26 June 2024

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

FINAL RESULTS

QBT (AIM: QBT), is pleased to announce its final results for the year ended 31 December 2023.

The Company’s Annual General Meeting (“AGM”) will be held at Company’s registered address, 1st Floor, 1 Chancery Lane, London, WC2A 1LF at 12.00 pm on Wednesday, 31 July 2024.

The Annual Report and Accounts together with the AGM Notice and Form of Proxy (together the “Documents”) are available on the Company’s website under the “Investor Relations – Annual Reports and Circulars” section. The Documents will be posted shortly to those shareholders who have requested to receive printed documents.

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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.

CHAIRMAN'S STATEMENT

I am pleased to present the Group's Final Results for the year ended 31 December 2023. The Group consists of Quantum Blockchain Technologies PLC (the "Company" or "QBT"), which undertakes the Group's Research and Development ("R&D") Programme and holds the Legacy Assets, and its wholly owned subsidiary, Clear Leisure 2017 Ltd ("CL17"), which deals with the legal claims and related litigation.

During 2023, the main focus of the Company has been the R&D Programme, launched in 2021, which aims to develop a proprietary disruptive technology for mining Bitcoin through the development of Artificial Intelligence (AI), Quantum Computing and a special architecture for ASIC chips design for mining rigs. The capitalisation of the Bitcoin market as at the date of this report exceeds USD1.3 trillion, therefore, a technology which could bring a competitive advantage to existing Bitcoin miners is considered by the Company as potentially valuable.

The Company has several independent R&D teams working on each of the above technologies, based in London (UK), Munich (Germany) and Milan (Italy).

The first goal of QBT's R&D Programme is to create AI software to improve the mining power of existing Bitcoin mining rigs. By applying AI and Machine Learning (ML) technologies, three different R&D teams have independently achieved very promising results from internal laboratory tests for the Company's three proprietary methods, called "A", "B" and "C". While they are materially different, each method has substantiated the Company's initial assumption, *i.e.*, that SHA-256, the core algorithm for mining of Bitcoin, is to some extent predictable. Hence calculations can be limited only to those cases where the chance of successfully mining Bitcoin is higher, resulting in better overall performance of the mining process.

The Company is now working on adapting its three Bitcoin mining methods to existing mining rigs in order to launch the first commercial QBT products, as Software as a Service ("SaaS") for Bitcoin miners.

A second goal, which has a mid to long term timeframe, is the development of a proprietary mining chip which includes all the internal R&D results, as per the two patent applications filed in 2021 and 2023.

Finally, the third objective will be the implementation of "Quantum Mining", which is a proprietary quantum version of SHA-256 algorithm for Bitcoin mining. A patent application for this implementation is in the process of being drafted at the time of publication of this report.

In order to use QBT's proprietary quantum algorithm for Bitcoin mining, a quantum computer with more qubits than is currently commercially available is required. Therefore, the Company is planning ahead to be in a position to use this opportunity when such quantum computer is available.

During 2023, the Company continued to deal with its Legacy Assets, with special focus on the litigation against the former management and internal audit committee of Sipiem in Liquidazione Spa ("Sipiem"), which is held via CL17. In late 2022, the Venice Court ruled in favour of CL17 and ordered Sipiem defendants to pay CL17 €6,274,000 in damages (exclusive of interest and adjustments for inflation), and legal fees (together the "Award Payment").

The Company also continued to deal with its other Legacy Assets, such as the Sosushi Srl ("Sosushi") €1m litigation, and Company's investments in PBV, Forcrowd and Geosim, although there are no specific updates available at this time.

During the period under review, as announced on 1 June 2023, QBT raised a total of £1 million (before expenses) pursuant to the issue of 71,428,571 new ordinary shares of 0.25 pence each in the Company ("Ordinary Shares") at a price of 1.4 pence per Ordinary Share. Further to that, as announced on 30 October, the Company raised a total of £2 million (before expenses) pursuant to the issue of 133,333,333 new Ordinary Shares at a price of 1.5 pence per Ordinary Share.

On 7 July 2023, the Company announced that it had received a conversion notice from MC Strategies AG to convert €1 million of the Zero-Coupon Bond into new Ordinary Shares at a conversion price of 1 pence per Ordinary Share (EUR: GBP exchange rate of 0.89 – fixed per terms and conditions of the Zero-Coupon Bond) (as originally disclosed by the Company on 9 November 2020). As a result, the Company issued 89,000,000 new Ordinary Shares to MC Strategies AG on 14 July 2023.

As disclosed on 31 May 2023, QBT granted seven million new options over new Ordinary Shares to certain consultants, members of the R&D team and in-house staff. As a result, at the time of this report, the Company has outstanding options over 133,500,000 new Ordinary Shares exercisable at 5 pence and outstanding options over 133,500,000 new Ordinary Shares exercisable at 10 pence, set to expire between December 2024 and December 2026.

In conclusion, the Company believes that exciting times are ahead, as it expects that its products, once available, could truly energise the cryptocurrency mining industry, while eventually being able to monetise its Legacy Assets through legal settlements.

