30 June 2022

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

FINAL RESULTS

The board of Quantum Blockchain Technologies (AIM: QBT) is pleased to report its final results for the year ended 31 December 2021.

The 2021 Annual Report and Accounts will be posted today, together with the AGM notice and form of proxy to those shareholders who have requested to receive printed documents.

The Annual Report and Accounts, AGM notice and form of proxy will also be available on the Company's website under the "Investor Relations – Annual Reports and Circulars" section.

The AGM will be held at Company's legal address, 22 Great James Street London WC1N 3ES, at 12.00 pm on Friday, 22 July 2021.

For further information please contact:

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

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

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

About Quantum Blockchain Technologies Plc

QBT (AIM: QBT) is an AIM listed investment company which has recently realigned its strategic focus to technology related investments, with special regard to Quantum computing, Blockchain, Cryptocurrencies and AI sectors. The Company has commenced an aggressive R&D and investment programme in the dynamic world of Blockchain Technology, which includes cryptocurrency mining and other advanced blockchain applications.

CHAIRMAN'S STATEMENT

I am pleased to present the Group's Final Results for the year ended 31 December 2021.

It has been a transformational year for the Company, setting new foundations and starting to build new perspectives for the future. On this basis, the Company's name changed from Clear Leisure to **Quantum Blockchain Technologies Plc**.

The new strategy (approved by shareholders at the General Meeting held on 6 May 2021) focused on addressing the goal of cheaper and faster Bitcoin mining as a result of advanced Research and Development ("R&D") on Quantum Computing, Artificial Intelligence, and state of the art ASIC chip design. The Company believes there are tangible and disruptive optimisations that can be made at multiple levels within the end-to- end Bitcoin mining process. This led to QBT launching an intense **in-house R&D programme** aimed at creating advanced proprietary techniques for Bitcoin mining, with the primary goal to encounter and exploit new important efficiencies of the mining process.

We believe QBT's approach differs from other crypto currency miners. Our choice has been driven by the consideration that the current crypto-currency mining sector is a very "capital intensive" market, due to the never-ending necessity of continuously updating the miners' fleet. We aim to disrupt this market feature, changing it into "knowledge intensive" with the Company occupying a leading position by exploiting special features that we are discovering within the BTC mining algorithm to unlock faster and cheaper mining processes.

The first milestone in implementing the above strategy has been the setup of an excellent R&D team comprising nearly 20 experts selected from across the UK and the EU, including highly skilled professionals, PhD students and university professors with expertise in Quantum Computing, Machine Learning, Cryptography and Algorithm Optimisation Theory.

The R&D team is working on the following promising research areas:

- Quantum Computing
- Cryptographic Optimisation
- Deep Learning and Artificial Intelligence ("AI")
- Field-programmable gate array ("FPGA") / application-specific integrated circuit ("ASIC") Design
- Algebraic and Boolean Equation Reduction
- Very Large Big Data
- High performance computing architectures

The R&D team delivered its first important accomplishment in September 2021, when the Company filed the patent application for the ASIC UltraBoost. The ASIC UltraBoost is an improvement of the Bitcoin mining process, which eliminates redundant computation of a key part of the Bitcoin mining algorithm, resulting in a faster and more efficient mining process as it reduces the number of operations across the three iterations of SHA256 by approximately 7%.

The Company is also working on other patent applications, including an update of the ASIC UltraBoost and another patent application derived from the work of the AI and Quantum Computing team.

At the same time, a number of Bitcoin algorithm core architectures for an FPGA chip have been selected. Initial tests have been strategically performed on an FPGA chip to keep the testing cost low. As a result, the Company is now in a much better position to assess the performance projection of its

SHA256 Bitcoin mining architectures options, before transfering this solution over to an ASIC chip. Moreover, access to ASIC synthesis tools allows early assessment of final performance on different nanometres ("nm") scales, including the 5nm current Company target.

As announced in November 2021, a non-disclosure agreement was signed with an international research & development organisation, which is active in the field of nanoelectronics, to give the Company access to one of the few 5nm semiconductor fabrication plants currently operational in the world.

QBT is researching multiple alternative routes to cheaper and faster Bitcoin mining. On this note it is also important to mention that the initial internal assessment shows promising results for other research areas. For instance, early experimental applications of **AI techniques** to multiply by several factors the speed of computing the Bitcoin mining algorithm, which would make even an FPGA chip a competitive Bitcoin mining tool. Should this route be successful, the same principle could apply to ASIC, materially improving the performance of already existing machines, and most importantly it would represent a quick way to commence the mining operations.

Furthermore, the Company's Quantum Computing internal team has explored two main Quantum Computing paradigms: quantum annealing, and logic quits based quantum algorithms. While tests confirm the theoretical quantum supremacy nature of the approach, namely orders of magnitude compared to classic computers to compute SHA-256, the quantum hardware technology is still evolving to become practically usable. Meanwhile the Company intends to secure patents to protect the algorithms developed, while waiting for quantum computers to become available with enough computing elements of a quality required for sustainable quantum computations.

To support the R&D activity, QBT purchased **advanced computing facilities** in a data center in Northern Italy, which include Computer Processing Units ("CPUs") with more than 256 cores, Graphics Processing Units ("GPUs") in excess of 55,000 cores, two top of the range FPGA, several Terabytes of Random-Access Memory ("RAM") and 2 Petabytes of storage for Very Large Big Data to be analysed. Moreover, cloud access to a quantum computer and other cloud computing facilities makes the development environment a state-of-art IT development platform for QBT's R&D Team.

Investments in R&D during the year under review, since the launch of the programme in mid-2021, amount altogether to €406,000, of which €164,000 has been invested in hardware equipment supporting R&D and €226,000 in costs related to cloud services and consultants.

The launch of this new strategy has been facilitated by the £3.3m (before expenses) in funds raised by the Company during the year under review via two equity placings and pursuant to the exercise of most of the warrants granted to the Company's investor as part of the second 2021 placing announced on 22 February 2021.

As a strong motivational element to deliver results under the new strategy, the Company issued 237.5m share options to its directors and staff at prices of 5p and 10p per new ordinary share of 0.25 pence each in the Company ("Ordinary Shares") being a premium of 61% and 222% of the share price as of 31 December 2021).

Finally, in respect of its "Legacy Assets", the Company, via its wholly owned subsidiary Clear Leisure 2017 Limited ("CL17") continues to pursue the legal claim against the previous management and internal audit committee of Sipiem in Liquidazione S.p.A's ("Sipiem") . A crucial step forward was achieved during the year: in May 2021 the Venice Court appointed independent expert valued damages suffered by Sipiem at up to €7.8m (subject to the Judge ruling that the conduct of Sipiem's former board and internal audit committee was unlawful). Furthermore, in November 2021, the Judge granted CL17's request to file additional relevant documentation giving evidence of further damages of up to €1m, which the Court appointed independent expert did not previously take into consideration, bringing the value of the claim up to €8.8m.

