12 March 2025

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Quantum Blockchain Technologies plc

("QBT" or "the Company")

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General Business Update

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Quantum Blockchain Technologies (AIM: QBT), the AIM-listed investment company focused principally on a research, development and investment programme within blockchain technology is pleased to provide a general business update.

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Update on the porting of Method A and Method B onto commercial mining rigs

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In addition to the Method C developments announced on 17 January 2025, the Company has also been seeking to improve the AI Models of Methods A and B. This work has been restricted by the severe limitations caused by the way SHA-256 is implemented on the most widely used Bitcoin mining ASIC chips.

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The QBT Client version of Method B implemented initially onto the CGminer operating system has, as previously reported, now been ported onto the ESPminer operating system. This change meant that the Company was able to commence real-time mining testing using Bitaxe, an open hardware and software project which makes Bitcoin miners available using between one and six ASIC chips from the largest manufacturer of such devices. Specifically, the hardware used by the R&D team are the BM1362, BM1366 and BM1368 ASIC processors.

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As a result of the R&D team's deep understanding of CGminer, the implementation of the QBT Client under the ESPminer operating system environment was completed in December 2024. The very recent acquisition of the Bitaxe Gamma model using the BM1370 ASIC, the same chip used in the latest version of the most powerful Bitcoin mining rigs available on the market, has opened up the possibility of developing the original version of Method B. The Company believes that this is a significant development as the original version of Method B (as announced on 10 May 2023) potentially achieved (in lab tests) the best mining advantage against standard mining rigs.

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Consistency checks between the data generated by the BM1370 ASIC and past lab results are being undertaken before modifying the mining rigs' CGminer operating systems so as to allow the installation of the QBT Client version of Method B. Â

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The Company is currently considering its additional hardware choices for the deployment of Method B as there are a number of viable options available in addition to BM1370 ASIC. One such chip would be Intel's BZM2 chip although there are very limited numbers available due to the chip no longer being in production. A U.S. company, Block, Inc. has announced the release of a prototype ASIC chip which QBT believes could be suitable.

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Regarding Method A, it is currently mining live in QBT's Milan-based lab in single chip mode, using commercial ASICs for Bitcoin mining connected to an existing mining pool. Operational performance of Method A is currently being assessed based on the hash rate and measured by the pool and the corresponding rewards awarded, comparing one ASIC chip running with Method A and one without. Further development work is to be conducted by the R&D team to finalise a multiple ASIC chip version which can be ported by QBT's software engineers onto existing miners manufactured by the dominant players within this sector.

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Patent Applications

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The current status of the first two filed patent applications ("Asic UltraBoost" and "Asic EnhancedBoost") is still pending, with the normal interactions between the European Patent Office examiners and the Company. The third patent application ("Implementation of Binary Decision Tree") has been recently filed with the UK patent office, as reported on 15 January 2025.

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The quantum computing version of SHA-256 implementation is still being held in draft form with the Company's patent attorney, with filing with the UK patent office now expected within the next few months. This is because the Company gave filing priority to the Binary Decision Tree application supporting Method C hardware implementation.

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QBT proprietary ASIC chip

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On 13 March 2024, the Company announced an update about its efforts to develop a prototype version of an in-house proprietary ASIC chip using large scale integration for demo purposes. In the last few months, this internal project has been put on hold to enable the focus of the design team to be temporarily redirected to support the R&D AI teams, in particular Method C's AI Oracle project.

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Meanwhile, a basic ASIC chip for Bitcoin mining design architecture which includes the improvements of the first patent application remains available as a QBT asset, which the Company, under the right circumstances and with the right partner, could develop into a product, also hosting the Method C AI Oracle.

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Sipiem In Liquidazione Spa ("Sipiem") litigation

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In January 2025, the defendants in the Company subsidiary Clear Leisure 2017 Ltd's ("CL2017") lawsuit against the former directors and members of the statutory audit committee of Sipiem filed an appeal with the Italian Court of Cassation (Italy's highest court for civil and commercial matters) against the judgement of the lower Court of Appeal of Venice issued in June 2024 ("Judgement"). Â

