been addressed.* *The Board is responsible for the identification, assessment and management of such risks. In assessing the risks, the Board is assisted by the Company's advisors.*

DIRECTORS' REPORT (continued)

Principle 5	
Maintain the board as a well-functioning, balanced team led by the chair • The board members have a collective responsibility and legal obligation to promote the interests of the company, and are collectively responsible for defining corporate governance arrangements. Ultimate responsibility for the quality of, and approach to, corporate governance lies with the chair of the board. • The board (and any committees) should be provided with high quality information in a timely manner to facilitate proper assessment of the matters requiring a decision or insight. • The board should have an appropriate balance between executive and non-executive directors and should have at least two independent non-executive directors. Independence is a board judgement. • The board should be supported by committees (e.g. audit, remuneration, nomination) that have the necessary skills and knowledge to discharge their duties and responsibilities effectively. • Directors must commit the time necessary to fulfil their roles.	*Quantum Blockchain Technologies plc's Board of Directors is comprised of Prof Francesco Gardin as Chairman and Chief Executive Officer ("CEO") Mr Mark Michael Trafeli and Mr Vladimir Basilio Kusznirczuk (appointed in May 2025) are the independent Non-executive Directors of the Company. Mr Peter Fuhrman was also independent Non-executive Director of the Company until his passing away in May 2025. Mr James Douglas Gordon acts as Company Secretary.* *Directors allocate sufficient time to the Company to discharge their duties.* *Ultimate responsibility for the quality of, and approach to, corporate governance lies with the Chair of the Board.* *The Board is aware that the QCA Corporate Governance Code advises that, save in exceptional circumstances, the Chairman should not also fulfil the role of Executive Director. Given the current size and stage of the Company, alongside Prof Gardin's knowledge of past and present complex legal matters impacting on the Company, the Board believes that this combined role is currently appropriate. This, however, will be kept under review as the Company develops.* *The shareholders are aware of these circumstances and have not opposed the re-election of the Board at the Annual General Meetings.* *In addition, there is a regular dialogue between the Directors and the Company Secretary to ensure every decision is correctly assessed and properly balanced.* *The Board is also supported by a number of committees including the Audit Committee and the Remuneration Committee. The Audit Committee is composed of Mr Paul Howarth (external independent Chairman of the Committee) and Mr Mark Michael Trafeli (independent Non-executive Director) who replaced Mr Peter Fuhrman in this role following his death. The Remuneration Committee is composed of Mr Paul Howarth (external independent Chairman of the Committee) and Mr Mark Michael Trafeli (independent Non-executive Director) who replaced Mr Peter Fuhrman in this role following his death.Additionally, as a holding company, Quantum Blockchain Technologies plc receives supportby the Boards and independent Directors of its individual operating subsidiaries.*

DIRECTORS' REPORT (continued)

Principle 6 **Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities** • The board must have an appropriate balance of sector, financial and public markets skills and experience, as well as an appropriate balance of personal qualities and capabilities. The board should understand and challenge its own diversity, including gender balance, as part of its composition. • The board should not be dominated by one person or a group of people. Strong personal bonds can be important but can also divide a board. • As companies evolve, the mix of skills and experience required on the board will change, and board composition will need to evolve to reflect this change.	*Biographies and expertise of the Directors are available on the Company's website (in the Board of Directors section) and within the Annual Report.* *For matters relating to the Company Law, the Company depends upon the legal expertise of its legal advisers.* *Where there are issues that exceed or require addition expertise to that of the Directors, the Company utilises external advisors.* *The Company has engaged several law firms, in Italy and in the UK, to advise in respect of the legal matters related to the claims the Company has pursued since the appointment of the current Chairman in July 2015.* *The Directors' background and experience guarantee they can maintain their skillset up-to-date. Prof Francesco Gardin has maintained close connections with his former colleagues at Udine, Milan and Siena Universities, where he lectured for 30 years, regularly attends global technology and technology-related conferences and is part of a network of advisors, CEOs and CFOs, of quoted and unquoted companies around the world with whom he meets regularly. Prior to his passing in May 2025, Mr Fuhrman had over twenty years of experience and expertise working as an investor and strategic partner in the global semiconductor industry, in Europe, the USA and for the last +10 years in China, with a large and diverse set of senior-level contacts in the high-technology industry.* *Mr Trafeli remains a practising solicitor and not only draws upon his decades of experience working in highly regulated markets, but also his work as a litigator. He maintains worldwide global network of current and former colleagues.* *Mr Kusznirczuk is a telecom executive with over 35 years of international experience leading infrastructure, regulatory, and commercial initiatives across Europe, the Gulf, and Africa. He has held senior roles at AT&T, Blackberry, and Sprint, specializing in network development, cost optimization, and strategic partnerships in complex markets.*

DIRECTORS' REPORT (continued)

Principle 7 **Evaluate board performance based on clear and relevant objectives, seeking continuous improvement** • The board should regularly review the effectiveness of its performance as a unit, as well as that of its committees and the individual directors. • The board performance review may be carried out internally or, ideally, externally facilitated from time to time. The review should identify development or mentoring needs of individual directors or the wider senior management team. It is healthy for membership of the board to be periodically refreshed. Succession planning is a vital task for boards. No member of the board should become indispensable.	*The Board considers the evaluation process is best carried out internally given the Company's current size, However, the Board will keep this under review and may consider independent external evaluation reviews in due course as the Company grows.* *The Independent Non-Executive Director Mr Trafeli is a member of the Remuneration Committee (replacing Mr Fuhrman). The committee is responsible for assessing and for evaluating the effectiveness of the Executive Director (including determination of any annual bonus) by reference to the performance of the Company. This review takes place every six months.* *The Company does not consider it necessary at the current time to have a Nominations Committee and the Board as a whole is responsible for Board and senior management nominations. The merits of constituting a separate Nominations Committee will be kept under review. The Board continues to monitor and evolves the Company's corporate governance structures and processes, and maintains that these will evolve over time, in line with the Company's growth and development.* *The Board meets periodically and is regularly updated by the Executive Director.* *The Board approved a succession plan, with the appointment of new key figures in the Company.*
Principle 8 **Promote a corporate culture that is based on ethical values and behaviours** • The board should embody and promote a corporate culture that is based on sound ethical values and behaviours and use it as an asset and a source of competitive advantage. • The policy set by the board should be visible in the actions and decisions of the chief executive and the rest of the management team. Corporate values should guide the objectives and strategy of the company.	*The Board recognises that a corporate culture based on sound ethical values and behaviours is an asset and provides competitive advantages. The Company operates in different sectors and markets and is mindful that respect of individual cultures is critical to corporate success.* *The Company endeavours to conduct its business in an ethical, professional and responsible manner, treating its employees, business partners and wider stakeholders with equal courtesy and respect at all times.*

DIRECTORS' REPORT (continued)

Principle 8 (continued) • The culture should be visible in every aspect of the business, including recruitment, nominations, training and engagement. The performance and reward system should endorse the desired ethical behaviours across all levels of the company. • The corporate culture should be recognisable throughout the disclosures in the annual report, website and any other statements issued by the company.	
Principle 9 **Maintain governance structures and processes that are fit for purpose and support good decision-making by the board** • The company should maintain governance structures and processes in line with its corporate culture and appropriate to its: o size and complexity; and o capacity, appetite and tolerance for risk. The governance structures should evolve over time in parallel with its objectives, strategy and business model to reflect the development of the company.	*The Board is responsible for maintaining the corporate governance structure that is appropriate to its corporate culture and business growth. In maintaining the governance structure, the Board works closely with its Nominated Advisor.* *The Executive Director is responsible for running the business and implementing the decisions and policies of the Board. The Board is also responsible for ensuring the Company's communication with shareholders is timely, informative and accurate with due regard to regulatory requirements.* *The Non-Executive Directors were appointed not only to provide independent oversight and constructive challenge to the Executive Director but also chosen to provide strategic advice and guidance that draws upon their diverse professional backgrounds.* *The Board is supported by the Audit Committee, and the Remuneration Committee.* *The Audit Committee meets twice a year and is responsible for dealing with accounting matters, ensuring the independence of the external auditors, financial reporting and internal controls. The committee comprises Mr Paul Howarth (external independent Chairman of the Committee) and the Non-executive Director Mr Trafeli. The Remuneration Committee, chaired by Mr Paul Howarth and comprising the Non-executive Director Mr Trafeli, is responsible for the approval of the remuneration for of all employees and Directors. The Committee meets twice a year. In determining the total remuneration*

DIRECTORS' REPORT (continued)

Principle 9 (continued)	*(including bonuses, if any) the Committee's chairman and, Mr Trafeli may consult advisors. The Executive Director also consults the Non-Executive Directors with respect to overall staff remuneration.*
Principle 10 **Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders** • A healthy dialogue should exist between the board and all of its stakeholders, including shareholders, to enable all interested parties to come to informed decisions about the company. • In particular, appropriate communication and reporting structures should exist between the board and all constituent parts of its shareholder base. This will assist: o the communication of shareholders' views to the board; and o the shareholders' understanding of the unique circumstances and constraints faced by the company. It should be clear where these communication practices are described (annual report or website).	*The Chairman is responsible for maintaining a dialogue with shareholders and the financial markets, including the financial press. The Company communicates with shareholders through the Annual Report and half-year accounts, announcements to the stock market, and at its Annual General Meeting.* *The AIM Rule 26 section of the Company's website provides all required regulatory information as well as additional information shareholders may find helpful.* *Historical Company announcements, annual reports and circulars of Annual General Meeting are available on the Company's website in the Annual Report and Circulars and Regulatory News section.* *Results of shareholder meetings are publicly announced through the regulatory notifications system and displayed on the Company's website with suitable explanations of any actions undertaken as a result of any significant votes against resolutions.* *Information on the work of the various Board Committees and other relevant information are included in the Company's Annual Report.*

DIRECTORS' REPORT (continued)

Statement of Directors' Responsibilities
The Directors are responsible for preparing the Annual Report and 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 Group and Parent Company's financial statements in accordance with International Accounting Standards as adopted in the United Kingdom ("UK-adopted international accounting standards"). 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 Group and the Company and of the profit or loss of the Group for that period. The Directors are also required to prepare financial statements in accordance with the AIM rules of the London Stock Exchange.

In preparing these financial statements, the Directors are required to:
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK-adopted international accounting standards has 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 Group will continue in business.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The Group is compliant with AIM Rule 26 regarding the Group's website.

Disclosure of information to auditor
In the case of each person who was a Director at the time this report was approved:
- so far as that Director is aware there is no relevant audit information of which the Group's auditor is unaware; and
- that Director has taken all steps that the Director ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Auditor

Independent auditor ACT, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the Company receives notice under section 488(1) of the Companies Act 2006.

By order of the Board

Francesco Gardin
Chairman
23 June 2025

The group financial statements, as defined below, consolidate the accounts of Quantum Blockchain Technologies plc and its subsidiaries (the "Group"). The "Parent Company" is defined as Quantum Blockchain Technologies plc, as an individual entity. The relevant legislation governing the Company is the United Kingdom Companies Act 2006 ("Companies Act 2006").

Qualified opinion

We have audited the financial statements of Quantum Blockchain Technologies plc (the 'Parent Company') for the year ended 31 December 2024.

The financial statements that we have audited comprise:

- The Group income statement and statement of comprehensive income;
- The Group statement of financial position;
- The Parent Company statement of financial position;
- The Group statement of changes in equity;
- The Parent Company statement of changes in equity;
- The Group and Parent Company statement of cash flows; and
- The related Group and Parent Company Notes 1 to 28

The financial reporting framework that has been applied in the preparation of the Group and Company financial statements is applicable law and UK adopted international accounting standards.

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion section of our report, the financial statements:

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

Basis for qualified opinion

<u>Investment in GeoSim Systems Ltd</u>

The investment disclosed in Note 16 in relation to GeoSim Systems Ltd, an Israeli company, for an amount of €160,000 has been accounted for at fair value by the Directors. The Directors have reduced the measurement of the fair value of the investment by 50% during the year as they recognize the uncertainties and lack of updated information regarding GeoSim Systems Ltd, also considering the ongoing situation in the area that the investment was based, Israel. However, this is not supported by an accepted valuation technique. In our opinion the valuation technique used by the Directors does not provide a reliable measurement of the fair value of the investment in GeoSim Systems Ltd at the reporting date. As the investee is a company that is still in the course of establishing itself, an income approach, in isolation or combined with a cost approach, could have been used to estimate the fair value of the investment in accordance with IFRS 13 Fair Value Measurement. We were unable, via our audit procedures, to obtain sufficient and appropriate audit evidence about the carrying amount of the investment in GeoSim Systems Ltd and, consequently we were unable to determine whether any adjustment to that amount was necessary.