CL17 is also continuing its claim against Sosushi S.r.l's ("Sosushi") former management team, valued at €1.03m, and assessing the launch of a €20m legal action against Mediapolis S.p.A's ("Mediapolis") previous management and internal audit committee. For accounting purposes these claims carry a fair value of €4.4m.

In June 2021 the Company increased its stake in Forcrowd S.r.l ("Forcrowd") to 41.17%. Moreover, in December 2021, Forcrowd concluded its first equity crowdfunding campaign (104% overfunded) for Make Me Srl.. With this first success, Forcrowd will soon start hosting mini-bond campaigns looking with confidence for new projects to finance.

PBV Monitor S.r.l ("PBV") continued its focus on enlarging its editorial and directory business and finding new partnerships for its intelligence service, while Geosim System Ltd ("Geosim") continued working on the completion of 3D Reality Model for a major North American airport.

In conclusion, the business re-positioning completed in 2021 has not been easy but pushed the Company back into a growth trajectory. The first results of this new strategy are already promising, although they represent only a fraction of what QBT hopes and intends to achieve going forward.

In the meantime, we are also pleased and proud of having returned value to our long-term shareholders, as QBT's share price increased by an astonishing 1070% during 2021, making us the best performing share on AIM in 2021.

Financial Review

The Group reported a total comprehensive loss of €5,396,000 for the year ended 31 December 2021 (2020: €1,208,000) and a loss before tax of €5,449,000 (2020: €1,208,000). Operating losses for the period were €4,970,000 (2020: €1,087,000).

Included within administrative expenses are charges relating to the recognition of share options totaling €2,622,000 (2020: nil) and within finance costs are charges for the revaluation of derivatives totaling €143,000 (2020: €126,000). The increase of these items is strictly dependent on the high volatility of the Company's share price during 2021, used for the calculation according to the relevant accounting standards.

The undiluted Net Asset Value ("NAV") of the Group has decreased by €601,000 in 2021, compared to an increase of €2.5m in 2020. The Group had Net Current Liabilities of €3.9m as at 31 December 2021 (2020: assets of €4.9m), a decrease of €8.8m.

Post-Balance Sheet Events

On 11 January 2022, the Company received £700,000 (before expenses) resulting from the exercise of 35 million warrants over 35 million new Ordinary Shares at a price of 2p each. Similarly, £350,000 (before expenses) was received on 31 March, as a result of the exercise of 17.5 million warrants over 17.5 million new Ordinary Shares at a price of 2p each.

On 30 March 2022, the Company called a Bondholders Meeting, with regard to the Zero-Coupon Bond originally issued in 2013 ("Bond") which was held on 21 April 2022, to seek Bondholders' approval to extend the maturity date of the Bond from December 2022 to 15 December 2024 and change the conversion price of the Bond into the Company's new Ordinary Shares from 15p to 5p.

On 6 April 2022, QBT also announced it had agreed with MC Strategy S.A. (an Eufingest S.A. demerged Company), the sole bondholder of the €3.5m 2020 Zero Coupon Bond to extend its maturity date from 15 December 2022 to 15 December 2024.

On 21 April 2022, at the Bondholder's meeting all resolutions were passed.

On 5 May 2022, the Company provided an update regarding Sipiem court proceedings. Following the 4th May 2022 Court Hearing, the parties have now 60 days to file their final written arguments and then a further 20 days to file their written replies. The Company expects the Court to pass its final judgement by the end of 2022.

On 23 May 2022, QBT provided an update on the In-house R&D Programme and its recent findings. On this note, the Company announced the launch of experimental Bitcoin mining using proprietary knowledge-based algorithms.

Outlook

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

i) continuing focusing on its R&D programme, which is providing promising and consistent results;
ii) investing in the technology sector (both in direct and indirect manner);
iii) managing of the legacy portfolio assets, where positive outcomes are expected from claims of the Company; 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, and the legal claims have strong merit with counterparties that are expected to be solvent.

GROUP INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021	2020
		€'000	€'000
Continuing operations			
Revenue		**9**	12
		9	12
Administrative expenses	7	**(4,985)**	(1,123)
Other income		**6**	24
Operating loss		**(4,970)**	(1,087)
Share of loss from equity-accounted associates	8	**(33)**	-
Finance costs	9	**(446)**	(121)
Loss before tax		**(5,449)**	(1,208)
Tax	12	**53**	-
Loss from continuing operations		**(5,396)**	(1,208)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(5,396)**	(1,208)
Earnings per share:			
Basic loss per share (cents)	13	**€0.621**	**€0.182**
Diluted loss per share (cents)	13	**€0.354**	**-**

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

GROUP AND COMPANY STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Notes	Group 2021	Group 2020 (restated)	Company 2021	Company 2020 (restated)
		€'000	€'000	€'000	€'000
Non-current assets					
Property, plant and equipment	14	**164**	-	**-**	-
Investments	15	**664**	980	**298**	434
Investments in equity-accounted associates	8	**211**	-	**-**	-
Total non-current assets		**1,039**	980	**298**	434
Current assets					
Trade and other receivables	16	**4,905**	5,191	**665**	841
Cash and cash equivalents	17	**1,039**	-	**1,035**	-
Total current assets		**5,944**	5,191	**1,700**	841
Total assets		**6,983**	6,171	**1,998**	1,275
Current liabilities					
Trade and other payables	18	**(329)**	(334)	**(354)**	(327)
Borrowings	19	**(8,365)**	-	**(8,365)**	-
Derivative financial instruments	20	**(1,113)**	-	**(1,113)**	-
Total current liabilities		**(9,807)**	(334)	**(9,832)**	(327)
Net current (liabilities)/assets		**(3,863)**	4,857	**(8,132)**	514
Total assets less current liabilities		**(2,824)**	5,837	**(7,834)**	948
Non-current liabilities					
Borrowings	19	**-**	(8,060)	**-**	(8,060)
Total non-current liabilities		**-**	(8,060)	**-**	(8,060)
Total liabilities		**(9,807)**	(8,394)	**(9,832)**	(8,387)
Net liabilities		**(2,824)**	(2,223)	**(7,834)**	(7,112)
Equity					
Share capital	21	**8,221**	7,397	**8,221**	7,397
Share premium account	21	**49,442**	47,124	**49,442**	47,124
Other reserves	23	**11,409**	8,787	**3.084**	462
Retained losses		**(71,896)**	(65,531)	**(68,581)**	(62,095)
Total equity		**(2,824)**	(2,223)	**(7,834)**	(7,112)

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 €5,517,000 (2020: loss of €447,000).

GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

Group	Share capital €'000	Share premium account €'000	Other reserves €'000	Retained losses €'000	Total equity €'000
At 1 January 2020	**7,397**	**47,124**	**8,376**	**(64,526)**	**(1,629)**
Prior year adjustment (note 28)	**-**	**-**	**-**	**152**	**152**
At 1 January 2020 (restated)	**7,397**	**47,124**	**8,376**	**(64,374)**	**(1,477)**
Total comprehensive loss for the year	**-**	**-**	**-**	**(1,208)**	**(1,208)**
Lapsed share options	**-**	**-**	**(51)**	**51**	**-**
Equity portion of convertible loan notes	**-**	**-**	**462**	**-**	**462**
At 31 December 2020 (restated)	**7,397**	**47,124**	**8,787**	**(65,531)**	**(2,223)**
Total comprehensive loss for the year	**-**	**-**	**-**	**(5,396)**	**(5,396)**
Grant of warrants	**-**	**-**	**-**	**1,447**	**1,447**
Exercise of warrants	**119**	**831**	**-**	**(2,416)**	**(1,466)**
Issue of shares	**705**	**1,487**	**-**	**-**	**2,192**
Grant of share options	**-**	**-**	**2,622**	**-**	**2,622**
At 31 December 2021	**8,221**	**49,442**	**11,409**	**(71,896)**	**(2,824)**

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 23, 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 2021

Company	Share capital €'000	Share premium account €'000	Other reserves €'000	Retained losses €'000	Total €'000
At 1 January 2020	**7,397**	**47,124**	**51**	**(61,851)**	**(7,279)**
Prior year adjustment (note 28)	**-**	**-**	**-**	**152**	**152**
At 1 January 2020 (restated)	**7,397**	**47,124**	**51**	**(61,699)**	**(7,127)**
Total comprehensive loss for the year	**-**	**-**	**-**	**(447)**	**(447)**
Lapsed share options	**-**	**-**	**(51)**	**51**	**-**
Equity portion of convertible loan notes	**-**	**-**	**462**	**-**	**462**
At 31 December 2020 (restated)	**7,397**	**47,124**	**462**	**(62,095)**	**(7,112)**
Total comprehensive loss for the year	**-**	**-**	**-**	**(5,517)**	**(5,517)**
Grant of warrants	**-**	**-**	**-**	**1,447**	**1,447**
Exercise of warrants	**119**	**831**	**-**	**(2,416)**	**(1,466)**
Issue of shares	**705**	**1,487**	**-**	**-**	**2,192**
Grant of share options	**-**	**-**	**2,622**	**-**	**2,622**
At 31 December 2021	**8,221**	**49,442**	**3,084**	**(68,581)**	**(7,834)**

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 two reserves, as detailed in Note 23, see below:
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.

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GROUP AND COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Group 2021 €'000	Group 2020 €'000	Company 2021 €'000	Company 2020 €'000
Cash used in operations					
Loss before tax		**(5,449)**	(1,208)	**(5,570)**	(447)
Impairment of investments	15	**167**	89	**200**	89
Share of post-tax losses of equity accounted associates	8	**33**	-	**-**	-
Non cash foreign exchange movements	15	**(41)**	50	**-**	-
Finance charges	9	**305**	247	**305**	247
Decrease /(increase) in receivables	16	**340**	1,417	**230**	655
(Decrease) /increase in payables	18	**(5)**	(61)	**27**	(10)
Loss /(gain) on derivatives		**143**	(121)	**143**	(121)
Share based payments		**2,694**	-	**2,694**	
Net cash outflow from operating activities		**(1,813)**	413	**(1,971)**	413
Cash flows from investing activities					
Purchase of investments	15	**(54)**	(2)	**(64)**	(2)
Purchase of property, plant and equipment	14	**(164)**	-	**-**	-
Net cash outflow from investing activities		**(218)**	(2)	**(64)**	(2)
Cash flows from financing activities					
Proceeds from borrowing		**-**	150	**-**	150
Repayment of borrowings		**-**	(561)	**-**	(561)
Proceeds from capital issue		**3,070**	-	**3,070**	-
Net cash (outflow)/inflow from financing activities		**3,070**	(411)	**3,070**	(411)
Net increase in cash for the year		**1,039**	-	**1,035**	-
Cash and cash equivalents at beginning of year		**-**	-	**-**	-
Cash and cash equivalents at end of year	17	**1,039**	-	**1,035**	-

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

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 theperiod covered by these consolidated financial statements.

Basis of preparation

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

The financial statements have been prepared under the historical cost convention as modified by the revaluationof 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 presentational and functional currency, rounded to the nearest €'000.

The Group has adopted the 'interest rate benchmark reform' phase 1 in the current year. This has not had a material impact on the Group financial statements.

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 IAS 16 Property, Plant and Equipment *(issued in May 2020)*

The amendments require any proceeds from selling items produced (and related production costs) in the courseof bringing an item property, plant and equipment into operation to be recognised in profit or loss clarifying thatsuch items are not reflected in the cost of the asset.

The amendment is effective for financial years beginning on or after 1 January 2022 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 IAS 37 Provisions, Contingent Liabilities and Contingent Assets *(issued in May 2020)*

The amendments clarify that the cost of fulfilling a contract are costs that relate directly to that contract. Such costs can be the incremental costs of fulfilling that contract or an allocation of other costs directly related to fulfilling that contract.

The amendment is effective for financial years beginning on or after 1 January 2022 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 carryingamount 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 itmakes 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 reformand 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 thatthe 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 focuseson 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 isdisclosed it shall not obscure material accounting policy information. Further, if accounting policy information isnot 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 mostsignificant 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 tomeasurement uncertainty. An accounting policy may require an item in financial statements to be measured ata monetary amount that cannot be observed directly so that in order to achieve the objective of an accountingpolicy, 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 techniquesand inputs. Accounting estimates might then need to change as a result of new information, new developmentsor more experience.

A change in input or measurement technique is a change in accounting estimate which is applied prospectivelyunless 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 *(issuedin May 2021)*

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

In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets orliabilities 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 deferredtax 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 returnsfrom 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 formeda 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.

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.

Exchange differences recognised profit or loss in Group entities' separate financial statements on the translationof long-term monetary items forming part of the Group's net investment in the overseas operation concerned are reclassified to other comprehensive income and accumulated in the foreign exchange reserve on consolidation.

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 provision for impairment.

Investments in associates

Investments in associates are accounted for using the equity method.

