Quantum Exponential Group plc

Annual Report & Financial Statements

For the year ended

30 April 2024

A Company Registered in England & Wales No. 13324860

Quantum Exponential Group plc
Company Information
For the year ended 30 April 2024

Directors and Advisors

Directors	I Pearson S Metcalfe D S Nicol S W Woods (Appointed 01/07/2023 (Resigned 31/03/2024
Company registration number	13324860
Registered office	Fladgate LLP 16 Great Queen Street London United Kingdom WC2B 5DG
Solicitors	Fladgate LLP 16 Great Queen Street London United Kingdom WC2B 5DG
Registrars	Avenir Registrar Limited 5 St John's Lane Farringdon London United Kingdom EC1M 4BH
Bankers	Arbuthnot Latham & Co. Arbuthnot House 7 Wilson Street London United Kingdom EC2M 2SN
Auditors	Shipleys LLP 10 Orange Street Haymarket London United Kingdom WC2H 7DQ
AQSE Corporate Adviser	Novum Securities Limited 7-10 Chandos Street, London, United Kingdom W1G 9DQ

Quantum Exponential Group plc
Chairman's Statement
For the year ended 30 April 2024

In the wake of the global pandemic, continued war in Europe, heightened geopolitical tensions elsewhere, a challenging economic environment with persistent inflation and high interest rates, 2023 was a tough year for early stage investing generally as well as for raising funds. Outside of AI, the tech sell off and the re-rating downwards of both public and private technology companies made a difficult backdrop for a still relatively very new company like Quantum Exponential Group (QE).

Despite this Quantum Exponential managed to 'buck the trend' in that its investments all continued to perform well,. While we continue prudently to hold these investments at cost on our balance sheet, we are already seeing up-rounds at significantly higher valuations and our mid case scenario suggests there should be highly attractive gross return multiples in the future.

Adding to our portfolio

In addition to the investments in Aegiq and Siloton that were made during our first year, and Universal Quantum, QLM Technology and Oxford Quantum Circuits during our second, in our third we invested £300,000 as part of a £1.5M pre seed funding round in Delta g Ltd, a Birmingham based gravity sensing hardware and technology development company that has developed a cutting-edge underground imaging system that leverages quantum technology to measure gravity gradients. The company is focused on developing a gravity gradiometer for scanning beneath the earth's surface for utility mapping, smart cities, smart mining, and building information modelling (BIM) and it has already received significant performance acclaim in a paper published in Nature and has attracted interest from large industrial end users across many industrial verticals.

Adding to our reputation

During the year we added to our growing status as a leading UK expert and pure-play quantum technology investor. This was recognised in September by the UK Government's Department for Science, Innovation and Technology ('DSIT') jointly awarding the company a contract to examine and advise on increasing private investment into the quantum sector. The following month also saw the company's CEO, Steven Metcalfe, attending a 10 Downing Street event on the future of quantum computing and its transformative impact on the technology landscape. Also in the year we announced the establishment of a European entity and opened an office in Copenhagen's Quantum Deep Tech Lab, adjacent to the recently founded Novo Nordisk Foundation Quantum Foundry, the Danish NATO Centre for Quantum Technology (part of NATO's Defence Innovation Accelerator for the North Atlantic (DIANA)) and the internationally acclaimed Niels Bohr Institute. Steve and the team have worked hard to develop this 'go to' reputation with government, industry bodies and academic organisations, as well as businesses, which is generating a pipeline of high quality investment opportunities.

Government support for quantum technology and science

While I am biased (as a former Labour Science Minister and Treasury Minister) I am encouraged by the new Labour Government's commitment to growth and what I see of its public policy agenda on technology and innovation. I am confident that it will seek to build on the previous government's 10-year £2.5 billion National Quantum Strategy. Indeed, it is important that it does exactly this, as across Europe, the US, Japan - and in non-NATO friendly countries - there is a competitive race for the best, most promising quantum technologies. To my mind, it is vital that the UK keeps hold of its quantum IP right from early stage through to scale up, to becoming world leading companies . There must be UK focused lead investors at the early stage so the locus of control stays in the UK at later rounds and keeps the economic benefits of that growth in the UK. There are already examples of where UK quantum IP is being encouraged or instructed by non-UK tech investors to go elsewhere to be developed and scaled with jobs and growth disappearing out of the country.

Clear focus, strategy and capability

As a UK company, Quantum Exponential is fully committed to supporting the transition of academic discovery and innovation to successful commercial realisation of quantum IP generated in the UK. We also have the ambition to support quantum IP being generated in Europe and other NATO friendly countries as well, and support jobs and growth in those economies on a fair basis.

The focus of the company is to identify and invest in businesses that have the potential to both grow and scale to be hugely successful, and which are focused on tackling global problems - from combating climate change to global cyber security and to improvements in healthcare and medical procedures.

Our strategy is to invest in a portfolio of quantum technology companies with exponential growth potential - and add value by supporting them with marketing, strategic and operational expertise as well as financial capital. We believe this is uniquely attractive in providing our investors with diversified opportunities for value creation.

Through our advisory board, the company has deep sector expertise which enables us to identify segments and opportunities early. We have an experienced team with an active management approach to investments and the ability to scale and add capabilities as we bring in new funds for investment.

Delisting from AQSE growth segment

Where, in a challenging environment, we did not 'buck the trend' was in our ambition, that I referred to last year, to raise a limited partnership fund separate to the plc to make new investments. Our discussions with potential investors, who expressed serious interest in making an investment in a fund involving Quantum Exponential, led us to conclude that the company's status as a publicly traded company was one of the impediments to securing investment commitments and that it was in the interest of shareholders to withdraw from the AQSE Growth Market. This was announced on 26 February 2024 and subsequent to that it was announced on 14 March 2024 that the company had received an approach from an investor group interested in making a substantial investment in the Company, subject to the proposed delisting not proceeding. The Directors determined it was in the best of interests of all shareholders to enter into discussions with the investors to fully understand and explore this potential opportunity. Those who follow the company will know that after the company's year end a General Meeting to vote on the delisting was adjourned on a number of times, but following subscription agreements not being forthcoming the company terminated discussions and a General Meeting held on 4 October 2024 voted through the resolution to withdraw from the AQSE Growth Market.

Prospects and next steps

The quantum landscape is complex, important and valuable. Quantum computing alone is predicted to be a 2 trillion dollar market by 2035. Quantum communication and quantum imaging and sensing are also potentially huge markets. Quantum Exponential has established itself as an expert who can evaluate these complex and important companies and determine what is best investible. While AI has overshadowed much of the rest of the technology sector including quantum, its ability to complement AI and contribute to solving important problems in defence and security, health and decarbonisation make quantum technologies capable of revolutionising industries and creating a new generation of 'unicorns'.

Quantum Exponential has created a strong initial portfolio of six investments in quantum technology companies that we believe have the prospect of highly attractive returns for our shareholders. The next step is to leverage the platform that has been created and bring in investors who understand the potential of quantum. The board's view is that it is better placed to do this as an unlisted company. Whilst there can be no guarantee of such future funding being secured, it remains confident in the sector and the company's investment proposition.

I would like to take this opportunity to thank shareholders for their continued support and look forward to updating shareholders on our progress in due course.

Ian Pearson
Non- Executive Chairman

31 October 2024

Quantum Exponential Group plc
Chief Executive Officer Report
for the year ended 30 April 2024

The past year has seen QE cement its place as one of the go to investment funds to work with Governments, academics and businesses to help nurture the quantum technology ecosystem, whilst also producing outsized returns with what will be a hugely disruptive technology.

Our six invested portfolio companies are performing well, although our further holding in Arqit has been disappointing.

Over the past 12 months the company had positioned itself to carry out its stated strategy for having a strong balanced quantum technology portfolio and create a larger side car fund that would be to the benefit of QE shareholders. This would also create the next step of funding for its portfolio companies whilst also build out the portfolio further with new investments.

Despite an incredible amount of time and effort by the QE team and the expectations of the board regarding the creation of the fund, it did not materialise.

With this lack of larger funding, QE needed to try to scale back considerably on costs to give a longer runway for the company. This also involved a de-listing from the Aquis stock market, that no longer functions as a benefit to a small, listed fund where patient capital is needed.

Looking forward, the company would look to attain further new investment post the de-listing, to carry on the successful track record that is now being shown by our investment team with our six invested companies.

This, alongside some incredible new start-ups emerging after years of investment from the government, that QE are fortunate to have access to, will bring considerable value creation, that with further funding would benefit both new and existing shareholders, as we look to the future.

Whilst the current situation is not where we all expected QE would be, we are in a position of holding a very strong portfolio of quantum technology start-ups that are showing the promise of providing outsized returns to us all as shareholders.

At present, AI has taken the investment limelight, but we believe that with 2025 being the UN international year of Quantum Technology, investors will start to understand how transformative this emerging technology will be.

S Metcalfe

Steven Metcalfe
Chief Executive Officer

31 October 2024

Quantum Exponential Group plc
Chief Investment Officer Report
for the year ended 30 April 2024

As covered in the Chairman's statement 6 of our 7 portfolio companies are trading roughly to plan and for the year end have been held at cost on the balance sheet. Our option in Arqit Quantum is recorded at the year end quoted price of £73,355and has declined in value by £106,003.

The Company has added value to its investees via strategic advice and introductions to potential customers, investors, and suppliers.