Financial Review

The Group reported a total comprehensive loss of €4,206,000 for the year ended 31 December 2023 (2022: €5,026,000) and a loss before tax of €4,348,000 (2022: €5,252,000). Operating losses for the period were €4,025,000 (2022: €4,547,000). Included within administrative expenses are charges relating to the recognition of share options totalling €416,000 (2022: €1,854,000) and within finance costs are charges for the revaluation of derivatives representing a profit of €9,000 (2022: loss of €324,000). 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 €675,000 in 2023, compared to a decrease of €398,000 in 2022. The Group had Net Current Liabilities of €3.1m as at 31 December 2023 (2022: Net Current Assets €4.4m).

Post-Balance Sheet Events

In January 2024, the Company announced it has agreed with MC Strategy S.A., the sole Bondholder of the Company's €3.5m Zero-Coupon Bond issued in 2020, to extend the maturity of the Bond from 15 December 2024 to 15 December 2026. QBT and MC Strategy S.A. have agreed to change the yield on maturity from 1% to 3%.

With regards to the Company's Zero-Coupon Bond originally issued in 2013, at the Bondholders meeting held on 22 February 2024 (previously duly called on 18 January 2024) the bondholders agreed to extend the maturity of the Zero-Coupon Bond from 15 December 2024 to 15 December 2026, and to amend the conversion price from £0.05 to £0.03.

In March 2024, the Company announced a new development, called Method C, based on Machine Learning and using predictive AI technology that is producing consistent results during testing. In testing environments Method C had favourably demonstrated predictive ability in c. 30% of instances where it was input to SHA-256 producing a winning hash, resulting in a potential saving of energy.

At the same time, QBT announced that it had commenced development of a proprietary ASIC chip. A working prototype is about to undergo development to confirm performance levels, and the Company entered into early-stage exploratory discussions with Bitcoin rig manufacturers and US Bitcoin mining companies. Also in March, the Company noted that the porting of Method A and Method B into commercial rigs had proven to be very challenging.

The R&D team engaged in testing different solutions for the final stage in order to deliver a fully reliable product. Finally, per the same announcement, QBT disclosed that its first two patent applications (ASIC UltraBoost and ASIC EnhancedBoost) were making positive headway and that a third patent application was being drafted concerning the proprietary quantum version of SHA-256.

In May 2024, the Company announced that at the end of April 2024, it reached an agreement with certain of the Sipiem litigation co-liable defendants who have settled their position 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, acquiring 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 (through which CL17 acquired the Sipiem litigation) for an amount of €170,000, giving CL17 rights to all funds recovered, namely the €700,000 of the above agreement and the balance amounting to €5.575 million plus interest and augmentation for inflation, together (the "Settlement")

As announced on 16 May 2024 the above agreements were subject to the Venice Court scheduling of a hearing to approve the Settlement, before the issue of the appeal ruling.

In June, QBT confirmed that the payment of €700,000 had been completed, and that €170,000 has been paid by CL17 to Sipiem's Receiver with respect to the acquisition by CL17 of the Receiver's right to receive 30% of any further sums collected in connection with the claim (net of legal fees).

Subsequently, in 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 has been issued prior to the scheduling of the hearing regarding the Settlement, such settlement is now deemed void. 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.

Outlook

The Board remains committed to return value to its stakeholders by:

i. continuing to focus on its R&D Programme, which is providing promising and consistent results for the disruption of the Bitcoin market;
ii. investing in the technology sector (both in a direct and an indirect manner);
iii. managing the legacy portfolio assets, where positive outcomes are expected from the Company's legal claims; and
iv. further reduction of the debt position (if and when the conditions are deemed appropriate).

The Board remains positive as the technology investments are deemed sound and promising, while the legal claims have strong merit and against defendants that are expected to remain solvent, thereby enhancing the prospect of collection of the judgment debts.

Francesco Gardin
Chairman
25 June 2024

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	**2023**	2022
		€'000	€'000
Revenue		**-**	-
		-	-
Administrative expenses	7	**(4,025)**	(4,547)
Other income		**-**	-
Operating loss		**(4,025)**	(4,547)
Other gains and losses		**32**	-
Share of loss from equity-accounted associates	8	**(59)**	(69)
Finance costs	9	**(296)**	(636)
Loss before tax		**(4,348)**	(5,252)
Tax	12	**142**	226
Loss for the year		**(4,206)**	(5,026)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(4,206)**	(5,026)
Earnings per share:			
Basic loss per share (cents)	13	**€0.382**	€0.508
Diluted loss per share (cents)	13	**€0.256**	€0.312