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.

In the year ended 31 December 2020, the investment in ForCrowd Srl was carried at cost, which was not materially different to its fair value at that time. In the prior year accounts, it was shown within Investments in the Statement of Financial Position.

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. 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 the Statement of Comprehensive Income. 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 classified as available for saleare 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.2. Accounting policies (continued)

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 differencesarising 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 thetax 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 futureand that it is probable that future taxable profit will be available against which the asset can be utilised. Deferredtax 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 taxableprofit will be available against which the temporary difference can be utilised.

Revenue

The Group provides consultancy services, which are invoiced at the point of the provision of the service. Revenueis 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 considerationreceived 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 interestrate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected lifeof 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 so as to write off the cost or valuation of assets less their residual values over theiruseful lives on the following bases:

Computers	25% on cost

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

Impairment of tangible assets

At each reporting end date, the company reviews the carrying amounts of its tangible assets 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 estimatesthe recoverable amount of the cash-generating unit to which the asset belongs.

Financial instruments

Classification and measurement

The Company 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 Company's policy with regard to financial risk management is set out in Note 20. Generally, the Company does not acquire financial assets for the purpose of selling in the short term.

The Company's business model is primarily that of "hold to collect" (where assets are held in order to collect contractual cash flows). When the Company 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 criteriaand 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 lossesare 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. A provision is established when there is objective evidence that the Group will not be able to collect all amounts due. The amount of any provision is recognised in the income statement.

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 amortisedcosts.

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 convertthe 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 ontheir 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 forsimilar non-convertible debt to the liability component of the instrument. The difference between this amountand 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. Subsequentto 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 theeffective interest rate method.

Segmental reporting

In identifying its operating segments, management generally follows the Group's service lines, which representthe 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.

Provisions

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 madeof 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.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deductingall 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 ofemployee 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 loannotes 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 on a systematic basis within other income in the Statement of ComprehensiveIncome 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 andare 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 arediscussed below.

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 assumptionsconsistent 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'slength 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 15, along with sensitivities in Note 20.

Going Concern

The Group's activities generated a loss of €5,396,000 (2020: loss of €1,208,000) and had net current liabilities of €3,863,000 as at 31 December 2021 (2020: net assets of €4,857,000). The Group's operational existence is still dependent on the ability to raise further funding either through an equity placing on AIM, or through other external sources, to support the on-going working capital requirements.

After making due enquiries, the Directors have formed a judgement that there is a reasonable expectation thatthe Gro up can secure further adequate resources to continue in operational existence for the foreseeable futureand that adequate arrangements will be in place to enable the settlement of their financial commitments, as and when they fall due.

For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements. Whilst there are inherent uncertainties in relation to future events, and therefore no certainty over the outcomeof the matters described, the Directors consider that, based upon financial projections and dependant on the success of their efforts to complete these activities, the Group will be a going concern for the next twelve months. If it is not possible for the Directors to realise their plans, over which there is significant uncertainty, the carrying value of the assets of the Group is likely to be impaired.

Notwithstanding the above, the Directors note the material uncertainty in relation to the Group being unable torealise its assets and discharge its liabilities in the normal course of business.

4. Segment information

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 investment management. 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	
	2021	2020	**2021**	2020
	€'000	€'000	**€'000**	€'000
Staff costs during the period including directors comprise:				
Wages and salaries	**555**	373	**555**	373
Social security costs and pension contributions	**3**	2	**3**	2
Share options expense	**2,622**	-	**2,622**	-
	3,180	375	**3,180**	375

6. Directors' emoluments

	2021	2020
	€'000	€'000
Aggregate emoluments	**525**	323
Share options expense	**2,444**	-
	2,969	323

Remuneration of the highest paid Director was €327,000 (2020: €267,000).

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

7. Expenses by nature

	2021	2020
	€'000	€'000
Directors' emoluments	**2,969**	323
Employee emoluments	**210**	80
Professional and legal fees	**441**	419
Audit fees	**50**	38
Administrative expenditure	**156**	174
Impairment of assets	**769**	89
Fundraising fees	**192**	-
Research and development costs	**198**	-
	4,985	1,123

With regard to the total R&D expenditure, as of 31 December 2021 the Company also purchased property,plant and equipment for €164,000 (see note 14). Further expenditure occurred at the beginning of 2022.

8. Investments in associates

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

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

	2021 €'000	2020 €'000
Loss from continuing operations	(33)	-
Total comprehensive loss	**(33)**	**-**
Aggregate carrying amount of the Group's interests in this associate	**211**	**-**

In the prior year, this investment was carried at fair value through profit or loss and categorised on the Statement of Financial Position with other non-current investments.

9. Finance (costs)/income

	2021 €'000	2020 €'000
(Loss)/gain on derivatives	**(143)**	126
Interest on convertible bonds	**(305)**	(247)
Other gains or losses	**(4)**	-
Interest received	**6**	-
	(446)	(121)

10. Auditor's remuneration

	2021 €'000	2020 €'000
Group Auditor's remuneration:		
Fees payable to the Group's auditor for the audit of the Company and consolidated financial statements:	**50**	28
Non audit services:		
Other services (tax)	**-**	10
Subsidiary Auditor's remuneration		
Other services pursuant to legislation	**-**	-
	50	38

11. Employee numbers

	Group		**Company**	
	2021 Number	2020 Number	**2021 Number**	2020 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

	2021 €'000	2020 €'000
Current taxation	**(53)**	**-**
Deferred taxation	**-**	-
Tax charge for the year	**(53)**	-

The Group has a potential deferred tax asset of €7,775k arising from €31,100k of unutilised trading losses, capital losses, and management expenses available for carry forward and relief against future taxable profits. The deferred tax asset has been measured at 25% (2020: 19%) being the rate substantially enacted at the year end. 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:

	2021 €	2020 €
Trading losses	**1,461,436**	**-**
Management expenses	**18,803,688**	18,506,562
Non trade loan relationship deficits	**1,487,350**	1,473,816
Capital losses	**8,359,975**	8,282,901

The standard rate of tax for the current year, based on the UK effective rate of corporation tax is 19% (2020: 19%). The standard rate of Research and Development Tax credit is 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	**2021 €'000**	2020 €'000
Loss for the year before tax	**(5,449)**	(1,208)
Tax on ordinary activities at standard rate	**(1.035)**	(229)
Effects of:		
Expenses not deductible for tax purposes	**751**	65
Foreign taxes	**-**	-
R&D enhancement	**(39)**	-
R&D claimed	**70**	-
Losses brough forward claimed	**(10)**	-
Tax losses available for carry forward against future profits	**263**	164
Total tax	**-**	-
Enhanced R&D expenditure	**368**	-

Total tax repayable at the R&D tax credit rate	**53**	-

The UK government has announced that the corporation tax rate will increase from 19% to 25% with effectfrom 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, warrantsand convertible loans outstanding during the period.