At the year end, in addition to our Arqit option we held six investments. These are as follows:

Delta g Ltd

On 5 July 2023 Quantum Exponential Invested £300,000 in Delta g Ltd, a company focused on investing in quantum technologies, as part of a circa. £1,500,000 pre seed funding round. Delta g is a UK based gravity sensing hardware and technology development company that has developed a cutting-edge underground imaging system that leverages quantum technology to measure gravity gradients. The funding round was led by Science Creates Ventures, with additional investment from Newable Ventures, Bristol Private Equity Club and angel investors.

Following the investment, Quantum Exponential holds 153,061 ordinary B shares in Delta g representing approximately 7.8% of Delta g's enlarged issued share capital on a fully diluted basis.

Since investment the Company has hired further senior staff, secured significant further grant funding & made strong progress on technical improvements.

Aegiq Limited

On 30 April 2022, the Company invested £406,050 in two parts in Aegiq Limited, a hardware photonics company using quantum technologies to address the global cybersecurity threat posed by the rise of quantum computing. Following the initial investment, Quantum Exponential will have a c.4.06% stake in Aegiq's issued share capital on a fully diluted basis.

In the last year Aegiq has begun paid trials with the Royal Navy & been chosen in a competitive tender as the National Quantum Computing Centre's photonic quantum computer for their national test bed.

During 2024 Aegiq was successful in raising further funds. We expect to be able to increase our holding valuation in our next accounts. (http://www.aegiq.com/).

Arqit Quantum Inc.

Prior to listing, the Company secured an option to acquire 199,993 ordinary shares in Arqit Quantum Inc. Arqit is listed on NASDAQ. The value of this option at year end had declined by £106,003 in comparison to the previous year end.

A global leader in quantum encryption technology, Arqit has successfully demonstrated a quantum safe communication channel to secure data transmissions. (https://arqit.uk/).

Oxford Quantum Circuits Ltd

On 3 February 2023, the Company invested £299,997 as part of a c.£869,000 second funding round in Oxford Quantum Circuits Ltd ('OQC'). QE holds 47,164 Series A2 shares representing 0.34% on a fully diluted basis.

OQC designs unique superconducting circuits. These are made into quantum computers that are already in use & earning modest revenues via companies/ research institutions accessing them via the Cloud.

Since investment OQC has publicly announced two data-centre projects. One is between OQC and Fujitsu to deploy solutions to CESGA, a Spanish supercomputing centre. The other is to install another quantum computer in Equinix IBX data centre.

In Nov 2023 OQC announced its Series B round which is still open for further investment. At that time £32.8m had been raised with Chevron & Soft Bank as key investors. This round values our stake at a 13% increase to cost on a fully-diluted basis (https://oqc.tech/).

QLM Technology Ltd

On 4 Aug 2022, the Company invested £450,000 as part of a £12,000,000 Series A funding round in QLM Technology Ltd ('QLM'), a UK-based photonics hardware and technology development company that has developed a cutting-edge gas imaging camera based on quantum technology termed a Quantum Gas Imaging Lidar.

Beyond emissions monitoring for the oil and gas market, the QLM solution is well-suited for use in tracking and reducing methane emissions in other applications such as in biogas production, landfills, wastewater treatment plants, and coal mines.

Following the Investment, Quantum Exponential holds 1,203,208 B Ordinary Shares at a price of £0.374 in QLM representing 1.6% of QLM's fully diluted share capital.

Since investment QLM has worked closely with SLB (formerly known as Schlumberger – a leading equipment supplier to the oil & gas industry) to test and improve the devices in preparation for large scale manufacture and roll-out. The devices have now been rigorously tested.

The Company has also had successful paid trials with Severn Trent Water.

In June 2024 QLM agreed a £5m convertible loan note facility. This should ensures QLM has the resources needed to commercialise their award-winning methane detection system (https://qlmtec.com).

Siloton Limited

On 1 March 2022, the Company led a c.£470,000 initial financing round, investing c.£300,000 into Siloton Limited. The Company holds 2,752 ordinary shares in Siloton representing 12.79% of Siloton's enlarged issued share capital.

Siloton is a technology company that uses quantum techniques and photonic integrated circuits ('PICs') for use in sub-surface optical scanning devices with applications across healthcare, and non-destructive testing.

In October 2024 the Company announced loan and equity investment totalling £860,000. Evenlode Foundation committed further capital in the latest round alongside members of the South East Angels, the Francis Crick Institute, and other experienced angel investors. They were complemented by non-dilutive funding from an Innovate UK Biomedical Catalyst grant, taking total funding in the company to date to £1.7 million. We expect to be able to increase our holding valuation in our next accounts. (https://www.siloton.com/news).

Universal Quantum Limited ("Universal Quantum", “UQ”)

On 16 May 2022, the Company invested £450,000 through an Advanced Subscription Agreement ("ASA") in Universal Quantum Limited ("Universal Quantum"), a company focused on using trapped ions to build scalable fault-tolerant quantum computers. Following an agreed and documented change to the ASA QE’s ASA has now converted at a valuation of £89M. Following the conversion, the Company owns 84,000 Shares in UQ representing 0.507% of UQ’s issued share capital.

In late 2022 UQ won two contracts worth a total of over €67m from the German Govt. Since 2023 It has been delivering on these contracts and earning revenues from them. Provided these contracts go roughly to plan the Company has assessed it has cash runway until 2027. Both the Company and QE believe that if it does wish or need to raise further funds that investors will be interested, willing and able to invest at a price in excess of our current valuation. The Company continues to improve upon the accuracy and scalability of its quantum computing architecture. (https://universalquantum.com).

D. Stuart Nicol

Stuart Nicol
Chief Investment Officer

31 October 2024

Quantum Exponential Group plc
Strategic Report
for the year ended 30 April 2024

The Directors present the Strategic Report for Quantum Exponential Group plc ("the Company") and its subsidiaries undertakings (together referred to as "the Group") for the year ending 30 April 2024.

Company overview

Quantum Exponential Group plc is a UK company Fund investing in early - stage Quantum Technology start-ups and scale-ups. It is in the privileged position of seeing the vast majority of early-stage quantum deals.

QE's management and advisory team have unique access to deal flow and deep market knowledge. Together with significant venture capital experience, this enables them to access, invest and support high- growth companies in this important sector.

On 30 October 2024, the company de-listed from the AQUIS market.

Financial Review

The trading results and the financial assets at the end of the financial year are shown on the attached financial statements.

As detailed elsewhere in the financial statements the Company made an investment into one company during the year of £ 300,000 and recorded a pre-tax operating loss of £1,060,467 (2023: £825,824).

In the year the company had an unrealised loss on quoted investments of £106,003 (2022: unrealised loss £1,108,190) resulting in a recorded pre-tax loss of £ 1,155,210 (2022: pre-tax loss £1,925,781).

Dividend

The Directors do not propose the payment of a dividend.

Key performance indicators

Financial key performance indicators
As an investment company, our key performance indicators (KPI's) are Net Asset Value per share, and available cash, which enables future investment opportunities.

Net Asset Value per share	30 April 2024	30 April 2023
Net Assets (Group) at 30 April	£2,643,270	£3,712,818
Ordinary shares in issue	328,750,000	328,750,000
Net Asset Value per share	£0.008	£0.011
Available cash		
At 30 April	£344,623	£1,665,463

Non-financial key performance indicators
As a result of the type of company and short trading history we do not monitor any non-financial key performance indicators.

We anticipate in the future monitoring such items as shareholder and supplier satisfaction and investment success.

Review of Principal Risks and uncertainties

The Company's strategy

The implementation of the Company's strategy will have a significant effect on the success of the Company. The Company's target markets may not grow or develop as it currently expects, and if it fails to penetrate new markets, its revenue and financial condition could be harmed. The Company's continued success will depend significantly on its ability to accurately anticipate changes in industry standards and to continue to appropriately fund development efforts to enhance its investments in a timely manner.

The Company's ability to implement its strategy within envisaged timeframes may be impacted as a result of the following:

- the Company may need to raise further capital to make particular investments and/or fund the
- assets or business invested in;
- the Company may be required to conduct extensive negotiations in order to secure and
- facilitate an investment;
- the necessitation of certain structures in order to facilitate an investment;
- market conditions, competition from other investors, or other factors may limit the Company in respective of identify suitable investments or such investments may not be available at the rate the Company currently envisages.

Mitigation: The Company has appointed a board of Directors with significant collective experience of growing and scaling businesses, and strategy development, implementation and review. In addition, the Advisory Board has substantial direct experience in the latest developments in quantum technologies which informs decisions on target markets.

Potential loss on investments

The Company's strategy carries inherent risks and there can be no guarantee that any appreciation in the value of an investment or acquisition will occur or that the objectives of the Company will be achieved. For example (i) trading difficulties may occur following investment by the Company; or (ii) the Company may not be able to conduct a full investigation of a target prior to investment and adverse matters may only come to light after an investment has been made.

Material acquisitions, dispositions and other strategic transactions involve a number of risks, including:

- potential disruption of the Company's on-going investments;
- distraction of management and key personnel;
- the Company may become more financially leveraged;
- the anticipated benefits and costs savings of those transactions may not be equalised fully or at
- all or may take longer to realise than expected;
- increasing the scope and complexity of the Company's investment strategy; and
- loss or reduction of control over certain of the Company's investments.