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 2023

	Notes	Group 2023	Group 2022	Company 2023	Company 2022
		€'000	€'000	€'000	€'000
Non-current assets					
Intangible assets	15	**2**	-	**-**	-
Property, plant and equipment	14	**169**	226	**-**	-
Financial assets at fair value through profit and loss	16	**396**	677	**76**	115
Investments held at cost	16	**-**	-	**11**	10
Investments in equity-accounted associates	8	**7**	60	**7**	-
Total non-current assets		**574**	963	**94**	125
Current assets					
Trade and other receivables	17	**3,243**	4,626	**946**	1,056
Cash and cash equivalents	18	**2,057**	463	**2,041**	449
Total current assets		**5,300**	5,089	**2,987**	1,505
Total assets		**5,874**	6,052	**3,081**	1,630
Current liabilities					
Trade and other payables	19	**(413)**	(465)	**(390)**	(577)
Borrowings	20	**(7,451)**	-	**(7,451)**	-
Derivative financial instruments	21	**(459)**	-	**(459)**	-
Provisions	22	**(98)**	(210)	**(98)**	(210)
Total current liabilities		**(8,421)**	(675)	**(8,398)**	(787)
Net current (liabilities)/assets		**(3,121)**	4,414	**(5,411)**	718
Total assets less current liabilities		**(2,547)**	5,377	**(5,317)**	843
Non-current liabilities					
Borrowings	20	**-**	(8,131)	**-**	(8,131)
Derivative financial instruments	21	**-**	(468)	**-**	(468)
Total non-current liabilities		**-**	(8,599)	**-**	(8,599)
Total liabilities		**(8,421)**	(9,274)	**(8,398)**	(9,386)
Net liabilities		**(2,547)**	(3,222)	**(5,317)**	(7,756)
Equity					
Share capital	23	**9,219**	8,378	**9,219**	8,378
Share premium account	23	**54,165**	50,541	**54,165**	50,541
Other reserves	25	**14,228**	13,812	**5,903**	5,487
Retained losses		**(80,159)**	(75,953)	**(74,604)**	(72,162)
Total equity		**(2,547)**	(3,222)	**(5,317)**	(7,756)

An income statement for the parent company is not presented in accordance with the exemption allowed by S408 of the Companies Act 2006. The parent company's comprehensive loss for the financial year amounted to €2,442,000 (2022: loss of €4,550,000).

The financial statements were approved by the board of directors and authorised for issue on 25 June 2024, on its behalf by:

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

Group	Share capital €'000	Share premium account €'000	Other reserves €'000	Retained losses €'000	Total equity €'000
At 1 January 2022	**8,221**	**49,442**	**11,409**	**(71,896)**	**(2,824)**
Total present loss and comprehensive loss for the year	**-**	**-**	**-**	**(5,026)**	**(5,026)**
Exercise of warrants	**157**	**1,099**	**-**	**969**	**2,225**
Grant of share options	**-**	**-**	**1,854**	**-**	**1,854**
Modification of bond	**-**	**-**	**549**	**-**	**549**
At 31 December 2022	**8,378**	**50,541**	**13,812**	**(75,953)**	**(3,222)**
Total comprehensive loss for the year	**-**	**-**	**-**	**(4,206)**	**(4,206)**
Issue of shares	**841**	**3,624**	**-**	**-**	**4,465**
Grant of share options	**-**	**-**	**416**	**-**	**416**
At 31 December 2023	**9,219**	**54,165**	**14,228**	**(80,159)**	**(2,547)**

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.

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

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

Company	Share capital €'000	Share premium account €'000	Other reserves €'000	Retained losses €'000	Total €'000
At 1 January 2022	**8,221**	**49,442**	**3,084**	**(68,581)**	**(7,834)**
Total present loss and comprehensive loss for the year	**-**	**-**	**-**	**(4,550)**	**(4,550)**
Exercise of warrants	**157**	**1,099**	**-**	**969**	**2,225**
Grant of share options	**-**	**-**	**1,854**	**-**	**1,854**
Modification of bond	**-**	**-**	**549**	**-**	**549**
At 31 December 2022	**8,378**	**50,541**	**5,487**	**(72,162)**	**(7,756)**
Total comprehensive loss for the year	**-**	**-**	**-**	**(2,442)**	**(2,442)**
Issue of shares	**841**	**3,624**	**-**	**-**	**4,465**
Grant of share options	**-**	**-**	**416**	**-**	**416**
At 31 December 2023	**9,219**	**54,165**	**5,903**	**(74,604)**	**(5,317)**

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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.

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

GROUP AND COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 €'000	Group 2022 €'000	Company 2023 €'000	Company 2022 €'000
Cash used in operations					
Loss before tax		**(4,348)**	(5,252)	**(2,585)**	(4,753)
Impairment of investments	16	**303**	154	**-**	154
Share of post-tax losses of equity accounted associates	8	**59**	69	**59**	69
Non cash foreign exchange movements	16	**-**	(35)	**-**	-
Finance charges	9	**296**	637	**295**	635
Depreciation expense	14	**55**	49	**-**	-
Decrease /(increase) in receivables	17	**1,383**	474	**110**	(196)
(Decrease) /increase in payables	19	**(164)**	346	**(298)**	433
Impairment of intercompany receivables		**-**	33	**-**	12
Share based payments		**416**	1,854	**416**	1,854
R&D tax credit received		**154**	-	**154**	-
Net cash outflow from operating activities		**(1,846)**	(1,671)	**(1,849)**	(1,792)
Cash flows from investing activities					
Purchase of investments	16	**(22)**	(50)	**(22)**	(50)
Purchase of other investments		**(5)**	-	**(6)**	-
Purchase of property, plant and equipment	14	**-**	(111)	**-**	-
Purchase of intangible assets	15	**(2)**	-	**-**	-
Net cash outflow from investing activities		**(29)**	(161)	**(28)**	(50)
Cash flows from financing activities					
Proceeds from capital issue		**3,465**	-	**3,465**	-
Proceeds from exercise of warrants		**-**	1,256	**-**	1,256
Net interest paid		**(9)**	-	**(9)**	-
Net cash (outflow)/inflow from financing activities		**3,456**	1,256	**3,456**	1,256
Net (decrease) /increase in cash for the year		**1,581**	(576)	**1,579**	(586)
Cash and cash equivalents at beginning of year		**463**	1,039	**449**	1,035
Exchange differences		**13**	-	**13**	-
Cash and cash equivalents at end of year	18	**2,057**	463	**2,041**	449

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1. General Information

Quantum Blockchain Technologies plc is a company incorporated in the United Kingdom 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 13.