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

	2021			2020		
	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	**(5,396)**	**869,339**	**(0.621)**	(1,208)	662,371	(0.182)
Total operations	**(5,396)**	**869,339**	**(0.621)**	(1,208)	662,371	(0.182)
Fully diluted earnings per share						
Continuing operations	**(5,328)**	**1,503,440**	**(0.354)**	-	-	-
Total operations	**(5,328)**	**1,503,440**	**(0.354)**	**-**	**-**	**-**

14. Tangible fixed assets

Group	**Computers €'000**	**Total €'000**
Cost		
At 1 January 2021	-	-
Additions	164	164
At 31 December 2021	164	164
Depreciation and impairment		
At 1 January 2021	-	-
Eliminated in respect of disposals	-	-
At 31 December 2021	-	-
Carrying amount		
At 31 December 2021	164	164
At 31 December 2020	-	-

No depreciation has been charged in the year as the computer was still in the construction stage ofcompletion.

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

The Company held no tangible fixed assets during the years ended 31 December 2020 and 2021.

15. Investments

The significant entities for which the Group owns shares, including the parent company, held at 31 December2021 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	(36,255)	2020	Consolidated
Clear Leisure 2017 Ltd	100.00%	UK	Trading	(49)	2020	Consolidated
QBT R&D Srl	100.00%	Italy	Incorporated in 2021	N/A	N/A	Consolidated
Milan Digital Twin Ltd	100.00%	UK	Dormant	Nil	2020	Consolidated
London Digital Twin Ltd	100.00%	UK	Dormant	Nil	2020	Consolidated
Miner One Ltd	100.00%	UK	Dormant	Nil	2020	Consolidated
Clear Holiday Srl	100.00%	Italy	Dormant	10	2014	Not Consolidated
Alnitak S.A	100.00%	Luxembourg	Inactive	(8)	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
ORH S.P.A	73.40%	Italy	Liquidated	1,718	2012	Not Consolidated
Birdland Srl	52.00%	Italy	In liquidation	(288)	2016	Not Consolidated
Sipiem S.P.A	50.17%	Italy	In liquidation	645	2014	Not Consolidated
Bibop Srl	36.94%	Italy	Liquidated	(211)	2017	No fair value
ForCrowd Srl	41.17%	Italy	Investment	74	2018	Equity-accounting
ClassFinance in Liquidazione Srl	20.00%	Italy	Investment	(104)	2018	No fair value
PBV Monitor	10.00%	Italy	Investment	166	2019	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	No fair value
TLT S.P.A	0.25%	Italy	Investment	(2,476)	2016	No fair value

The registered office of all UK companies is: 22 Great James Street, London, England, WC1N 3ES.

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 Alnitak S.A. is L-1212, Luxembourg, 3, Rue de Bains.

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 ORH Spa is Via Ponte Vetero 21, Milano (MI), 20121.

The registered office for Birdland Srl is Via Quaranta 40, Milano (MI), 20139.

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

The registered office for Bibop Srl is Via Bernardo Quaranta 40, Milano (MI), 20139.

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 overallconclusions as detailed in the table below. Please see the note narrative for additional information on an entityby 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 beenincluded in the consolidation.

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

QBT R&D Srl
This entity is a 100% owned subsidiary of the group incorporated in Italy which has been incorporated on 7 July2021 with its first accounts made up to 31 December 2021. This entity 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. However, this entity has not been consolidated on the basis that it is immaterial to the group financial statements. The balances held withinthe 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 disputeswith 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 beenincluded in the consolidation with an overall impact of nil.

Alnitak S.A.
Alnitak S.A. is a 100% owned subsidiary incorporated in Luxemburg. The entity remained inactive during 2021 and in February 2022 it was discontinued following the conclusion of a liquidation process begun on 25 February2021.

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 previoussix 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 toa 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. has 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 has been declared bankrupt. Sosushi's bankruptcy does not impact on the Company's balance sheet, as the receivables remain collectable, and the litigation is held via Clear Leisure 2017.

Fallimento Mediapolis Srl
Fallimento Mediapolis Srl was a 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. Therefore, the financial information for Fallimento Mediapolis Srl has not been consolidated into the group financial statements.

ORH S.P.A
ORH S.P.A was a 73.4% owned entity incorporated in Italy. The company was liquidated in 2013 and therefore this is the date from which control is deemed to have been lost. Therefore, the financial information for ORH S.P.A has not been consolidated into the group financial statements.

Birdland Srl
Birdland Srl was a 52% owned entity incorporated in Italy. The stake in the entity was indirectly owned via Brainspark Associates Limited. The company was discontinued on 28 December 2020 following a liquidation process commenced during 2017. Therefore, the financial information for Birdland Srl has not been consolidated into the group financial statements.

Sipiem S.P.A
Sipiem S.P.A is a 50.17% owned entity incorporated in Italy. The entity has not been trading for a number of years and has only been maintained due to the ongoing legal matters with the former directors. An amount receivable has been recognised at the group level relating to the part of the claim which is payable to QuantumBlockchain Technologies PLC. The company is now in liquidation which commenced in 2015. Therefore, this is the date from which control is deemed to have been lost. Therefore, the financial information for Sipiem S.P.A has not been consolidated into the group financial statements. The investment in Sipiem S.P.A is accounted at fair value through profit or loss.

Bibop Srl
Bibop Srl was a 36.94% equivalent owned investment in a company incorporated in Italy that was held via Birldand Srl. As Birdland Srl was liquidated the group does not control or exercise significant influence on BipopSrl and, accordingly the company is not consolidated, or equity accounted in the group financial statements. Asthe investment is not held directly by the group, no value is recognised in the financial statements.

ForCrowd Srl
ForCrowd Srl is a 41.17% owned investment in an entity incorporated in Italy. The group has determined that itholds 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 profitor 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 has beenre-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. No fair value is recognised for this investment as the entity has not been trading for a number of years. The company was placed into liquidation in 2015. The investment in ClassFinance in Liquidazione Srl is accounted at fair value through profit or loss.

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 (€77,000, 2020: €302,000) has been assessed in relation to the last equity roundof the company in January 2022, in which the entire post money valuation of the company was €770,000, with Quantum Blockchain Technologies directly holding the 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 madein 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 (€587,000, 2020: €546,000) 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 2020 and 2019, attributable to the variance in the EUR/USD exchange rate.