Mitigation: The Company has put in place a robust investment decision making process and conducts robust due diligence prior to investment decisions being taken. It has also established close post-investment monitoring processes. Through the Advisory Board there is the ability to provide insight to support the investment decision process and also to add value to investee companies post-completion of investment.

Material facts or circumstances not revealed in the due diligence process

Any due diligence process involves subjective analysis and there can be no assurance that due diligence will reveal all material issues related to a potential investment. Any failure to reveal all material facts or circumstances relating to a potential investment may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

Mitigation: Prior to making or proposing any investment, the Company will undertake legal, financial, and commercial due diligence on potential investments to a level considered reasonable and appropriate by the Company on a case-by-case basis. In undertaking due diligence, the Company utilises its own resources and will rely upon third parties to conduct certain aspects of the due diligence process. It also has the expertise of the Advisory Board and a wide variety of quantum, venture capital and business professionals available to support this process.

Competition

It is likely that the Investee Companies will face competition from industry specialist technology and software companies, generic software providers and outsourced/managed services companies, some of which may be significantly larger enterprises with greater financial and marketing resources. There may also be new entrants to the market which could become competitors. Such companies may also have greater financial and marketing resources than the Investee Companies. Competitors may seek to develop software which more successfully competes with the Investee Companies' software and services, and they may also adopt more aggressive pricing models or undertake more extensive marketing and advertising campaigns. This may have a negative impact on sales volumes or profit margins achieved by the Investee Companies.

Mitigation: The Company makes a thorough assessment of competition risk in its investment appraisal process, both against other competing quantum technologies and other non-quantum ones. Our focus is on companies whose technology is to be commercialised in the near future or may already have commenced trading. Through portfolio monitoring and horizon scanning for future competitive risks we seek to mitigate this risk to the extent possible.

Technology risk

There can be no guarantee that the Investee Companies will bring superior technologies, products, or services to the market which, as a result, make the Investee Companies offerings obsolete. The Investee Companies will accordingly need to continually enhance their products and services and will need to promptly respond to technological change as and when this occurs.

Mitigation: While there is an inherent level of risk in the quantum sphere generally, and different competing quantum technologies, QE has a team of experts with unparalleled market knowledge and access. Technology risk is also mitigated through assembling a portfolio of potential investments in leading Quantum technology companies.

Other risks have been identified which relate to investee companies.

Investments will typically be in private companies. They may have little or no operating history upon which the Company may assess their likely performance. They may be more vulnerable to changes in market conditions or the activities of competitors. Private companies may also be more dependent on a limited number of management and operational personnel, increasing the impact of the loss of any one or more individuals. This may have material adverse effects on the business, financial condition, results and/or future operations of the Company.

Investee Companies business will be dependent on various key systems, the internet, and other technologies. Shutdowns or service disruptions caused by events such as criminal activity, sabotage or espionage, computer viruses, hacking and other cyber-security attacks, fraudulent activity, router disruption, automated attacks such as denial of service attacks, power outages, natural disasters, accidents, terrorism, equipment failure or other events within or outside the Investee Companies control could adversely affect the Investee Companies and their customers.

Mitigation: All these types of risks are assessed pre-investment as part of the due-diligence work that is carried out, and post-investment they are regularly monitored as part of the Company's portfolio management and reporting processes.

Outlook and future developments

Looking ahead, we remain confident about the impact that quantum technology will have globally, with various industry reports showing that most businesses will now have to start planning for the new quantum world. Notwithstanding the difficult overall macroeconomic climate, the environment for quantum technologies at least feels very favourable. We have seen a significant increase in the flow of good companies, with quantum technology at the forefront of their business, who are looking for investment to accelerate growth.

With global government spending on quantum technologies expanding, it is clear that the sector is at the forefront of countries technology developments and the future for Quantum Exponential in the sector is exciting.

Section 172 statement

Under section 172(1) of the Companies Act 2006 ("Section 172"), the Directors must act in the 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 and in doing so have regard (amongst other matters) to:

- the likely consequences of any decisions in the long-term.
- the interests of the Company's employees.
- the need to foster the Company's business relationships with suppliers, customers and others.
- the impact of the Company's operations on the community and environment.
- the desirability of the Company maintaining a reputation for high standards of business conduct.
- the need to act fairly between members of the Company.

This statement is intended by the Board of Directors to set out how they have approached and met their responsibilities under s172(1)(a) to (f) of the Companies Act 2006 in the year ending 30 April 2024.

Stakeholders of the Company include employees, shareholders, customers, suppliers, creditors of the business and the community in which it operates.

The Directors, both collectively and individually, consider that they have acted in good faith to promote the success of the Company for the benefit of its Stakeholders as a whole (having regard to the matters set out in s172 of the Act) in the decisions taken during the year. In particular:

To ensure that the Board take account of the likely consequences of their decisions in the long term, they receive regular and timely information on all the key areas of the business including financial performance, risks and opportunities, supported by Key Performance Indicators

The Company's performance and progress is reviewed regularly at Board meetings.

Other than directors, the company has one employee. The Board engages in consultation with employees to ensure their views are taken into account when decisions are made which are likely to affect their interests.

The Board understands the need to foster good relationships with our investees and also our suppliers. A critical part of doing business is partnering with others and the Board believes that partnerships are built on trust and mutual advantage. The Group interact honestly and with integrity with our business partners and in accordance with applicable laws and regulations and expects them to do the same.

The Directors take environmental matters into deep consideration as part of their decision-making process and strive to be a responsible member of the wider community, minimising the Company's impact on the environment wherever possible. The Directors' intentions are to behave responsibly towards all stakeholders and treat them fairly and equally, so that they all benefit from the long-term success of the Company.

Carbon and Energy Reporting Requirements

The Group is not required to disclose information regarding its energy use due to its usage being below the threshold for disclosure.

Approved by the Board on 31 October 2024

Steven Metcalfe
Chief Executive Officer
Director

The Directors present their report and the audited financial statements for the Company and Group for the year ending 30 April 2024.

Corporate Governance
The Board is committed to the highest standards of corporate governance and considers the Quoted Companies Alliance's Corporate Governance Code ("the QCA Code") to be the most appropriate framework to adopt. The Directors have adopted the QCA Code. Where the Board adopts a different path from the QCA Principles to the extent they consider it appropriate, having regard to the size and resources of the Company, an explanation is provided.

In his capacity as independent Chairman, Ian Pearson has responsibility for ensuring that the Group has appropriate corporate governance standards in place and the 10 principles in the QCA Code are applied within the Group as a whole.

The Board, will normally meet six times a year and it ensures that procedures, resources and controls are in place to ensure that AQSE Growth Market Access Rulebook compliance by the Company is operating effectively at all times and that the executive directors are communicating effectively with the Company's AQSE Corporate Adviser regarding the Company's ongoing compliance with the AQSE Growth Market Access Rulebook and in relation to all announcements and notifications and potential transactions.

Due to the size and nature of the Company, the Board do not believe a nominations committee is necessary. However, the Directors will continue to assess the need for establishing a nominations committee or other committees as the Company develops, taking into account the principles of good governance.

The Company has adopted a share dealing code for dealings in securities of the Company by the Directors, which is appropriate for a company whose shares are traded on the Access segment of the AQSE Growth Market. This will constitute the Company's share dealing policy for the purpose of compliance with UK Legislation including UK MAR and Rule 4.1 of the AQSE Growth Market Access Rulebook. It should be noted that the insider dealing legislation set out in the Criminal Justice Act 1993, as well as provisions relating to market abuse, will apply to the Company and dealings in Ordinary Shares.

The Company has implemented an anti-bribery and corruption policy and also implemented appropriate procedures to ensure that the Board, employees, and consultants comply with the UK Bribery Act 2010.

The Directors have established financial controls and reporting procedures, which are considered appropriate given the size of and structure of the Company. These controls will be reviewed in the light of an investment or acquisition and adjusted accordingly.

Principal activities

Quantum Exponential's mission is to foster and participate in the next leading asset class, quantum technology companies, in order to deliver outsize returns to investors.

Quantum Exponential identifies investment opportunities in the quantum technology sector focussing on NATO friendly countries. These include, but are not limited to, quantum communications, quantum sensing, quantum metrology and quantum computing, including software and components.

Engaging and Communicating with Shareholders

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders.

Executives of the company are available for meetings with institutional shareholders and analysts. The company keeps individual shareholders informed of developments through Aquis and through the Company's own website. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting.

The Board recognises that the long-term success of the Group is reliant upon the efforts of the employees of the Group and the quality of its relationships with stakeholders. The Board has put in place a range of processes and systems to ensure that there is close Board oversight and contact with its key resources and relationships.

This includes an Advisory Board that meets regularly and includes world renowned scientists in the quantum world and a strong team of industry advisors, entrepreneurs and tech investment professionals with excellent access to opportunities, networks and markets.

Stakeholder Responsibilities

The Board recognises that the long-term success of the Group is reliant upon the efforts of the employees of the Group and the quality of its relationships with stakeholders. The Board has put in place a range of processes and systems to ensure that there is close Board oversight and contact with its key resources and relationships.

This includes an Advisory Board that meets regularly and includes world renowned scientists in the quantum world and a strong team of industry advisors, entrepreneurs and tech investment professionals with excellent access to opportunities, networks and markets.