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 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, 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 basis for our qualified opinion.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements, which indicates that the Group and Parent Company incurred a substantial loss during the year ended December 31, 2024, and that the Group and Parent Company's operational existence is still dependent on the ability to raise further funding either through an equity placing, or through other external sources of finance. The impact of this, together with other matters stated in the note, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter. In auditing the financial statements, we have concluded that the 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 Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- The consideration of inherent risks to the Group and the Parent Company's operations and specifically its business model.
- The evaluation of how those risks might impact on the Group's available financial resources.
- Where additional resources may be required the reasonableness and practicality of the assumptions made by the Directors when assessing the probability and likelihood of those resources becoming available.
- Liquidity considerations including examination of cash flow projections.
- Solvency considerations including examination of budgets and forecasts and their basis of preparation, including review and assessment of the model's mechanical accuracy and the reasonableness of assumptions used.
- Consideration of availability of funds required in funding facilities during the going concern review period. Assessing the reasonableness and practicality of the mitigation measures identified by management in their conservative case scenario and considered by them in arriving at their conclusions about the existence of any uncertainty in respect of going concern.

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
TO THE MEMBERS OF QUANTUM BLOCKCHAIN TECHNOLOGIES PLC

Overview of our audit approach

Scope	Our audit was scoped by obtaining an understanding of the Group, including the Parent Company, and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

Materiality	**2024**	**2023**	
Group	€83,000	€86,000	1% of Total Liabilities (2023: 1% of Total Liabilities)
Parent Company	€74,700	€77,400	1% of Total Liabilities, but capped at 90% of Group materiality (2023: 1% of Total Liabilities, but capped at 90% of Group materiality

Key audit matters

Recurring	• Classification and valuation of bonds • Existence and recoverability of litigation claims • Accuracy of accounting for Group entities • Employment tax liabilities

Key Audit Matters

In addition to the matters described in the Basis for qualified opinion section, we have determined matters described below to be Key Audit Matters to be communicated in our report. 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 year and include the most significant assessed risks of material misstatements, whether or not due to fraud, that we identified. These matters included those matters 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.

Classification and valuation of bonds

Key audit matter description	The Group has historic external financing arrangements, including bonds and loans, that have share conversion options. These arrangements are regarded as hybrid financial instruments, that comprise a financial liability host contract and conversion option that is an embedded derivative. The accounting classification and valuation of these external financing arrangements is a significant judgment area which also includes whether the conversion option should have been separated from the financial liability host instrument and accounted for at fair value through profit or loss.

How the scope of our audit responded to the key audit matter	Our work over the classification and valuation of bonds included, but was not limited to: • We obtained a detailed understanding and background regarding the bonds and loans in place at the start of the year; during the year; and held as at the year-end via the review of the contracts that underpin the instruments. Subsequently, we verified the appropriateness of the respective accounting treatment adopted. • We tested and formed an opinion on the appropriateness of management inputs into the valuation calculations. • We reviewed the inputs of the Black-Scholes model in relation to the valuation of the embedded derivative financial instrument of the bonds. • We reviewed the presentation of the bonds in the financial statements under IAS 1 Presentation of Financial Statements, in relation to the maturity extension of the bonds.

Key observations communicated to the Group's Audit Committee	Based on our procedures performed detailed above, we confirm that we have nothing material to report, and or draw attention to in respect of these matters.

Contingencies and existence of litigations and claims

Key audit matter description	The Group is actively engaged in ongoing litigations and claims to recover receivables in contingent damages for breach of contract, where the Group expects significant future economic benefits. The Group is required to assess the initial and subsequent measurement of the recoverability of receivables and the other proceeds of its claims in view of the requirements of IFRS 9 Financial Instruments and IAS 37 Provisions, Contingent Liabilities and Contingent Assets. Some of the claims are yet to be concluded in the courts and require significant judgment from management as to the total amount receivable. The risk exists that the outcome of these claims are not assessed appropriately and that rights and obligations do not exist to the extent that the corresponding assets are recognised.

How the scope of our audit responded to the key audit matter	Our work over contingencies and existence of litigation and claims included, but was not limited to: • We reviewed the significant judgements adopted by management in respect of assets subject to litigation and claims and assessed its consistency with the requirements of IFRS 9 and IAS 37. • We reviewed and discussed each claim with management and understood their basis for the treatment of each claim. • We tested managements calculations as to the value of any claim amount and tested the key inputs to confirmations from external legal advisers and versus similar historical claims where the Group has been successful. • We have reviewed relevant announcements made in the company's website to confirm and update our understanding in the progress of any claims. • We considered the presentation and measurement of the assets under litigation. • We assessed whether the appropriate disclosures regarding the nature of the claims have been adequately disclosed in the financial statements.

Key observations communicated to the Group's Audit Committee	We concluded that the assets arising from litigation claims were only recognised when their recovery was virtually certain and the assets could be reliably measured.

Accuracy of accounting for Group entities

Key audit matter description	The Parent Company is required to prepare consolidated financial statements that include the entities that it controls in accordance with the requirements of IFRS 10 Consolidated Financial Statements. There is a risk that entities have been omitted from the Groups consolidated accounts and therefore have been accounted for incorrectly. If 'control' exists over an entity, in accordance with the definition in IFRS 10, and this has not been consolidated, the Group accounts may be materially misstated. The Group has shareholdings in several dormant, inactive, liquidated, and in-liquidation entities that might need to be consolidated into Group financial statements. In particular, the Group has not consolidated the subsidiary Mediapolis Investment S.A. and Clear Holiday Srl as the directors consider their inclusion to be immaterial to the consolidated financial statements.

How the scope of our audit responded to the key audit matter	Our work over the accuracy of accounting for Group entities included, but was not limited to: • Assessment of each investment held by the Group in other entities against the definition of control set out in IFRS 10. • We sought to establish whether the investment resulted in control of the entity by reviewing relevant documentation about the various entities and by inquiries of the Group's management and advisers. • We also obtained the latest available financial information for all the investments and assessed the conclusions of the Directors about the inclusion of the various entities set out in Note 16. • We obtained from management their updated assessment of the non-consolidation of Mediapolis Investment S.A and Clear Holiday Srl. • We challenged management as to any further information obtained during 2024 or post year end that supported their conclusions.

Key observations communicated to the Group's Audit Committee	Based on our procedures performed detailed above, we concluded that the entities meeting the definition of control by the Group were consolidated in accordance with IFRS 10.

Employment tax liabilities

Key audit matter description	The business assesses and categorizes all tax risks between remote, possible, and probable, with possible risks being disclosed as contingent liabilities and probable risks being provided for in the financial statements. During the period under review, the most material tax risk relates to employment taxes not being deducted between 2015 and 2022 on consultancy payments to Directors. The Group has made a provision for the potential underpayment of employer's pay as you earn (PAYE) amounted to €210,000 in 2022 which has since been reduced to €97,583 in 2023 and 80,225 in 2024.

How the scope of our audit responded to the key audit matter	Our work over employment tax liabilities included, but was not limited to: • We requested management to engage an employment tax specialist to review their internal calculations and analysis to ensure that these had taken into consideration all available and relevant information. • We ensured that the calculations prepared by management were materially accurate mathematically. • We obtained a confirmation from the director's tax adviser to confirm key assumptions used in management's calculation.

Key observations communicated to the Group's Audit Committee	We are comfortable that the provision included in the Group financial statements is materially accurate based on the information available to management.

Our application of materiality

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of the identified misstatements, and the particular circumstances of their occurrence, when evaluation their effect on the financial statements as a while. Materiality is used in planning the scope of our work, executing that work and evaluation the results.

	Group Financial Statements	Parent Company Financial Statements
Overall materiality	€83,000 (2023: €86,000)	€74,700 (2023: €77,400)
How we determined it	1% of Total Liabilities (2023: 1% of Total Liabilities)	1% of Total Liabilities, but capped at 90% of Group materiality (2023: 1% of Total Liabilities, capped at 90% of Group materiality
Rationale for the benchmark applied	We consider total liabilities to be the most appropriate benchmark for materiality for the Group given that it is largely associated with raising finance for investment and operating purposes which then creates a corresponding liability, both in terms of bonds and loans raised.	The Parent Company constitutes the majority of the Group's operations and holds the external debt. Therefore, in line with Group materiality, the most appropriate benchmark is the total liabilities as this is the most important area to the users of the financial statements.

Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

Performance materiality for the Group was set at €49,800 (2023: €51,600) and at €44,800 (2022: €46,400) for the Parent Company which represents 60% (2023: 60%) of the above materiality levels.

The determination of performance materiality reflects our assessment of the risk of undetected errors existing, the nature of the systems and controls and the level of misstatements arising in previous audits.

We agreed to report any corrected or uncorrected adjustments exceeding €4,200 (2023: €4,300) and €3,700 (2023: €3,900) in respect of the Group and Parent Company, respectively to the Audit Committee as well as differences below this threshold that in our view warranted reporting on qualitative grounds.

Overview of the scope of the Group and Parent Company audits

Our assessment of audit risk, evaluation of materiality and our determination of performance materiality sets our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. This assessment takes into account the size, risk profile, organisation / distribution and effectiveness of group-wide controls, changes in the business environment and other factors such as recent internal audit results when assessing the level of work to be performed at each component.

In assessing the risk of material misstatement to the consolidated financial statements, and to ensure we had adequate quantitative and qualitative coverage of significant accounts in the consolidated financial statements we identified all 4 UK and Italian components as representing the principal business units within the Group.

Full scope audits - Of the 4 components selected, audits of the complete financial information of Quantum Blockchain Technologies Plc, Clear Leisure 2017 Limited and Brainspark Associates Limited were undertaken. These entities were selected based upon their size or risk characteristics.

Specified procedures - The final reporting component, QBT R&D Srl, was not considered to be a significant component of the Group and thus specified procedures on all balances in excess of component materiality was undertaken.

The control environment

We evaluated the design and implementation of those internal controls of the Group, including the Parent Company, which are relevant to our audit, such as those relating to the financial reporting cycle. We also tested operating effectiveness, but did not place reliance on this work.

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.

As described in the Basis for qualified opinion section of our report, our audit opinion is qualified for insufficient audit evidence in respect of the fair value of the investment in GeoSim Systems Ltd.

Strategic report and directors report

Expect for the matter described in the Basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of our audit:

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

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

Matters on which we are required to report by exception

Expect for the matter described in the Basis for qualified opinion section of our report, we have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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's and the 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 the 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.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

Identifying and assessing potential risks arising from irregularities, including fraud

The extent of the procedures undertaken to identify and assess the risks of material misstatement in respect of irregularities, including fraud, included the following:

- We considered the nature of the industry and sector the control environment, business performance including remuneration policies and the Group's, including the Parent Company's, own risk assessment that irregularities might occur as a result of fraud or error. From our sector experience and through discussion with the directors, we obtained an understanding of the legal and regulatory frameworks applicable to the Group focusing on laws and regulations that could reasonably be expected to have a direct material effect on the financial statements, such as provisions of the Companies Act 2006, listing rules and tax legislation.
- We enquired of the directors and management concerning the Group's and the Parent Company's policies and procedures relating to:
    - identifying, evaluating and complying with the laws and regulations and whether they were aware of any instances of non-compliance;
    - detecting and responding to the risks of fraud and whether they had any knowledge of actual or suspected fraud; and
    - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included utilising the spectrum of inherent risk and an evaluation of the risk of management override of controls. We determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce costs, creating fictitious transactions to improve financial performance, and management bias in accounting estimates particularly in determining the valuation of investments in unquoted companies.

Audit response to risks identified

In respect of the above procedures:

- we corroborated the results of our enquiries through our review of the minutes of the Group's and the Parent Company's audit committee meetings;
- audit procedures performed by the engagement team in connection with the risks identified included:
    - reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations expected to have a direct impact on the financial statements.
    - testing journal entries, including those processed late for financial statements preparation, those posted by infrequent or unexpected users, those posted to unusual account combinations;
    - evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias;
    - enquiry of management around actual and potential litigation and claims.
    - challenging the assumptions and judgements made by management in its significant accounting estimates, in particular those relating to the valuation of investments in unquoted companies as reported in the key audit matter section of our report; and
    - obtaining confirmations from third parties to confirm existence of a sample of transactions and balances.
- the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities; and
- we communicated relevant laws and regulations and potential fraud risks to all engagement team members, including experts, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Use of our report

This report is made solely to the Parent 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.

