

Company registration number 12502915 (England and Wales)

**QUANTUM BASE HOLDINGS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025**

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Company information

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Corporate website	www.quantumbase.com

Highlights

for the year ended 30 April 2025

Financial highlights

- Admission to AIM: Successfully completed IPO in April 2025, raising £4.8 million gross proceeds (£3.4 million net of costs) to fund commercialisation and growth.
- Market capitalisation on Admission: £14.8 million, trading under the ticker QUBE (ISIN GB00BTXYPJ53).
- Maiden revenue: £18,000, representing the Group's first commercial income from Q-ID®** technology.
- Operating loss: increased to £5.1 million (2024: £1.5 million), driven by Admission-related costs and share-based payment charges.
- Adjusted EBITDA* loss: £1.3 million (2024: £1.0 million) — before costs of listing (£0.9 million), non-cash share-based payment charges (£2.8 million), costs of listing on AIM (£0.9 million), depreciation, amortisation and impairment.
- Capitalised R&D and patent investment: £1.4 million (2024: £0.7 million).
- Share-based payment charge: £2.8 million, primarily arising from IPO-related option exercises.
- Net cash outflow from operating activities: £2.2 million (2024: £0.67 million), reflecting investment in growth and IPO preparation.
- Total assets: increased to £4.5 million (2024: £1.2 million), reflecting net proceeds of the IPO and increased capitalised development.
- Net assets: increased to £4.0 million (2024: £0.81 million), reflecting net proceeds of the IPO, partially offset by the loss for the year.
- Cash and cash equivalents: £2.2 million (2024: £0.22 million).

*Note *: Adjusted EBITDA represents earnings before interest, tax, depreciation, amortisation, impairment and share-based payment charges, and is presented as a key performance indicator of the Group's underlying operational performance.*

*Note **: Q-ID® is a registered trademark of Quantum Base Limited, hereafter referred to as Q-ID.)*

Operational Highlights – year ended 30 April 2025

Commercial Progress and Partnerships

- Framework agreements signed with two leading international security-printing partners, enabling them to market and sell Quantum Base's Q-ID® ("Q-ID") technology under pre-agreed terms.
- First commercial contract executed, marking the transition from R&D to initial revenue generation.
- Q-IDs applied to government tax-stamp programmes for the first time, with over 500 million Q-IDs produced using the Group's technology by 30 April 2025.

Technology and Intellectual Property

- Patent portfolio expansion: Multiple new UK patents granted during the period, with further patents at intention-to-grant stage and additional filings made.
- Q-ID technology externally validated through independent adversarial testing undertaken by customers and third-party experts.
- Industrial scalability demonstrated: Q-IDs can be printed using standard commercial inks and printing methods at industrial throughput levels.
- Continued R&D activity to enhance ink durability, substrate versatility and mobile-app usability.

Governance and Culture

- Adoption of the QCA Corporate Governance Code following AIM Admission, and establishment of Audit, Remuneration and Nomination Committees.
- Strengthened Board and leadership team, adding two experienced Independent Non-Executive Directors to enhance governance, oversight and capital markets expertise to support growth as a quoted company.

Highlights

continued

Post-Period Developments (after 30 April 2025)

- Further strengthened the Board and leadership team with the appointment of an additional Non-Executive Director, bringing extensive experience in technology commercialisation and international business development
- Contract extension with an existing security-printing partner, expanding the scope of work and supported device range (announced post-period).
- Ongoing partnership discussions with additional international security-printing companies.
- Technical enhancements to ink formulations and authentication software, improving durability, scanning precision and user experience.
- Mobile compatibility extended to 170 smartphone models, increasing accessibility for end-users.
- Employee numbers increased to 21 as the Group built out technical, operations and commercial functions.
- Recruitment and infrastructure investment to support commercial and R&D scale-up.

Outlook

Quantum Base enters FY26 with a proven and commercially deployed technology platform, strengthened governance and a solid balance sheet following its successful AIM Admission.

The Group's immediate focus is on expanding within the global security-printing market, building on its first government tax-stamp deployments while developing a pipeline of additional international partners.

Beyond this initial sector, Quantum Base is also evaluating opportunities across pharmaceuticals, luxury goods, automotive, aerospace and precious-metals markets, where Q-ID's combination of security, scalability and smartphone-based verification offers significant differentiation.

With global counterfeiting estimated to cost more than \$2.8 trillion* annually, the Board believes that Quantum Base's scientifically proven, mass-producible quantum-security solutions and its scalable design-and-licence model provide a strong foundation for sustained growth and long-term shareholder value creation.

** Source: Frontier Economics 2017 Report "The Economic Impacts of Counterfeiting and Piracy"*

Chairman's Statement

I am pleased to present the Group's first set of full year results as an AIM company for Quantum Base, which show a year of exceptional progress, delivered by a dedicated and rapidly expanding team, as we continue to build on our success and structure the Group to meet the significant and long-term market opportunities ahead.

We have taken the discoveries of Professor Robert Young in the field of Quantum Physics and are commercialising the Quantum Identities (Q-IDs) to provide near unbreakable and non-replicable authenticity tags. We secured our first commercial contracts signing framework agreements with two security printers during the year. The Group has moved ahead significantly during the period and is well set and in a strong position to deliver future growth.

Our stock market Admission earlier this year was a key milestone for the Group, with our AIM status and new capital structure enhancing our profile, incentivising our people and enabling us to invest in our ambitious growth plans. The management team remains well invested in the business' success, having retained circa 20% of the Company's total issued share capital at IPO, and I am confident that Quantum Base will continue to grow rapidly and deliver value for shareholders over the longer term.

Culture

Our people are central to the Group's success and to delivering on the Board's growth ambitions. We have made significant investment to establish a structure that supports an inclusive culture, based on collaboration, support, wellbeing and innovation.

We have seen continuing evidence of the strength of the culture across the business as the team at Quantum Base have met new challenges with a positive and proactive attitude. These behaviours have enabled us to continue to move forward ahead of, and through the IPO process, allowing the business to continue to make significant progress on the development of the Q-ID solution, supporting clients in a collaborative and innovative way.

We believe that in order to realise our ambition to create a new global standard in authentication, which will significantly mitigate global counterfeiting, this will be underpinned by the people at the heart of the business. As the business grows, we will continue to resource our team to support the expanding Group. We have an incredible depth of expertise across the Company and see a clear pathway to develop and evolve this further.

Strategy and growth

On Admission to AIM, the Group raised £3.4 million net proceeds (after deducting cash payments in relation to fund raising and Admission costs) to provide growth capital to support our ambitions. Our strategy for growth is focused on driving organic growth to address the \$2.8 trillion of lost revenue through global counterfeiting with an initial focus on the tax stamp industry.

Our organic growth is underpinned by a number of key strengths:

- Secure technology means it is practically impossible to replicate Q-IDs using even the most advanced available technology. Q-ID harnesses the randomness that is inherent at nanometre length scales; the atomic composition of molecules and how the interaction between molecules depends on their proximity. The sheer volume and variation of the interactions that occur at nanoscale means that there is a virtually infinite number of combinations that can be created.
- The Company's commercialisation drive is based on a "design and licence" model where Quantum Base will initially work with a customer to establish their needs, design the most suitable application for their products and then licence its technology on a project specific basis. We have already established two framework contracts and have further discussions with a number of potential new clients.
- Proven and protected technology whereby Q-ID technology and its application processes have undergone rigorous adversarial and competitive testing from the two existing printing partners and from various other potential clients. In particular, in order to secure our first framework contract, Q-ID was subject to significant external adversarial testing on prototype tax stamps; Quantum Base's authentication app correctly identified all counterfeit tax stamps. This is allied to a broad patent portfolio protecting the intellectual property surrounding Q-ID.

Chairman's Statement

continued

- Technology development enables us to extend our advantage in the markets in which we operate and lay the groundwork for broader expansion into new verticals. This work has included advances in the ease and speed of integration to enable new clients to onboard more quickly. We also continue to explore other areas of quantum security including a quantum random number generator (Q-RAND).

Environmental, social and governance

The Company conducts its enterprise in a responsible manner, treating its business partners and employees fairly and respectfully, understanding the importance of restricting the negative impacts of its operations on the environment, and advocating those principles with those whom it does business with.

The Company emphasises its commitment to sustainability, employee welfare and development, diversity, equal opportunities, reducing waste and supporting charitable initiatives. The Company operates in an ethical manner across the jurisdictions in which it does business.

Board and governance

I was appointed to the Board as Chair in February 2024 to support the Company through IPO and as an AIM company, and I am joined by Lucy Tarleton and Adrian Collins as Independent Non-Executive Directors, who both joined at Admission. Together, the Board has extensive experience in dealing with a broad range of market conditions and rapid strategic growth. I am pleased to have such diverse knowledge and expertise around the Board table.

As Chair, it is my responsibility to ensure that Quantum Base has both sound corporate governance and an effective Board. Since the Company was admitted to AIM, we have chosen to adopt the Quoted Companies Alliance's Corporate Governance Code, (the "QCA Code"), having regard to the Company's size, Board structure, stage of development and resources.

To meet the requirements of the QCA Code, the Board has worked to introduce new structures and processes to improve corporate governance across the Group. We are committed to continuing to evolve and develop these in line with corporate governance best practices.

Outlook

We will maintain our focus on the security printing industry as we continue to build on our competitive technological advantage but are very mindful of the opportunities elsewhere across many verticals.

Quantum Base works closely with its clients to help them provide a better experience and better outcomes for their customers. We see continuing growth in the global counterfeiting market and believe this is a major and long-term trend which we can address through our Q-ID solution. With the funds from the IPO, we have significantly invested into our core operations and are now well positioned to support this ambition, as we expand into new regions, industries and capabilities.

FY25 was a momentous year for the Group and provides the platform to support the long-term growth of the business. On behalf of the Board, I would like to thank everyone who has contributed to delivering products and solutions to our clients and also those who have supported them.

Our aspiration is that global counterfeiting can be significantly reduced through the use of Q-IDs, creating a new global standard in security. The market opportunity is huge and we look forward to reporting on further progress over the coming year.

Mark Fahy
Non-Executive Chair

31 October 2025

Chief Executive Officer's Statement

Review of the year ended 30 April 2025

This has been a pivotal year for the business with two major highlights.

FY25 was an incredible year for our business. We began the year pre-revenue and ended the year with a major Tier 1 security printing client, our technology proven in the field protecting government tax stamps, and a successful listing on the LSE's AIM. The business has since made a strong start as a listed company with substantial product development, a robust and growing customer pipeline and exciting new contracts coming online.

Our go-to-market model is a "design and license" approach where we partner with customers to design applications suited to their products and then license our technology on a project specific basis. During the year, Quantum Base signed a significant framework agreement with a major printing partner (Customer #1), containing pre-agreed terms enabling the partner to market and sell our Q-ID technology to their clients. Under the framework agreement, we signed a Call-off Agreement to apply Q-ID to tax stamps for a government client, which is now generating our first recurring revenues.

The Company raised gross funds of £4.8 million as part of listing the business on AIM (£3.4 million of cash proceeds net of issue costs). This is being used to strengthen the team, further develop the Q-ID technology and access further customers using channel partnerships across a wide range of verticals. The Directors believe that the listing also enhances the reputation of the business from a commercialisation perspective.

Progress made since 30 April 2025

The business has made several substantial scientific and technical advancements since the year end:

- **Ink:** the business is developing a number of new ink formulations used to print Q-IDs. The objective of this development activity is to make the inks more durable and extend their shelf-life; to make them capable of being applied across a broader range of substrates; and to make them compatible with additional printing methods;
- **Mobile devices:** the business has onboarded a number of additional iOS and Android mobile phones to substantially broaden the range of devices supported by the technology. This is important from an 'ease of use' perspective' when deployed by the end customer. The business now supports 170 different device types across the iOS and Android platforms; and
- **Application development:** investment is also being made in the mobile app used to control the process of authenticating the Q-ID. The aim of this is to improve the end-user experience and optimise the Right First Time success rate.

Together, these advancements continue to increase the attractiveness of the Q-ID proposition, which can be summarised as:

1. First and foremost, it is 100% secure. Q-IDs cannot be copied or faked. Every Q-ID is unique due to atomic level imperfections;
2. There's no need for expensive scanners - just a smartphone and the app. This makes it perfect for multiple use cases including authentication by consumers;
3. It's simple to integrate, using common printing methods and substrates; and
4. It captures data not just for counterfeiting protection but also traceability and consumer insights

This has enabled the business to build a strong pipeline of opportunities.

In addition, the business has secured a £250,000 expansion of an existing contract with its largest customer, Customer #1. This revenue is due in the current financial year ending 30 April 2026 and is in addition to a previous expansion of £96,000 on the same contract. Under a framework agreement, Quantum Base enables Customer #1 to market and sell the Company's Q-ID technology to its clients, with the first application of Q-IDs being on tax stamps for a government customer. The amended contract now accounts for additional features and supported devices.

Chief Executive Officer's Statement

continued

Overall, progress since Admission has been consistent with expectations set out in the Company's Admission Document. The expansion of the principal customer framework provides early validation of the Group's design-and- license model. The Company remains on track to sign four new commercial contracts in the financial year ending 30 April 2026 and looks forward to providing further updates as they materialise in the near future.

Going concern

The Group incurred losses and cash outflows during the year, reflecting its continued investment in commercialisation activities and IPO preparation. The Board has reviewed detailed forecasts, funding plans and sensitivity analyses for at least twelve months from the date of approval of these financial statements and remains confident that the Group has appropriate plans and resources in place to support its activities for the foreseeable future. Further information of the Directors' going-concern assessment is provided in Note 1.3 to the financial statements.