We have also established cooperations with the Institute of Physics, regional Universities & Quantum Hubs and the Company is continuing to build its network of relationships.

Managing and mitigating risk

Effective risk management is critical to the success of the company. The Board has carried out a robust assessment of the principal risks to achieving its strategic objectives. Initial risks were assessed at Admission to the Aquis exchange and risks are reviewed on a regular basis by the Board to identify any changes in risk profiles and to consider the optimal range of mitigation strategies.

The principal risks to the achievement of our strategic business objectives have been outlined above, together with their potential impact and the mitigation measures in place. The Board believe these risks to be currently the most significant with the potential to impact our strategy, financial and operational performance.

Results and dividends

The trading results for the year and the financial position at the end of the financial year are shown in the attached financial statements. The statements have been prepared under International Financial Reporting standards ("IFRS")

Board of Directors

The following Directors held office during the year:

I Pearson
S Metcalfe
D S Nicol
S W Woods (Appointed 01/07/2023
(Resigned 31/03/2024

Directors' Biographies

Ian Pearson, Non-Executive Chairman

Ian Pearson brings extensive business and public sector insight to the Board. During a distinguished ministerial career from 2001-2010 he held a number of positions including Minister for Trade & Foreign Affairs, Minister of State for Climate Change and the Environment, Minister for Science, and Economic Secretary to the Treasury. Ian spent five years as the chairman of AIM listed OVCT2, a company which invested in a variety of renewable energy companies. He is currently a non-executive director at Thames Water, chairman of AIM listed Eqtec plc, and has previously been a member of the UK Advisory Board of PwC.

Steven Metcalfe, Chief Executive Officer

Steven Metcalfe has more than 28 years of experience in investment banking. In 2005, as Head of UK Equities at Hichens Harrison he was involved in the management buyout from Sanlam for £2m and the subsequent sale to Religare Capital Markets 3 years later for £55m. After that, he moved to Novum Securities looking after institutions, hedge funds and HNW clients. In 2016, he set up a management consultancy business advising on fund raisings, investor relations and improving performance within organisations. He has since sat on public company boards and worked on public company flotations and reverse takeovers. Steven is an associate of the Chartered Institute for Securities and Investments (ACSI).

Stuart Nicol, Chief Investment Officer

Stuart Nicol joined the Board in January 2022. He worked with the Company as a consultant prior to this date. Stuart has over 20 years' experience of investing venture capital in over 60 high growth firms. He has invested across all sectors and stages with a bias to technology investments in software, communications, healthcare and sustainability. In the past decade he has been, Head of Funds for Cornwall and Isles of Scilly Investment Fund and the first external director of Crowdcube Ltd. Prior to this as an Investment Director of Octopus Investments Stuart both led a team that invested over £110m through listed Venture Capital Trusts and initiated the Octopus renewable energy strategy. Stuart is an active mentor to entrepreneurs on behalf of the Royal Academy of Engineering & military charity heropreneurs. Stuart is a graduate of RMA Sandhurst, Loughborough University and London Business School.

Quantum Exponential Group plc
Directors Report (continued)
for the year ended 30 April 2024

Directors' interest in shares

Directors' interests in the share capital of the Company, including family at 30 April 2024 were as follows:

Director	Number of ordinary shares held	% held
I Pearson	**17,500,000**	5.33%
S Metcalfe	**19,500,000**	5.94%
D S Nicol	**6,000,000**	1.83%

Directors' Remuneration

The remuneration of the Directors during the year is summarized below:

	Fees and salaries	Share based payment	Pension	Total 2024	Total 2023
	£		£	£	£
Non-Executive					
I Pearson	40,000	-	-	40,000	40,000
N McNair Scott	2,000	-	-	2,000	20,000
Executive					
S Metcalf	100,000	-	10,000	110,000	110,000
D S Nicol	110,000	-	11,000	121,000	126,500
S W Woods	166,667	85,662	-	252,329	-
Total	418,667	85,662	21,000	525,329	296,500

Significant shareholdings

At 30 April 2024 the Company had the following significant voting interest of greater than 5% in its ordinary share capital:

Shareholder	Number	%
D Williams	64,750,000	19.72%
Barnard Nominees Ltd	70,185806	21.37%
James Brearley CREST Nominees Limited	18,360,000	5.59%
S Metcalfe	19,500,000	5.94%
M Schwedler	17,600,000	5.36%
I Pearson	17,500,000	5.33%

Strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, various matters previously dealt with in the Directors' Report are now included in the Strategic Report.

Financial risk management

The Group's exposure to financial risk is set out in note 18 to the financial statements. The Group maintains a strong focus on working capital management.

Policy on payments to Suppliers

It is the policy of the Group to agree appropriate terms and conditions for its transactions with suppliers by means of standard written terms to individually negotiated contracts. The Group seeks to ensure that payments are always made in accordance with these terms and conditions.

Political and Charitable Contributions

No political or significant charitable donations were made during the year.

Statement of Directors' Responsibilities

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 consolidated financial statements for each financial year. Under that law they have elected to prepare the consolidated financial statements in accordance with UK-adopted international accounting standards and the parent Company financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101).

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

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- for the consolidated financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards , subject to any material departures disclosed and explained in the financial statements.
- for the parent Company financial statements, state whether applicable UK Accounting Standards comprising FRS 101 "Reduced Disclosure Framework" and applicable law have been followed, subject to any material departures disclosed and explained in the financial statements.
- assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company and the Group Auditors are unaware. and

- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company and the Group Auditors are aware of that information.

Website publication

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

Auditor

Shipleys LLP will be deemed to continue in office under the Companies Act 2006, S487 (2).

Corporate governance statement

The Board is committed to effective and robust corporate governance and has progressed the Company's corporate governance since Admission.

The Board has agreed to apply the QCA Code. The disclosures required by the QCA Code can be found at the company's website, The QCA Code is available from the QCA website, www.theqca.com.

The Board

The full biographies of the Directors can be found on page 18. At the date of this report, the Board comprises two Executive Directors and one Non-Executive Directors, the Non-Executive Chairman.

Ian Pearson	Non-Executive Chairman
Steven Metcalfe	Chief Executive Officer
Stuart Nicol	Chief Investment Officer

The Chairman and the CEO have separate and clearly defined roles. The Chairman is responsible for overseeing the Board and the CEO is responsible for implementing the stated strategy of the Company and for its operational performance.

The Chairman is committed to ensuring that the Board comprises sufficient Non-Executive Directors to establish an independent oversight which is challenging and constructive in its operation. The Board believes that the Non-Executive Directors are of sufficient experience and quality to bring an expert and objective dimension to the Board. The Company ensures that the Non-Executive Directors are enabled to call on specialist external advice where necessary.

Directors are expected to attend Board and Committee meetings and to devote enough time to the Company and its business to fulfil their duties as Directors.

Non-Executive Directors/Board independence

The Company has one independent Non-Executive Director, Ian Pearson (Non-Executive Chairman)

The Non-Executive Chairman acquired 17,500,000 shares in the Company in the founders placing which occurred on 22 April 2021. However, due to the small size of this shareholding, the Directors do not consider that this impacts on the Chairman's independence.

Board meetings

The Board meets on a regular basis throughout the calendar year and as required on an ad hoc basis with a mandate to consider strategy, operational and financial performance and internal controls. In advance of each meeting, the Chairman sets the agenda, with the assistance of the Company Secretary. Directors are provided with appropriate and timely information, including board papers distributed in advance of the meetings. Those papers include reports from the executive team and other operational heads.

Full minutes of each meeting are produced, including a log of actions to be taken. The Chairman then follows up on each action at the next meeting, or before if appropriate.

Director	Position	Board		Committee	
		Max possible attendance	Meetings attended	Audit	Remuneration
Ian Pearson	Non - Executive Chairman	6	6	1	1
Steven Metcalfe	Chief Executive Officer	6	6		
Stuart Nicol	Chief Investment Officer	6	6		

Matters reserved for the Board

Matters reserved for the decision of the Board include:
- Strategy and management
- Structure and capital
- Financial reporting and controls
- Risk management and internal controls
- Bank facilities, guarantees and indemnities
- Communication with shareholders
- Board membership and other appointments
- Remuneration, employee benefits and employee issues
- Delegation of authority
- Corporate governance matters
- Policies

Committees

The Board has in place Audit and Remuneration Committees, which comply with the stated terms of reference for each committee.

The Remuneration Committee

Ian Pearson chairs the Remuneration Committee.

Meetings are held at least once a year. The Remuneration Committee is responsible for advising on the remuneration policy for Directors and Senior Management only.

The Remuneration Committee has responsibility for determining, within agreed terms of reference, the Group's policy on the remuneration of senior executives and specific remuneration packages for Executive Directors, including pension payments and compensation rights.

The remuneration of Non-Executive Directors is a matter for the Board. No Director may be involved in any discussions as to their own remuneration. Details of the level and composition of the Directors' remuneration are disclosed in the Directors' report.

The Audit Committee

Ian Pearson chairs the Audit Committee

The Audit Committee meets at least once a year.

The Audit Committee has the primary responsibility for ensuring that the financial performance of the Group is properly measured, reported on and monitored.

