

## Chairman's Statement

The Board is committed to the principles of good corporate governance and believes that an effective corporate governance framework is essential to underpin the success of the Group's business. The Board is committed to achieving the highest standards of integrity, ethics, professionalism and business practice throughout the Group's operations. Therefore, the Company has adopted the Quoted Companies Alliance Corporate Governance Code (the "**QCA Code**"), in line with the AIM Rules for Companies, which requires all AIM-quoted companies to adopt a recognised corporate governance code and to explain how the Company complies with and where it departs from the chosen code.

Listed below are the 2023 QCA Code's principles and a description of how the Company complies with them.

This information was last updated on 04 April 2025.

### **1. Establish a purpose, strategy and business model which promotes long-term value for shareholders**

The Directors believe that the Group's purpose, strategy and business model and growth strategy will promote long-term value for Shareholders. The Directors intend to subject this strategy to ongoing review and will provide an update on it from time to time in the strategic report that will be included in the annual report and accounts of the Group. As part of this review, the Directors will continue to monitor and identify risks facing the Group and where so identified intend to formulate a mitigation strategy to manage these risks.

### **2. Promote a corporate culture that is based on ethical values and behaviours**

The Board is committed to ensuring that Quantum Base operates according to the highest ethical standards and the Board has primary responsibility for achieving this. The Directors believe that the main determinant of whether a business behaves ethically and with integrity is the quality of its employees. The Board, together with the Group's HR function, takes great care to ensure that all individuals employed by the Group demonstrate the required high levels of integrity and are aligned with the corporate values and culture.

To assist with the implementation of these values, the Board has also established the following policies and guidelines:

- an Anti-Bribery and Anti-Corruption Policy;
- a Health, safety and environmental policy;
- a Whistleblowing Policy; and
- a Social Media Policy.

The Group fully endorses the aims of the Modern Slavery Act 2015 and takes a zero-tolerance approach to slavery and human trafficking within the Group and supply chain.

The Company was established in 2013 to commercialise Professor Robert Young's discoveries in the field of quantum physics and with a clear set of values and a corporate culture that they believed would be key to Quantum Base's success. The Company continues to place a particular focus on fostering a culture of innovation, scientific excellence and solving real world problems to support the Company's strategy.

### **3. Seek to understand and meet shareholder needs and expectations**

Quantum Base endeavours to engage in clear and consistent dialogue with both existing and potential shareholders to understand their expectations, and to ensure that the Company's

strategy, business model and progress are clearly understood. The Board also maintains regular contact with its advisers in order to ensure that the Board develops an understanding of the views of the investor community about the Company.

The Board will communicate with shareholders through:

- the Company's annual report and accounts;
- the Company's interim and full-year results announcements;
- trading updates (where required or appropriate) and other RNS announcements;
- the Company's annual general meetings;
- presentations and Q&A sessions; and
- the investor relations section of the Company's website.

Unpublished price sensitive information is disclosed when appropriate and in accordance with regulatory requirements via the Regulatory News Service.

The Board views the Company's annual general meeting as an important forum for communication between the Company and its shareholders and encourages shareholders to express their views on the Company's business activities and performance. The Board intends to engage with shareholders where a significant percentage do not vote in favour of resolutions at annual general meetings to understand their motivation.

Regular meetings will be held between the CEO, CFO and institutional investors and analysts to ensure that the Company's strategy, financials and business developments are communicated effectively.

Investor relations queries should be directed to the Company's Financial Public Relations adviser at: [quantumbase@blytheray.com](mailto:quantumbase@blytheray.com).

#### **4. Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success**

The Board recognises the importance of corporate social responsibility and seeks to take account of the interests and feedback from all the Company's stakeholders, including its investors, customers and employees, when operating its business. The Board recognises the importance of engaging with all stakeholders and assesses who its key stakeholders are to consider the impact of, and risks associated with, the relationship, and the potential influence they may have on the Company's success.

The Board believes that fostering an environment in which employees act in an ethical, socially and environmentally responsible fashion is an important factor for the Group's long-term success.

The Company seeks to ensure continued engagement with its employees, clients, suppliers, shareholders and the wider public via:

- having processes in place designed to ensure regular dialogue between employees and senior management; and
- technological means, using the functionality of online tools to gain insights and feedback from its clients, partners and the public.

Together with the Company's PR adviser and the CEO, Thomas Taylor, takes primary responsibility for public stakeholder matters and the CEO, alongside Robert Young, takes primary responsibility for operational matters, each with the support of the Board and management team.

## **5. Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation**

Quantum Base has an experienced Board of both Executive and Non-Executive Directors and is supported by qualified professional advisers. The Board aims to set policies that seek to limit and mitigate ongoing risk as much as possible, without unduly affecting the Company's core values, competitiveness and flexibility as a challenger in the industry. This approach is intended to serve the interests of creating lasting shareholder value while also protecting Quantum Base's corporate culture and business as a whole.

Quantum Base manages risk in order to limit potential adverse effects on the implementation of its growth strategy, its performance and the interests of its stakeholders. It does this by actively promoting the identification and management of risk at its leadership meetings with the management team and Board.

Management of the core risks to the business is fostered in the key commercial processes and the regular activities of the management team. The Executive Directors are integrated in the daily operations of the Group and represent the day-to-day functioning of the business to the Board.