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 Financial Reporting Standards ("UK adopted IFRS") and the parts of Companies Act 2006 applicable to companies reporting under IFRS.

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 IFRS 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 2023 the Group incurred a loss of €4,206,000 (2022: €5,026,000) and had net current liabilities as at 31 December 2023 of €3,121,000 (2022: net current assets of €4,414,000). Our 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, and will not receive any debtor cash settlement specifically from Mediapolis Liquidation proceedings. Nonetheless, on the basis of the equity funding raised last 1 June 2023 and 30 October 2023 which raised a total of EUR 2.74 million, and the extension on our two convertible bond repayments from December 2024 to December 2026, we believe 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 a judgement that there is a reasonable expectation that, in the next twelve 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 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 little headroom existing within our budget at 30 June 2025 and 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 finance 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 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current *(issued January 2020)*

The amendments clarify that the classification of a liability as current or non-current is based only on rights existing at the end of the reporting period and the classification is not affected by expectations about whether rights to settle or defer a liability will be exercised. Further, the amendments clarify that the settlement of a liability refers to the transfer of cash, equity instruments, other assets, or services to the counterparty. This amendment only affects presentation.

The amendment is effective for financial years beginning on or after 1 January 2024 and is not yet adopted in the United Kingdom.

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

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 (issued in August 2020)

The amendments are aimed at helping companies to provide investors with useful information about the effects of the reform of interest rate benchmarks on those companies' financial statements.

The amendments complement those issued in 2019 and focus on the effects on financial statements when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the reform. The Phase 2 amendments relate to:

- **changes to contractual cash flows**—a company will not have to derecognise or adjust the carrying amount of financial instruments for changes required by the reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate;
- **hedge accounting**—a company will not have to discontinue its hedge accounting solely because it makes changes required by the reform, if the hedge meets other hedge accounting criteria; and
- **disclosures**—a company is required to disclose information about new risks arising from the reform and how it manages the transition to alternative benchmark rates.

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

Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies *(issued in February 2021)*

The amendments enhance the disclosure requirements relating to an entity's accounting policies and clarify that the notes to a complete set of financial statements are required to include material accounting policy information. Material accounting policy information, when considered with other information included in the financial statements, can reasonably be expected to influence decisions that the primary users of financial statements make on the basis of the financial statements. The amendments help preparers determine what constitutes material accounting policy information and notes that accounting policy information which focuses on how IFRS has been applied to its own circumstances is more useful for users of financial statements than standardised information or information duplicating the requirements of IFRS.

The amendment also states that immaterial accounting policy information need not be disclosed but when it is disclosed it shall not obscure material accounting policy information. Further, if accounting policy information is not deemed material this does not affect the materiality of related disclosure requirements of IFRS.

The disclosure of judgements made in applying accounting policies should reflect those that have had the most significant effect on items recognised in the financial statements.

The amendment is effective for financial years beginning on or after 1 January 2023 and is not yet adopted in the United Kingdom.

Amendments to IAS 8 Definition of Accounting Estimates *(issued in February 2021)*

The amendments define accounting estimates as monetary amounts in financial statements that are subject to measurement uncertainty. An accounting policy may require an item in financial statements to be measured at a monetary amount that cannot be observed directly so that in order to achieve the objective of an accounting policy, an estimation is required.

The amendments state that the development of an accounting estimate requires the use of judgement or assumptions based on the latest available reliable information and involve the use of measurement techniques and inputs. Accounting estimates might then need to change as a result of new information, new developments or more experience.

A change in input or measurement technique is a change in accounting estimate which is applied prospectively unless the change results from the correction of prior period errors.

The amendment is effective for financial years beginning on or after 1 January 2023 and is not yet adopted in the United Kingdom.

Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction *(issued in May 2021)*

The amendments specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations.

In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations—transactions for which companies recognise both an asset and a liability.

The amendments clarify that the exemption does not apply and that companies are required to recognise deferred tax on such transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted and is not yet adopted in the United Kingdom.

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. 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. 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 Group provides consultancy services.

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 at the point of the provision of the service. 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.

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.
- 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.

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.

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.

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**	
	2023	2022	**2023**	2022
	€'000	€'000	**€'000**	€'000
Staff costs during the period including directors comprise:				
Wages and salaries	**217**	188	**217**	188
Social security costs and pension contributions	**(90)**	228	**(90)**	228
Share options expense	**416**	1,854	**416**	1,854
	543	2,270	**543**	2,270

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 the year.

6. Directors' emoluments

	2023	2022
	€'000	€'000
Aggregate emoluments	**142**	116
Share options expense	**416**	1,728
	558	1,844

Remuneration of the highest paid Director was €69,000 (2022: €57,000).