The Audit Committee makes recommendations to the Board on the appointment, re-appointment and removal of the external auditor. In making the recommendation on the annual re-appointment of the external auditor, it monitors the relationship to assess independence, objectivity and cost effectiveness of the external auditor. It is responsible for ensuring that an appropriate relationship between the Group and the external auditors is maintained, including reviewing non-audit services and fees.

The Nomination Committee

Due to the size and nature of the Company, the Board does not believe a nominations committee is necessary. However, the Directors will continue to assess the need for establishing a nominations committee or other committees as the Company develops, taking into account the principles of good governance

Election and re-election of the Directors

All of the Directors will retire and apply for re-election at the Company's annual general meeting in December 2024.

Support for Directors

Each Director has access to the advice and support of the Company Secretary, who ensures compliance with the Board's procedures and advice as to applicable rules and regulations. The Company also provides professional training for the Directors where necessary (at the Company's expense).

Internal control

The Board is ultimately responsible for maintaining the Company's risk framework system of internal control and for reviewing the effectiveness of such a system. No system can be perfect, but the Board considers the Company's systems manage risks appropriately in order that the Company can achieve its business objectives.

Board evaluation

The focus of Board activity is on the review of progress being achieved by the management team against a clearly expressed growth strategy with published KPIs which are well understood by stakeholders. The Board has established a Remuneration Committee comprising the Chairman and the Non-Executive Director which meets at least once in each calendar year. This committee, in the course of its work, reviews the performance of individual Directors and senior managers and the workings of the Board and its committees, in consultation with the Chief Executive Officer.

The committee is also the primary forum within which Board development is discussed.

The Chairman takes overall responsibility for evaluation of the Board and its progress against its stated strategy.

Corporate culture

The Board places significant importance on the promotion of ethical values and good behaviour within the Company and takes ultimate responsibility for ensuring that these are promoted and maintained throughout the organisation and that they guide the Company's business objectives and strategy.

The Board are satisfied that for a company of this size and complexity adequate controls are in place.

Relations with shareholders

The Board considers it important to maintain an open dialogue with the Company's shareholders and to keep those shareholders fully informed of the strategy, operational developments and prospects.

The Company keeps investors informed of its progress through announcements and updates as to financial and operational matters.

The executives will meet with shareholders on formal roadshows after publication of results and hold ad hoc meetings with shareholders during the course of the year.

Concert party

Under the City Code on Takeovers and Mergers (the "Code") published by the Panel on Takeovers and Mergers (the "Panel"), a concert party arises where persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control (as defined in the Code) of a company or to frustrate the successful outcome of an offer for a company.

Certain persons will be presumed, as set out in the Definitions in the Code, to be persons acting in concert with other persons in the same category unless the contrary is established, including shareholders in a private company who, following the re-registration of that company as a public company in connection with an initial public offering or otherwise, become shareholders in a company to which the Code applies.

On 1 November 2021, when the Company was admitted to trading on the Aquis Stock Exchange Growth Market, David Williams, Martin Schwedler, Steven Metcalfe, Stephen Chandler, Stuart Nicol, Nick Miles, Notion Capital Managers LLP, Brandon Smith and Adam Reynolds were presumed to be acting in concert. The Company has now agreed with the Panel that Martin Schwedler, Nick Miles and Brandon Smith are no longer presumed to be acting in concert with the other members of the concert party or each other.

Consequently Martin Schwedler, Nick Miles and Brandon Smith can each acquire further shares in the Company without triggering an obligation under Rule 9 of the Code to make an offer for the whole of its issued share capital, provided such acquisitions do not cause their respective interests to reach or exceed 30 per cent. of the Company's issued share capital.

The aggregate interests of the remaining members of the concert party currently exceeds 30% of the Company's issued share capital and so individual members of the concert party are unable to acquire further shares in the Company without triggering an obligation under Rule 9 of the Code to make an offer for the whole of its issued share capital.

Annual General Meeting

The AGM will be held on 6 December 2024. The Notice of AGM, setting out the resolutions proposed, is contained in a separate document and is available on the Company's website www.quantumexp.co.uk.

Approved by the Board on 31 October 2024

Steven Metcalfe
Chief Executive Officer
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUANTUM EXPONENTIAL GROUP PLC for the year ended 30 April 2024

Opinion
We have audited the financial statements of Quantum Exponential Group Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 April 2023 which comprise the Consolidated Statement of Comprehensive Income, Consolidated and Company Statement of Financial Position, Consolidated and Company Statement of Cash Flows, Consolidated and Company Statement of Changes in Equity and notes to the financial statements, including a summary of significant 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 FRS 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 the parent Company's affairs as at 30 April 2023 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 including FRS 101; 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, 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 2 in the financial statements which indicates that the Group has incurred a loss in the year and in the previous year of £1,155,210 and £1,803,969 respectively. As stated in note 2, these events or conditions along with the other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company and Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 Parent Company and Group's ability to continue to adopt the going concern basis of accounting included the following:

- We obtained and reviewed management cashflow forecasts for the period to April 2026. In addition to the review of the arithmetical accuracy, we also discussed the key assumptions with management and ensured they are reasonable with our understanding of the business. The forecasts show that the Parent Company and Group will have sufficient headroom on their financing facilities throughout the forecast period.
- We enquired with management whether there are any significant subsequent events that may impact on going concern.

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

Other information
The other information comprises the information included in the Annual Report, other than the financial statements and our auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. 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 course of 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the 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.

Matters on which we are required to report by exception
In light of the knowledge and understanding of the Group and Parent Company and its 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 in relation to which 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 Directors
As explained more fully in the directors' responsibilities statement set out on page 20, 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 the 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 Group's business, controls, legal and regulatory frameworks, laws and regulations and assessed the susceptibility of the company's financial statements to material misstatement from irregularities, including fraud and instances of non-compliance with laws and regulations.
- Based on this understanding we designed our audit procedures to detecting irregularities, including fraud. Testing undertaken included making enquiries on the management; journal entry testing; review of any correspondence received from regulatory bodies; reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.
- We addressed the risk of fraud through management override of controls, by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

  An auditor conducting an audit in accordance with ISAs (UK) is responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error and in our audit procedures described above. Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

  As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 year and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including 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.

Key audit matter

Risk of material overstatement of investments

There is a risk of impairment of investments.

How the scope of our audit responded to the risk

We performed the following work:

- Discussed with management the carrying value of investments in order to see if there is any indication of impairment.
- Reviewed publicly available information on investee companies for any indictors of impairment..

Going concern

There is a risk that the Company may hold insufficient working capital to allow it to meet its financial obligations as they fall due thus giving rise to a going concern risk.

How the scope of our audit responded to the risk

We considered the Group's immediately available assets, as well as the level of any committed facilities.

Management override of controls

There is a risk that journals can be posted that significantly alter the Financial Statements.

How the scope of our audit responded to the risk

We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the Financial Statements.

In addition, we reviewed accounting estimates for biases that could result in material misstatements due to fraud.

We obtained an understanding of the business rationale of significant transactions that we became aware of that were outside the normal course of business for the Group, or that otherwise appeared to be unusual given our understanding of the entity and its environment.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUANTUM EXPONENTIAL GROUP PLC for the year ended 30 April 2024

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

We determined materiality to be £110,000, which was 4% of the Group's net assets. We believe that this materiality basis provides us with the best assessment of the requirements of the users of the financial statements. Final materiality was calculated at £106,000, no additional testing was considered necessary.

Performance materiality

Performance materiality reflects the application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality. On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was approximately 75% of our planning materiality, namely £82,500. Final performance materiality was calculated at £79,500.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.
We set the threshold at 5% of planning materiality and therefore report to the Board all uncorrected audit differences in excess of £5,500, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. Final triviality was calculated at £5,300.

Use of the audit 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.

Peter Conneely

Peter Conneely (Senior Statutory Auditor)
for and on behalf of Shipleys LLP
Chartered Accountants and Statutory Auditor
10 Orange Street
Haymarket
London
WC2H 7DQ
04 November 2024

Quantum Exponential Group plc
Consolidated Statement of Comprehensive Income
For the year ended 30 April 2024

	Notes	Year to 30 April 2024 £	Year to 30 April 2023 £
Revenue	4	82,377	20,045
Gross profit		**82,377**	**20,045**
Operating expenses		(1,142,844)	(845,869)
Operating loss		**(1,060,467)**	**(825,824)**
Finance income	8	11,260	8,233
Gain / (Loss) on fair value adjustments on investments	17	(106,003)	(1,108,190)
Profit / (Loss) before tax	5	**(1,155,210)**	**(1,925,781)**
Taxation on operations	9	0	121,812
Profit / (Loss) for the year		**(1,155,210)**	**(1,803,969)**
Total - Basic EPS	10	(0.004p)	(0.006p)
Total -Diluted EPS	10	(0.004p)	(0.005p)

The notes on pages 40 to 57 form an integral part of these financial statements.

