18 June 2024

Quantum Blockchain Technologies Plc
("QBT" or "the Company")

Sipiem Appeal Judgment

The Company announces that on 10 June 2024, the Court of Appeal of Venice (the "Court") issued a judgment on the appeals lodged by the defendants in Company subsidiary Clear Leisure 2017 Ltd's ("CL17") lawsuit against the former directors and statutory auditors of Sipiem in Liquidazione Srl ("Sipiem") and the related counterappeals filed by CL17.

The Court of Appeal rejected all of the Sipiem defendants' appeals with the exception of a minor claim. As a result, all damages awarded to CL17 as announced on 1 November 2022 were upheld by the Court, with the sole exception being the reduction of liability for one of the former directors by an amount of €105,412, reducing the total damage award to c.€6.1m, (the "Judgment").

The Court confirmed the liability of the former directors and statutory auditors of Sipiem and also extended the finding of liability to the members of the internal audit committee, former directors and the main defendant's family members whom the Court had, at a preliminary holding in the appeal, suspended enforcement of the lower court's Judgment pending the appeal's outcome. Finally, the Court accepted a withdrawal of an appeal by from one of the former Sipiem directors against her insurer.

As a result, the Company may now seek to fully enforce the Judgment against all of the defendants for an aggregate amount of €6,083,562 in damages (plus interest and adjustments for inflation to accrue from different dates until the date of satisfaction of the Judgment), plus €85,499 in legal expenses for the trial court action and €48,677 in legal expenses for the appeal (such latter expense to be satisfied by one of the defendants' insurers). Other legal expenses were reciprocally compensated and €5,000 were assessed against all parties.

As previously disclosed in the Company's announcements of 16 May and 4 June 2024, a settlement agreement of €700,000, with certain defendants and their professional insurer (the "Settlement"), was subject to the scheduling, by the Venice Court, of a hearing to approve the Settlement, before the issue of the appeal ruling. The appeal ruling has however been issued prior to the scheduling of the hearing, and therefore, the €700,000 settlement agreement shall now be deemed void.

Consequently, the agreement with the Sipiem Receiver ("Receiver") for the purchase of the Receiver's right on the 30% of any sum collected (net of legal fees) is no longer legally valid, as it was conditional on Court approval of the above Settlement. Hence, the Receiver will maintain its right to 30% of the damages recovered net of all connected costs borne by CL17 for the recovery, as per the original agreement of these terms between CL17 and the Receiver in 2019.

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

An update of the above negotiations in respect of the voided Settlement will be announced as soon as practicable.

As a final result:

- The Venice Court of Appeal confirmed the ruling of the 1 November 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.
- The Venice Court of Appeal, by ruling, also removed any opposition to the enforceability, by CL17, of the above amounts against all defendants.
- Sipiem's statutory auditors have been ordered to pay the full amount of the Judgment upheld by the Court, i.e. €1,000,000 - which is part of the €6,083,562 - (plus interest and adjustments for inflation to accrue from different dates until the date of payment), instead of the agreed €700,000 under the resolved Settlement agreement announced by the Company on 16 May 2024.

Francesco Gardin, Executive Chairman of QBT, commented: "*We are extremely pleased with the Venice Court of Appeal result, which confirms previous ruling while extending the scope of its enforceability. QBT subsidiary CL17 will now focus on the collection of the €6.083m plus interest and adjustments for inflation. CL17 has also been awarded €134,166 for legal expenses. The Company will ensure that CL17 proceeds with maximum effort to seek and collect the funds from the defendants.*"

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

For further information please contact:

Quantum Blockchain Technologies Plc
Francesco Gardin, CEO and Executive Chairman +39 335 296573

SP Angel Corporate Finance (Nominated Adviser & Broker)
Jeff Keating +44 (0)20 3470 0470
Kasia Brzozowska

Leander (Financial PR)
Christian Taylor-Wilkinson +44 (0) 7795 168 157

About Quantum Blockchain Technologies Plc

QBT (AIM: QBT) is an AIM listed investment 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.