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

7. Expenses by nature

	2023	2022
	€'000	€'000
Directors' emoluments	**462**	1,844
Employee emoluments	**99**	378
Professional and legal fees	**722**	509
Audit fees	**56**	86
Administrative expenditure	**201**	216
Impairment of assets (excluding investment)	**1,527**	618
Fundraising fees	**-**	75
Research and development costs	**781**	821
	3,848	4,547

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:

	2023	2022
	€'000	€'000
Loss from continuing operations	(59)	(69)
Impairment	-	(82)
Total comprehensive loss	**(59)**	**(151)**
Aggregate carrying amount of the Group's interests in this associate	**7**	**60**

9. Finance (costs)/income

	2023	2022
	€'000	€'000
(Loss)/gain on derivatives	**9**	(324)
Interest on convertible bonds	**(320)**	(325)
Bank revaluations	**5**	-
Interest credit on modification of convertible bonds	**-**	9
Other gains or losses	**-**	-
Interest received	**12**	6
Bank fees	**(2)**	(2)
	(296)	(636)

10. Auditor's remuneration

	2023 €'000	2022 €'000
Group Auditor's remuneration:		
Fees payable to the Group's auditor for the audit of the Company and consolidated financial statements:	**56**	56
Non audit services:		
Other services (tax)	**-**	-
Subsidiary Auditor's remuneration		
Other services pursuant to legislation	**-**	-
	56	56

11. Employee numbers

	Group		Company	
	2023 Number	2022 Number	**2023 Number**	2022 Number
The average number of Company's employees, including directors during the period was as follows:				
Management and administration	**3**	4	**3**	4

12. Taxation

	2023 €'000	2022 €'000
Corporation tax - current period	**(100)**	(117)
Corporation tax - prior period under provision	**(41)**	(86)
Foreign tax	**(1)**	(23)
Deferred taxation	**-**	-
Tax charge for the year	**(142)**	(226)

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:	2023 €'million	2022 €'million
Trading losses	**4**	2
Management expenses	**19**	19
Non trade loan relationship deficits	**2**	2
Capital losses	**9**	8

The standard rate of tax for the current year, based on the UK effective rate of corporation tax is 23.5% (2022: 19%). The standard rate of Research and Development Tax credit is 10%/14.5% 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	**2023 €'000**	2022 €'000
Loss for the year before tax	**(4,348)**	(5,252)
Tax on ordinary activities at standard rate	**(1,022)**	(998)
Effects of:		
Expenses not deductible for tax purposes	**497**	595
R&D enhancement	**(168)**	(153)
R&D losses surrendered	**344**	270
R&D Foreign Tax losses surrendered	**11**	11
Losses brought forward claimed	**-**	-
Tax losses available for carry forward against future profits	**338**	275
Total tax payable	**-**	-
Enhanced R&D expenditure	**1,273**	804
Total tax repayable – current year	**100**	117
Corporation tax - prior period under provision	**41**	86
Foreign tax	**1**	23
Total tax repayable	**142**	226

The UK government has announced that the corporation tax rate will increase from 19% to 25% with effect from 1 April 2023.

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:

	2023			2022		
	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	**(4,206)**	**1,102,309**	**(0.382)**	(5,026)	989,497	(0.508)
Total operations	**(4,206)**	**1,102,309**	**(0.382)**	(5,026)	989,497	(0.508)
Fully diluted earnings per share						
Continuing operations	**(4,424)**	**1,727,130**	**(0.256)**	(5,091)	1,632,694	(0.312)
Total operations	**(4,424)**	**1,727,130**	**(0.256)**	(5,091)	1,632,694	(0.312)

14. Property, plant and equipment

Group	**Computers €'000**	**Total €'000**
Cost		
At 1 January 2023	275	275
Additions	-	-
At 31 December 2023	275	275
Depreciation and impairment		
At 1 January 2023	49	49
Depreciation charged in the year	57	57
At 31 December 2023	106	106
Carrying amount		
At 31 December 2023	169	169
At 31 December 2022	226	226

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 2022 and 2023.

15. Intangible assets

Group	**Formation Expenses €'000**	**Total €'000**
Cost		
At 1 January 2023	-	-
Additions	2	2
At 31 December 2023	2	2
Amortisation		
At 1 January 2023	-	-

Amortisation charged in the year	-	-
At 31 December 2023	-	-
Carrying amount		
At 31 December 2023	2	2
At 31 December 2022	-	-

The intangible assets relate in full to formation expenses.

16. Investments

The significant entities for which the Group owns shares, held at 31 December 2023, 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	(36,169)	2022	Consolidated
Clear Leisure 2017 Ltd	100.00%	UK	Trading	(537)	2022	Consolidated
QBT R&D Srl	100.00%	Italy	Trading	(69)	2022	Consolidated
Milan Digital Twin Ltd	100.00%	UK	Dormant	Nil	2022	Consolidated
London Digital Twin Ltd	100.00%	UK	Dormant	Nil	2022	Consolidated
Miner One Ltd	100.00%	UK	Dormant	Nil	2022	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
PBV Monitor	10.00%	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

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 PBV Monitor 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.

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, they do not have control of the company. Therefore, this entity has not been consolidated on the basis that QBT do 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.