Quantum Exponential Group plc
Consolidated Statement of Financial Position
As at 30 April 2024

Registered Number 13324860

	Notes	2024 £	2023 £
Assets			
Non-current assets			
Investments	16	2,279,315	2,085,318
Total non-current assets		**2,279,315**	**2,085,318**
Current assets			
Cash and cash equivalents		344,623	1,665,463
Other receivables	11	95,033	51,325
Total current assets		**439,656**	**1,716,788**
Total assets		**2,718,971**	**3,802,106**
Current liabilities			
Trade payables and other payables	12	(75,701)	(89,288)
Total current liabilities		**(75,701)**	**(89,288)**
Provision for liabilities	13	**-**	**-**
Total liabilities		**(75,701)**	**(89,289)**
Net assets		**2,643,270**	**3,712,818**
Equity			
Share capital	14	3,283,750	3,283,750
Share premium	14	2,114,610	2,114,610
Merger reserve	16	(261,810)	(261,810)
Capital contributions	16	199,732	199,732
Share based payment reserve	16	85,662	-
Other reserves	16	(41,616)	(41,616)
Retained profit		(2,737,058)	(1,581,848)
Total equity		**2,643,270**	**3,712,818**

Approved by the Board on 31 October 2024 and signed on its behalf by:

SMetcalfe

Steven Metcalfe
Chief Executive Officer

The notes on pages 40 to 57 form an integral part of these financial statements.

Quantum Exponential Group plc
Company Statement of Financial Position
As at 30 April 2024

Registered Number 13324860

	Notes	2024 £	2023 £
Assets			
Non-current assets			
Investments in financial assets	16	2,279,315	2,085,318
Investments in subsidiary undertakings	17	2,467,166	2,462,500
Total non-current assets		**4,746,481**	**4,547,818**
Current assets			
Cash and cash equivalents		339,957	1,665,463
Other receivables	11	95,033	51,325
Total current assets		**434,9907**	**1,716,788**
Total assets		**5,181,471**	**6,264,606**
Liabilities			
Current liabilities			
Trade payables and other payables	12	(2,538,201)	(2,551,788)
Total current liabilities		**(2,538,201)**	**(2,551,788)**
Provision for liabilities	13	**-**	**-**
Total Liabilities		**(2,538,201)**	**(2,551,788)**
Net Assets		**2,643,270**	**3,712,818**
Equity			
Share capital	14	3,283,750	3,283,750
Share premium	14	2,114,610	2,114,610
Merger reserve	16	(261,810)	(261,810)
Capital contributions	16	199,732	199,732
Share based payment reserve		85,662	
Other reserves	16	(41,616)	(41,616)
Retained profit		(2,737,058)	(1,581,848)
Total equity		**2,643,270**	**3,712,818**

In accordance with section 408 of the Companies Act 2006 the parent company has not presented its own Income Statement, which resulted in a loss after tax of £1,151k.

Approved by the Board on 31 October 2024 and signed on its behalf by:

Steven Metcalfe
Chief Executive Officer

The notes on pages 40 to 57 form an integral part of these financial statements.

Quantum Exponential Group plc
Consolidated Statement of cash flows
For the year ended 30 April 2024

	2024 £	2023 £
Profit/(loss) before tax for the year/period	**(1,155,210)**	(1,925,781)
Adjustments for:		
Interest income	(11,260)	(8,233)
(Increase) in trade and other receivables	(43,708)	20,575
Increase in trade and other payables	(13,587)	9,157
Share based payment	85,662	-
Net fair value adjustment gain	106,003	1,108,190
Cash (outflow)/inflow from operating activities	**(1,032,100)**	**(796,092)**
Investing activities		
Purchase of investments	(300,000)	(1,199,996)
Net cash used in investing activities	**(300,000)**	**(1,199,996)**
Financing activities		
Proceeds from issue of ordinary share capital	-	-
Purchase of own shares via EBT		(41,472)
Interest income	11,260	8,233
Net inflow of cash generated from financing activities	**11,260**	**(33,239)**
Net increase in cash and cash equivalents	**(1,320,840)**	**(2,029,327)**
Cash and cash equivalents at beginning of period	**1,665,463**	**3,694,790**
Cash and cash equivalents at end of period	**344,623**	**1,665,463**

The notes on pages 40 to 57 form an integral part of these financial statements.

Quantum Exponential Group plc
Company Statement of cash flows
For the year ended 30 April 2024

	2024 £	2023 £
Profit/(loss) before tax for the year/period	**(1,155,210)**	**(1,925,781)**
Adjustments for:		
Interest income	(11,260)	(8,233)
(Increase) in trade and other receivables	(43,708)	20,575
Increase in trade and other payables	(13,587)	9,157
Share based payment	85,662	-
Net fair value adjustment gain	106,003	1,108,190
Cash (outflow)/inflow from operating activities	**(1,032,099)**	**(796,092)**
Investing activities		
Purchase of investments	(304,668)	(1,199,996)
Net cash used in investing activities	**(304,468)**	**(1,199,996)**
Financing activities		
Proceeds from issue of ordinary share capital	-	-
Purchase of own shares via EBT		(41,472)
Interest income	11,260	8,233
Net inflow of cash generated from financing activities	**11,260**	**(33,239)**
Net increase in cash and cash equivalents	**(1,325,507)**	**(2,029,327)**
Cash and cash equivalents at beginning of period	**1,665,464**	**3,694,790**
Cash and cash equivalents at end of period	**339,957**	**1,665,464**

The notes on pages 40 to 57 form an integral part of these financial statements

Quantum Exponential Group plc
Consolidated Statement of change in equity
For the year ended 30 April 2024

	Note	Share capital £	Share premium £	Merger reserve £	Capital contribution £	Share based payment	Other reserves £	Retained profits/ (losses) £	Total equity £
Balance At 30 April 2023		3,283,750	2,114,610	(261,810)	199,732	-	(41,616)	(1,581,848)	3,712,818
Profit for the period		-	-	-	-		-	(1,155,210)	(1,155,210)
Share based payment		-	-	-	-	85,662	-	-	85,662
At 30 April 2024		3,283,750	2,114,610	(261,810)	199,732	85,662	(41,616)	(2,737,058)	2,643,270

The notes on pages 40 to 57 form an integral part of these financial statements.

Quantum Exponential Group plc
Consolidated Statement of change in equity
For the year ended 30 April 2024

	Note	Share capital £	Share premium £	Merger reserve £	Capital contribution £	Share based payment	Other reserves £	Retained profits/ (losses) £	Total equity £
Balance at 30 April 2022		3,283,750	2,114,610	(261,810)	199,732	-	(144)	22,121	5,558,259
Loss for the period		-	-	-	-	-	-	(1,803,969)	(1,803,969)
Issues of shares					-	-	-	-	-
Gifted shares		-			-	-	-	-	-
Purchase of own shares		-	-	-	-	-	(41,472)	-	(41,472)
At 30 April 2023		3,283,750	2,114,610	(261,810)	199,732	-	(41,616)	(1,581,848)	3,712,818

The notes on pages 40 to 57 form an integral part of these financial statements

Quantum Exponential Group plc
Company Statement of change in equity
For the year ended 30 April 2024

	Note	Share capital £	Share premium £	Merger reserve £	Capital contribution £	Share based payment	Other reserves £	Retained profits/ (losses) £	Total equity £
Balance At 30 April 2023		3,283,750	2,114,610	(261,810)	199,732	-	(41,616)	(1,581,848)	3,712,818
Profit for the period		-	-	-	-		-	(1,155,210)	(1,155,210)
Share based payment		-	-	-	-	85,662	-	-	85,662
At 30 April 2024		3,283,750	2,114,610	(261,810)	199,732	85,662	(41,616)	(2,737,058)	2,643,270

The notes on pages 40 to 57 form an integral part of these financial statements.

Quantum Exponential Group plc
Company Statement of change in equity
For the year ended 30 April 2024

	Note	Share Capital £	Share Premium £	Merger Reserve £	Capital Contribution £	Other Reserves £	Retained Profits/(losses) £	Total Equity £
Balance at 30 April 2022		3,283,750	2,114,610	(261,810)	199,732	(144)	222,121	5,558,259
Loss for the period		-	-	-	-	-	(1,803,969)	(1,803,969)
Issue of shares		-	-	-	-	-	-	-
Gifted shares		-	-	-	-	-	-	-
Purchase of own shares		-	-	-	-	(41,472)	-	(41,472)
At 30 April 2023		3,283,750	2,114,610	(261,810)	199,732	(41,616)	(1,581,848)	3,712,818

The notes on pages 40 to 57 form an integral part of these financial statements.

Quantum Exponential Group plc
Notes to the financial statements
For the year ended 30 April 2024

1. Corporate information

Quantum Exponential Group Plc is a public limited company, incorporated and domiciled in England and Wales under the Companies Act 2006. The address of its registered office is Fladgate LLP, 16 Great Queen Street, London, United Kingdom, WC2B 5DG. Up to 30 October 2024, the Company's ordinary shares were traded on the Aquis Stock Exchange (AQSE), a primary and secondary market for equity and debt securities. On 30 October 2024 the Company de-listed from AQUIS. The financial statements of Quantum Exponential Group plc for the year ended 30 April 2024 were authorised for issue by the Board on 31 October 2024 and the balance sheets signed on the Board's behalf on 31 October 2024.

The nature of the Group's operations and its principal activity is to assemble a portfolio of potential investments in leading quantum technology companies globally.

2. Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New standards, interpretations and amendments adopted from 1 May 2023

The following amendments are effective for the accounting period beginning on or after 1 May 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities from a Single Transaction (Amendments to IAS 12).
- IFRS 17 Insurance contracts

These new standards, interpretations and amendments to the standards did not have a significant impact on the financial statements.