Outlook

The business has made a strong start to life as a listed company with substantial product development, a robust and growing customer pipeline and exciting new contracts coming online.

Quantum Base's technology is ready-made for tax stamps and secure documents, which utilise relatively simple paper- based substrates. The core focus of the business is to both deliver the current year revenue targets by engaging with and onboarding a range of potential partners, including large multi-national security printers, and to start building recurring revenues for the following year.

With a growing counterfeit problem globally, it is also clear that there is a much broader range of potential applications for our ground-breaking technology. We continue to explore new use cases including direct-to-product markings, luxury goods, pharmaceuticals, automotive parts, aerospace and potentially more niche applications such as gold bullion. The business will continue to explore exciting future opportunities to enable it to accelerate both growth and the timeline to profitability."

Thomas Taylor

Chief Executive Officer

31 October 2025

Strategic Report - Principal Activities

Principal activities

Quantum Base Holdings plc is a public limited company incorporated and domiciled in England and Wales. The Group is engaged in the research, development and commercialisation of quantum-based authentication and anti-counterfeiting technologies. Its core innovation, Q-ID, provides unique, non-replicable optical identifiers that can be read using a standard smartphone to verify the authenticity of products and documents.

The Group's business model is based on designing and licensing its proprietary technologies through partnerships with commercial printing and security providers, enabling customers to integrate Q-ID and related solutions into existing production and verification processes. The Group's corporate head office is located in London, with its principal research and development activities undertaken at Lancaster University.

Business model

Quantum Base's commercial approach is based on a design-and-license model, through which the Group works with security printing and manufacturing partners to integrate its proprietary Q-ID quantum authentication technology into their products and processes.

Under this model, Quantum Base collaborates with customers to assess their anti-counterfeiting and brand-protection requirements, designs a Q-ID solution tailored to their materials and production methods, and then licenses the technology for deployment. The Group's customers are primarily security printers and product-manufacturing partners who can embed Q-ID identifiers within existing print or packaging workflows.

The Q-ID technology produces unique, non-replicable optical quantum signatures that can be authenticated instantly using a standard smartphone, allowing manufacturers, retailers and consumers to verify the authenticity of goods anywhere in the world.

This approach provides a scalable route to commercialisation, enabling Quantum Base to generate income from licence fees and future royalty or service revenues, while its partners gain access to next-generation, low-cost, and smartphone-readable authentication solutions that enhance trust and transparency across global supply chains.

Key Strengths

Quantum Base's technology and business are built upon a number of core strengths that differentiate the Group within the global authentication and anti-counterfeiting market.

Proprietary quantum technology

The Group's Q-ID platform uses patented nanomaterials that exploit the fundamental randomness of quantum mechanics to create identifiers that are physically unclonable and unique. Each Q-ID mark contains a natural quantum signature that cannot be copied or simulated, providing an unrivalled level of security compared with conventional optical or digital codes.

Smartphone-readable verification

Unlike traditional authentication technologies that require specialist readers or laboratory analysis, Q-ID tags can be verified instantly using a standard smartphone camera and app interface. This feature enables mass-market scalability and easy adoption across diverse industries and supply chains.

Scalable, low-cost manufacturing

Q-ID can be applied using existing high-speed printing or coating techniques, allowing the technology to be integrated within established commercial printing and packaging processes without major capital expenditure. This makes the solution cost-effective at volume and suitable for global deployment.

Strategic Report - Principal Activities

continued

Partnership-driven route to market

The Group's design-and-license model enables collaboration with established security printers, materials producers and brand owners who already serve regulated or high-value sectors such as pharmaceuticals, luxury goods, and document security. These partnerships provide a rapid route to commercialisation and recurring revenue.

Strong intellectual-property position

Quantum Base holds a portfolio of granted patents and trademark registrations protecting its core quantum-security inventions and the Q-ID brand. This IP base underpins the Group's competitive advantage and supports future commercial partnerships and licensing activity.

Strategic Report - Financial Review

Revenue

The Group generated its first revenues of £18,000 (2024: £nil) following initial framework and call-off agreements with security-printing partners.

Operating performance

Administrative expenses increased to £5.1 million (2024: £1.5 million), primarily reflecting a £2.8 million share-based-payment charge recognised on options granted to employees, advisers and directors in connection with the Company's Admission to AIM and £0.9 million of costs of Admission to AIM.

Staff costs excluding share-based-payment charges were £0.74 million (2024: £0.45 million), reflecting a modest increase in headcount and associated employment costs. Directors' remuneration increased from £61,000 in 2024, when there were two directors, to £462,000 in 2025 with four directors, of which £292,000 related to gains on the exercise of share options.

Depreciation, amortisation and impairments charges rose £123,000. This comprised impairments of £68,000 (2024: £nil) and an increase in depreciation and amortisation by £55,000 to £110,000 (2024: £55,000). This was largely due to higher levels of capitalised development expenditure totalling £761,000 (2024: £319,000) as the Group continued to advance its R&D activity and commercial readiness of the Q-ID platform. The remaining administrative expenses included legal, audit and other professional fees, together with costs associated with Admission, governance activity and wider business-development work undertaken during the year.

As a result, the operating loss was £5.1 million (2024: £1.5 million) and the loss before tax £5.1 million (2024: £1.4 million). After recognising a tax credit of £0.28 million (2024: £0.20 million) for R&D relief, the loss after tax was £4.8 million (2024: £1.3 million).

Cash flow and liquidity

Net cash used in operating activities was £2.2 million (2024: £0.67 million). The Group ended the year with cash and cash equivalents of £2.2 million (2024: £0.22 million). The movement reflects operating losses and professional fees linked to Admission. The increase in cash primarily resulted from the net proceeds of £3.4 million raised through the Company's Admission to AIM, after deducting £0.6 million of share-issue costs charged to the share-premium account and £0.8 million of payments of Admission costs from gross fund-raising of £4.8 million. The funds have been used to strengthen the balance sheet and provide working capital to support commercial and technical development.

Performance metrics

The Board monitors a range of financial and operational metrics to assess the Group's progress.

The measures presented below are those that the Board considers most relevant to understanding the Group's performance and position during the period, focusing on revenue growth, operating performance, cash resources and investment in development activities as key indicators of early-stage progress.

Given that the Company had been admitted to AIM only shortly before the financial year-end, these metrics provide a proportionate and meaningful basis for understanding performance during the period and for establishing a consistent baseline for future reporting. They will form the foundation of a formal KPI framework to be developed further as the Group's operations and trading history mature.

Strategic Report - Financial Review

continued

The following tables summarise the Group's key financial and operational metrics for the year ended 30 April 2025:

Operational metric	FY25	FY24	Performance commentary
Customers	1	–	First commercial customer engagement established through a framework and call-off agreement with a security-printing partner.
Average employees	15	14	Selective expansion of technical and finance functions ahead of Admission and initial commercial rollout.

Financial metric	FY25	FY24	Performance commentary
Revenue (£'000)	18	–	First revenues recognised from early-stage customer activity, marking the transition to commercial operations.
Loss before taxation (£'000)	(5,116)	(1,448)	Increase primarily due to share-based-payment charges and Admission-related costs.
Adjusted EBITDA (£'000)	(1,312)	(1,007)	Increase reflecting higher staff and operating costs as the Group expanded ahead of Admission.
Cash and cash equivalents (£'000)	2,234	215	Increase reflects net IPO proceeds of £3.4 million, providing funding for development and commercialisation.
Development costs capitalised (£'000)	761	319	Continued investment in R&D, more than doubling year-on-year as Q-ID moved closer to commercial deployment.

Strategic Report - Principal Risks And Uncertainties

The Group's activities expose it to a variety of business risks typical of early-stage technology companies. The Board periodically reviews these risks and the effectiveness of the systems and controls established to manage them.

Early-stage risk and customer concentration

While the science and technology behind Q-ID has been developed over several years, the product remains at an early stage of commercialisation. The Company's first major customer contract was signed in October 2024, with the first invoice issued in January 2025. At present, the Group has contractual relationships with one paying customer.

The CEO's statement outlines the ongoing commercial activities aimed at developing new revenue-generating opportunities. However, at this stage of the Group's development there remains relatively low revenue visibility and a high degree of dependence on early customer adoption.

Research and development

The Group continues to invest in the development of its Q-ID products and associated technologies. This carries the risk that certain projects may not deliver the expected technical or commercial outcomes.

Note 15 to the financial statements provides details of the Group's intangible assets. During the year ended 30 April 2025, the Group invested in and capitalised £761,000 in development costs and a further £175,000 in associated patents and licences, both of which are expected to generate future revenues. There were £68,000 of impairment write-downs of intangible assets during the year (2024: £nil).

People risk

The Group employs a small team of highly specialised technical and commercial staff, each of whom plays a key role. The loss of any such individuals could have a material impact on operations.

Quantum Base mitigates this risk through competitive remuneration and benefits and by developing an all-employee share incentive plan to strengthen employee retention and align employees with long-term shareholder value creation.

Information technology and cyber risk

In delivering Q-ID products and services, the Group handles sensitive client data and depends on uninterrupted system availability. Any data breach or significant outage could cause reputational damage and financial loss.

The Group works with established reputable technology providers and maintains appropriate security measures, including multi-factor authentication and regular systems reviews.

Intellectual property risk

The Group's value is closely tied to its portfolio of patents, trademarks, copyright, design registrations and proprietary know how. Intellectual property protection is inherently limited and enforcement may be costly or difficult. The Group engages experienced patent attorneys to maintain and strengthen its IP portfolio and to monitor potential infringements.

Liquidity and going-concern risk

The Group's ability to deliver its strategic objectives depends on maintaining adequate funding and working-capital headroom. Following Admission to AIM in April 2025, the Group held £2.2 million of cash and no borrowings. Detailed forecasts prepared by management indicate sufficient resources for at least twelve months from the approval of these financial statements.

Strategic Report - Principal Risks And Uncertainties

continued

However, as the Group remains at an early stage of commercialisation, a material uncertainty exists due to the limited proportion of contractually committed revenues. Potential shortfalls could arise if expected customer receipts or funding initiatives are delayed. To mitigate this risk, the Directors consider a range of actions, including control of discretionary expenditure, seeking grant or collaborative-project funding, and raising additional equity and the use of invoice finance where feasible.

While the Directors remain confident that the necessary funding will be secured as required, these conditions represent a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Further detail is provided in Note 1.3 to the financial statements.

Strategic Report - S172 Statement

The Board makes a conscious effort to try and understand the interests of our stakeholders, and to reflect them in the choices we make in creating long-term sustainable success for the business.

This section serves as our s172 statement and should be read in conjunction with the Strategic Report and the Company's Corporate Governance Statement. s172 of the Companies Act 2006 (CA) requires the Directors to act in a way that they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole, taking into account the following factors (among others) listed in s172:

- a) the likely consequences of any decision in the long term: The Group's outlook is set out in the Chief Executive Officer's Statement on pages 7 and 8. Associated risks are highlighted throughout the Strategic Report.
- b) the interests of the Group's employees: Our employees are fundamental to us achieving our long-term strategic objectives. Employee well-being and development is a strategic priority for the business and this is reflected in a remuneration policy that seeks to ensure that employees are aligned with the strategic goals of the business and are appropriately rewarded for success.
- c) the need to foster the Group's business relations with suppliers, customers and others: As a growing business, successful and effective engagement with customers and suppliers is paramount to meeting our strategic objectives. Senior management engages in regular meetings with key stakeholders through a variety of channels to promote the building of long-term relationships.
- d) the impact of the Group's actions on the community and the environment: The Group operates honestly and transparently. We consider the impact on the environment on our day-to-day operations and how we can minimise this.
- e) the Group's reputation for high standards of business conduct: Our intention is to behave in a responsible manner, operating within the high standard of business conduct and good corporate governance, as highlighted in the Corporate Governance Statement on pages 18 to 21.
- f) the need to act fairly between members of the Company: The Directors recognise that members have different view and objectives. Quantum Base engages in active communications with shareholders as detailed in the Corporate Governance Statement on page 21.

The position of the Company at the year end

At 30 April 2025, the Group had total assets of £4.5 million (2024: £1.2 million), including £2.2 million (2024: £0.22 million) of cash and cash equivalents, and net assets of £4.0 million (2024: £0.81 million). The increase in net assets reflects the successful Admission of the Company to AIM in April 2025 and the associated equity funding of approximately £4.8 million gross (£3.4 million net after fund-raising and Admission costs). The Directors believe that this strengthened balance sheet, together with the Group's early commercial revenues from its Q-ID technology, provides an appropriate platform for delivery of its strategic objectives in the coming financial year.

The Strategic Report on pages 9 to 15 was approved by the Board on 31 October 2025 and signed on its behalf by:

Thomas Taylor
Chief Executive Officer

Date: 31 October 2025

Corporate Governance - Board of Directors

MARK JOSEPH FAHY

(Independent Non-Executive Chairman, aged 52)

Mr Fahy joined the Board on 13 February 2024. He has worked in the City of London for most of his career initially as an institutional fund manager and then for 14 years as the London Stock Exchange's Head of UK Small and Mid-Cap Companies. He has significant experience in supporting companies through the process of floating on both AIM and the official list of the FCA.

THOMAS ("TOM") ROBERT TAYLOR

(Chief Executive Officer, aged 38)

Mr Taylor joined the Board on 5 September 2024 having joined the Company as Chief Commercial Officer in January 2024. He previously fulfilled a number of management roles at Made Tech Group plc before and after its AIM flotation including as Head of Sales and Central Government working with clients including HMRC, the Ministry of Justice, the Home Office, the Met Office and the DVLA. Having originally been one of the founders of a ticketing agency in his native New Zealand, he fulfilled a number of software related roles before joining Made Tech Group plc.