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The former Sipiem directors contested the Judgement on various grounds, as did its former members of the statutory audit committee. In particular, the latter have asked the Court of Cassation to send the case back to the Court of Appeal in order for the interested parties to appear in a hearing and finalise the tentative settlement agreement among them. The tentative settlement agreement, with respect to

the waivers granted to CL2017 was conditional on the judicial settlement being validated by the Court of Appeal prior to the Judgement, which did not occur. The members of the statutory audit committee have also asked for the Judgement to be vacated as regards the finding of liability against them.
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In general, the Italian legal counsel for the Company believe that legal arguments raised by the defendants, with the exception of the request of the members of the statutory audit committee regarding revisitation of the settlement, are fundamentally the same ones already raised and discussed in the first instance and in appeal, although they are now formulated in the context of the proceedings before the Court of Cassation. On 20 February 2025, CL2017 filed its brief asking the Court of Cassation to confirm the Judgement of the Court of Appeal. The proceedings before the Court of Cassation are expected to last not less than three years.
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In the meantime, CL2017 is allowed to continue its enforcement procedures trying to seize the assets of the defendants, unless the defendants obtain an order from the Court of Appeal that put such actions on hold until the Court of Cassation issues its final judgement.
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The Company's legacy assets:
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Forcrowd Srl ("Forcrowd") - 41.17% ownership
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Following last year's award of the EU extension of the Italian crowdfunding licence, the Forcrowd website has been redesigned to comply with the corresponding new legislation. Forcrowd currently expects to relaunch fundraising campaigns during the course of 2025.
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Geosim Systems ("Geosim") - 4.53% ownership
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Despite the complex situation in the Israeli region, Geosim continues to operate as a developer of 3D models of international airports in North America, Europe and Asia.
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More Legal Srl ("More Legal", previously PBV Monitor Srl) - 0.45% ownership
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Following recent fundraising by More Legal, QBT's shareholding has been diluted from 10% to 0.45%. QBT continues to assist More Legal in areas in which it has expertise, specifically a recent AI project to increase analytical productivity.
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In general, QBT's policy regarding its investments is to be a passive investor while providing all possible resources to the R&D programme.
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Francesco Gardin, CEO and Chairman commented: "After nearly four years of R&D, we have managed to prove that our technology can predict and to some extent, control, SHA-256 in its version for Bitcoin mining. The outcome of this work is the production of three disruptive Bitcoin products, namely the three AI Methods.
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"As previously reported, we are in a position to make live demonstrations connected to Bitcoin pools for Method A and Method C, and it is the Company's intention to make the first of these demonstrations at the Bitcoin `Mining Disrupt' conference in Miami (Fort Lauderdale) occurring between March 25-27, 2025. Furthermore, the availability of the BM1370 ASIC chips could allow us to add Method B to our live demo capabilities in the near future.
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"QBT's planned attendance at `Mining Disrupt' and at `2025 Bitcoin' in Las Vegas at the end of May will represent another opportunity to show our products to potential clients and partners."
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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
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QBT (AIM: QBT) is a London Stock Exchange AIM listed Research & Development and investing company focused on an intensive R&D programme to disrupt the Blockchain Technologies sector, and which includes, cryptocurrency mining and other advanced blockchain applications. The primary goal of the R&D programme is to develop Bitcoin mining tools and techniques, via its technology-driven approach, which the Company believes will significantly outperform existing market practices.
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Glossary of Terms

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AI Oracle: It is an intelligent system which is designed for only answering questions and has no ability to act in the world.

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ASIC: An Application-Specific Integrated Circuit is an integrated circuit chip customized for a particular use, rather than intended for general-purpose use. ASIC chips are typically fabricated using metal-oxide semiconductor (MOS) technology, as MOS integrated circuit chips.

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Bitaxe Gamma Model: a compact, open-source Bitcoin miner based on BM13xx ASIC family chips, designed for efficient and affordable personal mining.

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ESPminer: a recently developed public domain operating system for Bitcoin mining devices, based on the ESP32 microcontroller.

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Method A: A Machine Learning based development by QBT R&D team, aimed at reducing the SHA-256 search space, compared to the brute force method used by BTC mining rigs today.

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Method B: A Machine Learning and statistical optimisation technologies developed by QBT R&D team, reducing the SHA-256 search space, but radically different from Method A.

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Method C: A Machine Learning based development by QBT R&D team which is composed by an AI model to be trained and an AI Oracle (the result of the training of the model). The AI Oracle assesses in real time the likelihood of an input to SHA-256 to generate a winning hash.

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QBT Client: The part of the method that is installed on the miner (i.e., client) whilst the intelligence part remains on our servers.

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SHA-256: Secure Hashing Algorithm (SHA)-256 is the hash function and mining algorithm of the Bitcoin protocol, referring to the cryptographic hash function that outputs a 256 bits long value.

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Single chip mode: A Bitcoin mining device using only one ASIC chip.