Pierpaolo Spadoni (Senior Statutory Auditor)
For and on behalf of ACT Audit Limited
27 Hill Street
Mayfair
London
W1J 5LP
United Kingdom

23/06/2025

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024	2023
		€'000	€'000
Revenue		**-**	-
		-	-
Administrative expenses	7	**(2,977)**	(4,025)
Other income		**-**	-
Operating loss		**(2,977)**	(4,025)
Other gains and losses		**89**	32
Impairment of investments	7	**(241)**	-
Share of loss from equity-accounted associates	8	**-**	(59)
Finance costs	9	**124**	(296)
Loss before tax		**(3,005)**	(4,348)
Tax	12	**152**	142
Loss for the year		**(2,853)**	(4,206)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(2,853)**	(4,206)
Earnings per share:			
Basic loss per share (cents)	13	**€0.221**	€0.382
Diluted loss per share (cents)	13	**€0.150**	€0.256

There was no other comprehensive income during the year

The accounting policies and notes form an integral part of these financial statements.

GROUP AND COMPANY STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Notes	Group 2024	Group 2023	Company 2024	Company 2023
		€'000	€'000	€'000	€'000
Non-current assets					
Intangible assets	15	**2**	2	**-**	-
Property, plant and equipment	14	**115**	169	**-**	-
Financial assets at fair value through profit and loss	16	**162**	396	**3**	76
Investments held at cost	16	**-**	-	**1**	11
Investments in equity-accounted associates	8	**-**	7	**-**	7
Total non-current assets		**279**	574	**4**	94
Current assets					
Trade and other receivables	17	**2,004**	3,243	**630**	946
Cash and cash equivalents	18	**604**	2,057	**600**	2,041
Total current assets		**2,608**	5,300	**1,230**	2,987
Total assets		**2,887**	5,874	**1,234**	3,081
Current liabilities					
Trade and other payables	19	**(360)**	(413)	**(458)**	(390)
Borrowings	20	**-**	(7,451)	**-**	(7,451)
Derivative financial instruments	21	**-**	(459)	**-**	(459)
Provisions	22	**(80)**	(98)	**(80)**	(98)
Total current liabilities		**(440)**	(8,421)	**(538)**	(8,398)
Net current assets/(liabilities)		**2,168**	(3,121)	**692**	(5,411)
Total assets less current liabilities		**2,447**	(2,547)	**696**	(5,317)
Non-current liabilities					
Borrowings	20	**(7,519)**	-	**(7,519)**	-
Derivative financial instruments	21	**(317)**	-	**(317)**	-
Total non-current liabilities		**(7,836)**	-	**(7,836)**	-
Total liabilities		**(8,276)**	(8,421)	**(8,374)**	(8,398)
Net liabilities		**(5,389)**	(2,547)	**(7,140)**	(5,317)
Equity					
Share capital	23	**9,219**	9,219	**9,219**	9,219
Share premium account	23	**54,165**	54,165	**54,165**	54,165
Other reserves	25	**14,237**	14,228	**5,912**	5,903
Retained losses		**(83,012)**	(80,159)	**(76,436)**	(74,604)
Total equity		**(5,391)**	(2,547)	**(7,140)**	(5,317)

GROUP AND COMPANY STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024 (CONTINUED)

An income statement for the parent company is not presented in accordance with the exemption allowed by section 408 of the Companies Act 2006. The parent company's comprehensive loss for the financial year amounted to €1,832,000 (2023: loss of €2,442,000).

The financial statements were approved by the board of directors and authorised for issue on 23 June 2025, on its behalf by:

Francesco Gardin
Director
Company Number 03926192

The notes on pages 43 to 79 form an integral part of these financial statements.

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

Group	Share capital	Share premium account	Other reserves	Retained losses	Total equity
	€'000	€'000	€'000	€'000	€'000
At 1 January 2023	**8,378**	**50,541**	**13,812**	**(75,953)**	**(3,222)**
Total present loss and comprehensive loss for the year	-	-	-	(4,206)	(4,206)
Exercise of warrants	-	-	-	-	-
Issue of shares	841	3,624	-	-	4,465
Grant of share options	-	-	416	-	416
Modification of bond	-	-	-	-	-
At 31 December 2023	**9,219**	**54,165**	**14,228**	**(80,159)**	**(2,547)**
Total comprehensive loss for the year	-	-	-	(2,853)	(2,853)
Increase in fair value of share options	-	-	8	-	8
Grant of share options	-	-	1	-	1
At 31 December 2024	**9,219**	**54,165**	**14,237**	**(83,012)**	**(5,391)**

The following describes the nature and purpose of each reserve:

Share capital	represents the nominal value of equity shares.
Share premium	amount subscribed for share capital in excess of the nominal value.
Retained losses	cumulative net gains and losses less distributions made and items of other comprehensive income not accumulated in another separate reserve. Included within retained losses are movements relating to the grant, exercise, and fair value movement of the warrants issued during the year.
Other reserves	consist of four reserves, as detailed in Note 25, see below:
Merger reserve	relates to the difference in consideration and nominal value of shares issued during a merger and the fair value of assets transferred in an acquisition of 90% or more of the share capital of another entity.
Loan note equity reserve	relates to the equity portion of the convertible loan notes.
Share option reserve	fair value of the employee and key personnel equity settled share option scheme as accrued at the reporting date.
Capital contribution reserve	represents capital contributions received from shareholders or parent, without the issuance of shares.

The accounting policies and notes form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

Company	Share capital	Share premium account	Other reserves	Retained losses	Total
	€'000	€'000	€'000	€'000	€'000
At 1 January 2023	**8,378**	**50,541**	**5,487**	**(72,162)**	**(7,756)**
Total present loss and comprehensive loss for the year	**-**	**-**	**-**	**(2,442)**	**(2,442)**
Exercise of warrants	**-**	**-**	**-**	**-**	**-**
Issue of shares	**841**	**3,624**	**-**	**-**	**4,465**
Grant of share options	**-**	**-**	**416**	**-**	**416**
Modification of bond	**-**	**-**	**-**	**-**	**-**
At 31 December 2023	**9,219**	**54,165**	**5,903**	**(74,604)**	**(5,317)**
Total comprehensive loss for the year	**-**	**-**	**-**	**(1,832)**	**(1,832)**
Increase in fair value of share options	**-**	**-**	**8**	**-**	**8**
Grant of share options	**-**	**-**	**1**	**-**	**1**
At 31 December 2024	**9,219**	**54,165**	**5,912**	**(76,436)**	**(7,140)**

The following describes the nature and purpose of each reserve:

Share capital	represents the nominal value of equity shares.
Share premium	amount subscribed for share capital in excess of the nominal value.
Retained losses	cumulative net gains and losses less distributions made and items of other comprehensive income not accumulated in another separate reserve. Included within retained losses are movements relating to the grant, exercise, and fair value movement of the warrants issued during the year.
Other reserves	consist of three reserves, as detailed in Note 25, see below:
Merger reserve	relates to the difference in consideration and nominal value of shares issued during a merger and the fair value of assets transferred in an acquisition of 90% or more of the share capital of another entity.
Loan note equity reserve	relates to the equity portion of the convertible loan notes.
Share option reserve	fair value of the employee and key personnel equity settled share option scheme as accrued at the reporting date.
Capital contribution reserve	represents capital contributions received from shareholders or parent, without the issuance of shares.

The accounting policies and notes form part of these financial statements.

GROUP AND COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Group 2024 €'000	Group 2023 €'000	Company 2024 €'000	Company 2023 €'000
Cash used in operations					
Loss before tax		**(3,005)**	(4,348)	**(1,986)**	(2,585)
Impairment of investments	16	**241**	303	**253**	-
Share of post-tax losses of equity accounted associates	8	**-**	59	**-**	59
Impairment of intercompany receivables		**3**	-	**3**	-
Impairment of other assets		**55**	-	**55**	-
Finance charges	9	**(124)**	296	**(124)**	295
Depreciation expense	14	**55**	55	**-**	-
Decrease in receivables	17	**1,240**	1,383	**318**	110
(Decrease) /increase in payables	19	**(145)**	(164)	**(25)**	(298)
Share based payments		**9**	416	**9**	416
R&D tax credit		**-**	154	**-**	154
Net cash outflow from operating activities		**(1,671)**	(1,846)	**(1,497)**	(1,849)
Cash flows from investing activities					
Purchase of investments	16	**-**	(22)	**-**	(22)
Purchase of other investments		**-**	(5)	**-**	(6)
Purchase of property, plant and equipment	14	**1**	-	**-**	-
Purchase of intangible assets	15	**-**	(2)	**-**	-
Net cash outflow from investing activities		**1**	(29)	**-**	(28)
Cash flows from financing activities					
Proceeds from capital issue		**-**	3,465	**-**	3,465
Net interest received /(paid)		**51**	(9)	**52**	(9)
Capital contribution		**162**	-	**-**	-
Net cash (outflow)/inflow from financing activities		**213**	3,456	**52**	3,456
Net (decrease) /increase in cash for the year		**(1,457)**	1,581	**(1,445)**	1,579
Cash and cash equivalents at beginning of year		**2,057**	463	**2,041**	449
Exchange differences		**4**	13	**4**	13
Cash and cash equivalents at end of year	18	**604**	2,057	**600**	2,041

The accounting policies and notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

1. General Information

Quantum Blockchain Technologies plc is a company incorporated in England under the Companies Act 2006. The Company's ordinary shares are traded on AIM of the London Stock Exchange. The address of the registered office is given on the Company Information page. The nature of the Group's operations and its principal activities are set out in the Directors' report on page 14.

2. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period covered by these consolidated financial statements.

Basis of preparation

The consolidated Financial Statements of Quantum Blockchain Technologies plc have been prepared in accordance with United Kingdom adopted International Accounting Standards ("UK-adopted international accounting standards") and the parts of Companies Act 2006 applicable to companies reporting under UK-adopted international accounting standards.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of assets and liabilities held at fair value.

The preparation of Financial Statements in conformity with UK-adopted international accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated Financial Statements are disclosed in Note 3.

The Consolidated Financial Statements are presented in Euros (€), the functional and presentation of the entity rounded to the nearest €'000.

The Group has adopted the amendments to IAS 16 Property, Plant and Equipment (issued in May 2020) in the current year. This has not had a material impact on the Group financial statements.

The Group has adopted the amendments to IAS 16 IAS 37 Provisions, Contingent Liabilities and Contingent Assets (issued in May 2020) in the current year. This has not had a material impact on the Group financial statements.

Going Concern

In 2024 the Group incurred a loss of €2,853,000 (2023: €4,206,000) and had net current assets as at 31 December 2024 of €2,168,000 (2023: net current liabilities of €3,121,000). Forecasts for the period to 30 June 2026 has been prepared on the prudent assumptions that the Group will still be non-revenue generating, will not receive any portion of its litigation claims. Nonetheless, on the basis of the equity funding raised in January 2025 which raised a total of EUR 2.417 million (before expenses), and the extension on our two convertible bond repayments from December 2024 to December 2026, the Board believes that the Group, at the date of this report, may hold sufficient liquidity to sustain its operational existence for the following twelve months without the specific necessity to raise further funding either through an equity placing on AIM, or through other external sources, unless for additional specific investment opportunities or ventures.

After making due enquiries, the Directors have formed the opinion that there is a reasonable expectation that, in the next 12 months, there should be no need to secure further resources, but in case of new investment opportunities the Group can secure further funds to sustain such expenses and that adequate arrangements will be in put place to enable the settlement of their financial commitments, as and when they fall due.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

2. Accounting policies (continued)

On this note, the Directors continue to adopt the going concern basis in preparing the financial statements.

Notwithstanding the above, the Directors believe that due to the tight constraints existing within the budget at 30 June 2026 and given the inherent commercial uncertainties in relation to future events, a material uncertainty over the outcome of the matters described exists and Group might be required to raise further financing and note the uncertainty in relation to the Group being able to realise its assets and discharge its liabilities in the normal course of business.

New standards, interpretations and amendments not yet adopted

The Group decided not to early adopt the following amendments to standards which are not yet mandatory.

Amendments to IAS 21 – Lack of Exchangeability *(issued in August 2023)*

IAS 21 prescribes the accounting for:

- Transactions in foreign currencies
- Translating the accounts of foreign operations prior to consolidation.

Individual transactions in foreign currencies are initially recorded at the exchange rate prevailing on the date of the transaction. At the date of settlement, cash transferred is recorded at the rate prevailing on the settlement date. Any exchange difference arising is recognised in profit or loss.

The statement of financial position of a foreign operation is translated using the closing rate, being the exchange rate at the reporting date. The statement of profit or loss and other comprehensive income is translated using the exchange rates at the dates of the transactions. For practical reasons, an average rate for the period is often used to translate income and expense items where this approximates the exchange rates at the dates of the transactions. However, if exchange rates fluctuate significantly, the use of the average rate for a period is inappropriate. Exchange differences arising are reported as other comprehensive income.

