20 September 2023

Quantum Blockchain Technologies Plc

("QBT" or "the Company")

Porting Method A and Method B into Commercial Miners

HIGHLIGHTS
- Engaging with North American cryptocurrency miners
- Redesign of Method B for Chinese manufactured mining machines, which opens up a further 75% of total bitcoin mining market for QBT
- Method A increases mining performance by nearly 10%
- Method B increases mining probability by 2.6 times

Quantum Blockchain Technologies Plc (AIM: QBT), a disruptive software and ASIC chip developer focused on changing the way Bitcoin is mined, reports that in the past three months, the Company has engaged with a number of the largest North American cryptocurrency miners in order to better understand their commercial needs. This typically entails these parties providing QBT with a number of the most commonly used mining rigs available in the market for the Company to study and implement the porting of its Method A and Method B chip enhancements.

The Company is targeting not only Intel's Blockscale based miners, but also the most popular mining rigs produced in China, which are used by more than 75% of the global Bitcoin market[1]. However, due to lack of publicly available technical documents concerning the mining machines produced by Asia-based manufacturers, the Company has been faced with a very challenging software engineering project. Nonetheless, through the partial redesign of Method B, the Company can start porting on the equipment made by the largest mining rig manufacturer in that region. The Company's R&D Machine Learning team has been able to quickly modify Method B while retaining the entirety of its performance enhancements, as confirmed through internal testing undertaken by the R&D team. QBT expects that this encouraging result will (once the porting of Method B on the mining rig firmware has been completed), allow the Company to pursue commercial arrangements for the deployment of QBT's methods in the mining hardware market segment.

As a result, the Company is looking to engage with potential partners to deploy Method B in Chinese produced mining rigs, which currently represent over 75%[1] of all operational machines in the Bitcoin mining industry. In monetary terms, at the current overall hashing power of the Bitcoin network, this represents more than 2.5 million miners[2], costing an estimated USD 5 billion at an average cost of USD 2,000 per mining rig.

Installing QBT's Method B on Chinese manufactured rigs is anticipated to increase the success rate of the mining probability of these machines by 2.6 times. Because of the intrinsic nature of Method B, in order to achieve the same mining success rate a mining enterprise would have to increase its hashing power by 50%. QBT believes, therefore, that employing Method B QBT believes this could provide meaningful cost savings to the whole bitcoin mining industry, in terms of reduced aggregate capital expenditure. Furthermore, increasing the hashing power, via Method B's software, without adding new miners could represent a major energy saving.

Further announcements in relation to the porting of Method B on Asian manufactured mining rigs will be made in due course.

Francesco Gardin, CEO and Chairman of QBT commented: "*QBT has now entered into the engineering phase of its first two products: Method A which our laboratory tests show an increase in the mining performance by nearly 10% and Method B, which increase the mining probability by 2.6 times. The overall response from the North American miners has been encouraging ; by increasing the hashing power, without increasing CAPEX could, in their view, be a game-changer, especially in the current market, where the price of Bitcoin has fallen below $30,000 and with the next 'halving' expected in about nine months.*

"*The Company, therefore, is focusing its main efforts on speeding up the porting process of both Method A and B in order to reach commerciality.*"

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

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About Quantum Blockchain Technologies Plc

QBT (AIM: QBT) is an AIM listed investment company with a strategic focus on Quantum Computing, Blockchain, Cryptocurrencies and Artificial Intelligence. The Company has commenced an aggressive R&D and investment programme in the dynamic world of Blockchain Technology, in order to disrupt the current method of bitcoin mining, as well as discovering other advanced blockchain applications.

Glossary of Terms:

Halving: Bitcoins have a finite supply, which makes them scarce. The total amount that will ever be issued is 21 million. The number of bitcoins generated per block is decreased 50% every four years. This is called "halving." The final halving will take place in the year 2140. [3]

Hashing power: Hash power or hashing power is the power that a computer or hardware uses to run and solve different hashing algorithms, such as SHA-256 in the case of bitcoin.

Mining rig: A mining rig is a special hardware system, usually based on graphic processing units (GPU), or dedicated ASIC chips, used for mining cryptocurrency.

Porting: In computer science, it is a process of adapting, sometimes with modifications, a software component to enable its use on a platform different from the original one. Porting is

done when the software is somehow adjusted, not when the source code is completely rewritten in a different programming language.

[1]https://www.coindesk.com/tech/2023/06/13/bitmains-s19-bitcoin-miners-account-for-bulk-of-network-hashrate-says-new-research/

[2]https://5264302.fs1.hubspotusercontent-na1.net/hubfs/5264302/special-insights/coinmetrics-research_the-signal-and-the-nonce.pdf
[3] https://quantumblockchaintechnologies.co.uk/investor-relations/glossary