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 S.P.A. No fair value is recognised for this investment as the entity has minimal netassets and the valuation would be trivial to the

consolidated financial statements. Moreover, as the investmentis held via Sipiem S.P.A, 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 entityhas 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 S.P.A, which is in liquidation, the investment should not be recognised as an asset.

	Group		**Company**	
	2021	2020	**2021**	2020
	€'000	€'000	**€'000**	€'000
At as 1 January	**848**	896	**434**	521
Additions	**-**	2	**64**	2
Fair value decrease	**(225)**	-	**(200)**	(89)
Foreign exchange	**41**	(50)	**-**	-
Carrying value at 31 December	**664**	848	**298**	434

An amount of €587,000 (2020: €546,000) 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 €77,000 (2020: €302,000) 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% ofPBV in December 2018. As part of the investment agreement, Quantum Blockchain Technologies was granteda 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.

16. Trade and other receivables

	Group		**Company**	
	2021	2020	**2021**	2020
	€'000	€'000	**€'000**	€'000
Trade receivables	**58**	9	**-**	-
Other receivables	**4,769**	4,620	**144**	40
Amounts owed by related parties	**78**	562	**521**	801
	4,905	5,191	**665**	841

Group other receivables includes an amount of €4,445,000 (2020: €4,445,000) due in relation to the ongoing Sipiem legal claim, which is unsecured, interest free and does not have fixed terms of repayment; and an amount of €132,000 (2020: €132,000) due in relation to the Fallimento Mediapolis Srl bankruptcy procedure.

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

17. Cash and cash equivalents

	Group		Company	
	2021	2020	**2021**	2020
	€'000	€'000	**€'000**	€'000
Cash at bank and in hand	**1,039**	-	**1,035**	-
	1,039	-	**1,035**	-

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

18. Trade and other payables

	Group		Company	
	2021	2020	**2021**	2020
	€'000	€'000	**€'000**	€'000
Trade payables	**128**	124	**126**	124
Other payables	**91**	143	**91**	141
Accruals	**110**	67	**137**	62
Trade and other payables	**329**	334	**354**	327

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

19. Borrowings

	Group		Company	
	2021	2020 (restated)	**2021**	2020 (restated)
	€'000	€'000	**€'000**	€'000
Zero rate convertible bond 2015	**5,100**	5,045	**5,100**	5,045
Zero rate convertible bond 2020	**3,265**	3,015	**3,265**	3,015
	8,365	8,060	**8,365**	8,060
Disclosed as:				
Current borrowings	**8,365**	-	**8,365**	-
Non-current borrowings	**-**	8,060	**-**	8,060
	8,365	8,060	**8,365**	8,060

Interest on the bonds is payable annually on 31 March each year. The bonds at 31 December 2021 include all unpaid interest and interest accrued to that date.

On 25 March 2013 the Company issued €3,000,000 nominal value of zero rate convertible bonds at a discountof 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 forcash realising €412,000 before expenses.

On 15 December 2015 the bondholders meeting approved the amendments on the Zero Rate Convertible Bond2015, 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 Bond2015, 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 15December 2018 to 15 December 2022. The Company is now able to convert the Bonds into new ordinary sharesof 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. The Zero rate convertible bond 2020 is accounted for as a financial instrument with both debt and equity characteristics. The debt element was valued using a market rate assessed by the Directors of 7.99%.

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.

Key Assumptions

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

Zero Coupon Bonds 2015

	2021	2020
Share price	3.100p	0.265p
Expected life	1 year	3 years
Volatility	130%	70%
Dividend yield	0%	0%
Risk free interest rate	0.76%	(0.03)%
Fair value	0.4p	0.0p

20. Financial instruments

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 whichthey are included are as follows:

	2021	2020
	€'000	€'000
Financial assets:		
Financial assets held at fair value through profit and loss	**664**	980
Investments in equity-accounted associates	**211**	-
Trade and other receivables	**4,862**	5,191
Cash and cash equivalents	**1,039**	-
	6,776	6,171

FINANCIAL LIABILITIES BY CATEGORY

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

	2021	2020 (restated)
	€'000	€'000
Financial liabilities at amortised cost:		
Trade and other payables	**353**	334
Borrowings	**8,365**	8,060
Derivative	**1,113**	-
	9,831	8,394

Financial instruments measured at fair value:

	Level 1	**Level 2**	**Level 3**
	€'000	**€'000**	**€'000**
As at 31 December 2021			
Investments at fair value through profit or loss	**-**	**-**	**664**
	-	**-**	**664**
As at 31 December 2020			
Investments at fair value through profit or loss	-	-	980
	-	-	980

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 recoverablethis would result in the reduction in the fairvalue 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 issignificant 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 pricesincluded 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 offinancial 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 investmentsheld 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 theirfair value, this would result in the Group's net asset value and statement of comprehensive income increasingor decreasing by €97,000 (2020: €160,000).

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 minimal cash balances at the reporting date (refer to Note 2 – Basis of preparation and going concern). The Group continues to secure future funding and cash resources from disposals as and when required in order to meet its cash requirements. This is an on-going 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 2021				
Trade and other payables	**329**	**329**	**-**	**329**
Borrowings	**8,365**	**8,365**	**-**	**8,365**
Derivative financial instruments	**1,113**	**1,113**	**-**	**1,113**
	9,807	**9,807**	**-**	**9,807**
As at 31 December 2020				
Trade and other payables	334	334	-	334
Borrowings (restated)	8,060	-	8,060	8,060
	8,394	334	8,060	8,394

Management believes that based on the information provided in Notes 2 and 3 – 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 interestrates.

	Group		**Company**	
	2021	2020 (restated) €'000	**2021**	2020 (restated) €'000
Fixed rate instruments				
Financial assets	**4,845**	6,171	**605**	1,275
Financial liabilities	**8,718**	8,060	**8,743**	8,060

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

	Gain / (loss)	
Group	**2021**	2020
	€'000	€'000

Euribor +0.5% / -0.5%	**+5 / -5**	-/-

The analysis was applied to cash and cash equivalents based on the assumption that the amount of asset as atthe 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 £208,000 (2020: £Nil) are denominated in sterling. An adverse movement in the exchange rate will impact the ultimate amount payable, a10% increase or decrease in the rate would result in a profit or loss of £21,000 (2020: £Nil). The Group's functionaland 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 €4,905,000 (2020: €5,191,000) comprising receivables during the period. About 91% (2020: 67%)of total receivables are due from a single company. The ageing profile of trade receivables was:

	2021		2020	
Group	**Total book value €'000**	**Allowance for impairment €'000**	Total book value €'000	Allowance for impairment €'000
Current	**4,905**	**-**	5,191	-
	4,905	**-**	5,191	-
Company				
Current	**665**	**-**	841	-
	665	**-**	841	-

21. 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 2020	**662,371,447**	**199,409,377**	**1,930**	**5,467**	**47,124**	**54,521**
Issue of shares	-	-	-	-	-	-
At 31 December 2020	**662,371,447**	**199,409,377**	**1,930**	**5,467**	**47,124**	**54,521**
Issue of shares	282,680,404	-	824	-	2,318	3,142
At 31 December 2021	**945,051,851**	**199,409,377**	**2,754**	**5,467**	**49,442**	**57,663**

All ordinary shares carry equal rights.