New standards, interpretations and amendments not yet effective

There are a number of standard, amendments to standards and interpretations which have been issued that are effective in future account periods that the Group as decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2024:

- IFRS 16 Leases (Amendment - Liability in a Sale and Leaseback)
- IAS 1 Presentation of Financial Statements (Amendment - Classification of Liabilities as Current or Non-current)
- IAS 1 Presentation of Financial Statements (Amendment - Non-current Liabilities with Covenants)

The following amendments are effective for the period beginning 1 January 2025:

- IAS 21 Foreign Exchange (Amendment-Lack of Exchangeability)

The following amendments are effective for the period beginning 1 January 2027

- IFRS 18 Presentation and Disclosure in Financial Statements

The Group is currently assessing the impact of these new standards, interpretations and amendments but does not expect these to have significant impact on the financial statements in the year of adoption.

2. Accounting Policies (continued)

Basis of preparation

The Group's consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards and in accordance with those parts of the Companies Act 2006 that are applicable to group reporting under UK-adopted international accounting standards. The Company's individual financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). The consolidated financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit and loss.

The financial statements are presented in Pounds Sterling (£) which is the functional currency of the Company and Group.

The Company has taken advantage of the exemption available under section 408 of the Companies Act 2006 and elected not to present its own Statement of Comprehensive Income in these financial statements.

Disclosure exemptions – Parent Company individual financial statements

In preparing its individual financial statements under FRS 101, the Company has taken advantage of the following disclosure exemptions permitted by FRS 101:

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to (m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases, as well as the requirements of paragraph 58 of the same standard, provided that the disclosure of details of indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total

  the requirements in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment
  - paragraph 118(e) of IAS 38 Intangible Assets
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of Assets

2. Accounting Policies (continued)

Basis of consolidation

The Group financial statements consolidate the results of Quantum Exponential Group plc and its subsidiary undertakings for the year to 30 April 2024.

The financial statements of subsidiaries are prepared for the same reporting years using consistent accounting policies.

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The financial information of subsidiaries is included from the date that control commences until the date that control ceases. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial information.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accountimng estimates. It also requires mamagement to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, as disclosed in note 3.

Going concern

The Company and Group incurred a loss in the year and the previous year of £1,155,210 and £1,803,969 repectively.

In determining the basis for preparing the financial statements, management are required to consider whether the Group and Company can continue in operational existence for the foreseeable future, being a period of not less than twelve months from the date of the approval of the financial statements. The Directors have prepared forecasts of the Group's and Company's financial performance over the next twelve months from the date of this report.

The forecasts include assumptions regarding the opportunity funnel, growth plans, risks and mitigating actions. The Board are exploring a number of such opportunities which are available to the Group, and are confident that the required financing is available.

The Group's forecasts, assumptions and projections, taking account of sensitivities, support the conclusion that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, a period of not less than twelve months from the date of this report. The Group and Company, therefore, continues to adopt the going concern basis in preparing the financial statements.

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account the time value of money; allocates the transaction price to separate performance obligations on the basis of the relative standalone selling price of each distinct service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the service provided.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

2. Accounting Policies (continued)

Income tax

The tax expense comprises current and deferred tax. Tax currently payable, relating to corporation tax, is calculated on the basis of the tax rates and laws that have been enacted or substantively enacted as at the reporting date.

Deferred tax is recognised on all timing differences that have originated but not reversed at the reporting date. Transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future give rise to a deferred tax liability or asset. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expenses in tax assessments in years different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted as at the reporting date, and that are expected to apply to the reversal of the timing difference. The tax expense is recognised in the same component of comprehensive income or equity as the transaction, or other event, that resulted in the tax expense.

Deferred income tax assets are recognised only to the extent that, on the basis of all available evidence, it is deemed probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Current and deferred tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts, and there is the intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, and other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. An investment with a maturity of three months or less is normally classified as being short term. Bank overdrafts are shown within borrowing in current liabilities.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current

2 Accounting Policies (continued)

Investments and other financial assets

Investments and other financial assets, other than investments in subsidiaries undertakings, are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Investment in subsidiary undertakings are recorded at cost less any provision for impairment.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non- financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Impairment of financial assets

The Group recognises a loss allowance for expected credit loss on financial assets. The measurement of the loss allowance depends upon the Group’s assessment at the end of each reporting period as to whether the financial instrument’s credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain. Th Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of financial instrument.

2. Accounting Policies (Continued)

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rote specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Issued shares

Ordinary shares are classified as equity.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements.

Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below:

3. Critical accounting judgements, estimates and assumptions (continued)

Investment valuation

The Group has a number of investments in unlisted entities whereby their valuation is determined in whole or in part using valuation techniques based on assumptions that are not supported by prices from observable market transactions in the same instrument and not based on available observable data and therefore involves a degree of judgement and estimation by Directors.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

4. Operating segments

For management purposes, the Group is organised into a single geographic area from which the Group operates, namely, the UK and it is this operating segment for which the Group is providing disclosure. The chief operating decision maker is the Board of Directors, which assesses the performance of the operating segments using key performances: turnover, operating profit and net asset position.

Revenue by business activity (All UK) is analysed below. No additional disclosure of results and net asset has been made since, in the opinion of the Board, there is only one operating segment.

	2024 £	2023 £
Management and arrangement fees	**82,377**	**20,045**
Total revenue	**82,377**	**20,045**

5. Profit/(loss) before tax for the period

Profit/(loss) before tax for the period has been arrived at after charging/(crediting):

	2024 £	2023 £
Exchange loss/(gain)	**(5,287)**	(713)
Auditor's remuneration	**12,000**	12,000
Staff costs	**447,241**	301,508

Quantum Exponential Group plc
Notes to the financial statements
For the year ended 30 April 2024

6. Auditor's Remuneration

	2024 £	2023 £
Audit services		
Fees payable to the Group's auditor for the audit of the Group's annual accounts	12,000	12,000
Total audit fees	12,000	12,000

7. Staff costs

The average monthly number of employees (excluding non-executive directors) was:

	2024 Number	2023 Number
Directors (executive)	3	2
Other employees	-	1
	3	3

Their aggregate remuneration comprised:

	2024 £	2023 £
Wages and salaries	376,667	247,575
Social security costs	49,574	32,433
Pension scheme contributions	21,000	21,500
	447,241	301,508

The total Directors' emoluments (including non-executive directors' remuneration of £42,000) was £418,667. The aggregate value of contributions paid to money purchase pension schemes was £21,000 in respect of two directors.

The highest paid director received emoluments of £115,000 and amounts paid to money purchase pension schemes was £nil.

Key management comprise the Executive Directors.

8. Finance income

	2024 £	2023 £
Interest income	11,260	8,233
Total finance income	11,260	8,233

9. Tax

Recognised in the income statement.

	2024 £	2023 £
Current tax credit:		
UK corporation tax on losses in the period	-	-
Total current tax	-	-
Deferred tax:		
Capital gains/(losses)	-	(271,954)
Losses	-	
	-	150,142
Total deferred tax	-	**(121,812)**
Total tax charge in income statement	-	**(121,812)**

Tax rate changes

Up to 31 March 2023 the standard rate of UK corporation tax was 19%. From 1 April 2023 the standard rate of UK corporation tax increased e to 25%.

Reconciliation of tax credit

The charge for the period can be reconciled to the profit in the income statement as follows:

	2024 £	2023 £
Profit/(loss) before tax	**(1,155,210)**	(1,925,781)
Tax at the UK corporation tax rate of 25%	**(288,803)**	(365,898)
Expenses not deductible	**12,644**	2,778
Fair value gains not allowable/(taxable)	**26,501**	210,556
Increase in UK potential tax losses	**249,658**	152,564
Deferred tax charge		
Total tax charge for the period	-	(121,812)

Quantum Exponential Group plc
Notes to the financial statements
For the year ended 30 April 2024

10. Profit/(loss) per share

The calculation of the basic earnings per share is based on the following data:

Profit/(loss)	**2024 £**	**2023 £**
Profit / (Loss) for the purposes of basic profits per share being net profit attributable to owners of the Group	**(1,155,210)**	**(1,803,969)**

Number of shares	**2024 Number**	**2023 Number**
Weighted average number of ordinary shares for the purposes of basic profits/**(loss)** per share	**311,475**	**311,475**

	2023	**2022**
Basic (p)	(0.004)p	(0.006)p

The calculation of the diluted earnings per share is based on the following data:

Profit/(loss)	**2024 £**	**2023 £**
Profit / (loss)for the purposes of basic profits per share being net profit attributable to owners of the Group	**(1,155,210)**	**(1,803,969)**

Number of shares	**2024 Number**	**2023 Number**
Weighted average number of ordinary shares for the purposes of diluted profits/(loss) per share	**316,475**	**369,586,666**

	2024	**2023**
Basic (p)	(0.004)p	(0.005)p

11. Trade and other receivables

Receivable within one year:

	Group 2024 £	**Group 2023 £**	**Company 2024 £**	**Company 2023 £**
Trade receivables	**47,108**	**-**	**47,108**	**-**
Other receivables	**25,385**	20,002	**25,385**	20,002
Prepayments	**11,988**	11,875	**11,988**	11,875
Current tax assets	**10,552**	19,448	**10,552**	19,448
	95,033	51,325	**95,033**	51,325

The expected maturity date of other receivables is 1 to 3 months.