The Company also has an Audit Committee which manages and reports on the risks associated with the Company, as well as overseeing the Company's compliance with the AIM Rules and UK MAR concerning disclosure of inside information.

Each year, the Company's annual report and accounts will contain a section setting out what the Board considers to be the main risks faced by the Group. The Company's auditor is independent of management.

## **6. Establish and maintain the Board as a well-functioning, balanced team led by the Chair**

The Board is responsible to Quantum Base shareholders for the effective oversight, corporate governance arrangements and long-term success of the Company.

The Chair is responsible for leading the Board and ensuring that it remains effective in fulfilling this role. The Chair sets the Board's agenda and ensures that there is appropriate focus on strategic issues and the monitoring of performance and risks. The Chair promotes openness and debate within the Board, whereby all Directors can discuss and challenge the actions of the executive management, promoting effective and balanced decision making, and ultimately supporting the Company's long-term, sustainable success.

The Board consists of six Directors: three Non-Executive Directors and three Executive Directors. The three Non-Executive Directors are considered to be independent, in line with QCA Code's guidance, and the Board believes that the structure and balance of the Board is suitable for the current size of the Company.

The Board members are as follows:

- Mark Fahy (Independent Non-Executive Chairman);
- Thomas Taylor (Chief Executive Officer);
- Robert Young (Chief Scientific Officer);
- David Broadbent (Chief Financial Officer);
- Lucy Tarleton (Independent Non-Executive Director); and
- Adrian Collins (Independent Non-Executive Director).

To fulfil their obligations, the Board is satisfied that each of the Directors has enough time to commit to the Group's business.

The Non-Executive Directors of the Board have been selected with the objective to further support the breadth of skills and experience of the Board and bring constructive challenge to the Executive Directors. The Non-Executive Directors are also responsible for the effective running of the Board's committees and ensuring that the committees support the strategic priorities of the Board. The Company has not appointed a Senior Independent Director in light of the current size and nature of the business, and the balance of the Board.

The Board is also supported by the Audit Committee, the Remuneration Committee and Nomination Committee.

**7. Maintain appropriate governance structures and ensure that, individually and collectively, Directors have the necessary up-to-date experience, skills and capabilities**

Quantum Base requires a broad range of capabilities, skills and competencies to be recognised on its Board. The Board believes that its members have a suitable combination of backgrounds, knowledge and personal qualities to meet this requirement and deliver high quality service centred on its core objectives, which reflect the size and nature of the Company. The Board's collective experience covers industry, operational, risk management, financial and regulatory aspects, including public company experience.

The Directors are provided with updates on market and regulatory developments, and are provided training, as required, to ensure that their skills and experience are kept up to date. Regular updates, briefings and/or refresher trainings from the Company's Nominated Adviser and legal counsel will be provided on relevant matters, as required, including compliance with the Companies Act 2006, AIM Rules, the QCA Code and Market Abuse Regulation.

The Company has established an Audit Committee, a Remuneration Committee and a Nomination Committee, details of which can be found on the Company's website.

**8. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement**

The Company's process for evaluating the performance of the Board, its committees and individual Directors, will primarily be undertaken by the Nomination Committee on, at least, an annual basis. The Nomination Committee regularly reviews the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and makes recommendations and reviews the results of any Board performance evaluation process that relate to the composition of the Board. The views of the major shareholders will be considered by the Nomination Committee.

Personal objectives/targets will be determined each year for each of the Executive Directors and leadership team, and performance will be measured against these metrics.

The Nomination Committee, over the course of time, will make recommendations to the Board concerning plans for succession for both Executive and Non-Executive Directors and any matters relating to the continuation in office of any Director at any time. The Company has not commissioned a third-party review of the Board performance, but the Nomination Committee will keep this under review.

**9. Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture**

The Board will prepare a remuneration report as part of the corporate governance section of the Company's annual report and accounts.

The Remuneration Committee will ensure that Board remuneration is structured to link rewards to corporate and individual performance and is designed to promote the long-term success of the Company. Further information on the Remuneration Committee can be found on the Company's website. The Company does not currently have any share-based incentive plan in place but this is intended to be implemented in due course.

The Group aims to provide salaries that attract and retain skilled individuals with the appropriate experience, including those who can add value to the Board. The Board's fees will be reviewed on an annual basis to ensure they remain competitive and aligned with market rates and adequately reflect the time commitments and overall contribution to the role.

The Company will put its annual remuneration report to an advisory shareholder vote at its general meetings.

**10. Communicate how the Group is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders**

The Board recognises that it is accountable to shareholders for the performance and activities of the Group and, to this end, is committed to maintaining good communication and having constructive dialogue with its shareholders.

The Board communicates with shareholders in a number of ways, including via:

- the Company's annual report and accounts;
- the Company's interim and full-year results announcements;
- trading updates (where required or appropriate) and other RNS announcements;
- the Company's annual general meetings;
- presentations and Q&A sessions; and
- the investor relations section of the Company's website.

Additionally, the Board considers the Company's annual general meetings to be an important forum to engage directly with shareholders and fosters open dialogue with all stakeholders on their views on the Company's business activities and performance. Details of shareholder votes shall be published by the Company. The Board will consider and report on, as appropriate, where any resolution receives a significant number of votes against.

Corporate information, including annual reports, notices of general meetings and other regulatory announcements, is available on the Company's website.