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

22. Share based payments

On 14 April 2021, Francesco Gardin, a director, was granted options to subscribe for 100,000,000 new ordinaryshares in the Company at an exercise price of 5 pence per share. The options are exercisable for the period between 6 May 2022 and 6 May 2026. Francesco Gardin was also granted options to subscribe for 100,000,000new ordinary shares in the Company at an exercise price of 10 pence per share. The options are exercisable forthe period between 6 May 2023 and 6 May 2026.

On 2 June 2021, a consultant was granted options to subscribe for 10,000,000 new ordinary shares in the Company at an exercise price of 5 pence per share. The options are exercisable for the period between 15 May2022 and 15 August 2022.

On 27 September 2021, an employee was granted options to subscribe for 5,000,000 new ordinary shares in theCompany at an exercise price of 5 pence per share. The options are exercisable for the period between 6 May 2022 and 6 May 2025. The same employee 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 6 May 2023 and 6 May 2025. Another employee 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 6 May 2022 and 6 May 2026. The second employee 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 6 May 2023 and 6 May 2026. A third employee 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 6 May 2022 and 6 May 2024.

On 15 December 2021, Reginald Eccles, a director, was granted options to subscribe for 5,000,000 new ordinaryshares in the Company at an exercise price of 10 pence per share. The options are exercisable for the period between 1 December 2021 and 1 December 2026.

The total share-based payment expense recognised in the income statement for the year ended 31 December 2021 in respect of the share options granted was €1,160,000 (2020: €Nil).

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

	5p	10p
Share price	1.175p - 3.100p	1.175p - 3.050p
Expected life	1 - 3 years	3 years
Volatility	130%	215%
Dividend yield	0%	0%
Risk free interest rate	0.76%	0.76%
Fair value	0.4p – 2.1p	1.0p – 2.7p

The tables below disclose the movements in share options during the year.

Number of options at 1 Jan 2021	Granted in the year	Exercised in the year	Lapsed in the year	Number of options at 31 Dec 2021	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
–	237,500,000	–	–	237,500,000		

Number of options at 1 Jan 2020	Granted in the year	Exercised in the year	Lapsed in the year	Number of options at 31 Dec 2020	Exercise Price, pence	Expiry date
10,000,000	–	–	10,000,000	–	N/A	N/A
3,000,000	–	–	3,000,000	–	N/A	N/A
13,000,000	–	–	13,000,000	–	N/A	N/A

23. 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 theirshort-term position but also their long-term operational and strategic objectives.

Group	**Merger reserve €'000**	**Loan note equity reserve €'000**	**Share option reserve €'000**	**Total other reserves €'000**
At 1 January 2020	**8,325**	**-**	**51**	**8,376**
Transfer of reserves	-	-	(51)	(51)
Equity portion of convertible loan notes	-	462	-	462
At 31 December 2020	**8,325**	**462**	**-**	**8,787**
Grant of share options	-	-	2,622	2,622
At 31 December 2021	**8,325**	**462**	**2.622**	**11,409**

Company	**Loan note equity reserve €'000**	**Share option reserve €'000**	**Total other reserves €'000**
At 1 January 2020	**-**	**51**	**51**
Transfer of reserves	-	(51)	(51)
Equity portion of convertible loan notes	462	-	462
At **31 December 2020**	**462**	**-**	**462**
Grant of share options	-	2,622	2,622
At 31 December 2021	**462**	**2,622**	**3,084**

24. Warrants

On 22 February, the Company raised £1,000,000 (before expenses) through the placing of 100,000,000 OrdinaryShares at a price of 1 pence per share to an individual investor, Mr John Story. Mr Story was also granted 100,000,000 warrants over 100,000,000 new Ordinary Shares exercisable at a price of 2 pence per Ordinary Shares until 26/02/2023.

In October QBT issued 17,500,000 new Ordinary Shares at a price of 2 pence per share, following the exercise of 17,500,000 warrants of the 100,000,000 warrants granted to Mr John Story, raising £350,000 (before expenses).In December the Company issued 30,000,000 new Ordinary Shares at a price of 2 pence per share, following theexercise of 30,000,000 warrants of the 100,000,000 warrants granted to Mr John Story, receiving £600,000 (before expenses).

At the year-end date, 52,500,000 outstanding warrants were held by Mr Story and these were valued at €969,000 at the year end. This amount is included within 'Derivative Financial Instruments' in the Statement of Financial Position.

25. Ultimate controlling party

The Group considers that there is no ultimate controlling party.

26. 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	**2021 Group**	2020 Group	**2021 Company**	2020 Company
Clear Leisure 2017 Limited	**-**	-	**132,067**	180,691
QBT R&D Srl	**-**	-	**311,389**	-
Sipiem S.P.A	**-**	386,697	**-**	386,697
Sosushi Company Srl	**-**	118,033	**-**	118,033
PBV Monitor Srl	**22,609**	-	**22,609**	-
Geosim Systems Limited	**55,156**	46,068	**55,156**	46,068
	77,765	550,798	**521,221**	731,489

During the year, Quantum Blockchain Technologies Limited made sales totalling €4,000 (2020: €Nil) to QBT R&D Srl.

During the year, QBT R&D Srl made sales totalling €27,500 (2020: €Nil) to Quantum Blockchain TechnologiesLimited.

During the year, Metals Analysis Limited, a company in which R Eccles is a Director, charged Quantum Blockchain Technologies Plc €66,000 (2020: €53,000) for consultancy fees. The amount owed to Metals AnalysisLimited at year end is €3,000 (2020: €4,000).

Remuneration of key management personnel

The remuneration of the directors, who are the key personnel of the group, is included in the Directors Report.

Under "IAS 24: Related party disclosures", all their remuneration is in relation to short-term employee benefits.

27. Events after the reporting date

During the first months of 2022, the Company has been involved in the following:

In January the Company issued 35,000,000 new Shares at a price of 2 pence per share, following the exerciseof 35,000,000 warrants of the 100,000,000 warrants granted to Mr John Story, receiving £700,000 (before expenses).