The amendments primarily include the following:

- Requirements to assess when a currency is exchangeable into another currency and when it is not
- Requirements to estimate the spot exchange rate when a currency is not exchange into another currency
- Additional disclosure requirements when an entity estimates the spot exchange rate because a currency is not exchange into another currency
- Application guidance to help entities assess whether a currency is exchangeable into another currency and to estimate the spot exchange rate when a currency is not exchangeable
- Illustrative examples
- Amendments to IFRS *1 First-time Adoption of International Financial Reporting Standards* to align the requirements related to severe hyperinflation to the amended IAS 21.

The Group does not expect a material impact on its consolidated financial statements from these amendments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

2. Accounting policies (continued)

Annual Improvements to IFRS Accounting Standards – Volume 11 – IFRS 1, IFRS 7, IFRS 9, IFRS 10 & IAS 7 *(issued in July 2024)*

- IFRS 9 *Financial Instrument* - **Transaction price**. The amendment deletes the reference to 'transaction price' and revises the wording around it in paragraph 5.1.3; and removes the reference to IFRS 15 in Appendix A.
- IFRS 9 *Financial Instrument* - **Lessee derecognition of lease liabilities**. The amendment clarifies a lessee's accounting for derecognition of a lease liability by adding a cross-reference to paragraph 3.3.3 of IFRS 9 in paragraph 2.1(b)(ii) of IFRS 9.
- IFRS 7 *Financial Instruments: Disclosures* - **Gain or loss on derecognition**. The amendment replaces the reference to paragraph 27A of IFRS 7, a paragraph that no longer exists, with a reference to paragraphs 72–73 of IFRS 13; and replaces the phrase 'inputs that were not based on observable market data' with 'unobservable inputs.
- IFRS 1 *First-time Adoption of International Financial Reporting Standards* - **Hedge accounting by a first-time adopter**. The amendment replaces the word 'conditions' with 'qualifying criteria' and adds cross-references to paragraph 6.4.1 of IFRS 9 in paragraphs B5–B6 of IFRS 1. This is to ensure consistency with the wording in IFRS 9.
- IFRS 10 *Consolidated Financial Statement* - **Determination of a 'de facto' agent**. The amendment clarifies the requirements in paragraph B74 of IFRS 10.
- IAS 7 *Statement of Cash Flows* - **Cost method**. The amendment replaces the term 'cost method', a term that is no longer defined in IFRS Accounting Standards, with 'at cost' in paragraph 37 of IAS 7.

The Group does not expect a material impact on its consolidated financial statements from these amendments.

Amendments to IFRS 18 – Presentation and Disclosure in Financial Statements *(issued in April 2024)*
IFRS 18 aims to provide greater comparability and transparency in how companies present their financial statements, with particular focus on financial performance in the statement of profit or loss (SOPL).

IFRS 18 introduces three new requirements:
- Two new defined subtotals in the SOPL in the form of operating profit or loss and profit or loss before financing and income tax. In addition, there will be three new defined categories for income and expenses (operating, investing and financing) to bring about a consistent structure to the SOPL.
- Disclosure notes on management-defined performance measures (MPMs). A disclosure note is required to explain why the MPM is reported, how it is calculated, any changes to the MPM and a reconciliation back to the most directly comparable IFRS-defined subtotal. As part of the financial statements, this note will be subject to audit.
- Enhanced guidance on the aggregation and disaggregation of information in the financial statements. The guidance covers whether information should be presented in the primary financial statements or disclosed in the notes (if material), how to meaningfully label items and disclose information about 'other' items and how to present or disclose operating expenses by nature or by function.

The Group does not expect a material impact on its consolidated financial statements from these amendments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

2. Accounting policies (continued)

Amendments to IFRS 19 – Subsidiaries without Public Accountability: Disclosures *(issued in May 2024)*
The amendments allow eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. IFRS 19 aims to reduce the costs of preparing subsidiary financial statements without compromising the usefulness of information included in the financial statements. Subject to any local endorsement requirements, the standard is effective from 1 January 2027, with early adoption permitted.

IFRS 19 has been designed to simplify the group reporting process by:

- enabling subsidiaries to keep only one set of accounting records that satisfies the needs of both their parent and the users of their financial statements; and
- reducing disclosure requirements to be more proportionate to the needs of the users of their financial statements.

Subsidiaries are eligible to apply IFRS 19 if they do not have public accountability, and their parent company applies IFRS Accounting Standards in their consolidated financial statements. A subsidiary has public accountability if it has equities or debt listed on a stock exchange or if it holds assets in a fiduciary capacity for a broad group of outsiders.

The Group does not expect a material impact on its consolidated financial statements from these amendments.

Basis of consolidation

Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The consolidated financial statements present the results of the company and its subsidiaries as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full. All subsidiaries have a reporting date of December.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

There is alignment of accounting polices across all Group entities by using uniform accounting policies for like transactions and other events in similar circumstances.

The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

On consolidation, the results of overseas operations are translated into euros at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

2. Accounting policies (continued)

Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income and accumulated in the foreign exchange reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the consolidated statement of comprehensive income as part of the profit or loss on disposal.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less any impairment loss.

Investments in associates

Investments in associates are accounted for using the equity method less any impairment loss.

The carrying amount of the investment in associates is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate, adjusted where necessary to ensure consistency with the accounting policies of the Group.

Unrealised gains and losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

Foreign currency

The functional currency is Euro. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. This is applicable to non-monetary items. Exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or costs'. All other exchange gains and losses are presented in the income statement within 'other (losses)/gains – net'.

Changes in the fair value of monetary securities denominated in foreign currency are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Taxation

The tax expense represents the sum of the tax currently payable and any deferred tax.

Current taxes are based on the results of the Group companies and are calculated according to local tax rules, using the tax rates and laws that have been enacted or substantially enacted by the reporting date.

Deferred tax is provided in full using the financial position liability method for all taxable temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax is measured using currently enacted or substantially enacted tax rates and laws. Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the statement of financial position liability method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

2. Accounting policies (continued)

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets are recognised to the extent the temporary difference will reverse in the foreseeable future and that it is probable that future taxable profit will be available against which the asset can be utilised. Deferred tax is recognised for all deductible temporary differences arising from investments in subsidiaries and associates, to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

Revenue

The principal activities of the Group are the R&D programme and operating as an investing company with a portfolio of assets in technology sectors. The main focus of management is to successfully run the R&D programme and release new products to market.

The Group also provides consultancy services to companies within the Group.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations, and then
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised as earned at a point in time on the unconditional supply of these services, which are received and consumed simultaneously by the customer. The Group measures revenues at the fair value of the consideration received or receivable for the provision of consultancy services net of Value Added Tax.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value. The following useful lives are applied:

Computers	5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the profit or loss

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

2. Accounting policies (continued)

Impairment of property, plant and equipment

At each reporting end date, the company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Financial instruments

Classification and measurement

The Group classifies its financial assets into the following categories: those to be measured subsequently at fair value through profit or loss (FVPL) and those to be held at amortised cost.

Classification depends on the business model for managing the financial assets and the contractual terms of the cash flows.

Management determines the classification of financial assets at initial recognition. The Group's policy with regard to financial risk management is set out in Note 21. Generally, the Group does not acquire financial assets for the purpose of selling in the short term.

The Group's business model is primarily that of "hold to collect" (where assets are held in order to collect contractual cash flows). When the Group enters into derivative contracts, these transactions are designed to reduce exposures relating to assets and liabilities, firm commitments or anticipated transactions.

Financial Assets held at amortised cost

The classification applies to debt instruments which are held under a hold to collect business model, and which have cash flows that meet the "solely payments of principal and interest" (SPPI) criteria.

At initial recognition, trade receivables that do not have a significant financing component, are recognised at their transaction price. Other financial assets are initially recognised at fair value plus related transaction costs, they are subsequently measured at amortised costs using the effective interest method. Any gain or loss on derecognition or modification of a financial asset held at amortised cost is recognised in the income statement.

Financial Assets held at fair value through profit or loss (FVPL)

The classification applies to the following financial assets. In all cases, transaction costs are immediately expensed to the income statement.

- Debt instruments that do not meet the criteria of amortised costs or fair value through other comprehensive income. These receivables are generally held to collect but do not meet the SPPI criteria and as a result must be held at FVPL. Subsequent fair value gains or losses are taken to the income statement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

2. Accounting policies (continued)

- Equity investments which are held for trading or where the FVOCI election has not been applied. All fair value gains or losses and related dividend income are recognised in the income statement.
- Derivatives which are not designated as a hedging instrument. All subsequent fair value gains or losses are recognised in the income statement.

Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. For trade receivables, where there is no significant financing component, fair value is normally the transaction price.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value with maturities of three months or less from inception.

Impairment of financial assets

A forward-looking expected credit loss (ECL) review is required for: debt instruments measured at amortised costs are held at fair value through other comprehensive income; loan commitments and financial guarantees not measured at fair value through profit or loss; lease receivables and trade receivables that give rise to an unconditional right to consideration.

As permitted by IFRS9, the Company applies the “simplified approach” to trade receivable balances and the “general approach” to all other financial assets. The general approach incorporates a review for any significant increase in counter party credit risk since inception. The ECL reviews including assumptions about the risk of default and expected loss rates. For trade receivables, the assessment takes into account the use of credit enhancements, for example, letters of credit. Impairments for undrawn loan commitments are reflected as a provision.

Financial liabilities

Borrowings and other financial liabilities (including trade payables but excluding derivative liabilities) are recognised initially at fair value, net of transaction costs incurred, and are subsequently measured at amortised costs.

Convertible bonds

Convertible bonds are regarded as compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible debt. The difference between the proceeds of issue of the convertible loan notes and the fair value assigned to the liability component, representing the embedded option to convert the liability into equity of the Group, is included in equity.

Issue costs are apportioned between the liability and equity components of the convertible loan notes based on their relative carrying amounts at the date of issue. The portion relating to the equity component is charged directly against equity.

The interest expense on the liability component is calculated by applying the prevailing market interest rate for similar non-convertible debt to the liability component of the instrument. The difference between this amount and the interest paid is added to the carrying amount of the convertible loan note.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

2. Accounting policies (continued)

Borrowings costs

Interest-bearing borrowings are initially recorded at fair value net of attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between proceeds and redemption value being recognised in the profit or loss over the period of the borrowings on an effective interest basis.

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Provisions, contingent assets and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the year-end date, taking into account the risks and uncertainties surrounding the obligation.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

Contingent assets are possible assets whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events that are not wholly within the control of the Group. Contingent assets are not recognised, but they are disclosed when it is more likely than not that an inflow of benefits will occur. When the inflow of benefits is virtually certain an asset is recognised.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received net of direct issue costs.

Share capital account represents the nominal value of the shares issued.

The share premium account represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Retained losses include all current and prior period results as disclosed in the statement of comprehensive income.

Other reserves consist of the merger reserve, share option reserve and loan equity reserve.

- the merger reserve represents the premium on the shares issued less the nominal value of the shares, being the difference between the fair value of the consideration and the nominal value of the shares.
- the share option reserve represents the cumulative amounts charged to the profit or loss in respect of employee share option arrangements where the scheme has not yet been settled by means of an award of shares to an individual.
- the loan equity reserve represents the value of the equity component of the nominal value of the loan notes issued.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

2. Accounting policies (continued)

Government Grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received, and the group will comply with all attached conditions. Government grants which are revenue in nature are recognised in profit or loss over the period in which the group recognises as expenses the related costs for which the grants are intended to compensate.

Research and development costs

Development costs are recognised as an asset only when all of the following criteria are met:

(a) the technical feasibility of completing the intangible asset so that it will be available for use or sale.

(b) its intention to complete the intangible asset and use or sell it.

(c) its ability to use or sell the intangible asset.

(d) how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset.

(e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.

(f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

The research and development expenditure that does not meet the recognition criteria are not capitalised and are recognised as an expense as incurred, as shown in Note 7.

3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of Financial Statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below and in other relevant notes in the financial statements.

Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible, but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm’s length transaction at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

In order to arrive at the fair value of investments a significant amount of judgement and estimation has been adopted by the Directors as detailed in the investments accounting policy. Where these investments are un-listed and there is no readily available market for sale the carrying value is based upon future cash flows and current earnings multiples for which similar entities have been sold. The nature of these assumptions and the estimation uncertainty as a result is outlined in Note 16, along with sensitivities in Note 21.

4. Segment information

In identifying its operating segments, management generally follows the Group's service lines, which represent the main products and services provided by the Group. The measurement policies the Group uses for segment reporting under IFRS 8 are the same as those used in its financial statements. The disclosure is based on the information that is presented to the chief operating decision maker, which is considered to be the board of Quantum Blockchain Technologies plc.

The Directors are of the opinion that under IFRS 8 - "Operating Segments" there are no identifiable business segments that are subject to risks and returns different to the core business of developing cheaper and faster bitcoin mining. The information reported to the Directors, for the purposes of resource allocation and assessment of performance is based wholly on the overall activities of the Group. Therefore, the Directors have determined that there is only one reportable segment under IFRS 8.