Sipiem In Liquidazione Srl

Sipiem in Liquidazione Srl, previously Sipiem S.P.A., ("Sipiem") was a 50.17% owned entity incorporated in Italy. The entity had not been trading for a number of years and was maintained due to ongoing legal matters with the former directors. The company entered into liquidation in 2015. Therefore, this is the date from which control is deemed to have been lost. Therefore, the financial information for Sipiem has 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). Sipiem's bankruptcy does not impact the Company's balance sheet, as the litigation is held via Clear Leisure 2017.

In November 2022, the Venice Court issued its final judgement in respect of the Company's legal claim against the previous management, which is held via CL17 in which it ruled in favour of CL17 and ordered the defendants 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.

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 an agreement with some of the Sipiem litigation co-liable defendants who have settled their position 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, acquiring 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 (through which CL17 acquired the Sipiem litigation) for an amount of €170,000, giving CL17 rights to all funds 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 has been issued prior to the scheduling of the hearing regarding the €700,000 settlement, such settlement is now deemed void. So is the €170,00 agreement with the Receiver, as strictly connected to the above settlement. Through its ruling, the Venice Court of Appeal 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 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.

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 "Investments 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.

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.

PBV Monitor Srl
PBV Monitor Srl is a 10% 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 PBV Monitor (€76,000, 2022: €55,000) has increased during the year due to the reassessment to fair value.

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 Quantum Blockchain Technologies directly holding 10% of such amount.

The post money valuation at which the Company invested in 2018 was €340,000, which also represented the Company's valuation of PBV 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 therefore 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.

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

Geosim Systems Limited
Geosim Systems Limited is a 4.53% owned investment in an 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 (€320,000, 2022: €622,000) has been assessed in relation to the last equity round of the company in 2018, in which Quantum Blockchain Technologies' 533,990 Geosim shares have been valued at $1.25 each. The difference in the valuation between 2023 and 2022, attributable to an impairment during the year.

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

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**	
	2023	2022	**2023**	2022 €'000
	€'000	€'000	**€'000**	
At as 1 January	**677**	664	**65**	298
Additions	**22**	50	**22**	50
Fair value decrease	**(303)**	(72)	**-**	(283)
Foreign exchange	**-**	35	**-**	-
Carrying value at 31 December	**396**	677	**87**	65

An amount of €320,000 (2022: €622,000) 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 owns 4.53% of GeoSim Systems Ltd.

An amount of €76,000 (2022: €55,000) included within Company investments held for trading is a level 3 investment and represents the fair value of a 10% interest in PBV Monitor Srl ("PBV"). PBV 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 PBV in December 2018 and has purchased more shares in January and February 2022 to maintain their 10% shareholding. As part of the initial investment agreement, Quantum Blockchain Technologies was granted a seat on the board of PBV and was appointed as exclusive advisor to PBV regarding the possible sale of PBV 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.

Investments held at cost	**Group**		**Company**	
	2023	2022	**2023**	2022 €'000
	€'000	€'000	**€'000**	
At as 1 January	**-**	-	**10**	10
Additions	**-**	-	**1**	-
Fair value decrease	**-**	-	**-**	-
Foreign exchange	**-**	-	**-**	-
Carrying value at 31 December	**-**	-	**11**	10

The value of the investment at cost represents €10,000 for QBT R&D and €1,000 for BAL which was not previously recognised.

17. Trade and other receivables

	Group		Company	
	2023	2022	**2023**	2022
	€'000	€'000	**€'000**	€'000
Trade receivables	**14**	14	**-**	-
Other receivables	**3,154**	4,537	**189**	280
Amounts owed by related parties	**75**	75	**757**	776
	3,243	4,626	**946**	1,056

Group other receivables includes an amount of €132,000 (2022: €132,000) due in relation to the Fallimento Mediapolis Srl bankruptcy procedure; and an amount of €2,818,000 (2022: €4,037,000) 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 -€112,000 (2022: €0) in CL17 to record the guarantee made against fellow group entity debtors. An intercompany balance of €4,445,000 was fully impaired in the year.

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

18. Cash and cash equivalents

	Group		Company	
	2023	2022	**2023**	2022
	€'000	€'000	**€'000**	€'000
Bank current accounts	**2,057**	463	**2,041**	449
	2,057	463	**2,041**	449

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

19. Trade and other payables

	Group		Company	
	2023	2022	**2023**	2022
	€'000	€'000	**€'000**	€'000
Trade payables	**85**	147	**64**	122
Other payables	**138**	183	**138**	320
Accruals	**190**	135	**188**	135
Trade and other payables	**413**	465	**390**	577

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	
	2023	2022	**2023**	2022

	€’000	€’000	€’000	€’000
Zero rate convertible bond 2015	**5,202**	5,148	**5,202**	5,148
Zero rate convertible bond 2020	**2,249**	2,983	**2,249**	2,983
	7,451	8,131	**7,451**	8,131
Disclosed as:				
Current borrowings	**7,451**	-	**7,451**	-
Non-current borrowings	**-**	8,131	**-**	8,131
	7,451	8,131	**7,451**	8,131

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 2023.

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%.

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 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.

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.