Quantum Exponential Group plc
Notes to the financial statements
For the year ended 30 April 2024

12. Trade and other payables

Payable within one year:

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Trade payables	21,4782,84	53,782	21,478	53,782
Other payables	9	14,174	2,849	14,174
Accruals	44,500	18,334	44,500	18,334
Deferred income	6,874	2,998	6,874	2,998
Amounts owed by group companies			2,462,500	2,462,500
	75,701	**89,288**	**2,538,201**	**2,551,788**

The contracted maturity date of trade and other payables is 1 to 3 months.

13. Deferred tax

	Group 2024 £	Company 2024 £
30 April 2023	-	-
Change in period	-	-
30 April 2024	-	-

Elements of deferred tax are as follows:

	Group 2024 £	Company 2024 £
Capital gains/(losses)	-	-
Losses and other deductions	-	-
	-	-

14. Share capital

	£
Authorised:	
500,000,000 Ordinary shares of £0.01 each	**5,000,000**
Allotted, called up and fully paid:	
Balance at 30 April 2024 and 30 April 2023 328,375,000 Ordinary shares of £0.01 each	**3,283,750**

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

15. Warrants

In the financial period ending 30 April 2022 the Company issued warrants to the investors in the IPO and they were issued at no cost. The Company had 58,111,666 investor warrants in circulation at an exercisable price of 7.5p per share for two years following admission. The warrants expired on the 31st October 2023.

Date of grant	Date of expiry	Exercise price	Number of warrants			
			Granted	Exercised	Lapsed	Unexercised at year-end
01-11-21	31-10-23	7.5p	58,111,666	-	58,111,666	-
			58,111,666	**-**	**58,111,666**	**-**

16. Financial assets

Summary of financial assets

	2024 £	2023 £
Non-Current		
Investments in financial assets designated at fair value through profit or loss	**2,279,315**	**2,085,318**
	2,279,315	**2,085,318**

Analysis of movement of non-current investments

Financial assets designated at fair value through profit or loss	2024	**2023 £**
Non – Current		
Brought forward at 1 May 2023	**2,085,318**	**1,993,512**
Purchases during the year	**300,000**	**1,199,996**
Gifted shares during the year	**-**	**-**
Net unrealised gain / (loss) in fair value	**(106,003)**	**(1,108,190)**
Fair value of investments carried forward	**2,279,315**	**2,085,318**

17. Investments in subsidiary undertakings

Subsidiary undertakings

	2024 £	**2023 £**
1 May 2023	2,462,500	2,462,500
Additions	4,666	-
30 April 2024	**2,467,166**	**2,462,500**

At the reporting date the Company had the following investments in subsidiary undertakings whose registered office is situated at 16 Queen Street, London, England, WC2B 5DG.

17. Investments in subsidiary undertakings (continued)

Undertaking	Country of incorporation	Class of shares	Proportion of shares held	Nature of business
Quantum Exponential Limited	England	Ordinary	100%	Dormant subsidiary
Quantum Exponential EBT Limited	England	Ordinary	100%	Acting as a nominee for the Quantum Exponential Group plc Employee Benefit Trust
Quantum Exponential Limited	Denmark	Ordinary	100%	Dormant subsidiary

At 30 April 2024, The Quantum Exponential Group plc Employee Benefit Trust holds 16,900,000 ordinary shares in Quantum Exponential Group plc. Based on the quoted market price at 30 April 2024 of £0.0075 these shares were valued at £126,750.

18. Financial instruments

IFRS 9 requires the Group to classify financial instruments at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

(a) Financial instruments classified as level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm’s length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise equity investments classified as trading securities or available-for-sale

(b) Financial instruments classified as level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

- quoted market prices or dealer quotes for similar instruments.
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the end of the reporting period, with the resulting value discounted back to present value.
- other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

(c) Financial instruments classified as level 3

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) and determined by using valuation techniques. which require significant adjustment based on unobservable inputs are included in level 3.

The determination of what constitutes observable requires judgement by the Group. The Group considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

For financial instruments classified as level 3 the Group uses a combination of internal and external valuations. Where management determines an external valuation is appropriate the group engages with professional service providers. Specific valuation techniques include:

- Market approach (utilising EBITDA or Revenue multiples, industry value benchmarks and available market prices approaches);
- Net asset approach;
- Income approach (utilising Discounted Cash Flow, Replacement Cost and Net Asset approaches);
- Desktop valuations based on price of a recent transaction when transaction price/cost is considered indicative of fair value; and
- Actuarial valuations using Monte Carlo, Black Scholes and adjusted binomial models.

18. Financial instruments (continued)

The following table presents the Group's assets that are measured at fair value at 30 April 2024:

	Level 1 £	Level 3 £	Total £
Held at fair value			
At 1 May 2023	179,359	1,905,959	2,085,318
Additions during the year	-	300,000	300,000
FV adjustment	(106,003)	-	(106,003)
At 30 April 2024	73,356	2,205,959	2,279,315
Net book value **At 30 April 2024**	73,356	2,205,959	2,279,315

There were no transfers between levels during the year.

Financial Instruments

Financial risk management objectives

The Group uses a limited number of financial instruments comprising mainly of cash and investments in companies. The Group has other financial instruments such as trade and other receivables and payables, that arise directly from operations.

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Financial assets				
Shares	2,279,315	2,085,318	2,279,315	2,085,318
Cash at bank	344,623	1,665,463	339,957	1,665,463
Other receivables excluding taxation	83,480	31,877	83,480	31,877
Total	**2,707,418**	**3,782,658**	**2,702,752**	**3,782,658**
Financial liabilities				
Other payables	66,122	74,890	2,528,622	2,537,390
Total	**66,122**	**74,890**	**2,528,622**	**2,537,390**

The Directors consider the carrying amounts of financial assets and financial liabilities recognised in the financial statements to approximate their fair value.

18. Financial instruments (continued)

Exposure to currency, credit, liquidity and interest rate risk arise in the normal course of the Group's business. The Directors review and agree policies for managing each of these risks to minimize potential adverse effects on the Group's financial performance. Sensitivity analysis indicates none are likely to have a material impact on the profitability or net assets of the Group.

Foreign currency risk

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency.

The Group is exposed to foreign currency risk in that it holds options over shares that are denominated is US dollars. At 30 April 2024 these options were valued at $ 91,997.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company.

The maximum exposure to credit risk is limited to the carrying amount of the financial assets recognised at the reporting date net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Generally, trade and other receivables are written off when there is no reasonable expectation of recovery.

Interest rate risk

The Group is not exposed to material interest rate risk. The Group finances its operations through cash reserves. The cash reserves held by the Group are with a major bank and have negated the need to use significant interest-bearing short-term borrowings.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Fair value risk

The aggregate net fair value and carrying amounts of all other assets and liabilities, including financial assets and financial liabilities, are disclosed in the Statement of Financial Position and the Notes.

Capital risk factors

The Group's primary source of capital is equity. The Board considers that a key operating risk is insufficient working capital to fund the planned growth of the Group. Funding is regularly assessed against forecasts and managed accordingly to minimize this risk. The Group is not subject to any externally imposed capital requirements.

Market risk

The Group may be affected by general market trends, which are unrelated to the performance of the Group itself.

Market opportunities targeted by the Group may change and this could lead to an adverse effect upon its revenue and earnings.

19. Capital management

The Group's objectives when managing capital are to safeguard the ability of the Group 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.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group monitors capital on the basis of the debt to capital ratio. Net debt is calculated as total debt (as shown in the statement of financial position) less cash and cash equivalents. Capital comprises all components of equity. The debt to capital is set out in the table below. The Group does not have a net debt position.

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Debt	75,701	89,288	2,538,201	2,551,788
Cash and cash equivalents	(344,623)	(1,665,463)	(339,957)	(1,665,463)
Net surplus / (deficit)	268,922	1,576,175	(2,198,244	(886,325)
Total equity	**2,643,270**	3,712,888	**2,643,270**	3,712,888

20. Reserves

Share premium

The share premium reserve represents the additional amount shareholders paid for their shares in excess of the par value less any transaction costs associated with the share issue.

Capital contributions

The capital contributions reserve represents the value of shares gifted to the Company.

Merger reserve

The merger reserve reflects the movement arising on the acquisition of the subsidiaries undertakings.

Other reserve

Other reserves represent investment in the Company's own shares by the Employee Benefit Trust (EBT).

Share based payment reserve

The share based payment reserve represents the fair value of options granted in the year.

21. Related party transactions

At 30 April 2024 the Company owed £2,462,500 to a subsidiary undertaking. This amount is eliminated on consolidation.

22. Director's transactions

There were no transactions with Directors during the period.

23. Events after the balance sheet date

On 30 October 2024, the Company de-listed from the AQUIS market. There have been no further events after the reporting date that require adjustment or disclosure in line with IAS10 events after the reporting period.

24. Ultimate controlling party

There is no single controlling party.

25. Share based payments

Options were granted to a director over 5m shares in the company at nil cost with vesting period of 12 months service from 1 July 2023 to 30 June 2024. The options were valued using a Black Scholes Model to arrive at a total charge of £114,217, £85,662 of which was recognised in the current year. On 19 June 2024, 5m shares were issued to the director.

Inputs into the black sholes model were as follows:

- Share price: £0.0238
- Volatility: 50%
- Risk free rate of return: 4.43%
- Expected option life: 1 year