The Group has not generated a material level of income and has no major customers.

5. Staff costs

	Group		**Company**	
	2024 **€'000**	2023 €'000	**2024** **€'000**	2023 €'000
Staff costs during the period including directors comprise:				
Wages and salaries	**239**	217	**202**	217
Social security costs and pension contributions	**8**	(90)	**8**	(90)
Share options expense	**9**	416	**9**	416
	256	543	**219**	543

In 2022 the social security costs and pension contributions included a provision relating to the directors' national insurance of €210,000. Of this provision, €113,000 was subsequently reversed in 2023 contributing to the credit balance for that year. A further €17,000 was reversed in 2024.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

6. Directors' emoluments

	2024	2023
	€'000	€'000
Aggregate emoluments	**144**	142
Share options expense	**-**	416
	144	558

Remuneration of the highest paid Director was €88,000 (2023: €69,000).

There are no retirement benefits accruing to the Directors. Details of directors' remuneration are included in the Directors' Report.

7. Expenses by nature

	2024	2023
	€'000	€'000
Directors' emoluments	**159**	462
Employee emoluments	**98**	99
Professional and legal fees	**620**	722
Audit fees	**63**	56
Administrative expenditure	**350**	201
Impairment of investment	**241**	-
Impairment of assets	**770**	1,527
Research and development costs	**917**	781
	3,218	3,848

8. Investments in associates

The Group has a 41.17% equity interest in ForCrowd Srl.

Summarised financial information of the Group's share in this associate is as follows:

	2024	2023
	€'000	€'000
Loss from continuing operations	-	(59)
Fair value increase	55	-
Impairment	(62)	-
Total comprehensive gain /(loss)	**(7)**	**(59)**
Aggregate carrying amount of the Group's interests in this associate	**-**	**7**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

9. Finance (costs)/income

	2024	2023
	€'000	€'000
Gain on derivatives	**141**	9
Interest on convertible bonds	**(246)**	(320)
Bank revaluations	**-**	5
Interest credit on modification of convertible bonds	**177**	-
Other gains or losses	**-**	-
Interest received	**52**	12
Bank fees	**-**	(2)
	(124)	(296)

10. Auditor's remuneration

	2024	2023
	€'000	€'000
Group Auditor's remuneration:		
Fees payable to the Group's auditor for the audit of the Company and consolidated financial statements:	**63**	56
Non audit services:		
Other services (tax)	**-**	-
Subsidiary Auditor's remuneration		
Other services pursuant to legislation	**-**	-
	63	56

11. Employee numbers

	Group		**Company**	
	2024 Number	2023 Number	**2024 Number**	2023 Number
The average number of Company's employees, including directors during the period was as follows:				
Management and administration	**4**	3	**4**	3

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

12. Taxation

	2024 **€'000**	2023 €'000
Corporation tax - current period	**(100)**	(100)
Corporation tax - prior period under provision	**(52)**	(41)
Foreign tax	**-**	(1)
Deferred taxation	**-**	-
Tax charge for the year	**(152)**	(142)

The Group has a potential deferred tax asset arising from unutilised trading losses and management expenses available for carry forward and relief against future taxable profits. The deferred tax asset has not been recognised in the financial statements in accordance with the Group's accounting policy for deferred tax.

The Group's unutilised losses are as follows:	**2024** **€'million**	2023 €'million
Trading losses	**5**	4
Management expenses	**20**	19
Non trade loan relationship deficits	**2**	2
Capital losses	**9**	9

The standard rate of tax for the current year, based on the UK effective rate of corporation tax is 25% (2023: 23.5%). The standard rate of Research and Development Tax credit is 10% of the enhanced R&D expenditure. The actual rate for the current and previous year varies from the standard rate for reasons set out in the following reconciliation:

Continuing operations	**2024** **€'000**	2023 €'000
Loss for the year before tax	**(3,004)**	(4,348)
Tax on ordinary activities at standard rate	**(751)**	(1,022)
Effects of:		
Expenses not deductible for tax purposes	**312**	497
R&D enhancement	**-**	(168)
R&D losses surrendered	**178**	344
R&D Foreign Tax losses surrendered	**-**	11
Losses brought forward claimed	**-**	-
Tax losses available for carry forward against future profits	**261**	338
Total tax payable	**-**	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

12. Taxation (continued)

Enhanced R&D expenditure	**1,542**	1,273
Total tax repayable – current year	**100**	100
Corporation tax - prior period under provision	**52**	41
Foreign tax	**-**	1
Total tax repayable	**152**	142

13. Earnings per share

The basic earnings per share is calculated by dividing the loss attributable to equity shareholders by the weighted average number of ordinary shares in issue during the period. Diluted earnings per share is computed using the weighted average number of shares during the period adjusted for the dilutive effect of share options, warrants and convertible loans outstanding during the period.

The loss and weighted average number of shares used in the calculation are set out below:

	2024			2023		
	Profit/ (Loss) €'000	Weighted average no. of shares 000's	Per share amount Euro Cent	Profit/ (Loss) €'000	Weighted average no. of shares 000's	Per share amount Euro Cent
Basic earnings per share						
Continuing operations	**(2,853)**	**1,291,314**	**(0.221)**	(4,206)	1,102,309	(0.382)
Total operations	**(2,853)**	**1,291,314**	**(0.221)**	(4,206)	1,102,309	(0.382)
Fully diluted earnings per share						
Continuing operations	**(3,085)**	**2,059,326**	**(0.150)**	(4,424)	1,727,130	(0.256)
Total operations	**(3,085)**	**2,059.326**	**(0.150)**	(4,424)	1,727,130	(0.256)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

14. Property, plant and equipment

Group	Computers €'000	Total €'000
Cost		
At 1 January 2024	275	275
Additions	1	1
At 31 December 2024	276	276
Depreciation and impairment		
At 1 January 2024	106	106
Depreciation charged in the year	55	55
At 31 December 2024	161	161
Carrying amount		
At 31 December 2024	115	115
At 31 December 2023	169	169

The tangible fixed assets relate in full to the Group's IT infrastructure dedicated to the R&D programme.

The Parent Company held no tangible fixed assets during the years ended 31 December 2023 and 2024.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

15. Intangible assets

Group	Formation Expenses €'000	Total €'000
Cost		
At 1 January 2024	2	2
Additions	-	-
At 31 December 2024	2	2
Amortisation		
At 1 January 2024	-	-
Amortisation charged in the year	-	-
At 31 December 2024	-	-
Carrying amount		
At 31 December 2024	2	2
At 31 December 2023	2	2

The intangible assets relate in full to formation expenses.

16. Investments

The significant entities for which the Group owns shares, held at 31 December 2024, were as follows:

Group Companies	Ownership	Country	Company Status	Net Assets/ (Liabilities) €,000	Date of latest accounts	Treatment
Brainspark Associates Ltd	100.00%	UK	Trading	(50,303)	2023	Consolidated
Clear Leisure 2017 Ltd	100.00%	UK	Trading	2,572	2023	Consolidated
QBT R&D Srl	100.00%	Italy	Trading	(69)	2022	Consolidated
Milan Digital Twin Ltd	100.00%	UK	Dormant	Nil	2023	Consolidated
London Digital Twin Ltd	100.00%	UK	Dormant	Nil	2023	Consolidated
Miner One Ltd	100.00%	UK	Dormant	Nil	2023	Consolidated
Clear Holiday Srl	100.00%	Italy	Dormant	10	2014	Not Consolidated
Mediapolis Investment S.A	71.72%	Luxembourg	Inactive	(6,648)	2010	Not Consolidated
Sosushi Company Srl	99.30%	Italy	In liquidation	654	2013	Not Consolidated
Fallimento Mediapolis Srl	84.04%	Italy	Liquidated	1,204	2016	Not Consolidated
Sipiem in Liquidazione Srl	50.17%	Italy	In liquidation	645	2014	Not Consolidated
ForCrowd Srl	41.17%	Italy	Investment	(8)	2022	Equity-accounting
ClassFinance in Liquidazione Srl	20.00%	Italy	Investment	(104)	2018	Held at fair value
More Legal Srl	0.45%	Italy	Investment	471	2022	Held at fair value
Geosim Systems	4.53%	Israel	Investment	(330)	2018	Held at fair value
Beni Immobili Srl	15.05%	Italy	Investment	14	2014	Held at fair value
TLT S.P.A	0.25%	Italy	Investment	(2,476)	2016	Held at fair value

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

16. Investments (continued)

The registered office of all UK companies is: First Floor, 1 Chancery Lane, London, England, WC2A 1LF.

The registered office for QBT R&D Srl is Via Mazzini 38, Rovigo (RO), 45100.

The registered office for Clear Holiday Srl is Viale Francesco Restelli 1/3, Milano (MI), 20124.

The registered office for Mediapolis Investment S.A is Rue Val des Bons Malades 231, 2121, Luxembourg-Kirchberg.

The registered office for Sosushi Company Srl is Via Parravicini 40, Monza (MB), 20900.

The registered office for Fallimento Mediapolis Srl is Via Friuli 10, Burtolo (TO), 10010.

The registered office for Sipiem in Liquidazione Srl is Via Mazzini 38, Rovigo (RO), 45100.

The registered office for Forcrowd Srl is Via Vincenzo Monti 52, Milano (MI), 20123.

The registered office for Class Finance Srl is Via Conservaorio 30, 20122, Milan.

The registered office for More Legal Srl is Via Matteotti 13, Brebbia (VA), 21020.

The registered office for Geosim Systems Limited is Granit St. Petach-Tikva 4951446, Israel.

The registered office for Beni Immobili Srl is Via Torino 58, Biella (BI), 13900.

The registered office for TLT SPA is Via Trento 5, Biella (BI), 13900.

The directors have assessed the group’s interests in other entities on an individual basis and come to the overall conclusions as detailed in the table above. Please see the note narrative for additional information on an entity by entity basis.

Quantum Blockchain Technologies PLC
This entity is the UK based group parent.

Brainspark Associates Limited
This entity is a 100% owned UK incorporated subsidiary of Quantum Blockchain Technologies PLC and has been included in the consolidation.

Clear Leisure 2017 Limited
This entity is a 100% owned UK incorporated subsidiary of Quantum Blockchain Technologies PLC and has been included in the consolidation.

QBT R&D Srl
This entity is a 100% owned subsidiary of the group incorporated in Italy and has been included in the consolidation.

Milan Digital Twin Limited
This entity is a 100% owned UK incorporated subsidiary of Quantum Blockchain Technologies PLC. This entity only includes unpaid share capital and has not begun operating. It has been included in the consolidation with an overall impact of nil.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

16. Investments (continued)

London Digital Twin Limited
This entity is a 100% owned UK incorporated subsidiary of Quantum Blockchain Technologies PLC. This entity only includes unpaid share capital and has not begun operating. It has been included in the consolidation with an overall impact of nil.

Clear Holiday Srl
Clear Holiday Srl is a 100% owned subsidiary of the group incorporated in Italy. Although QBT hold all of the shares, it does not have control of the company. Therefore, this entity has not been consolidated on the basis that QBT does not have control. The balances held within the company are not with external third parties and therefore the overall impact on the accounts would be trivial.

Miner One Limited
Miner One Limited is a 100% owned UK based entity. The entity itself was initially set up with the hope of transferring certain assets, notably a data centre located in Serbia into its possession. However, due to disputes with the previous joint venture partner this did not materialise. In 2021 this entity remained dormant and did not trade during the year. This entity only includes unpaid share capital and has not begun operating, it has been included in the consolidation with an overall impact of nil.

Mediapolis Investment S.A.
Mediapolis Investment S.A. is a 71.72% owned subsidiary incorporated in Luxembourg. The company itself is inactive and is not trading. Previous management failed to pay accountants and local directors for the previous six years and no financial statements have been filed for over seven years. Although this entity is inactive and 71.72% of the shares are held by the group, there is no active management in Luxembourg, and this has led to a difficulty in finalizing a liquidation.

The most recent accounts available were produced in 2010 and the main asset held by the entity is the investment of 13% of the capital in another former group company, Fallimento Mediapolis Srl, which has been liquidated. This investment is carried at approximately EUR6.6m and has been impaired to nil in previous years. Therefore, the non-consolidation of this entity is deemed to be immaterial to the group.

On 6 May 2021 Mediapolis Investment S.A. had entered a liquidation process and the Group does not expect any further assets or liabilities to arise from these proceedings.

Sosushi Company Srl
Sosushi Company Srl was a 99.3% owned entity incorporated in Italy. On 24 June 2021, the Company received notification that Sosushi had been declared bankrupt. Sosushi has not been consolidated as the fair value has been determined as nil and all receivables from the company have been fully impaired. The litigation is held via Clear Leisure 2017.