Zero Coupon Bonds 2015

	2023	2022
Share price	1.575p	1.125p
Expected life	1 year	2 years
Volatility	146.2%	136%
Dividend yield	0%	0%
Risk free interest rate	3.46%	3.58%
Fair value	0.45p	0.5p

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:

	2023	2022
	€'000	€'000
Financial assets:		
Financial assets held at fair value through profit and loss	**396**	677
Investments in equity-accounted associates	**7**	60
Trade and other receivables	**3,243**	4,284
Cash and cash equivalents	**2,057**	463
	5,703	5,484

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:

	2023	2022
	€'000	€'000
Financial liabilities at amortised cost:		
Trade and other payables	**413**	465
Provisions	**98**	210
Borrowings	**7,451**	8,131
Derivative	**459**	468
	8,421	9,274

Financial instruments measured at fair value:

	Level 1 €'000	Level 2 €'000	Level 3 €'000
As at 31 December 2023			
Investments at fair value through profit or loss	**-**	**-**	**396**
	-	**-**	**396**
As at 31 December 2022			
Investments at fair value through profit or loss	-	-	677
	-	-	677

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 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.

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 €60,000 (2022: €102,000).

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 expect to be able to start it commercial activity in the coming months, although prudentially, no significant revenues have been included in the short-term financial projections. This is an on-going ongoing process and the directors are confident with their cash flow models.

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 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**
As at 31 December 2022				
Trade and other payables	465	465	-	465
Provisions	210	210	-	210
Borrowings	8,131	-	8,131	8,131
Derivative financial instruments	468	-	468	468
	9,274	675	8,599	9,274

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	
	2023	2022	**2023**	2022
		€'000		€'000
Fixed rate instruments				
Financial assets	**3,472**	5,021	**194**	222
Financial liabilities	**7,830**	8,528	**7,808**	8,503

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

Group	Gain / (loss)	
	2023	2022
	€'000	€'000
Euribor +0.5% / -0.5%	**+10 / -10**	**+2 / -2**

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 £387,000 (2022: £435,000) 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 £39,000 (2022: £44,000). 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 €3,243,000 (2022: €4,626,000) comprising receivables during the period. About 87% (2022: 87%) of total receivables are due from a single company. The ageing profile of trade receivables was:

	2023		2022	
Group	**Total book value €'000**	**Allowance for impairment €'000**	Total book value €'000	Allowance for impairment €'000
Current	**3,243**	**-**	4,626	-
	3,243	**-**	4,626	-
Company				
Current	**946**	**-**	1,056	-
	946	**-**	1,056	-

22. Provisions

	Group		Company	
	2023	2022	**2023**	2022

	€'000	€'000	€'000	€'000
Provision for potential payroll tax liability	**98**	210	**98**	210
Provisions	**98**	210	**98**	210

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 2022	**945,051,851**	**199,409,377**	**2,754**	**5,467**	**49,442**	**57,663**
Issue of shares	52,500,000	-	157	-	1,099	1,256
At 31 December 2022	**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**

All ordinary shares carry equal rights.

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

24. Share based payments

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 total share-based payment expense recognised in the income statement for the year ended 31 December 2023 in respect of the share options granted was €416,000 (2022: €1,854,000).

The significant inputs to the model in respect of the options granted during the 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

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

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		

On 20 December 2022, Peter Fuhrman, a director, was granted options to subscribe for 2,500,000 new ordinary shares in the Company at an exercise price of 5 pence per share. The options are exercisable for the period between 12 September 2022 and 15 December 2024. Peter Fuhrman was also granted options to subscribe for 2,500,000 new ordinary shares in the Company at an exercise price of 10 pence per share. The options are exercisable for the period between 12 September 2022 and 15 December 2024.

On 20 December 2022, Mark Michael Trafeli, a director, was granted options to subscribe for 2,500,000 new ordinary shares in the Company at an exercise price of 5 pence per share. The options are exercisable for the period between 1 September 2022 and 15 December 2024.

On 20 December 2022, a consultant was granted options to subscribe for 2,500,000 new ordinary shares in the Company at an exercise price of 5 pence per share. The options are exercisable for the period between 20 December 2022 and 31 March 2023. Another consultant was granted options to subscribe for 2,500,000 new ordinary shares in the Company at an exercise price of 5 pence per share. The options are exercisable for the period between 20 December 2022 and 31 March 2023. A third consultant was granted options to subscribe for 5,000,000 new ordinary shares in the Company at an exercise price of 5 pence per share. The options are exercisable for the period between 20 December 2022 and 31 March 2023. The third consultant was also 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 for the period between 1 January 2023 and 30 June 2023. A fourth consultant was granted options to subscribe for 5,000,000 new ordinary shares in the Company at an exercise price of 5 pence per share. The options are exercisable for the period between 20 December 2022 and 22 May 2025. The fourth consultant was also 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 for the period between 23 May 2023 and 22

May 2025. On 20 December 2022, a fifth consultant was granted options to subscribe for 5,000,000 new ordinary shares in the Company at an exercise price of 5 pence per share. The options are exercisable for the period between 20 December 2022 and 31 October 2023.

The total share-based payment expense recognised in the income statement for the year ended 31 December 2023 in respect of the share options granted was €416,000 (2022: €1,854,000).

