

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.

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.

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.

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.