Fallimento Mediapolis Srl
Fallimento Mediapolis Srl was an 84.04% equivalent owned entity incorporated in Italy. Quantum Blockchain Technologies Plc held directly 74.67% of the capital of the company whilst a 13% stake was held via Mediapolis Investment S.A as noted above. The company was liquidated in 2017 and therefore this is the date from which control is deemed to have been lost. There is ongoing bankruptcy litigation however, the investment has been fully impaired. Therefore, the financial information for Fallimento Mediapolis Srl has not been consolidated into the group financial statements.

The Group retains the rights over a balance of €132,000 to be received at the formal conclusion of the bankruptcy procedure.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

16. Investments (continued)

Sipiem In Liquidazione Srl
Sipiem in Liquidazione Srl, previously Sipiem S.P.A., ("Sipiem") was an entity incorporated in Italy of which 50.17% was owned by the Company. The entity had not been trading for a number of years but was maintained due to ongoing legal matters with its former directors. The company entered into liquidation in 2015 and this is the date from which control by the Group is deemed to have been lost and the financial information for Sipiem has since not been consolidated into the Group financial statements. The investment in Sipiem is accounted at fair value through profit or loss. Furthermore, in August 2022 the company was declared bankrupt by the Court of Rovigo, following a petition filed by Sipiem's liquidator with the support of its main shareholder (Quantum Blockchain Technologies PLC). Sipiem's bankruptcy does not impact the Company's balance sheet, as the litigation is held via Clear Leisure 2017 Limited ("**CL17**").

In November 2022, the Venice Court issued its final judgment in respect of the Company's legal claim against the previous management, which claim is held via CL17. The ruling was iin favour of CL17 and the defendants were ordered to pay an aggregate amount of €6,188,974 (plus interest and adjustments for inflation to accrue from different dates until the date of payment) in damages, plus €85,499 in legal expenses (together the "Award Payment"). The Award Payment is subject to tax duties in Italy. It is worth noting that the exact amount of the Award Payment that will be collected by the Company and the timing of receipt of any such funds have not yet been finalised. Collection efforts remain ongoing.

In March 2023, the Company announced that at the hearing for the Sipiem litigation at the Venice Appeal Court, the judge ruled in favour of CL17, thereby allowing CL17 to seek enforcement of the Award Payment against the main Sipiem defendant (a former director of Sipiem, who is individually liable for the full amount of the Award Payment). The Appeal Court did, however, grant the remaining Sipiem defendants' request to enjoin enforcement of the judgment against the members of the internal audit committee and the main defendant's family members.

In May 2024, the Company announced that at the end of April 2024, it reached a settlement agreement with some of the Sipiem litigation co-liable defendants for €700,000 (which, net of certain costs, has been received by CL17). At the same time, CL17 also reached an agreement with the Sipiem's receiver, who relinquished its right to receive 30% of any sums collected (net of legal and other costs) from the Sipiem litigation, as envisaged in the 2019 claim purchase agreement (the agreement by which CL17 acquired the Sipiem litigation) for an amount of €170,000, thereby giving CL17 rights to all damages recovered.

On 18 June 2024, the Company announced that the Venice Court of Appeal confirmed the ruling of the 2022 lower court judgment in favour of CL17 (save for €105,412), amounting to €6,083,562 (plus interest and adjustments for inflation) in damages, plus €134,166 for legal expenses. As the appeal ruling had been issued prior to the scheduling of the court hearing regarding the €700,000 settlement, such settlement is now deemed void as was *ipso facto* the €170,000 agreement with the receiver to relinquish its claim to further amounts collected,. Through its ruling, however, the Venice Court of Appeal also removed any opposition to the enforceability by CL17, of the above amounts against all defendants.

While the above matter is currently being assessed by the Company's legal team, the Company still hold the above €700,000 settlement funds, minus the €170,000 paid to the receiver for its relinquishment of the 30% right. In the meantime, all the parties involved, namely the receiver, Sipiem's statutory auditor's lawyers and the insurer's lawyers are being contacted to discuss the contractual implications of the voided settlement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

16. Investments (continued)

ForCrowd Srl
ForCrowd Srl is a 41.17% owned investment of the Group incorporated in Italy. The Group has determined that it holds significant influence over this associate given the voting rights arising from its shareholding. Consequently, this investment has been categorised in the accounts within "Investment in equity-accounted associates" and is carried in the accounts at the Group's share of the associate's net assets, with the Group's share of the profit or loss and other comprehensive income of the associate being brought into the Group's results for the year. This investment has been fully impaired in the year to 31 December 2024. Previously, this investment was categorised in the financial statements within "Investments" and hence was re-categorised in the year ended 31 December 2021.

ClassFinance in Liquidazione Srl
ClassFinance in Liquidazione Srl is a 20% owned investment of the group incorporated in Italy. The company was placed into liquidation in 2015. The investment in ClassFinance in Liquidazione Srl is accounted at fair value through profit or loss. The fair value is assessed to be nil and fair value loss has been fully recognised.

More Legal Srl (formerly PBV Monitor Srl)
More Legal Srl is a 0.45% owned investment in an entity incorporated in Italy. The investment has been recognised in the accounts at fair value through profit or loss. The Fair Value of More Legal is €3,000 (2023: €76,000) and has decreased in the year due to a dilution of its issued share capital.

There were additional rounds of equity funding in January and February 2022, in which the entire post money valuation of the company was €1,429,000, with the Company directly holding 10% of such amount at this period in time.

The post money valuation at which the Company invested in 2018 was €340,000, which also represented the Company's valuation of More Legal in Pre Covid-19 conditions. The difference between this original value and the current fair value is not attributable to a change of fundamentals to the business. Similarly, the progress made since 2020 has not highlighted any significant divergence from the original business plan.

The difference in the valuation is instead attributable to lower value attributed to the company during the 2022 equity round. The key assumptions underpinning the equity round at the start of 2022 remain applicable.

In the 2024 financial year, additional fundraising events were held by More Legal Srl which led to a dilution in shares for QBT from 10% to 0.45%.

The Fair Value assessment of More Legal, is directly related to the company's valuation in future rounds.

GeoSim Systems Limited
GeoSim Systems Limited is a 4.53% owned entity incorporated in Israel. The investment has been recognised in the accounts through its fair value and is held via Brainspark Associates Limited. The Fair Value of GeoSim (€160,000, 2023: €320,000) has been assessed in relation to the last equity round of the company in 2018, in which Quantum Blockchain Technologies' 533,990 shares indirectly held GeoSim shares have been valued at $1.25 each.

The fair value assessment of Geosim is directly related to the company's valuation in future rounds and to the EUR/USD exchange rate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

16. Investments (continued)

Beni Immobili Srl
Beni Immobili Srl is a 15.05% equivalent owned investment in an entity incorporated in Italy. The shares in this company are held via Sipiem. No fair value is recognised for this investment as the entity has minimal net assets and the valuation would be trivial to the consolidated financial statements. Moreover, as the investment is held via Sipiem, which is in liquidation, the investment has not been recognised as an asset.

TLT S.P.A
TLT S.P.A is a 0.25% owned investment based in Italy. No fair value is recognised for this investment as the entity has a large net liability position and due to the small shareholding, any potential valuation would be trivial to the consolidated financial statements. Moreover, as the investment is held via Sipiem, there has been a complete fair value loss and the investment amount has been derecognised.

Carrying value of investments	**Group**		**Company**	
	2024	2023	**2024**	2023
	€'000	€'000	**€'000**	€'000
At as 1 January	**396**	677	**87**	65
Additions	**-**	22	**162**	22
Fair value decrease	**(74)**	(303)	**(74)**	-
Impairments	**(160)**	-	**(172)**	-
Foreign exchange	**-**	-	**-**	-
Carrying value at 31 December	**162**	396	**3**	87

An amount of €160,000 (2023: €320,000) included within Group investments held for trading is a level 3 investment and represents the fair value of 533,990 shares in GeoSim Systems Ltd. GeoSim Systems Ltd is an Israeli company seeking to establish itself as the world leader in building complete and photorealistic 3D virtual cities and in delivering them through the Internet for use in local searches, real estate and city planning, homeland security, tourism and entertainment. Quantum Blockchain Technologies indirectly owns 4.53% of GeoSim Systems Ltd.

An amount of €3,000 (2023: €76,000) included within Company investments held for trading is a level 3 investment and represents the fair value of a 0.45% interest in More Legal Srl (formerly PBV Monitor Srl). More Legal Srl is an Italian company specialising in the acquisition and dissemination of data for the legal services industry, utilising proprietary market intelligence tools and dedicated search software. Quantum Blockchain Technologies acquired 10% of More Legal Srl in December 2018 and purchased more shares in January and February 2022 to maintain its 10% shareholding. As part of the initial investment agreement, Quantum Blockchain Technologies was granted a seat on the board of More Legal Srl and was appointed as exclusive advisor to More Legal Srl regarding the possible sale of More Legal Srl from 1 January 2020 for a period of four years and will be entitled to a 4% commission fee on the proceeds of any sale. Regarding QBT's investee companies, the Company is happy to report that in late June 2024 Forcrowd Srl obtained authorisation to extend its crowdfunding licence across all EU jurisdictions. With respect to PBV Monitor Srl (now More Legal Srl), the Company's stake has decreased to approximately 0.45% following a recent fundraising round.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

16. Investments (continued)

Investments held at cost	Group		Company	
	2024	2023	**2024**	2023
	€'000	€'000	**€'000**	€'000
At as 1 January	**-**	-	**11**	10
Additions	**-**	-	**162**	1
Impairment	**-**	-	**(172)**	-
Foreign exchange	**-**	-	**-**	-
Carrying value at 31 December	**-**	-	**1**	11

The value of the investment at cost represents €1,000 for BAL.

17. Trade and other receivables

	Group		Company	
	2024	2023	**2024**	2023
	€'000	€'000	**€'000**	€'000
Trade receivables	**14**	14	**-**	-
Other receivables	**1,927**	3,154	**377**	189
Amounts owed by related parties	**63**	75	**253**	757
	2,004	3,243	**630**	946

Group other receivables include an amount of €1,376,000 (2023: €2,818,000) due in relation to the ongoing Sipiem legal claim, which is unsecured, interest free and does not have fixed terms of repayment. The balance also includes an amount of -€83,000 (2023: -€112,000) in CL17 to record the guarantee made against fellow group entity debtors. An intercompany balance of €4,445,000 was fully impaired in 2023.

The Directors consider that the carrying value of trade and other receivables approximates to their fair value.

18. Cash and cash equivalents

	Group		Company	
	2024	2023	**2024**	2023
	€'000	€'000	**€'000**	€'000
Bank current accounts	**604**	2,057	**600**	2,041
	604	2,057	**600**	2,041

The Directors consider the carrying amounts of cash and cash equivalents approximates to their fair value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

19. Trade and other payables

	Group		Company	
	2024	2023	**2024**	2023
	€'000	€'000	**€'000**	€'000
Trade payables	**95**	85	**65**	64
Other payables	**112**	138	**240**	138
Accruals	**153**	190	**153**	188
Trade and other payables	**360**	413	**458**	390

The Directors consider that the carrying value of trade and other payables approximates to their fair value.

Included within other payables are intercompany balances that are not eliminated on consolidation, PAYE, national insurance and pension liabilities outstanding as at the year end, and unpaid salary balances.

Accruals relate to R&D, consulting and accountancy costs incurred by the Group that had not been invoiced by the year end.

20. Borrowings

	Group		Company	
	2024	2023	**2024**	2023
	€'000	€'000	**€'000**	€'000
Zero rate convertible bond 2015	**5,252**	5,202	**5,252**	5,202
Zero rate convertible bond 2020	**2,267**	2,249	**2,267**	2,249
	7,519	7,451	**7,519**	7,451
Disclosed as:				
Current borrowings	**-**	7,451	**-**	7,451
Non-current borrowings	**7,519**	-	**7,519**	-
	7,519	7,451	**7,519**	7,451

Interest on the bonds are accrued on a monthly basis. Presented in the bonds' line item above is the principal amount plus all interest accrued as at 31 December 2024.

On 25 March 2013 the Company issued €3,000,000 nominal value of zero rate convertible bonds at a discount of 22%. The bonds are convertible at 15p per share and have a redemption date of 15 December 2015.

During 2014 the Company issued €1,885,400 zero bonds in settlement of £1,563,000 7% bonds (see above). Also €600,000 zero bonds were issued in settlement of a debt of €518,000 and €450,000 bonds were issued for cash realising €412,000 before expenses.

On 15 December 2015 the bondholders' meeting approved the amendments on the Zero Rate Convertible Bond 2015, originally due on 15 December 2015. Under new terms the final maturity date of the Bond is 15 December 2017 and the interest has been reduced from 9.5% to 7%.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

20. Borrowings (continued)

On 15 December 2016 the bondholders' meeting approved the amendments on the Zero Rate Convertible Bond 2015, originally due on 15 December 2017. Under new terms the final maturity date of the Bond is 15 December 2018 and the interest has been reduced from 7% to 1%.