DAVID EDWARD SPENCER BROADBENT

(Chief Financial Officer, aged 56)

Having graduated from Durham University with a degree in Classics, he qualified as a Chartered Accountant with PricewaterhouseCoopers before working in finance and commercial roles at Provident Financial plc, IPF plc, Fairpoint Group plc, Bank North Limited, LendInvest plc and Together Personal Finance Limited.

ROBERT JAMES YOUNG

(Chief Scientific Officer, aged 45)

Professor Young joined the Board on 10 March 2020 having been a director of the Company's subsidiary QBL since 15 August 2014 as one of the founders. He holds a master's degree in physics from the University of Oxford and a PhD in Physics from the University of Cambridge. Having been a research scientist at Toshiba Research Europe and the Tyndall National Institute, he joined Lancaster University in 2009 and was appointed as a professor in 2017 having also been a director of the Lancaster Quantum Technology Centre.

LUCY CONSTANCE TARLETON

(Senior Independent Non-Executive Director, aged 47)

Having graduated from Durham University with a degree in Modern Languages, she qualified as a Chartered Accountant with PricewaterhouseCoopers before becoming a manager in that firm's Capital Markets Group and a corporate finance manager at Smith and Williamson. She spent four years in the London Stock Exchange's UK Equity Primary Markets team and then six years as a Director in PricewaterhouseCoopers' Capital Markets Group before becoming a director of financial operations and strategy at consultants CFPro.

Corporate Governance - Board of Directors

continued

ADRIAN JOHN REGINALD COLLINS

(Independent Non-Executive Director, aged 71)

He has extensive experience in the fund management business having held senior roles at Gartmore, where he was Managing Director, Trustnet, Jupiter, Bestinvest and Lazard Investors. He was the executive chairman of Liontrust Asset Management from 2009 to 2019. Mr Collins is an experienced non-executive director and currently has non-executive roles on the boards of Hargreaves Lansdown plc, LSL Property Services PLC and Logistics Development Group plc.

PHILLIP SPEED

(Non-Executive Director, aged 58)

Phillip co-founded Quantum Base alongside Professor Robert Young in 2013 and served as CEO and Director of the Company until October 2023. Alongside this fundamental role in the foundation and expansion of Quantum Base, Phillip has substantial expertise in project management, sales and marketing, new technology, business growth, and start-ups, which has been cultivated over a 30-year career. His previous roles include Head of Retail for NTL (now Virgin Media), Business Manager Enterprise Telephony for Stratus Technologies, and Founder and Managing Director of Kuiper Systems.

Corporate Governance - Corporate Governance Statement

The Directors recognise the importance of high standards of corporate governance. Following the Company's Admission to AIM in April 2025, the Board has adopted the 2023 Quoted Companies Alliance Corporate Governance Code ("QCA Code").

The Board believes that Quantum Base's success depends on a strong governance framework and has established high standards since inception. The Board regularly reviews its composition and skills to ensure adherence to the ten QCA principles, as appropriate to the size and nature of the business. Further details will be made available on the Company's website at investors.quantumbase.com/governance/.

Principle 1: Establish a purpose, strategy and business model which promote long-term value for shareholders

Quantum Base's purpose is to commercialise scientifically proven quantum-security technologies that establish a new global standard in authentication. Its core mission is to deploy the proprietary Q-ID technology, which uses the randomness of quantum mechanics to create unique, unreplicable identities, to combat counterfeiting and protect brands, governments and consumers.

This purpose underpins the Group's strategy and business model, both designed to deliver sustainable, long-term shareholder value through scientific leadership, commercial scalability and disciplined governance.

The Group's strategy is focused on:

- Commercial deployment of Q-ID in the global security-printing market, initially in government tax-stamp and excise-duty programmes.
- A design-and-licence model in which Quantum Base designs customer-specific applications and licenses them to partners under framework agreements, supporting scalability, efficiency and recurring revenue.
- Partnership-led growth through long-term collaborations with international security printers and technology integrators.
- Continued innovation and IP development to strengthen its technological lead.
- Embedding the QCA Code to maintain robust oversight, risk management and stakeholder engagement.

Quantum Base operates an asset-light, licensing-driven model:

- Developing and protecting its quantum-security IP through ongoing R&D and patent filings.
- Partnering with manufacturers who pay design, set-up and recurring licence or royalty fees linked to production volumes.
- Scaling rapidly with limited capital expenditure while maintaining control of core technology.
- Generating high-margin, predictable income streams to fund future innovations such as Q-RAND®, a quantum random number generator.

The Board believes this strategy promotes enduring shareholder value by:

- Targeting a global anti-counterfeiting market exceeding \$2.8 trillion annually.
- Building a scalable, defensible IP position through patents and trademarks.
- Creating recurring licence income that compounds as partnerships expand.
- Upholding strong governance and ethical standards that strengthen stakeholder confidence.

The Board reviews the Group's strategy regularly to ensure that it continues to align with its purpose and values, remains responsive to technological and market developments, and supports long-term shareholder value creation.

Corporate Governance - Corporate Governance Statement

continued

Principle 2: Promote a corporate culture that is based on ethical values and behaviours

The Group recognises its responsibility to employees and wider stakeholders. The Board promotes a culture of integrity, honesty, trust and respect, with all staff expected to act ethically in all dealings.

Policies in the employee handbook (including whistleblowing, social-media, and anti-bribery and corruption) reinforce these standards and embed the desired culture across the business. The Board is responsible for ensuring that these values guide the Group's objectives and strategy.

Culture is led from the top and remains a regular Board agenda item, reflecting its importance to the Group's long-term success.

Principle 3: Seek to understand and meet shareholder needs and expectations

The Board is committed to open, transparent communication with shareholders through Regulatory News Service announcements, annual and half-year reports, investor presentations and meetings. Contact details for investor engagement are provided on the Company's website at investors.quantumbase.com/contact-us/, and shareholders are encouraged to attend the Annual General Meeting to engage directly with the Board.

The Chair, Chief Executive and other Directors hold periodic meetings with current and potential investors, supported by the Company's nominated adviser, broker and financial-public-relations advisers. These meetings allow discussion of performance and strategy following results announcements and at other appropriate times, ensuring that key messages are clearly understood and accurately conveyed.

The Board considers feedback from shareholders, both directly and through its advisers, when evaluating strategy and governance, helping to ensure continuing alignment with shareholder expectations and long-term value creation.

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

The Board recognises that the Group's long-term success depends on constructive relationships with employees, customers, suppliers, advisers, regulators and the wider community. Regular updates on stakeholder engagement ensure their interests are reflected in decision-making and strategy.

The Group conducts its business responsibly and sustainably, promoting diversity, equal opportunity and wellbeing, and seeking to minimise environmental impact while encouraging similar standards among partners and suppliers. Social and environmental responsibilities are integral to the Group's purpose and strategy and will be monitored as the business grows.

Principle 5: Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation

The Board has overall responsibility for the Group's system of risk management and internal controls, designed to safeguard shareholders' interests and assets by identifying, assessing and mitigating principal risks to strategic objectives. These procedures are intended to manage, not eliminate, risk and provide reasonable assurance against material misstatement or loss. Further details of principal risks are provided in the Strategic Report on pages 13 to 14 and the Group's financial-risk policies in note 20 to the financial statements.

The Audit Committee - constituted post-IPO and chaired by Lucy Tarleton, with Mark Fahy and Adrian Collins as members - supports the Board in monitoring these controls and the relationship with the external auditor. The Committee meets at least twice a year, and its Chair has recent relevant financial and commercial experience. Its terms of reference reflect current best practice, including authority to recommend auditor appointment or removal, review independence and non-audit services, and obtain information or professional advice at the Group's expense where necessary.

Corporate Governance - Corporate Governance Statement

continued

Although newly admitted to AIM, the Board will conduct a formal annual review of risk-management and control systems. Given the Group's current size and existing safeguards, a separate internal-audit function is not considered necessary at this stage.

The Group maintains high standards of business conduct. In line with the UK Bribery Act 2010, it operates a zero-tolerance approach to bribery and corruption and maintains whistleblowing and share-dealing policies to ensure compliance with the Market Abuse Regulation and AIM Rules.

The Board and senior management continue to strengthen the control framework and assurance processes as the business grows, ensuring governance remains proportionate, effective and responsive to evolving risks.

Principle 6: Establish and maintain the board as a well-functioning, balanced team led by the chair

The Board is collectively responsible for the Group's long-term success and provides effective leadership within a framework of sound controls. The Non-Executive Chair, Mark Fahy, leads the Board and is responsible for its governance, performance and effectiveness.

At Admission, the Board comprised three Executive and three Non-Executive Directors, two of whom (Lucy Tarleton and Adrian Collins) are considered independent under the QCA Code. The balance of skills and experience is appropriate for the Group's current scale and complexity, with the Chair and Non-Executive Directors offering independent oversight and constructive challenge to management.

The Board is supported by three committees, each with clear terms of reference and a majority of independent Non-Executive Directors:

- Audit Committee: chaired by Lucy Tarleton, with Mark Fahy and Adrian Collins.
- Remuneration Committee: chaired by Mark Fahy, with Lucy Tarleton and Adrian Collins.
- Nomination Committee: chaired by Adrian Collins, with Mark Fahy and Lucy Tarleton.

Philip Speed joined the Board after the year end, and committee composition will be reviewed to ensure governance structures remain appropriate.

Although no Board or Committee meetings occurred between Admission on 4 April 2025 and the financial year end, a schedule of at least six meetings per year has now been established. Comprehensive papers are circulated in advance to enable Directors to discharge their duties effectively, and attendance will be reported in future Annual Reports.

Principle 7: Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities

The Board has established governance arrangements proportionate to the Group's size and stage of development. Together with the Audit, Remuneration and Nomination Committee, each operating under formally approved terms of reference reviewed periodically by the Board, these structures provide an effective framework for oversight, accountability and decision-making.

The Chair leads the Board and ensures its effectiveness, while the Chief Executive Officer manages day-to-day operations and implements strategy. Non-Executive Directors bring independent judgement and broad experience across finance, governance and technology commercialisation, ensuring that no individual or group can exercise undue influence.

This blend of Executive and Non-Executive Directors enables objective decision-making and appropriate control of the Group's business. The Board believes its composition currently provides a strong balance of strategic, scientific, operational and financial expertise. Director biographies outlining relevant skills and experience appear on pages 16 to 17.

Corporate Governance - Corporate Governance Statement

continued

Directors are expected to devote sufficient time to their duties and remain well-informed about the Group's activities and markets. The Company Secretary and external advisers provide updates on governance and regulatory developments. The Board keeps its governance framework and collective skills under review to ensure they remain appropriate as the Group grows.

Principle 8: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The Board is committed to regular evaluation of its own performance and that of its Committees and individual Directors to ensure ongoing effectiveness and alignment with shareholder interests. As the Company was admitted to AIM during the year, a formal review had not yet been undertaken by the financial year end.

An annual performance-review process, led by the Chair, will assess the effectiveness of the Board, its Committees and individual Directors, and review the balance of skills, experience and diversity, identifying areas for development. External evaluation will be considered as the Group matures.

The Nomination Committee will oversee the process and make recommendations on succession planning and any changes needed to maintain an effective governance framework.

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

The Company has a formal and transparent process for setting executive remuneration and determining individual Directors' packages. No Director is involved in deciding their own pay.

The Remuneration Committee, chaired by Mark Fahy, determines and recommends to the Board the remuneration framework for Executive Directors and senior management. The policy is designed to attract and retain high-calibre individuals while aligning reward with the delivery of strategy and long-term shareholder value.

Remuneration comprises fixed and performance-related elements, with variable pay linked to corporate and individual performance. Further details are provided in the Report of the Remuneration Committee on pages 22 to 25, which outlines proposals for an annual bonus and long-term incentive plan to support growth objectives and embed a culture of value creation. The Committee, supported by independent external advisers, also has authority to grant share options as part of overall packages.

The Committee keeps remuneration arrangements under review to ensure they remain competitive and proportionate to the Group's size and complexity. The Company intends to submit its annual remuneration report to shareholders for an advisory vote at each AGM.

Principle 10: Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders

The Board is committed to open, transparent communication with shareholders and other stakeholders. Key channels include the Annual Report and Accounts, interim results, Regulatory News Service announcements and updates on the Company's website at investors.quantumbase.com.

The Annual General Meeting ("AGM") provides an important opportunity for shareholders to engage directly with the Board, discuss performance and governance matters, and provide feedback. Details of the AGM and proposed resolutions are set out in the formal Notice of Meeting.

A summary of how the Company applies the QCA Corporate Governance Code will be made available on its website at <https://investors.quantumbase.com/governance/>, consistent with the disclosures in this Annual Report. Feedback from shareholders and stakeholders is reviewed regularly and informs the Board's governance and strategic decision-making.

Corporate Governance - Report of the Remuneration Committee

Annual Statement from the Chair of the Remuneration Committee

We were delighted to list our shares on the AIM Market in April 2025, a key step in our decade long journey from a Lancaster University spin-out to a British scientific success story. Our AIM listing gives us direct access to a larger pool of investors and provides further independence and credibility of our business.

As a listed entity, we are holding ourselves to higher levels of governance and since our Listing we have undertaken a review of executive directors' remuneration to ensure our practice and policies support the next phase of our growth and are aligned with prevailing good practice principles.

The Remuneration Committee took independent advice and consulted leading shareholders on remuneration proposals and we have introduced an annual bonus scheme and a long-term share plan to align our senior management team and broader employee base with the ongoing success of the business. This includes a market standard bonus scheme which will pay out depending on performance measured over one year and a long term incentive plan under which annual awards will be granted that may vest after three years subject to continued service and the achievement of stretching performance criteria.