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

	5p	**10p**
Share price	1.175p - 3.100p	1.175p - 3.050p
Expected life	2 months - 3 years	6 months - 3 years
Volatility	130% - 136%	130% - 136%
Dividend yield	0%	0%
Risk free interest rate	0.76% – 3.58%	0.76% - 3.58%
Fair value	0.0p – 2.1p	0.0p – 1.7p

The table below discloses the movements in share options during 2022.

Number of options at 1 Jan 2022	Granted in the year	Exercised in the year	Lapsed in the year	Number of options at 31 Dec 2022	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
10,000,000	–	–	10,000,000	–	5.00	15.08.2022
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	06.05.2024
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	31.03.2023
–	2,500,000	–	–	2,500,000	5.00	31.03.2023
–	5,000,000	–	–	5,000,000	5.00	31.03.2023
–	5,000,000	–	–	5,000,000	10.00	30.06.2023
–	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
237,500,000	37,500,000	–	10,000,000	265,000,000		

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 operational and strategic 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 2022	**8,325**	**462**	**2,622**	**-**	**11,409**
Grant of share options	-	-	1,854	-	1,854
Modification of bond	-	-	-	549	549
At 31 December 2022	**8,325**	**462**	**4,476**	**549**	**13,812**
Grant of share options	-	-	416	-	416
Modification of bond	-	-	-	-	-
At 31 December 2023	**8,325**	**462**	**4,892**	**549**	**14,228**

Company	**Loan note equity reserve**	**Share option reserve**	**Capital redemption reserve**	**Total other reserves**
	€'000	**€'000**	**€'000**	**€'000**
At 1 January 2022	**462**	**2,622**	**-**	**3,084**
Grant of share options	-	1,854	-	1,854
Modification of bond	-	-	549	549
At **31 December 2022**	**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**

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	**2023 Group**	**2022 Group**	**2023 Company**	**2022** Company
Clear Leisure 2017 Limited	**-**	-	**265,631**	**255,575**
QBT R&D Srl	**-**	-	**410,881**	**448,655**
Geosim Systems Limited	**49,874**	**49,605**	**55,386**	**49,605**
ForCrowd Srl	**55,000**	**25,000**	**55,000**	**22,500**
	104,874	**74,605**	**786,898**	**776,335**

During the year, Quantum Blockchain Technologies Limited made sales totalling €10,000 (2022: €10,000) to QBT R&D Srl, for consulting services.

During the year, QBT R&D Srl made sales totalling €109,000 (2022: €109,000) to Quantum Blockchain Technologies Plc, for consulting and R&D services.

During the year, Infusion 2009 Limited, a company in which F Gardin is a Director, charged Quantum Blockchain Technologies Plc €288,000 (2022: €200,000) for consulting company fees for R&D coordination. The amount owed to Infusion 2009 Limited at year end is €nil (2022: €34,000).

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 2024, the Company has been involved in the following:

In January the Company reported an extension of the maturity of the €3.5m 2020 Zero Coupon Bond from 15 December 2024 to December 2026 with the sole Bondholder of the Company, MC Strategy S.A.

In February a meeting was held on 22 February 2024 with regard to the 2013 Zero Coupon Bond. The Company extended the maturity date from 15 December 2024 to 15 December 2026 and modified the conversion price from 5p to 3p.

In March 2024, the Company announced a new development, called Method C, based on Machine Learning and using predictive AI technology that is producing consistent results during testing. In testing environments Method C had favourably demonstrated predictive ability in c. 30% of instances where it was input to SHA-256 producing a winning hash, resulting in a potential saving of energy. At the same time, QBT announced that it had commenced development of a proprietary ASIC chip. A working prototype is about to undergo development to confirm performance levels, and the Company entered into early-stage exploratory discussions with Bitcoin rig manufacturers and US Bitcoin mining companies. Also in March, the Company noted that the porting of Method A and Method B into commercial rigs had proven to be very challenging. The R&D team engaged in testing different solutions for the final stage in order to deliver a fully reliable product. Finally, per the same announcement, QBT disclosed that its first two patent applications (ASIC UltraBoost and ASIC EnhancedBoost) were making positive headway and that a third patent application was being drafted concerning the proprietary quantum version of SHA-256.

In May 2024, the Company announced that at the end of April 2024, it reached an agreement with certain of the Sipiem litigation co-liable defendants who have settled their position for €700,000 (which, net of certain costs, has been received by CL17). Following this agreement, the remaining value of the Award Payment is approximately €5.575 million (plus interest and inflation adjustment) which amount CL17 continues to pursue.

At the same time, CL17 also reached an agreement with the Sipiem's receiver, acquiring 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 (through which CL17 acquired the Sipiem litigation) for an amount of €170,000, giving CL17 rights to all funds recovered, namely the €700,000 of the above agreement and the balance amounting to €5.575 million plus interest and augmentation for inflation.

In June, QBT confirmed that the payment of €700,000 had been completed, and that €170,000 has been paid by CL17 to Sipiem's Receiver with respect to the acquisition by CL17 of the Receiver's right to receive 30% of any further sums collected in connection with the claim (net of legal fees).

Subsequently, in 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 has been issued prior to the scheduling of the hearing regarding the Settlement, such settlement is now deemed void. 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.

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