On 19 June 2018, the holders of its €9.9m Bonds agreed to extend the final maturity date of the Bonds from 15 December 2018 to 15 December 2022. The Company is now able to convert the Bonds into new ordinary shares of nominal value 0.25p each.

On 28 December 2018, bonds with a face value of €2,100,000 plus cumulative interest were converted into 50,992,826 new ordinary shares of 0.25 pence at a price of 3.76 pence per share.

On 5 October 2020, Eufingest SA agreed to extend the repayment date of all loans advanced to the company amounting to €3,375,000 and £30,000 to 31 October 2020.

On 9 November 2020 Eufingest SA agreed to convert all outstanding loans and accrued interest amounting to €3,423,707 into Zero rate convertible bond 2020. The Zero Coupon Bonds 2020 accrue interest at a rate of 2% per annum. Bondholders can convert at any time up to 15 December 2022 at a conversion price of £0.01 per share.

In April 2022, QBT agreed with the sole bondholder of the €3.5m 2020 Zero Coupon Bond to extend the maturity date from December 2022 to December 2024.

Also, with regard to the 2015 Zero Coupon Bond, via a Bondholders' meeting held on 21 April 2022, the Company extended the maturity date from 15 December 2022 to 15 December 2024 and amended the conversion price into Company's new ordinary shares from 15p to 5p.

On 7 July 2023, the Company received a conversion notice from MC Strategies AG to convert €1m of the 2020 Zero Coupon Bond into new ordinary shares of 0.025p each in the Company. The conversion price was 1p per share an as a result, the Company issued and allotted 89,000,000 New Shares. Following the conversion, face value of the remaining Bond has decreased to €2,493,575.

As announced on 9 January 2024, QBT reached an agreement with MC Strategy S.A., the sole bondholder of its €3.5 million Zero-Coupon Bond issued in 2020, to extend the bond's maturity from 15 December 2024 to 15 December 2026, and to increase the yield on maturity from 1% to 3%. Similarly, bondholders of QBT's Zero-Coupon Bond issued in 2013 agreed to extend the maturity date from 15 December 2024 to 15 December 2026, and to amend the conversion price from £0.05 to £0.03

21. Financial instruments

Key Assumptions

The derivative element of the Zero-Coupon Bonds 2015 were valued at each year end using the Black Scholes option pricing model. The following assumptions were used at each period end.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

21. Financial instruments (continued)

Zero Coupon Bonds 2015

	2024	2023
Share price	0.650p	1.575p
Expected life	2 years	1 year
Volatility	114.4%	146.2%
Dividend yield	0%	0%
Risk free interest rate	4.35%	3.46%
Fair value	0.18p	0.45p

The Group's financial instruments comprise cash, investments at fair value through profit or loss, investments in equity-accounted associates, trade receivables, trade payables that arise from its operations and borrowings. The main purpose of these financial instruments is to provide finance for the Group's future investments and day to day operational needs.

The Group does not enter into any derivative transactions such as interest rate swaps or forward foreign exchange contracts, as the Group's exposure to movements in foreign exchange rates is not considered significant (see foreign currency risk management). The main risks faced by the Group are limited to interest rate risk on surplus cash deposits and liquidity risk associated with raising sufficient funding to meet the operational needs of the business.

The Board reviews and agrees policies for managing these risks and they are summarised below.

FINANCIAL ASSETS BY CATEGORY

The categories of financial assets included in the statement of financial position and the headings in which they are included are as follows

	2024 **€'000**	2023 €'000
Financial assets:		
Financial assets held at fair value through profit and loss	**162**	396
Investments in equity-accounted associates	**-**	7
Trade and other receivables	**2,004**	3,243
Cash and cash equivalents	**604**	2,057
	2,770	5,703

FINANCIAL LIABILITIES BY CATEGORY

The categories of financial liabilities included in the statement of financial position and the headings in which they are included are as follows**:**

	2024 **€'000**	2023 €'000
Financial liabilities at amortised cost:		
Trade and other payables	**360**	413
Provisions	**80**	98
Borrowings	**7,519**	7,451
Derivative	**317**	459
	8,276	8,421

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

21. Financial instruments (continued)

Financial instruments measured at fair value:

	Level 1 €'000	Level 2 €'000	Level 3 €'000
As at 31 December 2024			
Investments at fair value through profit or loss	**-**	-	**162**
	-	**-**	**162**
As at 31 December 2023			
Investments at fair value through profit or loss	-	-	396
	-	-	396

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of level 2 and level 3 financial instruments, as well as the inter-relationship between key unobservable inputs and fair value, are set out in the table below.

Financial Instruments	**Valuation technique used**	**Significant unobservable inputs (Level 3 only)**	**Inter – relationship between key unobservable inputs and fair value (level 3 only)**
Investments	Based on issue of shares in the investments held by the Group and directors' assessment on the recoverability of loans.	Assessment of recoverability of loan.	If loan was considered not to be recoverable this would result in the reduction in the fair value of the investment.

The Group has adopted fair value measurements using the IFRS 7 fair value hierarchy.

Categorisation within the hierarchy has been determined on the basis of the lowest level of input that is significant to the fair value measurement of the relevant asset as follows:

Level 1: valued using quoted prices in active markets for identical assets;
Level 2: valued by reference to valuation techniques using observable inputs other than quoted prices included in Level 1;
Level 3: valued by reference to valuation techniques using inputs that are not based on observable markets criteria.

The Level 3 investment refers to an investment in GeoSim Systems Ltd and More Legal Srl (formerly PBV Monitor Srl).

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through optimisation of the debt and equity balance. The capital structure of the Group consists of debt attributable to convertible bondholders, borrowings, cash and cash equivalents, and equity attributable to equity holders of the Group, comprising issued capital, reserves and retained earnings, all as disclosed in the Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

21. Financial instruments (continued)

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument disclosed in Note 2 to the financial statements.

Financial risk management objectives

The Company is exposed to a variety of financial risks which result from both its operating and investing activities. The Group's risk management is coordinated by the board of directors and focuses on actively securing the Company's short and medium-term cash flows by raising liquid capital to meet current liability obligations.

Market price risk

The Company's exposure to market price risk mainly arises from movements in the fair value of its investments held for trading. The Group manages the investment price risk within its long-term investment strategy to manage a diversified exposure to the market. If the investments were to experience a rise or fall of 15% in their fair value, this would result in the Group's net asset value and statement of comprehensive income increasing or decreasing by €24,000 (2023: €60,000).

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which monitors the Group's short, medium and long-term funding and liquidity management requirements on an appropriate basis. The Group has adequate cash balances at the reporting date (refer to Note 2 – Basis of preparation and going concern) to sustain the operational existence over the next twelve months. The Group expects to continue securing resources from disposals and realisation of the "Legacy Assets". Furthermore, the Company expects to be able to start its commercial activity in the coming months, although prudentially, no significant revenues have been included in the short-term financial projections. This is an ongoing process, and the directors are confident with their cash flow models.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

21. Financial instruments (continued)

The following are the undiscounted contractual maturities of financial liabilities:

	Carrying Amount	**Less than 1 year**	**Between 1 and 5 years**	**Total**
	€'000	**€'000**	**€'000**	**€'000**
As at 31 December 2024				
Trade and other payables	**360**	**360**	**-**	**360**
Provisions	**80**	**80**	**-**	**80**
Borrowings	**7,519**	**-**	**7,519**	**7,519**
Derivative financial instruments	**317**	**-**	**317**	**317**
	8,276	**440**	**7,836**	**8,276**
As at 31 December 2023				
Trade and other payables	413	413	-	413
Provisions	98	98	-	98
Borrowings	7,451	7,451	-	7,451
Derivative financial instruments	459	459	-	459
	8,421	8,421	-	8,421

Management believes that based on the information provided in Note 2 – in the '*Basis of preparation*' and '*Going concern*', that future cash flows from operations will be adequate to support these financial liabilities.

Interest rate risk

The Group and Company manage the interest rate risk associated with the Group cash assets by ensuring that interest rates are as favourable as possible, whilst managing the access the Group requires to the funds for working capital purposes.

The Group's cash and cash equivalents are subject to interest rate exposure due to changes in interest rates. Short-term receivables and payables are not exposed to interest rate risk. The borrowings are at fixed interest rates.

	Group		**Company**	
	2024	2023	**2024**	2023
	€'000	€'000	€'000	€'000
Fixed rate instruments				
Financial assets	**1,781**	3,472	**105**	194
Financial liabilities	**7,877**	7,830	**7,842**	7,808

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

21. Financial instruments (continued)

Change in interest rates will affect the Group's income statement as follows:

Group	Gain / (loss) 2024 €'000	2023 €'000
Euribor +0.5% / -0.5%	**+3 / -3**	+10 / -10

The analysis was applied to cash and cash equivalents based on the assumption that the amount of asset as at the reporting date was available for the whole year.

Foreign currency risk management

The Group undertakes certain transactions denominated in currencies other than Euro, hence exposures to exchange rate fluctuations arise. Amounts due to fulfil contractual obligations of £217,000 (2023: £387,000) are denominated in sterling. An adverse movement in the exchange rate will impact the ultimate amount payable, a 10% increase or decrease in the rate would result in a profit or loss of £22,000 (2023: £39,000). The Group's functional and presentational currency is the Euro as it is the currency of its main trading environment, and most of the Group's assets and liabilities are denominated in Euro. The parent company is located in the sterling area.

Credit risk management

The Group's financial instruments, which are subject to credit risk, are considered to be trade and other receivables. There is a risk that the amount to be received becomes impaired. The Group's maximum exposure to credit risk is €2,004,000 (2023: €3,243,000) comprising receivables during the period. About 69% (2023: 87%) of total receivables are due from a single company. The ageing profile of trade receivables was:

	2024		2023	
Group	**Total book value €'000**	**Allowance for impairment €'000**	Total book value €'000	Allowance for impairment €'000
Current	**2,004**	**-**	3,243	-
	2,004	**-**	3,243	-
Company				
Current	**630**	**-**	946	-
	630	**-**	946	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

22. Provisions

	Group		Company	
	2024	2023	**2024**	2023
	€'000	€'000	**€'000**	€'000
Provision for potential payroll tax liability	**80**	98	**80**	98
Provisions	**80**	98	**80**	98

The above provision relates to a potential tax liability owed on the directors' remuneration from previous years.

23. Share capital and share premium

ISSUED AND FULLY PAID:	Number of ordinary shares	Number of deferred shares	Ordinary share capital €'000	Deferred share capital €'000	Share premium €'000	Total €'000
At 1 January 2023	**997,551,851**	**199,409,377**	**2,911**	**5,467**	**50,541**	**58,919**
Issue of shares	293,761,904	-	841	-	3,624	4,465
At 31 December 2023	**1,291,313,755**	**199,409,377**	**3,752**	**5,467**	**54,165**	**63,384**
Issue of shares	-	-	-	-	-	-
At 31 December 2024	**1,291,313,755**	**199,409,377**	**3,752**	**5,467**	**54,165**	**63,384**

All ordinary shares carry equal rights.

The deferred shares have restricted rights such that they have no economic value.

24. Share based payments

On 11 December 2024, a consultant was granted options to subscribed for 1,000,000 new ordinary shares in the Company at an exercise price of 5 pence per share. The options are exercisable for the period between 12 November 2024 and 06 May 2026. This consultant was also granted options to subscribe for 1,000,000 new ordinary shares in the Company at an exercise price of 10 pence per share. The options are exercisable for the period between 12 November 2024 and 06 May 2026**.**

On 11 December 2024, the Company has extended the exercise period for certain other options previously granted, as follows:

Number of Options	Exercise Price	Previous End of Exercise Period	New End of Exercise Period
5,000,000	5p	15/12/2024	06/05/2026
5,000,000	5p	06/05/2025	06/05/2026
5,000,000	5p	22/05/2025	06/05/2026
13,500,000	5p	22/05/2025	06/05/2026
2,500,000	10p	15/12/2024	06/05/2026
5,000,000	10p	06/05/2025	06/05/2026
5,000,000	10p	22/05/2025	06/05/2026
11,000,000	10p	25/05/2025	06/05/2026

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

24. Share based payments (continued)

The total share-based payment expense recognised in the income statement for the year ended 31 December 2024 in respect of the share options granted was €9,000 (2023: €416,000).

The significant inputs to the model in respect of the options granted during the year were as follows:

	5p	10p
Share price	0.95p - 3.100p	0.95p - 3.050p
Expected life	2 months - 3 years	6 months - 3 years
Volatility	114% - 137%	114% - 137%
Dividend yield	0%	0%
Risk free interest rate	0.76% – 4.43%	0.76% - 4.43%
Fair value	0.0p – 2.1p	0.0p – 1.7p

The table below discloses the movements in share options during the year.