In line with the latest guidance from the Quoted Companies Alliance (QCA), we will have an advisory shareholder vote on our directors' remuneration report at our AGM. I hope you will be supportive of the steps we have made to align with good corporate governance and market practice.

Directors' Remuneration Policy

In forming our Policy, the Remuneration Committee developed key reward principles, which include:

- Pay arrangements should support our need to attract and retain employees
- Reward structures should take account of good practice and governance, and should ensure there is an appropriate balance between short- and long-term reward, and between cash and share-based remuneration
- Incentive structures should reward the successful delivery of the Group's strategic ambition and long-term decision making
- The arrangements should be simple to understand and easy to communicate both internally and externally
- The value of packages should be positioned appropriately against market levels to ensure they are fair and competitive without being overly generous.

Corporate Governance - Report of the Remuneration Committee

continued

This section summarises our policy on directors' remuneration, effective from 1 May 2025.

Element	Operation	Maximum opportunity
Base Salary	<p>Salaries are usually reviewed annually and any increases are normally effective from 1 May. The Remuneration Committee considers salaries in the context of an overall package with regard to market data, Group performance and individual experience and performance. Adjustments may be made at other times to reflect a change of responsibility.</p> <p>While there is no prescribed maximum salary or increase, rises will normally be in line with the typical range awarded (in percentage of salary terms) to the wider workforce.</p> <p>Larger salary increases may be awarded to take account of individual circumstances, such as where:</p> <ul style="list-style-type: none"> • An Executive Director has been promoted or had a change in scope or responsibility • The Remuneration Committee sets the salary of a new hire at a discount to the market level, and a series of planned increases can be implemented in the next few years to raise it to the appropriate market position, subject to individual performance • The Remuneration Committee considers it fitting to adjust salaries to reflect a significant increase in the size or complexity of the Group. <p>Increases may be implemented over a time period that the Remuneration Committee deems appropriate.</p>	No maximum applies.
Pension	Employer contributions may be made to defined contribution pension arrangements or equivalent cash allowances are paid.	Contributions will be no higher (in % of salary terms) than what is on offer to the general workforce.
Benefits	Benefits may include life insurance, medical cover, other insurances and other market standard benefits.	Given it is not possible to calculate in advance the cost of all benefits, a maximum is not pre-determined.
Annual bonus	<p>Executive Directors will have the opportunity to earn a cash bonus based on achieving performance criteria set by the Remuneration Committee at the start of the financial year.</p> <p>The performance measures applied may be financial or non-financial, corporate, divisional or individual, and in such proportions as the Remuneration Committee considers appropriate. The measures and targets take into account our short term priorities, our internal plan and market expectations. The Remuneration Committee retains discretion to modify the bonus outcome so that it is commensurate with overall business performance.</p> <p>The Remuneration Committee reserves the right to defer or pay the bonus in shares.</p>	The maximum annual bonus opportunity is 75% of base salary.

Corporate Governance - Report of the Remuneration Committee

continued

Element	Operation	Maximum opportunity
Long term incentives	<p>Under the LTIP, performance share awards in the form of nominal cost options will be granted to Executive Directors. Performance share awards will vest after 3 years subject to the achievement of pre-set performance criteria and continued service.</p> <p>The Remuneration Committee has the discretion to amend the vesting level should any formulaic outcome not reflect its assessment of overall business performance.</p> <p>Market standard good and bad leaver provisions apply and awards are subject to malus and clawback provisions.</p>	The maximum LTIP grant level is 75% of base salary in any financial year.

The contracts of Executive Directors may be terminated by either party giving 6 months' notice.

Non-Executive Directors receive a fee for the services provided (and may receive additional fees for chairing committees and for other additional responsibilities. They do not participate in any discretionary bonus or Company share option scheme.

Directors' remuneration

Details of Directors' remuneration are provided in note 9 to the financial statements. The core remuneration of the Directors is as follows:

Executive Directors	Base salary £'000
T Taylor	175
R Young	175
D Broadbent*	100
Non-executive Directors	Annual fees £'000
M Fahy	80
L Tarleton	45
A Collins	45
P Speed	40

* David Broadbent is contracted to work 2.5 days per week.

The Executive Directors receive additional benefits in the form of Private Medical Cover and Death in Service cover at the rate of 3 times salary. The Company makes contributions to a defined contribution scheme for all employees, including the Executive Directors at a rate of 3% per annum, conditional on the employee contributing 5%. As noted above, the contracts of Executive Directors may be terminated by either party giving 6 months' notice. Going forward, base salaries will be reviewed annually, with the levels of any increases for Executive Directors taking account of the performance of the Group, individual performance, additional responsibilities and external indicators such as inflation and industry comparatives.

Corporate Governance - Report of the Remuneration Committee

continued

The Remuneration Committee, in discussion with the Executive Directors, will review annual performance at the end of each calendar year. The Company intends to implement an annual bonus scheme, linked to the delivery of stretching revenue targets. Under the terms of the proposed scheme, the Executive Directors may be eligible for annual bonuses of up to 75% of base salary, at the absolute discretion of the Remuneration Committee.

It is proposed that Executive Directors participate in a new Long Term Incentive Plan (LTIP). Under the LTIP, performance share awards in the form of nominal cost options will be granted to Executive Directors. Performance share awards will time vest after 3 years. It is anticipated that the first awards will be granted following the 2026 AGM. The maximum grant level will be set at 75% of base salary and awards will vest subject to continued service and achieving absolute total shareholder return (TSR) targets. 25% of the award will vest for delivering 100% TSR and full vesting for hitting 200% TSR or higher based on the listing price of 23.1 pence.

Non-Executive Directors do not participate in any discretionary bonus or Company share option scheme.

Share options

Note 25 to the financial statements discloses the share options granted by the Company on 13 March 2024 under both EMI and unapproved schemes, with a total of 49,704 options granted at an exercise price of £0.00005 per share (0.005 pence per share). At the start of the period, Thomas Taylor held 9,467 EMI options and Mark Fahy held 3,156 non-EMI options. These options were exercised on 31 March 2025, in conjunction with the share reorganisation described in Note 26, resulting in 946,700 new Ordinary shares in respect of Thomas Taylor and 315,600 new Ordinary shares in respect of Mark Fahy. There were no options outstanding at 30 April 2025.

Directors' Report

For the year ended 30 April 2025

Principal activities

The principal activity of the group continued to be that of the development of practical, simple quantum security systems with mass market appeal.

Review of performance

A summary of Quantum Base's business activities during the year is set out in:

- The Chairman's Statement on pages 5 and 6
- The CEO's Statement on pages 7 and 8

These form part of the Strategic Report and include commentary on the position of the Group at the year end, performance during the year and likely future developments. In addition, Principal Risks and Uncertainties are discussed in the Strategic Report and financial risk management objectives and policies are outlined in note 20 of the financial statements.

Results and dividends

The results for the year are set out on page 36.

No ordinary dividends were paid during the year. The directors do not recommend the payment of a final dividend.

As at the date of approval of these financial statements, the directors confirm that no agreements, undertakings or commitments have been entered into that would require or give rise to the payment of dividends in future periods.

Stakeholder engagement

Engagement with the Company's major stakeholders is detailed in the Corporate Governance Statement and the Company website.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

R J Young	
M J Fahy	
T R Taylor	(Appointed 5 September 2024)
P Wild	(Resigned 21 March 2025)
A Collins	(Appointed 4 April 2025)
L C Tarleton	(Appointed 4 April 2025)
D E S Broadbent	(Appointed 4 April 2025)
P Speed	(Appointed 28 July 2025)

Biographical details are shown on pages 16 and 17.

All directors are required to seek election at the next AGM.

Directors' Report

continued

Directors and their interests

The Directors of the Company held the following interest in the ordinary shares of the Company at the date of this report:

Director	Position	Number of ordinary shares
Thomas Taylor*	Chief Executive Officer	4,100,542
Robert Young	Chief Scientific Officer	10,000,000
David Broadbent	Chief Financial Officer	–
Mark Fahy	Non-Executive Chairman	696,727
Lucy Tarleton	Non-Executive Director	–
Adrian Collins	Non-Executive Director	216,450
Phillip Speed	Non-Executive Director	8,437,200

* Note: The interest attributed to Thomas Taylor includes shares held by his spouse, Mrs Lucie Watson.

Share warrants

At 30 April 2025 warrants were held for the issuance of 1,281,606 ordinary shares at an exercise price of 23.1 pence. 640,803 of these warrants have an expiry date of 23 April 2028, with the remainder expiring on 23 April 2030.

Share capital structure

At the date of this report, 64,080,319 ordinary shares of £0.001 and 423,403 deferred shares of £0.04415 were in issue. Quantum Base Holdings plc ordinary shares of £0.001 are listed on the Alternative Investment Market ("AIM") market of the London Stock Exchange (ticker: QUBE, ISIN: GB00BTXYPJ53) since 4 April 2025.

Details of share issues and changes to the capital structure of the Company during the year are set out in note 26.

Substantial shareholdings

As far as the Company is aware, the following shareholders each had an interest of 3% or more in the issued ordinary share capital of the Company as at 21 October 2025:

Rank	Investor	% shareholding	# shares
1	Robert Young	15.61%	10,000,000
2	Phillip Speed	13.17%	8,437,200
3	Lancaster University	6.76%	4,329,000
4	Thomas Taylor*	6.40%	4,100,542
5	Unicorn Asset Management	5.07%	3,246,753
6	Peter Wild	3.36%	2,153,500
7	Puma AIM VCT	3.24%	2,077,922

* Note: The interest attributed to Thomas Taylor includes shares held by his spouse, Mrs Lucie Watson.

Directors' Report

continued

Qualifying indemnity provision

The Group has in place insurance protection, including a Directors and Officers liability policy, to cover the risk of loss when management deems it appropriate and cost effective; however, in some cases risks cannot be effectively covered by insurance and the cover in place may not be sufficient to cover the extent of potential liabilities.

Donations

The Group made no corporate or political donations during the year.

Events after the reporting period

There were no events to report after the reporting period as set out in note 30 to the Financial Statements. Likely future developments in the business are discussed in the Strategic Report.

Auditor

Crowe UK LLP were appointed as auditor and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

Each director in office at the date of approval of this directors' report confirms that: a) so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and b) the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

The Directors' Report on pages 26 to 28 was approved by the Board on 31 October 2025 and signed on its behalf by:

Thomas Taylor

Chief Executive Officer

Date: 31 October 2025

Directors' Responsibilities Statement

For the year ended 30 April 2025

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the parent Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK-adopted international accounting standards have been followed in the group financial statements, subject to any material departures disclosed and explained in the financial statements;
- state whether applicable UK Accounting Standards have been followed in the parent company financial statements, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.
- ensure the Company's ongoing compliance with the AIM Rules for Companies and the AIM Rules for Nominated Advisers, including timely disclosure of all information required to be made public.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions. The Company's website is maintained in accordance with AIM Rule 26.

Independent Auditor's Report to the Members of Quantum Base Holdings Plc

continued

Opinion

We have audited the financial statements of Quantum Base Holdings PLC (the "Parent Company") and its subsidiaries (the "Group") for the year ended 30 April 2025, which comprise:

- the Group statement of comprehensive income for the year ended 30 April 2025;
- the Group and Parent Company statements of financial position as at 30 April 2025;
- the Group and Parent Company statements of changes in equity for the year then ended;
- the Group statement of cash flows for the year then ended; and
- the notes to the financial statements, including accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 April 2025 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1.3 in the financial statements, which indicates that, at the date of approval of these financial statements, the Directors have highlighted the fact that, while it has made significant progress in developing its partnership with a leading multinational security printer and in advancing commercial discussions with other industry partners, the proportion of future forecast revenues that are contractually committed remains limited. The Directors' plans to mitigate potential shortfalls include managing operating expenditure, seeking grant or collaborative project funding, and raising additional equity and making use of invoice finance where feasible.

The Directors believe that the mitigating strategies available to them will be sufficient to enable the Parent Company and the Group to continue in existence for a period of at least 12 months at the date of approval of these financial statements. However, there is no guarantee that such strategies will be sufficient and/or forthcoming in the timeframe required.

As stated in note 1.3, these events or conditions, along with the other matters as set out in note 1.3 indicate that a material uncertainty exists which may cast significant doubt on the Group and Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Independent Auditor's Report to the Members of Quantum Base Holdings Plc

continued

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Reviewing Director's forecasts for the Group covering a period of at least twelve months from the date of approval of the consolidated financial statements;
- Checking the numerical accuracy of management's forecasts and agreeing positions used;
- Challenging management on the key assumptions underlying those forecasts and sensitising the key assumptions ;
- Challenging managements mitigating actions by obtaining confirmations from the Company's brokers and nominated advisors in relation to the likelihood of an additional fund raise;
- Obtaining the most recent available financial information following the year end to assess how management is progressing against the forecasts;
- Making enquiries of management as to its knowledge of events or conditions beyond the period of their assessment that may cast significant doubt on the Group's ability to continue as a going concern; and
- Assessing the completeness and accuracy of the matters described in the Going Concern disclosure as set out in note 1.3.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other matter – Parent Company comparatives unaudited

In the previous accounting period, the Directors of the Parent Company took advantage of audit exemptions under section 477 of the Companies Act 2006. Therefore, the comparative information for the Parent Company in relation to the financial year ended 30 April 2024 was not subject to an audit.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £48,000, based on approximately 5% of the draft consolidated loss. As the Group is constituted with a view to making profits, we determined that a results-based metric was the most appropriate to use for determining materiality. Materiality for the Parent Company financial statements as a whole was set at £40,000, based on approximately 1% of gross assets.