In March the Company issued 17,500,000 new Shares at a price of 2 pence per share, following the exercise of17,500,000 warrants of the 100,000,000 warrants granted to Mr John Story, receiving £350,000 (before expenses).

In April, 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 2021, 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 11 February 2022, Alnitak S.A., a 100% owned subsidiary was liquidated following the conclusion of aliquidation process which begun on 25 February 2021.

28. Prior year adjustment

The comparative figures for the year ended 31 December 2020 have been restated as set out in the tablesbelow:

Restated Group Statement of Financial Position as at 1 January 2020

	Ref.	Group 1 Jan 2020	Restatement 1 Jan 2020	Group 1 Jan 2020 (restated)
		€'000	€'000	€'000
Non-current assets				
Investments	B	1,117	-221	896
Investments in equity-accounted investments	B	-	221	221
Total non-current assets		1,117	-	1,117
Current assets				
Trade and other receivables		6,604	-	6,604
Cash and cash equivalents		-	-	-
Total current assets		6,604	-	6,604
Total assets		7,721	-	7,721
Current liabilities				
Trade and other payables		(396)	-	(396)
Borrowings		(3,691)	-	(3,691)
Derivative liability		(121)	-	(121)
Total current liabilities		(4,208)	-	(4,208)
Net current assets/(liabilities)		2,396	-	2,396
Total assets less current liabilities		3,513	-	3,513

Non-current liabilities				
Borrowings	A	(5,142)	152	(4,990)
Total non-current liabilities		(5,142)	152	(4,990)
Total liabilities		(9,350)	152	(9,198)
Net assets		(1,629)	152	(1,477)
Equity				
Share capital		7,397	-	7,397
Share premium account		47,124	-	47,124
Other reserves		8,376	-	8,376
Retained losses	A	(64,526)	152	(64,374)
Total equity		(1,629)	152	(1,477)

Restated Company Statement of Financial Position as at 1 January 2020

	Ref.	Company 1 Jan 2020	Restatement 1 Jan 2020	Company 1 Jan 2020 (restated)
		€'000	€'000	€'000
Non-current assets				
Investments		521	-	521
Total non-current assets		521	-	521
Current assets				
Trade and other receivables		1,493	-	1,493
Cash and cash equivalents		-	-	-
Total current assets		1,493	-	1,493
Total assets		2,014	-	2,014
Current liabilities				
Trade and other payables		(339)	-	(339)
Borrowings		(3,691)	-	(3,691)
Derivative liability		(121)	-	(121)
Total current liabilities		(4,151)	-	(4,151)
Net current assets/(liabilities)		(2,658)	-	(2,658)
Total assets less current liabilities		(2,137)	-	(2,137)
Non-current liabilities				
Borrowings	A	(5,142)	152	(4,990)
Total non-current liabilities		(5,142)	152	(4,990)
Total liabilities		(9,293)	152	(9,141)

Net (liabilities)/assets		(7,279)	152	(7,127)
Equity				
Share capital		7,397	-	7,397
Share premium account		47,124	-	47,124
Other reserves		51	-	51
Retained losses	A	(61,851)	152	(61,699)
Total equity		(7,279)	152	(7,127)

Restated Group Statement of Financial Position as at 31 December 2020

	Ref.	Group 31 Dec 2020 €'000	Restatement 31 Dec 2020 €'000	Group 31 Dec 2020 (restated) €'000
Non-current assets				
Investments	B	980	-132	848
Investments in equity-accounted associates	B	-	132	132
Total non-current assets		980	-	980
Current assets				
Trade and other receivables		5,191	-	5,191
Cash and cash equivalents		-	-	-
Total current assets		5,191	-	5,191
Total assets		6,171	-	6,171
Current liabilities				
Trade and other payables		(334)	-	(334)
Borrowings		-	-	-
Derivative financial instruments		-	-	-
Total current liabilities		(334)	-	(334)
Net current assets/(liabilities)		4,857	-	4,857
Total assets less current liabilities		5,837	-	5,837
Non-current liabilities				
Borrowings	A	(8,212)	152	(8,060)
Total non-current liabilities		(8,212)	152	(8,060)
Total liabilities		(8,546)	152	(8,394)
Net assets		(2,375)	152	(2,223)

Equity

	Ref.			
Share capital		7,397	-	7,397
Share premium account		47,124	-	47,124
Other reserves		8,787	-	8,787
Retained losses	A	(65,683)	152	(65,531)
Total equity		(2,375)	152	(2,223)

Restated Company Statement of Financial Position as at 31 December 2020

	Ref.	Company 31 Dec 2020 €'000	Restatement 31 Dec 2020 €'000	Company 31 Dec 2020 (restated) €'000
Non-current assets				
Investments		434	-	434
Total non-current assets		434	-	434
Current assets				
Trade and other receivables		841	-	841
Cash and cash equivalents		-	-	-
Total current assets		841	-	841
Total assets		1,275	-	1,275
Current liabilities				
Trade and other payables		(327)	-	(327)
Borrowings		-	-	-
Derivative financial instruments		-	-	-
Total current liabilities		(327)	-	(327)
Net current assets/(liabilities)		514	-	514
Total assets less current liabilities		948	-	948
Non-current liabilities				
Borrowings	A	(8,212)	152	(8,060)
Total non-current liabilities		(8,212)	152	(8,060)
Total liabilities		(8,539)	152	(8,387)
Net (liabilities)/assets		(7,264)	152	(7,112)
Equity				
Share capital		7,397	-	7,397
Share premium account		47,124	-	47,124
Other reserves		462	-	462
Retained losses	A	(62,247)	152	(62,095)
Total equity		(7,264)	152	(7,112)

Notes to prior year restatement tables Group and Company

In previous periods, the Group had incorrectly accounted for the Zero Coupon Bonds 2015 and these weresubject to a prior year adjustment in the year ended 31 December 2020 as detailed in the accounts. Following renegotiations in December 2018, this loan included a redemption premium which was requiredto be amortised over the life of the loan, with annual charges included in finance costs in the Income Statement. The initial accounting for this was incorrect.

Pre 1 January 2020 Adjustments

A. The fair value of the loan recognised at the outset has been reduced by €152,000, representing a change inthe underlying value of the Zero Coupon Bond 2015, with the corresponding credit recognised in retained losses. This error relates to an incorrect calculation in the prior year adjustment in the year ended 31 December 2020. This correction has had no material impact on the Income Statement and Statement of Comprehensive Income of the year ended 31 December 2020.

B. As disclosed in Note 8, the Group investment in ForCrowd Srl has been reclassified in the Statement of Financial Position to show as investments in equity-accounted associates. This reclassification has had no material impact on the Income Statement and Statement of Comprehensive Income of the year ended 31 December 2020.