Number of options at 1 Jan 2024	Granted in the year	Exercised in the year	Lapsed in the year	Number of options at 31 Dec 2024	Exercise Price, pence	Expiry date
105,000,000	–	–	–	105,000,000	5.00	06.05.2026
105,000,000	–	–	–	105,000,000	10.00	06.05.2026
5,000,000	–	–	–	5,000,000	5.00	06.05.2026
5,000,000	–	–	–	5,000,000	10.00	06.05.2026
2,500,000	–	–	–	2,500,000	5.00	06.05.2026
5,000,000	–	–	–	5,000,000	10.00	01.12.2026
2,500,000	–	–	–	2,500,000	5.00	06.05.2026
2,500,000	–	–	–	2,500,000	10.00	06.05.2026
2,500,000	–	–	–	2,500,000	5.00	06.05.2026
2,500,000	–	–	–	2,500,000	5.00	06.05.2026
2,500,000	–	–	–	2,500,000	5.00	06.05.2026
5,000,000	–	–	–	5,000,000	5.00	06.05.2026
5,000,000	–	–	–	5,000,000	10.00	06.05.2026
5,000,000	–	–	–	5,000,000	5.00	06.05.2026
5,000,000	–	–	–	5,000,000	10.00	06.05.2026
1,000,000	-	–	–	1,000,000	5.00	06.05.2026
1,000,000	-	–	–	1,000,000	10.00	06.05.2026
5,000,000	-	–	–	5,000,000	10.00	06.05.2026
-	1,000,000	-	-	1,000,000	5.00	06.05.2026
-	1,000,000	-	-	1,000,000	10.00	06.05.2026
267,000,000	2,000,000	–	-	269,000,000		

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

24. Share based payments (continued)

On 26 May 2023, an employee was granted options to subscribe for 1,000,000 new ordinary shares in the Company at an exercise price of 5 pence per share and 1,000,000 new ordinary shares in the Company at an exercise price of 10 pence per share. The options are exercisable for the period between 1 November 2023 and 25 May 2025.

On 31 May 2023, two employees were granted options to subscribe for 5,000,000 new ordinary shares in the Company at an exercise price of 10 pence per share. The options are exercisable at any time before 25 May 2025.

On 31 May 2023, the Company has extended the exercise period for certain other options previously granted, as follows:

Number of Options	Exercise Price	Previous End of Exercise Period	New End of Exercise Period
2,500,000	5p	06/05/2024	25/05/2025
2,500,000	5p	28/02/2023	25/05/2025
7,500,000	5p	31/03/2023	25/05/2025
5,000,000	10p	30/06/2023	25/05/2025

The significant inputs to the model in respect of the options granted during the prior year were as follows:

	5p	10p
Share price	1.125p - 3.100p	1.175p - 3.050p
Expected life	2 months - 3 years	6 months - 3 years
Volatility	130% - 137%	130% - 137%
Dividend yield	0%	0%
Risk free interest rate	0.76% – 4.27%	0.76% - 4.27%
Fair value	0.0p – 2.1p	0.0p – 1.7p

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

24. Share based payments (continued)

The table below discloses the movements in share options during 2023.

Number of options at 1 Jan 2023	Granted in the year	Exercised in the year	Lapsed in the year	Number of options at 31 Dec 2023	Exercise Price, pence	Expiry date
105,000,000	–	–	–	105,000,000	5.00	06.05.2026
105,000,000	–	–	–	105,000,000	10.00	06.05.2026
5,000,000	–	–	–	5,000,000	5.00	06.05.2025
5,000,000	–	–	–	5,000,000	10.00	06.05.2025
2,500,000	–	–	–	2,500,000	5.00	25.05.2025
5,000,000	–	–	–	5,000,000	10.00	01.12.2026
2,500,000	–	–	–	2,500,000	5.00	15.12.2024
2,500,000	–	–	–	2,500,000	10.00	15.12.2024
2,500,000	–	–	–	2,500,000	5.00	15.12.2024
2,500,000	–	–	–	2,500,000	5.00	25.05.2025
2,500,000	–	–	–	2,500,000	5.00	25.05.2025
5,000,000	–	–	–	5,000,000	5.00	25.05.2025
5,000,000	–	–	–	5,000,000	10.00	25.05.2025
5,000,000	–	–	–	5,000,000	5.00	22.05.2025
5,000,000	–	–	–	5,000,000	10.00	22.05.2025
5,000,000	–	–	5,000,000	–	5.00	31.10.2023
–	1,000,000	–	–	1,000,000	5.00	25.05.2025
–	1,000,000	–	–	1,000,000	10.00	25.05.2025
–	5,000,000	–	–	5,000,000	10	25.05.2025
265,000,000	7,000,000	–	5,000,000	267,000,000		

25. Other reserves The Group considers its capital to comprise ordinary share capital, share premium, retained losses and its convertible bonds. In managing its capital, the Group's primary objective is to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, through new share issues, the Group considers not only their short-term position but also their long-term objectives.

Group	**Merger reserve**	**Loan note equity reserve**	**Share option reserve**	**Capital redemption reserve**	**Total other reserves**
	€'000	**€'000**	**€'000**	**€'000**	**€'000**
At 1 January 2023	**8,325**	**462**	**4,476**	**549**	**13,812**
Grant of share options	-	-	416	-	416
At 31 December 2023	**8,325**	**462**	**4,892**	**549**	**14,228**
Grant of share options	-	-	1	-	1
Modification of bond	-	-	-	-	-
Increase in fair value of share options	-	-	8	-	8
Capital contribution	-	-	-	-	-
At 31 December 2024	**8,325**	**462**	**4,901**	**549**	**14,237**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

25. Other reserves (continued)

Company	**Loan note equity reserve**	**Share option reserve**	**Capital redemption reserve**	**Total other reserves**
	€'000	**€'000**	**€'000**	**€'000**
At 1 January 2023	**462**	**4,476**	**549**	**5,487**
Grant of share options	-	416	-	416
Modification of bond	-	-	-	-
At **31 December 2023**	**462**	**4,892**	**549**	**5,903**
Grant of share options	-	1	-	1
Modification of bond	-	-	-	-
Increase in fair value of share options	-	8	-	8
At 31 December 2024	**462**	**4,901**	**549**	**5,912**

26. Ultimate controlling party

The Group considers that there is no ultimate controlling party.

27. Related party transactions

Transactions between the company and its subsidiaries, which are related parties have been eliminated on consolidation, but are disclosed where they relate to the parent company. These transactions along with transactions between the company and its investment holdings are disclosed in the table below, with all amounts being presented in Euros and being owed to the Group:

Related party	**2024 Group**	**2023 Group**	**2024 Company**	**2023** Company
Clear Leisure 2017 Limited	**-**	-	**(134,356)**	**265,631**
QBT R&D Srl	**-**	-	**183,606**	**410,881**
Geosim Systems Limited	**63,413**	**49,874**	**68,925**	**55,386**
ForCrowd Srl	**-**	**55,000**	**-**	**55,000**
	63,413	**104,874**	**118,175**	**786,898**

During the year, Quantum Blockchain Technologies Pl made sales totalling €11,000 (2023: €10,000) to QBT R&D Srl, for consulting services.

During the year, QBT R&D Srl made sales totalling €233,000 (2023: €109,000) to Quantum Blockchain Technologies Plc, for consulting and R&D services.

During the year, Infusion 2009 Limited, a company in which Professor Gardin is a Director, charged Quantum Blockchain Technologies Plc €235,000 (2023: €173,000) for consulting company standard fees for R&D coordination (as envisaged in the service agreement), €121,000 (2023: €115,000) for additional performance fees for R&D coordination (as envisaged in the service agreement) and €74,000 (2023: €nil) for performance commission related to the realisation of legacy assets (per the

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

27. Related party transactions (continued)

sale or right agreement). The amount owed to Infusion 2009 Limited at year end is €nil (2023: €nil).

Remuneration of key management personnel
The remuneration of the directors, who are the key personnel of the group, is included in the Directors Report and within note 6. Under "IAS 24: Related party disclosures", all their remuneration is in relation to short-term employee benefits.

28. Events after the reporting date

During the first months of 2025, the Company has been involved in the following:

In January the Company reported the filing of a patent application for Method C's AI Oracle hardware. The patent application describes details of an extremely efficient hardware implementation of the AI Oracle on an ASIC chip. A field-programmable gate array ("FPGA") version of the AI Oracle implementation has been developed by the Company and the corresponding power performance area results offer an insight as regards the relevant overheads of the solution when implemented on custom silicon used for Bitcoin mining.

The Company further detailed the overall area required by the AI Oracle implementation is between ~1% -4% of a double SHA-256 Lane, the basic computation block of almost all ASIC chips for bitcoin mining. The same percentage applies also to energy consumption.

In another January announcement, the Company stated Method C AI Oracle is now performing live Bitcoin mining of current blockchain blocks (around block count 879,000). The announcement further detailed the material competitive advantage in mining enabled by the AI Oracle may be achieved by (i) reducing the energy cost of mining by approximately 30% or (ii) accelerating the mining speed at current energy consumption and costs with approximately a 30% greater hash rate.

In January 2025, the defendants in the Company subsidiary Clear Leisure 2017 Ltd's ("CL2017") lawsuit against the former directors and members of the statutory audit committee of Sipiem filed an appeal with the Italian Court of Cassation against the judgment of the lower Court of Appeal issued in June 2024.

On 23 January 2025 the Board announced it raised £2,000,000 through the placing of 173,913,044 new ordinary shares of 0.25 pence each in the Company at a price of 1.15 pence per Placing Share. The net proceeds of the Placing will allow the Company to continue investing in its cryptocurrency R&D programmes such as funding the expansion of the R&D team and the purchase of hardware and software to assist with the Company's legacy assets, and to support its existing investment portfolio as well as to provide general working capital.

On 24 January 2025, following previous announcements made by the Company regarding the rollover of the Sale & Repurchase Agreement entered into between the Company's CEO and Executive Chairman, Professor Francesco Gardin, and MC Strategies AG, the Company has been informed that Professor Gardin and MCS have agreed to amend the repurchase price and repurchase date of the REPO. The term of the REPO under which Professor Gardin is to repurchase 5,000,000 ordinary shares of 0.25p in the Company has been extended to 30 June 2025. The repurchase price has also been amended from 3.483p to 3.568p per share. All other terms of the REPO remain unchanged.

In addition to the Method C developments announced in January, during March, the Company announced they had been seeking to improve the AI Models of Methods A and B.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

28. Events after the reporting date (continued)

The work has been restricted by the severe limitations caused by the way SHA-256 is implemented on the most widely used Bitcoin mining ASIC chips.

The Company also announced that the status of the first two filed patent applications “Asic UltraBoost” and “Asic EnhancedBoost” is still pending. Further to this, the quantum computing version of SHA-256 implementation is still being held in draft form with the Company’s parent attorney, with the filing with the UK patent office now expected within the next few months.

On 13 March 2024, the Company announced an update about its efforts to develop a prototype version of an in-house proprietary ASIC chip using large scale integration for demo purposes. In the last few months, this internal project has been put on hold to enable the focus of the design team to be temporarily redirected to support the R&D AI teams, in particular Method C’s AI Oracle project. A basic ASIC chip for Bitcoin mining design architecture which includes the improvements of the first patent application remains available as a QBT asset.

The Company attended the 2025 Mining Disruption Conference held in Fort Lauderdale, Florida on 26 and 27 March 2025. The team held meetings with a number of the leading companies within the Bitcoin sector, ranging from chip manufacturers, mining rig producers, pool mining companies, Bitcoin miners and sector influencers. Of particular interest was the positive reception to the multiple ways in which QBT’s software provides disruptive efficiencies in Bitcoin mining. The Company plans to follow up with a number of interested parties leading to data sharing and third-party systems testing.

Following the attendance at the conference, the Company signed a Non-Disclosure Agreement with a leading manufacturer of ASIC chips for Bitcoin mining. The Company gave an in-depth presentation of the Method C AI Oracle technology to the manufacturer during April, followed by a period of testing by the manufacturer, to confirm the AI Oracle’s performance on their ASIC chip’s architecture. The testing is being carried out under the supervision of a member of QBT’s R&D team.

On 19 May 2025, the Board of Quantum Blockchain Technologies regretted to announce that, following a long illness, Peter Fuhrman, one of the Company’s Non-Executive Directors had passed away. The Company announced the appointment of Vladimir Basillo Kusznirczuk as the replacement Non-Executive Director with immediate effect. Mr Kusznirczuk has been QBT’s Marketing and Business Development Manager since May 2023, addressing business opportunities with large US and Canadian Bitcoin miners and mining rigs manufacturers.