We did not consider it necessary to revise the level of materiality applied for either the Group or Parent Company, as the movements between draft and final consolidated loss before tax were driven by adjustments identified during the audit process. Utilising the revised benchmark would have resulted in an increased level of materiality which we concluded was not appropriate due to the key audit matter raised in relation to the entity's control environment.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. This is set at £28,800 for the Group and £24,000 for the Parent Company.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and Directors' remuneration.

Independent Auditor's Report to the Members of Quantum Base Holdings Plc

continued

We agreed with the Audit Committee to report to it all identified errors in excess of £2,400. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements.

The Parent Company's and Group's operations are based in the UK. The audit team performed a full scope audit as a single component, in addition to auditing the consolidation process.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters detailed below, we identified going concern as a key audit matter. This is dealt with in "Material uncertainty related to going concern" above.

Key Audit Matter	How the scope of our audit addressed the key audit matter
<p><i>Capitalisation and valuation of development costs in accordance with IAS38</i></p> <p><i>Refer to:</i></p> <p><i>Note 2.5</i></p> <p><i>Note 2.8</i></p> <p><i>Note 4</i></p> <p><i>Note 14</i></p> <p>The Group recognises development costs within its intangible asset balance amounting to £1,031k (2024: £384k).</p> <p>When assessing the carrying value of intangible assets, management makes judgements under IAS38 regarding the growth, potential market and future profit generated by the underlying intangible assets. Changes to these factors could result in an impairment to the carrying value of intangible assets.</p> <p>We considered the risk that the costs capitalised did not meet the recognition criteria of an asset in line with IAS38 resulting in an over capitalisation of development costs.</p> <p>Due to the significant assumptions and the judgement needed that underpin the recognition of development cost assets, the valuation of development cost intangible assets has been identified as a key audit matter.</p>	<p>We performed the following procedures:</p> <ul style="list-style-type: none">• We evaluated the design and implementation of controls around the recognition of capitalised development costs.• We challenged the key assumptions included by management in their forecasts, which included revenue growth, customer pipeline and funding expectations, alongside cash outflows in relation to payroll, premises costs and capex.• We checked the mathematical accuracy of the models.• For a sample of additions, we reviewed underlying purchase invoices and additional documentation to determine if costs were capitalised in line with IAS38.• We held discussions with key individuals from both inside and outside of the finance function who are involved with development, to understand how the cash flow models are constructed and the current progress of development on each of the development projects.• We evaluated managements project plans and commercial viability assessments, by challenging assumptions, vouching claims to external supporting documentation such as grant applications and letters of support, and fact checking benchmarks referenced.• We reviewed the fair value less costs to sell of the asset, in line with the market capitalisation of the entity.• We reviewed the adequacy of disclosures made in the financial statements.

Independent Auditor's Report to the Members of Quantum Base Holdings Plc

continued

Key Audit Matter	How the scope of our audit addressed the key audit matter
<p><i>The Group's control environment continues to require significant improvement.</i></p> <p>Weaknesses identified in the control environment led to material audit adjustments being identified, alongside significant challenges to obtain sufficient appropriate audit evidence in a timely manner.</p> <p>We noted that these deficiencies were exacerbated by changes in key management during the year and throughout the audit period, alongside ineffective monitoring and review of the external accountants utilised for both the bookkeeping and annual financial reporting functions.</p> <p>Due to the pervasiveness of the control deficiencies and their impact on the financial statements, we consider this to be a key audit matter.</p>	<p>We performed the following procedures:</p> <ul style="list-style-type: none">• We revised the inherent risk level from medium to high.• We did not revise the materiality level set at the planning phase, which utilised a lower benchmark. As such, this increased the level of sample testing which would have ordinarily been completed, testing up to 100% of certain balances including revenue and other receivables.• We extended sample periods where relevant, increasing the number of months included in post-year end cut-off, and after-date cash receipts testing.• We increased focus and resources into more complex areas of the financial statements, including areas of significant estimate and judgement being; share-based payments recorded in line with IFRS2, the deduction of cost of issuance from share premium and the application of s610(2) of the Companies Act 2006, and the capitalisation of development costs in line with IAS38.

Other information

The Directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Independent Auditor's Report to the Members of Quantum Base Holdings Plc

continued

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 29, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the group's and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and the procedures in place for ensuring compliance. The most significant identified were the Companies Act 2006, taxation legislation and the broader AIM rules. Our work included reviewing Board and relevant committee minutes and inspection of correspondence.
- As part of our audit planning process, we assessed the different areas of the financial statements, including disclosures, for the risk of material misstatement. This included considering the risk of fraud where direct enquiries were made with management and those charged with governance concerning both whether they had any knowledge of any actual or suspected fraud and their assessment of the susceptibility to fraud. We considered the risk to be greater in areas involving significant management estimation or judgement, including the use of alternative performance measures, and estimates or judgements impacting intangible assets or which could impact management bonuses and remuneration. Based on this assessment we designed audit procedures to focus on these specific areas.

Independent Auditor's Report to the Members of Quantum Base Holdings Plc

continued

- We held discussions with financial and non-financial management to gain an understanding of areas of fraud risk and any instances of non-compliance with laws and regulations.
- We assessed the design and implementation of controls over significant audit risks and obtained an understanding of the Group's financial reporting processes.
- We tested the appropriateness of journal entries throughout the year by vouching a risk-based sample of journals to supporting documentation and explanations.
- A detailed review of the Group's year end adjusting entries was performed. Any items that appeared unusual in nature or amount were vouched to supporting documentation.
- We performed a detailed review of financial statements disclosures to ensure these were complete, having regard to the explanations and information received in the course of the audit.
- We utilised external confirmations to confirm cash balances.
- We considered the narrative and presentation of matters in the front section of the annual report, including the Group's use of Alternative Performance Measures and the reconciliation of these items to GAAP measures

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nick Jones (Senior Statutory Auditor)

For and on behalf of Crowe U.K. LLP

Statutory Auditor

London

31 October 2025

Group statement of comprehensive income

for the year ended 30 April 2025

	Notes	2025 £'000	2024 £'000
Revenue	4	18	–
Gross profit		18	–
Other operating income	5	111	8
Administrative expenses		(5,246)	(1,461)
Operating loss	7	(5,117)	(1,453)
Adjusted EBITDA	6	(1,313)	(1,007)
Depreciation, amortisation and impairment	6	(178)	(55)
Profit on disposal of fixed assets	6	63	–
Share based payment expense	25	(2,759)	(391)
Costs of listing		(930)	–
Interest received	11	1	5
Loss before taxation		(5,116)	(1,448)
Taxation	12	276	196
Loss and total comprehensive expense for the year		(4,840)	(1,252)
Loss and total comprehensive expense for the financial year is all attributable to the owners of the parent company.			
Earnings per share	13		
Basic (£)		(0.13)	(0.04)

Group statement of financial position

as at 30 April 2025

	Notes	30 April 2025 £'000	30 April 2024 £'000
Non-current assets			
Intangible assets	14	1,411	734
Property, plant and equipment	15	37	7
		1,448	741
Current assets			
Trade and other receivables	17	514	51
Current tax recoverable		266	196
Cash and cash equivalents		2,234	215
		3,014	462
Current liabilities			
Trade and other payables	22	437	387
Borrowings	19	3	3
		440	390
Net current assets		2,574	72
Non-current liabilities			
Borrowings	19	1	4
Net assets		4,021	809
Equity			
Called up share capital	26	83	–
Share premium account	27	4,277	2,056
Share capital to be issued		–	–
Merger reserve		414	414
Share-based payment reserve		146	391
Retained earnings		(899)	(2,052)
Total equity		4,021	809

The notes on pages 43 to 67 form part of these group financial statements.

The financial statements were approved by the board of directors and authorised for issue on 31 October 2025 and are signed on its behalf by:

D E S Broadbent

Director

Company statement of financial position

as at 30 April 2025

	Notes	2025 £'000	2024 as restated unaudited £'000
Non-current assets			
Investments	34	1,350	200
Current assets			
Trade and other receivables	35	6,347	1,755
Cash and cash equivalents		1	164
		6,348	1,919
Current liabilities			
Trade and other payables	36	102	–
Net current assets		6,246	1,919
Net assets		7,596	2,119
Equity			
Called up share capital	37	83	–
Share premium account		4,277	2,056
Share-based payment reserve		146	391
Retained earnings		3,090	(328)
Total equity		7,596	2,119

The notes on pages 43 to 67 form part of these parent financial statements.

As permitted by s408 Companies Act 2006, the Company has not presented its own income statement and related notes. The Company's loss for the year was £2,575,074 (2024 - £327,862 restated loss).

The financial statements were approved by the board of directors and authorised for issue on 31 October 2025 and are signed on its behalf by:

D E S Broadbent
Director

Company registration number 12502915 (England and Wales)

Group statement of changes in equity

for the year ended 30 April 2025

	Notes	Share capital £'000	Share premium account £'000	Share capital to be issued £'000	Merger reserve £'000	Share-based payment reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 May 2023		–	782	910	414	–	(800)	1,306
Year ended 30 April 2024:								
Total comprehensive loss		–	–	–	–	–	(1,252)	(1,252)
Transactions with owners:								
Issue of share capital	26	–	1,274	(910)	–	–	–	364
Share-based payment expense		–	–	–	–	391	–	391
Balance at 30 April 2024		–	2,056	–	414	391	(2,052)	809
Year ended 30 April 2025:								
Total comprehensive loss		–	–	–	–	–	(4,840)	(4,840)
Transactions with owners:								
Issue of share capital	26	33	5,810	–	–	–	–	5,843
Bonus issue	26	50	(50)	–	–	–	–	–
Share-based payment expense		–	–	–	–	2,759	–	2,759
Costs of Warrants		–	–	–	–	146	–	146
Capital reduction		–	(2,843)	–	–	–	2,843	–
Costs of issue set against premium		–	(696)	–	–	–	–	(696)
Share options exercised		–	–	–	–	(3,150)	3,150	–
Balance at 30 April 2025		83	4,277	–	414	146	(899)	4,021

Company statement of changes in equity

for the year ended 30 April 2025

	Notes	Share capital £'000	Share premium account £'000	Share capital to be issued £'000	Share-based payment reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 May 2023 (as restated)	38	–	782	910	–	–	1,692
Year ended 30 April 2024 (as restated):							
Total comprehensive loss		–	–	–	–	(328)	(328)
Transactions with owners:							
Issue of share capital	37	–	1,274	(910)	–	–	364
Share-based payment expense		–	–	–	391	–	391
Balance at 30 April 2024 (as restated)	38	–	2,056	–	391	(328)	2,119
Year ended 30 April 2025:							
Total comprehensive loss		–	–	–	–	(2,575)	(2,575)
Transactions with owners:							
Issue of share capital	37	33	5,810	–	–	–	5,843
Bonus issue	37	50	(50)	–	–	–	–
Share-based payment expense		–	–	–	2,759	–	2,759
Costs of Warrants		–	–	–	146	–	146
Capital reduction	37	–	(2,843)	–	–	2,843	–
Costs of issue set against premium		–	(696)	–	–	–	(696)
Share options exercised		–	–	–	(3,150)	3,150	–
Balance at 30 April 2025		83	4,277	–	146	3,090	7,596

Group statement of cash flows

for the year ended 30 April 2025

	Notes	2025 £'000	2024 £'000
Cash flows from operating activities			
Loss and total comprehensive expense for the year		(4,840)	(1,252)
Interest income		(1)	(5)
Tax credit		(276)	(196)
Loss on disposal of property, plant and equipment		2	–
Profit on disposal of intangibles		(65)	–
Other income		(111)	–
Amortisation and impairment of intangible assets		174	52
Depreciation of property, plant and equipment		4	3
Impairment of irrecoverable debt		260	–
Equity settled share based payment expense		2,759	391
Warrants expense		99	–
Movements in working capital:			
Increase in trade and other receivables		(462)	(30)
Increase in trade and other payables		52	291
Cash absorbed by operations		(2,405)	(746)
Corporation tax refunded		206	81
Net cash outflow from operating activities		(2,199)	(665)
Purchase of intangible assets		(936)	(454)
Purchase of property, plant and equipment		(36)	(8)
Interest received		1	5
Net cash used in investing activities		(973)	(457)
Proceeds from issue of shares		5,655	364
Share issue costs		(649)	–
Proceeds from directors' loans		188	–
Repayment of bank loans		(3)	(2)
Net cash generated from financing activities		5,191	362
Net increase/(decrease) in cash and cash equivalents		2,019	(760)
Cash and cash equivalents at beginning of year		215	975
Cash and cash equivalents at end of year		2,234	215

Note to the group statement of cash flows

for the year ended 30 April 2025

Analysis of changes in net funds

	1 May 2024 £'000	Cash flows £'000	Other* £'000	30 April 2025 £'000
Cash at bank and in hand	215	2,019	–	2,234
Proceeds from directors' loans	–	188	(188)	–
	215	2,207	(188)	2,234
Borrowings excluding overdrafts	(7)	3	–	(4)
	208	2,210	(188)	2,230

	1 May 2023 £'000	Cash flows £'000	Other £'000	30 April 2024 £'000
Cash at bank and in hand	975	(760)	–	215
Proceeds from directors' loans	–	–	–	–
	975	(760)	–	215
Borrowings excluding overdrafts	(9)	2	–	(7)
	966	(758)	–	208

*Other movements are non-cash movements relating to the proceeds received from directors' loan which was converted to equity.

Notes to the Group Financial Statements

for the year ended 30 April 2025

1. Accounting policies

Company information

Quantum Base Holdings PLC is a public company limited by shares incorporated in England and Wales. The registered office is Alpha House, 4 Greek St, Stockport, Cheshire, United Kingdom, SK3 8AB. The Group's principal activities and nature of its operations are disclosed in the Directors' Report.

The Group consists of Quantum Base Holdings PLC and all of its subsidiaries.

1.1 Accounting convention

The Group financial statements have been prepared in accordance with UK-adopted International Accounting Standards (UK-adopted IAS) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The Group's transition to UK-adopted International Accounting Standards was completed and explained in the Historical Financial Statements contained in the Admission Document upon the Company's admission to AIM (note 38).

The parent Company meets the definition of a qualifying entity under FRS 101 Reduced Disclosure Framework. This is the first year the parent company has prepared its financial statements using FRS 101 Reduced Disclosure Framework, see note 38 for further detail on the transitional impact. As permitted by FRS 101, the Company has therefore taken advantage of the following disclosure exemptions from the requirements of IFRS:

- the requirements of IAS 7 'Statement of Cash Flows' to present a statement of cash flows;
- disclosure of key management personnel compensation;
- comparative period reconciliations for the number of shares outstanding and the carrying amounts of property, plant and equipment and intangible assets;
- the requirements of IFRS 7 'Financial Instruments: Disclosure';
- paragraphs 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- a reconciliation of the number and weighted average exercise prices of share options, how the fair value of share-based payments was determined and their effect on profit or loss and the financial position; and
- the requirements of IAS 24 'Related Party Disclosures' to disclose related party transactions and balances between two or more members of a group.

The financial statements are prepared in sterling, which is the functional currency of the Group. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The material accounting policies adopted are set out below.

1.2 Basis of consolidation

The consolidated financial statements consist of the financial statements of the parent company Quantum Base Holdings PLC together with all entities controlled by the parent Company (its subsidiaries).

All financial statements are made up to 30 April 2025. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

All intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

A subsidiary is an entity controlled by the parent company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Notes to the Group Financial Statements

continued

1. Accounting policies continued

1.2 Basis of consolidation (continued)

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

Merger accounting

The combination of companies under common control has been treated as if the companies had always been combined and is usually referred to as merger accounting.

IFRS does not prescribe how such a merger is accounted for in the preparation of consolidated financial statements. The use of merger accounting has been applied to treat the combining entities as if they had always been a single entity, with adjustments made for the elimination of transactions between the merged companies.

1.3 Going concern

The Directors have prepared the financial statements on a going concern basis. They note the losses and operating cash outflows incurred by the Group for the year ended 30 April 2025 which are consistent with the Group's current stage of development and commercialisation.

In assessing the Group's ability to continue as a going concern, the Directors have considered the Group's forecasts and funding plans for at least twelve months from the date of approval of these financial statements. As part of this assessment, they considered detailed cash flow projections, expected revenue growth from existing and prospective customers, and a range of downside sensitivities.

The Group remains at an early stage of commercialisation. While it has made significant progress in developing its partnership with a leading multinational security printer and in advancing commercial discussions with other industry partners, the proportion of future forecast revenues that are contractually committed remains limited. The Directors' plans to mitigate potential shortfalls include managing operating expenditure, seeking grant or collaborative project funding, and raising additional equity and the use of invoice finance where feasible.

While these actions are expected to provide the necessary financial resources, there can be no assurance that the forecast revenues and funding initiatives will complete as planned or that inflows will materialise when required. These conditions represent a material uncertainty that may cast significant doubt on the Company and the Group's ability to continue as a going concern, and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding this material uncertainty, the Directors remain confident in the Group's ability to secure funding should it be necessary, supported by the strength of its technology, the progress of commercial engagements, and its track record of attracting investor support. Accordingly, the financial statements have been prepared on a going concern basis.

1.4 Revenue

The Group applies IFRS 15 Revenue from Contracts with Customers using its five-step model to recognise revenue when performance obligations are satisfied. The Group's contracts do not contain any material financing components.

Revenue represents income from contracts with customers in the ordinary course of business and is measured at the transaction price agreed with the customer, excluding value-added tax and other sales-related taxes. The Group's revenues arise from two principal sources: royalties and integration and professional services.

The nature, timing of satisfaction of performance obligations and significant payment terms of the Group's major sources of revenue are as follows:

Notes to the Group Financial Statements

continued

Royalties

Revenue arises from royalties earned on the Group's proprietary technology, which is licensed to commercial partners under framework and call-off agreements. Under these arrangements, consideration is based on the customer's subsequent use of the technology, for example the number of items produced or activated in each reporting period. The agreements therefore give rise to usage-based royalties rather than fixed-fee licence income.

Revenue is recognised as and when the underlying usage occurs, that is, when the customer's reported activity provides the contractual basis for calculating the amount due. No revenue is recognised in advance of usage, and estimates of future activity are not accrued. Invoices are typically issued in arrears, and the related receivable is recognised when the right to consideration becomes unconditional.

Integration and professional services

Revenue from integration and professional services arises where the Group performs configuration, implementation, or other activities necessary to enable a customer to use the Group's proprietary technology under a framework or call-off agreement. These services are usually provided on a time-and-materials or milestone basis and represent distinct performance obligations that are satisfied when the related work is completed and control of the deliverable transfers to the customer.

Revenue from such services is therefore recognised at the point in time when the specified services have been performed and is measured at the agreed transaction price. Related costs are recognised as incurred.

1.5 Intangible assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Development costs are capitalised, provided that the recognition criteria of an intangible asset are met. Capitalised development costs are stated at cost less accumulated amortisation and impairment losses. Research costs are expensed when incurred.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Patents and licences	10% straight line
Development costs	10% straight line

1.6 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 their useful lives on the following bases:

Computers	33% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.7 Non-current investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

Share-based payment issued to employees of Quantum Base Limited are recognised within the investment carrying amount.

Notes to the Group Financial Statements

continued

1. Accounting policies continued

1.8 Impairment of tangible and intangible assets

At each reporting end date, the group reviews the carrying amounts of its tangible and intangible 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 group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately.

1.9 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

1.10 Financial assets

Financial assets are recognised in the Group's statement of financial position when the group becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (e.g. trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

Impairment of financial assets

The expected credit losses associated with these assets are estimated on a forward-looking basis. A broad range of information is considered when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Notes to the Group Financial Statements

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Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.11 Financial liabilities

The Group recognises financial debt when the Group becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's obligations are discharged, cancelled, or they expire.

1.12 Equity instruments

Equity instruments issued by the parent company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer payable at the discretion of the company.

The following describes the nature and purpose of each reserve within equity:

- Share capital - Ordinary Shares are classified as equity. The nominal value of Ordinary Shares is included within share capital.
- Share premium - Represents the excess of the subscription price over the nominal value of shares issued.
- Retained earnings - Represents all other net gains and losses and transactions with shareholders (e.g. dividends) not recognised elsewhere.
- Merger reserve - Represents the transactions in reserves under the merger acquisition rules where the entities are under common control.
- Share-based payment reserve - Represents the fair value of options granted, valued using a Black-Scholes option pricing model and spread across the vesting period. Warrants have also been valued using a Black-Scholes option pricing model and recognised when the service that they relate to is considered to be delivered.
- Share capital to be issued - Represents advanced subscriptions for share capital which was not issued as at the year end.

1.13 Taxation

The tax expense or income represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit or loss for the year. Taxable profit or loss differs from net profit or loss as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's provision for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Notes to the Group Financial Statements

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1. Accounting policies continued

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit or loss, and is accounted for using the balance sheet 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. Deferred tax is not recognised on the initial recognition of assets or liabilities in a transaction that affects neither accounting profit nor taxable profit, except where the transaction gives rise to unequal taxable and deductible temporary differences at the date of recognition.

A deferred tax liability shall be recognised for all taxable temporary differences, other than those meeting the exemption described above.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.15 Grants

Government grants are recognised when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Notes to the Group Financial Statements

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2. Adoption of new and revised standards and changes in accounting policies

Standards which are in issue but not yet effective

At the date of authorisation of these financial statements, the following standards and interpretations, which have not yet been applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been adopted):

IAS 1	Lack of exchangeability - Amendments to IAS 1. Effective from 1 January 2025*.
IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards - Volume 11. Effective from 1 January 2026*.
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7. Effective from 1 January 2026*.
IFRS 18	Presentation and Disclosure in Financial Statements. Effective from 1 January 2027* (not yet endorsed).
IFRS 19	Subsidiaries without Public Accountability: Disclosures. Effective from 1 January 2027* (not yet endorsed).

* The dates shown are the effective dates for periods beginning on or after these dates.

At the date of authorisation of these financial statements, the Directors have reviewed the standards that were in issue but not yet effective (and in some cases not yet adopted) and, in their view, none of these would have an impact on the Group's financial statements.

3. Critical accounting estimates and judgements

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets, liabilities and equity instruments are outlined below.

Critical judgements

Capitalised development costs

Development expenditure is recognised as an expense except that costs incurred on development projects are capitalised as intangible assets to the extent that such expenditure is expected to generate future economic benefits. Significant judgement is applied in determining if development costs meet the criteria to be capitalised as intangible assets. IAS 36 also requires that an assessment of recoverable amount is prepared for all intangible assets not available for use at the reporting date, and for any intangible asset where there is an indicator of impairment.

Useful lives

Amortisation is provided so as to write down intangible assets, comprising capitalised development costs, patents and trademarks, to their residual values over their estimated useful lives, as set out in the accounting policies.

Notes to the Group Financial Statements

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3. Critical accounting estimates and judgements continued

Critical judgements (continued)

All intangible assets are currently amortised on a 10% straight-line basis, reflecting a typical useful life of ten years. This period has been selected because it aligns with the expected commercial life of the Group's technologies and the duration of patent protection, which together represent the period over which future economic benefits are expected to be realised. The useful lives are reviewed annually to confirm that this assumption remains appropriate in light of technological and commercial developments.

The principal area of judgement relates to determining which development costs meet the criteria for capitalisation under IAS 38 and confirming on review that the ten-year life remains reasonable.

By contrast, property, plant and equipment (principally laboratory and computer equipment) are depreciated over short, fixed lives of approximately three years on a straight-line basis. Given their limited carrying value and predictable consumption pattern, these assets are not considered a significant source of estimation uncertainty.

Share based payments

The determination of the fair values of share options has been made by reference to the Black-Scholes model. The input with the greatest amount of estimation being volatility which has been benchmarked against historic share price movements of comparable listed competitors due to the company not having a sufficient historic trading record. Other key inputs are set out in note 25.

Deduction of share issuance costs

Costs directly attributable to the issue of new shares are recognised as a deduction to share premium. Management have applied judgement by using a two-tiered approach to determine costs to recognise against share premium and costs to expense in the statement of comprehensive income, in line with IAS 32 Financial instruments: presentation. Costs clearly and wholly related to the placing (such as broker commissions and placing fees) have been allocated in full against share premium, while costs of a mixed nature (principally legal, accounting, and NOMAD fees) have been apportioned using a 32.3%. This percentage corresponds to the proportion of new shares issued on admission (20.83 million) relative to the enlarged share capital (64.50 million). On this basis, total costs deductible and recognised in the statement of comprehensive income amount to approximately £650,000.

Warrant valuation and classification

The determination of the fair value of warrants has been made by reference to the Black-Scholes model. The input with the greatest amount of estimation being volatility which has been estimated using historic share price movements.

Additionally the classification of the warrants as share-based payment under IFRS 2 was a key judgement with management basing the classification on the vesting conditions attached to the warrants.

Other key inputs are set out in note 25.

4. Revenue

IFRS 8, Operating Segments, states that an operating segment is a component of an entity; that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker, and, for which discrete financial information is available. The chief operating decision maker of the Group is considered to be the Board of Directors. The Group has one single operating segment and therefore all revenue is derived from the licensing of the Q-ID technology.

Notes to the Group Financial Statements

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There is only one customer in place with a major security printer, whereby the group has signed the Call-off Agreement to apply its Q-ID technology to tax stamps for a government customer.

	2025 £'000	2024 £'000
Revenue analysed by class of business		
Licences	18	–

	2025 £'000	2024 £'000
Revenue analysed by geographical market		
UK	18	–

5. Other operating income

	2025 £'000	2024 £'000
Other income	111	–
Grants received	–	8
	111	8

Other income represents a re-charge of legal expenses linked to the patent disposal to Qchip Security Limited, a related party, which is further disclosed in note 31.

6. Adjusted EBITDA

	2025 £'000	2024 £'000
Operating loss	(5,117)	(1,453)
Add back/(deduct):		
Depreciation, amortisation and impairment	178	55
Profit on disposal of intangible fixed assets	(65)	–
Loss on disposal of tangible fixed assets	2	–
Share based payment expense	2,759	391
Costs of listing	930	–
Adjusted EBITDA	(1,313)	(1,007)

The calculation of Adjusted EBITDA is consistent with the presentation of Adjusted Earnings before Interest, Tax, Depreciation, and Amortisation, as presented on the face of the Group Statement of Comprehensive Income.

The Directors have presented this Alternative Performance Measure (“APM”) because they feel it most suitably represents the underlying performance and cash generation of the business, and allows comparability between the current and comparative period in light of the rapid changes in the business, and will allow an ongoing trend analysis of this performance based on current plans for the business.

Adjusted EBITDA is not an IFRS measure of performance and, as such, may not be comparable with similar metrics reported by other entities.

Notes to the Group Financial Statements

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7. Operating loss

Operating loss for the year is stated after charging/(crediting):

	2025 £'000	2024 £'000
Government grants	–	(8)
Depreciation of property, plant and equipment	4	3
Loss on disposal of property, plant and equipment	2	–
Amortisation of intangible assets (included within administrative expenses)	106	52
Impairment of intangible assets	68	–
Profit on disposal of intangible assets	(65)	–
Share-based payments	2,759	391

8. Auditor's remuneration

Fees payable to the company's auditor and associates:

	2025 £'000	2024 £'000
For audit services		
Audit of the financial statements of the group and company	55	–

The Group took advantage of the audit exemptions available to small companies under the Companies Act 2006 which permitted it to not obtain an audit of its financial statements in the year ended 30 April 2024. However, the comparative Group financial statements were audited as part of the Company's admission to AIM.

The auditor, Crowe U.K. LLP, acted as reporting accountants for the Company's admission to AIM in April 2025. Fees of £270,000 were paid in respect of these services, which are in addition to the above disclosures for statutory audit fees.

9. Employees

The average monthly number of persons (including directors) employed by the group during the year was:

	2025 Number	2024 Number
Operations and administration	11	12
Directors	4	2
Total	15	14

Their aggregate remuneration comprised:

	2025 £'000	2024 £'000
Wages and salaries	663	403
Share-based payment expense	2,759	391
Social security costs	61	34
Pension costs	12	10
	3,495	838

Notes to the Group Financial Statements

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10. Directors' remuneration

	2025 £'000	2024 £'000
Remuneration for qualifying services	169	58
Gains on exercise of share options	292	–
Company pension contributions to defined contribution schemes	1	3
	462	61

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2024 - 1).

The number of directors who exercised share options during the year was 2 (2024 - 0).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2025 £'000	2024 £'000
Remuneration for qualifying services	87	43
Gains on exercise of share options	219	–
Company pension contributions to defined contribution schemes	1	–

During the year ended 30 April 2025 the Directors received remuneration as follows:

Directors	Salary £'000	Benefits in kind £'000	Pension share £'000	Gain on exercise of options £'000	Total £'000
Mark Fahy	33	–	–	73	106
David Broadbent (appointed 4 April 2025)	9	–	–	–	9
Lucy Tarleton (appointed 4 April 2025)	4	–	–	–	4
Thomas Taylor (appointed 5 September 2024)	87	–	1	219	307
Robert Young	33	–	–	–	33
Adrian Collins (appointed 4 April 2025)	3	–	–	–	3
	169	–	1	292	462

The gain on exercise of share options is calculated as the difference between market price at exercise and the exercise price of the share options.

During the year ended 30 April 2024 the Directors received remuneration as follows:

Directors	Salary £'000	Benefits in kind £'000	Pension share £'000	Gain on exercise of options £'000	Total £'000
Robert Young	15	–	3	–	18
Phillip Speed (resigned 19 October 2023)	43	–	–	–	43
	58	–	3	–	61

Notes to the Group Financial Statements

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11. Interest received

	2025 £'000	2024 £'000
Interest income		
Financial instruments measured at amortised cost:		
Bank interest received	1	5

12. Taxation

	2025 £'000	2024 £'000
Current tax		
UK corporation tax on losses for the current period	(266)	(196)
Adjustments in respect of prior periods	(10)	–
Total UK current tax	(276)	(196)

The credit for the year can be reconciled to the (loss)/profit per the income statement as follows:

	2025 £'000	2024 £'000
Loss before taxation	(5,116)	(1,448)
Expected tax credit based on a corporation tax rate of 25.00% (2024: 19.00%)	(1,279)	(275)
Effect of expenses not deductible in determining taxable profit	46	31
Change in unrecognised deferred tax assets	986	48
Depreciation in excess of capital allowances	–	10
Enhanced tax credit for R&D	(212)	(137)
Share based payment charge	–	92
Surrender of tax losses for R&D tax credit refund	192	–
Trade intangibles fixed assets R&D expenditure	–	35
Adjustment in respect of prior years	(10)	–
Taxation credit for the year	(276)	(196)

Deferred tax balances at the reporting date are measured at 25% (2024 - 25%), being the substantively enacted rate at the balance sheet date.

13. Earnings per share

	2025 Number	2024 Number
Number of shares		
Weighted average number of ordinary shares for basic earnings per share	36,695,186	31,379,023
	2025 £'000	2024 £'000
Earnings		
Continuing operations		
Loss for the period from continued operations	(4,840)	(1,252)
	2025 £ per share	2024 £ per share
Basic earnings per share		
From continuing operations	(0.13)	(0.04)

The loss per Ordinary Share is calculated based on the weighted average number of Ordinary Shares in issue and the reported loss of the Group for each reporting period. There has been no dilution due to losses.

Notes to the Group Financial Statements

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14. Intangible assets

	Patents and licences £'000	Development costs £'000	Total £'000
Cost			
At 1 May 2023	427	65	492
Additions	135	319	454
At 30 April 2024	562	384	946
Additions	175	761	936
Disposals	(168)	–	(168)
At 30 April 2025	569	1,145	1,714
Amortisation and impairment			
At 1 May 2023	160	–	160
Charge for the year	52	–	52
At 30 April 2024	212	–	212
Charge for the year	60	46	106
Impairment loss	–	68	68
Eliminated on disposals	(83)	–	(83)
At 30 April 2025	189	114	303
Carrying amount			
At 30 April 2025	380	1,031	1,411
At 30 April 2024	350	384	734
At 30 April 2023	267	65	332

During the year, the Group capitalised development expenditure totalling £68,000 in respect of a bespoke project undertaken for a specific client to meet that client's requirements. Following a review of the recoverability of capitalised development costs, management determined that the carrying amount of this project should be fully impaired at the year end. The impairment charge of £68,000 has been recognised within administrative expenses.

Notes to the Group Financial Statements

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15. Property, plant and equipment

	Computers £'000
Cost	
At 1 May 2023	25
Additions	8
At 30 April 2024	33
Additions	36
Disposals	(3)
At 30 April 2025	66
Accumulated depreciation and impairment	
At 1 May 2023	23
Charge for the year	3
At 30 April 2024	26
Charge for the year	4
Eliminated on disposal	(1)
At 30 April 2025	29
Carrying amount	
At 30 April 2025	37
At 30 April 2024	7
At 30 April 2023	2

16. Subsidiaries

Details of the company's subsidiaries at 30 April 2025 are as follows:

Name of undertaking	Country of incorporation	Principal activities	Class of shares held	% Held Direct
Quantum Base Limited	England and Wales	Designing and licensing quantum-secure tags to prevent counterfeiting across multiple industries.	Ordinary Shares	100.00
Quantum Base Enterprises Limited	England and Wales	Dormant	Ordinary Shares	100.00

The registered office address for both subsidiaries is: Alpha House, 4 Greek Street, Stockport, SK3 8AB.

Quantum Base Holdings Plc has provided a guarantee to the following subsidiary in order for them to claim audit exemption for the year ended 30 April 2025, under section 479A of the UK Companies Act 2006:

Quantum Base Limited - Company Number: 08501521

Quantum Base Enterprises Limited was dormant throughout the year and is therefore exempt from audit under section 480 of the UK Companies Act 2006.

Quantum Base Enterprises Limited - Company Number: 12585823

Notes to the Group Financial Statements

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17. Trade and other receivables

	2025 £'000	2024 £'000
Trade receivables	16	–
VAT recoverable	326	51
Other receivables	98	–
Prepayments	74	–
	514	51

Trade receivables are stated net of a specific impairment for estimated irrecoverable amounts of £312,000 (2024 - £nil).

18. Trade receivables - credit risk

Fair value of trade receivables

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

Expected credit loss assessment

	Balance £'000	2025 Rate %	Loss allowance £'000	Balance £'000	2024 Rate %	Loss allowance £'000
Trade receivables						
Less than 30 days	11	–	–	–	–	–
31-60 days	4	–	–	–	–	–
More than 90 days	312	100%	312	–	–	–
	327		312	–		–

The group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. Historically the group has had no trade receivables and hence there is no data to benchmark an expected credit loss provision against. A specific provision has been recognised against all of the trade receivables balances greater than 90 days old. There has been no general provision recognised in excess of this specific provision as a result of the risk of credit loss being considered to be low.

19. Borrowings

	Current		Non-current	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Borrowings held at amortised cost:				
Bank loans	3	3	1	4

The group had the following borrowings at 30 April 2025:

- A Bounce Back Loan Scheme loan within bank loans which has an interest rate of 2.5% payable from November 2021 when the government grant incentive period expired. The loan is carried at a total of £4,000 in the financial statements. This loan is unsecured and is due for repayment by October 2026.

Notes to the Group Financial Statements

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20 Financial risk management

Financial instruments - risk management

The Directors have overall responsibility for the determination of the Group's risk management objectives and policies. The overall objective of the Directors is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. The Group reports in Pounds Sterling (£). All funding requirements and financial risks are managed based on policies and procedures adopted by the Directors.

The Group is exposed to the following financial risk:

- Liquidity risk.

In common with all other businesses, the group is exposed to risks that arise from its use of financial instruments. The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- trade and other receivables
- cash and cash equivalents; and
- trade and other payables

To the extent financial instruments are not carried at fair value in the Statement of Financial Position, book value approximates to fair value as at 30 April 2024 and 30 April 2025.

Trade and other receivables are measured at amortised cost. Book values and expected cash flows are reviewed by the Directors and any impairment charged to the Statement of Comprehensive Income in the relevant period.

Trade and other payables are measured at amortised cost.

Financial instruments by category

Financial assets

	2025 £'000	2024 £'000
Cash and cash equivalents	2,234	215
Trade and other receivables	114	51
Receivables at amortised cost	114	51
Financial assets at amortised cost	2,348	266

Financial liabilities

	2025 £'000	2024 £'000
Current trade payables	90	345
Accruals	187	23
Other payables	160	19
Trade and other payables	437	387
Loans and borrowings	4	7
Financial liabilities at amortised cost	441	394

The management of risk is a fundamental concern of the Directors. This note summarises the key risks to the Group and the policies and procedures put in place by the Directors to manage them.

Notes to the Group Financial Statements

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21. Liquidity risk

Liquidity risk, in relation to financial assets, is the risk that the Group cannot realise assets quickly enough to meet obligations or fund operations. The Directors manage this through oversight of working capital. The table below shows the Group's financial assets by expected maturities, stated as undiscounted contractual cash inflows.

	Within 1 year £'000	1-2 years £'000	Total £'000
At 30 April 2025			
Trade receivables	16	–	16
Other receivables	98	–	98
Total	114	–	114

	Within 1 year £'000	1-2 years £'000	Total £'000
At 30 April 2024			
Other receivables	51	–	51
Total	51	–	51

The table that follows analyses the group's financial liabilities by contractual maturities, with all amounts disclosed representing the undiscounted contractual cash outflows.

	Within 1 year £'000	1-2 years £'000	Total £'000
At 30 April 2025			
Trade payables	90	–	90
Accruals	187	–	187
Other payables	160	–	160
Loan	3	1	4
Total	440	1	441

	Within 1 year £'000	1-2 years £'000	Total £'000
At 30 April 2024			
Trade payables	345	–	345
Accruals	23	–	23
Other payables	19	–	19
Loan	3	4	7
Total	390	4	394

The Directors' objectives when maintaining the group's capital are:

- to safeguard the group's ability to continue as a going concern, so that it can continue to provide returns for Shareholders and benefits for other stakeholders; and
- to provide an adequate return to Shareholders by pricing products and services commensurately with the level of risk.

The capital structure of the group consists of Shareholders' equity as set out in the Statement of Changes in Equity. All working capital requirements are financed from existing cash resources and borrowings.

Notes to the Group Financial Statements

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22. Trade and other payables

	2025 £'000	2024 £'000
Trade payables	90	345
Accruals	187	23
Social security and other taxation	149	8
Other payables	11	11
	437	387

23. Deferred taxation

	2025 £'000	2024 £'000
Deferred tax liabilities	250	90
Deferred tax assets	(250)	(90)
	–	–

The following are the major deferred tax liabilities and assets recognised by the group and movements thereon during the current and prior reporting period.

	Tax losses £'000	Capitalised development costs £'000	Total £'000
(Asset)/liability at 1 May 2023	(53)	53	–
Deferred tax movements in prior year			
Charge/(credit) to profit or loss	(37)	37	–
(Asset)/liability at 1 May 2024	(90)	90	–
Deferred tax movements in current year			
Charge/(credit) to profit or loss	(160)	160	–
(Asset)/liability at 30 April 2025	(250)	250	–

During the year total unrecognised tax losses amounted to £4,980,000 (2024 - £1,327,000) which would have resulted in an additional deferred tax asset of £1,245,000 (2024 - £332,000) when recognised at the applicable deferred tax rate of 25% (2024 - 25%).

24. Retirement benefit schemes

	2025 £'000	2024 £'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	12	10

The Group operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

25. Share-based payments

Quantum Base Holdings Plc operates two equity-settled share-based remuneration schemes: a United Kingdom tax authority approved scheme for certain employees and an unapproved scheme for advisers of Quantum Base Holdings Plc. For the avoidance of doubt, the 49,704 options present below cover both schemes.

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continued

	Number of share options		Average exercise price	
	2025	2024	2025 pence	2024 pence
Outstanding at 1 May	49,704	–	0.005	–
Granted in the period	–	49,704	–	0.005
Exercised in the period	(49,704)	–	–	–
Outstanding at 30 April	–	49,704	–	0.005
Exercisable at 30 April	–	–	–	–

Options granted during the prior year

Options granted in the prior year are set out below. Fair value was measured using the Black-Scholes model.

	2024
Grant date	13 March 2024
Weighted average fair value Inputs for model:	6337.995 pence
– Weighted average share price	6337.995 pence
– Weighted average exercise price	0.005 pence
– Expected volatility	100%
– Expected life	10 years
– Risk free rate	5%
– Expected dividends yields	0%

Options outstanding

All options were exercised on 31 March 2025. No options were outstanding at the year end (FY24 - 49,704 options outstanding at an exercise price of 0.005 pence).

Warrants granted

During the current year the company granted two tranches of warrants to advisors as part of the process of listing shares. Management have assessed the requirements of both IFRS 2 and IFRS 9 and determined that as the warrants were issued to advisors and have an attached non-market performance condition which must be satisfied before the warrants can be exercised the requirements of IFRS 2 are met and the warrants should be classified as a supplier share-based payment. The fair value has been determined using a Black-Scholes calculation. As all vesting conditions associated with the warrants were satisfied at the point of grant the entire fair value has been recognised in the current year.

Additionally in accordance with the requirements of IAS 32 some of the fair value of the warrants has been recognised directly within share premium as part of the costs of issuing new shares.

	2025	2025
Grant date	4 April 2025	4 April 2025
Weighted average fair value	£0.10	£0.13
Instruments granted	640,803	640,803
– Weighted average share price	£0.23	£0.23
– Weighted average exercise price	£0.23	£0.23
– Expected volatility	59.31%	62.05%
– Expected life	3 years	5 years
– Risk free rate	3.66%	3.77%
– Expected dividends yields	0.00%	0.00%

Notes to the Group Financial Statements

continued

25. Share-based payments continued

The following information is relevant in the determination of the fair value of options granted during the year under the equity share based schemes operated by the Group.

	2025 £'000	2024 £'000
Expenses		
Share option costs recognised within employee costs	2,759	391
Warrant costs recognised within costs of listing	99	–
Warrant costs recognised directly in share premium	47	–

26. Share capital

	2025 Number	2024 Number	2025 £'000	2024 £'000
Ordinary share capital				
Issued and fully paid				
Ordinary A of 0.005p each	–	315,580	–	–
Ordinary B of 5p each	–	1	–	–
Ordinary C of 0.005p each	–	15,779	–	–
Ordinary of 0.1p each	64,080,319	–	64	–
Deferred of 4.415p each	423,404	–	19	–
	64,503,723	331,360	83	–

Reconciliation of movements during the year:

	A Ordinary Number	B Ordinary Number	C Ordinary Number	Ordinary Number	Deferred Number
At 1 May 2024	315,580	1	15,779	–	–
Shares issued	15,779	–	–	–	–
Bonus issue of shares	954,976,638	–	45,475,078	–	–
Consolidation of shares	(954,976,638)	–	(45,475,078)	–	–
Share issued	42,340	–	33,925	–	–
Sub-division of shares	–	–	–	–	373,699
Sub-division of shares	–	–	–	–	49,704
Sub-division of shares	36,996,201	–	–	–	–
Sub-division of shares	–	–	4,920,696	–	–
Change of share class name	–	(1)	–	–	1
Change of share class name	(37,369,900)	–	–	37,369,900	–
Change of share class name	–	–	(4,970,400)	4,970,400	–
Shares issued	–	–	–	908,003	–
Shares issued on admission to AIM	–	–	–	20,832,016	–
At 30 April 2025	–	–	–	64,080,319	423,404

Notes to the Group Financial Statements

continued

The following changes to the share capital of the company have taken place during the current year:

On 18 July 2024, 15,779 A ordinary shares of £0.00005 each were allotted for £63.38 each. The total statement of capital of the Company was 331,359 A ordinary shares of £0.00005, 1 B ordinary share of £0.05 and 15,779 C ordinary shares of £0.00005 with an aggregate nominal value of £17.4069. Share premium of £1,000,072 was recognised.

On 16 December 2024:

- a bonus issue of shares was made out of the Company's share premium account pro rata to existing shareholdings - 2,882 new A or C ordinary shares were issued for every 1 A ordinary share or C ordinary share held. The total share capital was 955,307,997 A Ordinary Shares of £0.00005 each, 1 B Ordinary Share of £0.05 and 45,490,857 C Ordinary Shares of £0.00005 each, with an aggregate nominal amount of £50,039.9927;
- the Company cancelled the balance of its share premium account; and
- the Company undertook a consolidation of its share capital on a 1-for-2,883 basis. The total share capital was 331,359 A Ordinary Shares of £0.14415 each, 1 B Ordinary Share of £0.05 and 15,779 C Ordinary Shares of £0.14415 each.

On 31 March 2025:

- 33,925 C ordinary shares of £0.14415 each were allotted pursuant to the exercise of certain options;
- 42,340 A ordinary shares of £0.14415 each were allotted;
- the following changes to the Company's share capital took place in the following order:
 1. 373,699 A ordinary shares of £0.14415 each were sub-divided into 373,699 A ordinary shares of £0.10 each and 373,699 deferred shares of £0.04415 each;
 2. 49,704 C ordinary shares of £0.14415 were sub-divided into 49,704 C ordinary shares of £0.10 each and 49,704 deferred shares of £0.04415 each;
 3. 373,699 A ordinary shares of £0.10 were sub-divided into 37,369,900 A ordinary shares of £0.001 each; and
 4. 49,704 C ordinary shares of £0.10 were sub-divided into 4,970,400 C ordinary shares of £0.001 each;
 5. 1 B ordinary share of £0.05 was redesignated as a deferred share of £0.05;
 6. 37,369,900 A ordinary shares of £0.001 each and 4,970,400 C ordinary shares of £0.001 each were redesignated as 42,340,300 ordinary shares of £0.001 each;
 7. and the total share capital of the Company was 42,340,300 ordinary shares of £0.001 each 423,403 deferred shares of £0.4415 each and 1 deferred share of £0.05;
 8. on 31 March 2025 812,999 new Ordinary Shares were issued and allotted to Thomas Taylor in satisfaction of the Taylor Loan; and
 9. on 31 March 2025 95,004 new Ordinary Shares were issued and allotted to Lancaster University Business Enterprises Ltd further to the rights previously attaching to the B Ordinary Share.

On 4 April 2025, 20,832,016 ordinary shares of £0.001 each were allotted for £0.231 each on the company's admission to AIM. Share premium of £4,791,000 was recognised and cost of float of £1,392,000 was set against share premium.

Notes to the Group Financial Statements

continued

27. Share premium account

	2025 £'000	2024 £'000
At the beginning of the year	2,056	1,692
Issue of new shares	5,810	364
Bonus issue of shares	(50)	–
Other movements	(3,539)	–
At the end of the year	4,277	2,056

On 16 December 2024, the Company cancelled the balance of its existing share premium account following a capital reduction. Subsequent shares issued on admission to AIM generated new share premium of £3,581,000, net of issue costs charged directly against share premium. The other movements balance therefore comprises a capital reduction of £2,843,000 and issue costs set against share premium of £696,000. For further details see note 26.

28. Commitments and contingent liabilities

The Group had no contingent liabilities or capital commitments (2024 - none).

29. Operating lease commitments

Lessee

At the reporting end date the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases. These have been excluded from right of use assets under the exemption for short term lease agreements under 12 months in length. The future minimum lease payments fall due as follows:

	2025 £'000	2024 £'000
Land and buildings		
Within one year	36	–

The lease was signed immediately pre-year end, therefore no lease charges have been expensed in the year.

30. Events after the reporting date

There were no post reporting events to note.

31. Related party transactions

Remuneration of key management personnel

The compensation of key management personnel (including the Directors) is as follows:

	2025 £'000	2024 £'000
Short-term employee benefits	310	58
Post-employment benefits	2	3
Share-based payments	547	–
	859	61

Notes to the Group Financial Statements

continued

Other transactions with related parties

The University of Lancaster, a Shareholder, provided goods and services amounting to £80,000 (2024 - £211,000). There were of amounts of £9,000 (2024 - £160,000) outstanding to the related party at the period end.

Lucie Watson, who is the wife of Thomas Taylor a director and a key management person of the Group, subscribed for 1,578 A Ordinary shares for consideration of £100,000. The shares were subsequently subdivided into 157,800 A Ordinary shares. Lucie Watson has an unrealised gain on these shares of £63,000.

On 13 November 2024, Quantum Base Limited disposed of a portfolio of non-core intellectual property relating to patents in a field which it was not longer working in and had no plans to commercialise, resulting in a profit on disposal of £80,000. Other income of £111,000 was also recognised as a result the re-charge of legal expenses. The disposal was made to Qchip Security Limited, a related party to the Group insofar as its shareholders mirrored those of the Company as they stood immediately prior to Admission. The trade receivable in relation to this transaction has been fully impaired (note 17).

During the year, Thomas Taylor, Chief Executive Officer, provided funding to the Group by way of unsecured, interest-free loans made on various dates prior to Admission. These loans were made to support working capital requirements pending the equity placing and Admission to AIM. The total amount outstanding under these loans was £188,000. On 31 March 2025, this balance was fully settled through the issue of 812,999 new Ordinary Shares in the Company to Thomas Taylor at the placing price, in accordance with the Subscription Agreement entered into on that date. Accordingly, at 30 April 2025, no balance was outstanding to or from Thomas Taylor. No further loans were made after that date.

During the year, the Group settled the tax due on the exercise of EMI share options, on behalf of the directors. As a result, at the year end, the directors owed the Group £87,000 in relation to this tax. This was made up of £2,000 from Daniel Abreu, £16,000 from Mark Fahy, £38,000 from David Howarth and £31,000 from Thomas Taylor. These balances were repaid post year end, in June and July 2025, with the exception of £2,000 due from Daniel Abreu.

David Broadbent, who was appointed as a director of Quantum Base Holdings Plc on 4 April 2025, provided services to the Group through his company Cross Royd Consulting Limited totaling £5,000. There was no balance outstanding at the year end.

Adrian Collins, who was appointed as a director of Quantum Base Holdings Plc on 4 April 2025, provided non-executive director services to the Group through his company Fincorp International Limited totaling £4,000. The balance outstanding at the year end was £4,000.

32. Controlling party

The Company does not currently have an ultimate controlling party and did not have one in this reporting year or the preceding reporting year.

33. Employees Company

The average monthly number of persons (including directors) employed by the company during the year was:

	2025 Number	2024 Number
Directors	4	3

Notes to the Group Financial Statements

continued

34. Investments Company

	2025 £'000	Non-current 2024 £'000
Investments in subsidiaries	1,350	200

Fair value of financial assets carried at amortised cost

The directors consider that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

Investment in subsidiary undertakings

Details of the Company's principal operating subsidiaries are included in 16.

Movements in non-current investments

	Investments in subsidiaries £000
Cost or valuation	
At 1 May 2024	200
Additions (in respect of share-based payments)	1,150
At 30 April 2025	1,350
Carrying amount	
At 30 April 2025	1,350
At 30 April 2024	200

35. Trade and other receivables

Company	2025 £'000	2024 £'000
Trade receivables	–	1
VAT recoverable	203	–
Amounts owed by subsidiary undertakings	6,077	1,754
Prepayments	67	–
	6,347	1,755

Amounts owed by subsidiary undertakings are not subject to a formal loan agreement, are interest free and hence treated as repayable upon demand.

36. Trade and other payables Company

	2025 £'000	2024 £'000
Accruals	102	–

37. Share capital Company

The company information for share capital is the same as the group information and is shown in note 26.

Notes to the Group Financial Statements

continued

38. Prior year and transition adjustments

Company

The Company's transition to UK Adopted International Accounting Standards was completed during the preparation of the Historical Financial Statements contained in the Admission Document upon the Company's admission to AIM. There are no transitional adjustments and therefore there are no changes to either the statement of comprehensive income or the statement of financial position for the year ended 30 April 2024, or at 1 May 2023. The adjustments shown are in relation to prior year adjustments and detail is listed in the notes to the reconciliations section below.

		At 1 May 2023			At 30 April 2024			
		Previously reported	Effect of transition	As restated	Previously reported	Prior year adjustment	Effect of transition	As restated
	Notes	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Non-current assets								
Investments	1, 2	782	–	782	1,893	(1,693)	–	200
Current assets								
Trade and other receivables	2, 3	–	–	–	–	1,755	–	1,755
Bank and cash		910	–	910	164	–	–	164
		910	–	910	164	1,755	–	1,919
Creditors due within one year								
Other payables	4	–	–	–	(164)	164	–	–
Net current assets		910	–	910	–	1,919	–	1,919
Total assets less current liabilities		1,692	–	1,692	1,893	226	–	2,119
Net assets		1,692	–	1,692	1,893	226	–	2,119
Equity								
Share premium	4	1,692	–	1,692	1,892	164	–	2,056
Other reserves	1	–	–	–	–	391	–	391
Profit and loss	1, 3	–	–	–	–	(328)	–	(328)
Total equity		1,692	–	1,692	1,892	227	–	2,119

Notes to reconciliations

Note 1 - Share-based payment

The restatement reflects the correction of prior period accounting for share-based payment transactions. Equity has been adjusted to recognise the appropriate charge to the income statement, with corresponding movements in reserves, creditors, and intercompany balances.

Note 2 - Intercompany loan

The restatement relates to the reclassification of an intercompany balance with Quantum Base Limited. The amount was previously recorded in loans to subsidiary companies within non-current investments and has been reclassified to amounts owed by subsidiary companies within trade and other receivables.

Note 3 - VAT correction

The restatement relates to the correction of a prior period VAT error. The adjustment reduces amounts owed by subsidiary companies and increases legal and professional fees and sundry expenses in the income statement.

Note 4 - Creditors correction

Adjustment to creditors to treat as shares issued.

