

LuxAG partners with Arqit and Traxpay to finance digital negotiable instruments

LONDON, April 03, 2024 (GLOBE NEWSWIRE) -- Arqit Quantum Inc. (Nasdaq: ARQQ, ARQQW) (Arqit), Traxpay GmbH (Traxpay) and Lux Kapitalmarkt Management AG (LuxAG), have entered into a trade and supply chain financing partnership for Lux AG to invest in digital negotiable instruments (DNIs), enabling businesses to use DNIs to get easy access to new pools of working capital.

Leveraging Arqit's TradeSecure™ application that generates highly secure DNIs, Traxpay's superior supply chain finance (SCF) technology, and LuxAG's liquidity management solutions, this partnership will deliver much needed liquidity to the SCF market.

LuxAG is a Luxembourg based one-stop-shop service provider for capital market-oriented transactions, with a focus on the structuring and implementation of capital market-oriented transactions. LuxAG facilitates transactions between institutional investor and corporates in search for efficient working capital financing.

Arqit's first-of-its-kind technology delivers unique, referenceable and transferable digital finance instruments which have broad commercial application and enable businesses to get closer to pools of available liquidity and improve their cash flows. Arqit is a world leader in complying with the new standards, by completed legal review, and in making them provably secure.

Traxpay's Dynamic Financing Platform® integrates with corporate clients' ERP systems and enables the use of digital negotiable instruments, in the form of Promissory Notes, for Post Maturity Financing, paying suppliers on time while settling their obligation to LuxAG on extended terms. Clients can elect to combine Post Maturity Financing with Dynamic Supplier Financing, paying suppliers early in return for a discount, again with liquidity on demand provided by LuxAG.

David Williams, Founder of Arqit said:

"We are delighted to collaborate with LuxAG and our long-term partner Traxpay to help deliver much needed liquidity to support regional and global supply chains, DNIs enable forward-looking businesses to access and deliver supply chain finance liquidity in real time, with absolute assurance for document integrity, acceptance and transfer – all without undermining their existing terms of trade."

Markus Wohlgeschaffen, Traxpay MD Markets & Sales said:

"Without forward-thinking fund managers like LuxAG we couldn't bring together this offering that will allow us to deliver much needed trade liquidity solutions through non-bank financiers into numerous markets across industry verticals including retail, manufacturing and engineering."

Mihail Belostennyj, LuxAG Managing Director said:

“We always aim for the most efficient solutions for our corporate clients while creating sophisticated structures to meet the high demands of institutional investor. Backed by Arqit’s robust security and Traxpay’s superior technology, we have the confidence to lend using digital negotiable instruments. This partnership will enable us to enlarge our offering of efficient financing solutions”.

About Arqit

Arqit Quantum Inc. (Nasdaq: ARQQ, ARQQW) (Arqit) supplies a unique encryption software service which makes the communications links of any networked device, cloud machine or data at rest secure against both current and future forms of attack on encryption – even from a quantum computer. Compatible with NSA CSfC Components and meeting the demands of NSA CSfC Symmetric Key Management Requirements Annexe 1.2. and RFC 8784, Arqit’s Symmetric Key Agreement Platform uses a lightweight software agent that allows end point devices to create encryption keys locally in partnership with any number of other devices. The keys are computationally secure and facilitate Zero Trust Network Access. It can create limitless volumes of keys with any group size and refresh rate and can regulate the secure entrance and exit of a device in a group. The agent is lightweight and will thus run on the smallest of end point devices. The product sits within a growing portfolio of granted patents. It also works in a standards compliant manner which does not oblige customers to make a disruptive rip and replace of their technology. Arqit is winner of two GSMA Global Mobile Awards, The Best Mobile Security Solution and The CTO Choice Award for Outstanding Mobile Technology, at Mobile World Congress 2024, recognised for groundbreaking innovation at the 2023 Institution of Engineering and Technology Awards and winner of the National Cyber Awards’ Innovation in Cyber Award and the Cyber Security Awards’ Cyber Security Software Company of the Year Award. Arqit is ISO 27001 Standard certified. www.arqit.uk

About Arqit TradeSecure™

Arqit TradeSecure™ enables the creation, safekeeping and secure transfer of Digital Negotiable Instruments (DNIs). DNIs are secure digital forms of well established, globally recognised paper trade finance instruments: e.g. Promissory Notes & Bills of Exchange. As a result of recent legislation DNIs now have the same legal standing as paper instruments and will be an integral part of 21st century corporate working capital solutions including supply chain and invoice finance.

TradeSecure improves business performance for everybody in the supply chain by:

- Freeing up working capital for Buyers to pass on to their Suppliers
- Allowing businesses to improve cash flow
- Driving down costs across the entire supply chain
- Generating a direct bottom line contribution for Buyers
- Providing end to end data transparency and a full transaction audit trail
- Making it easier for a range of Investors to provide much needed working capital finance
- Increasing security and reducing operational risk.

Arqit’s quantum-safe encryption technology provides a robust security solution, which harnesses our military-grade data encryption expertise. Secured by symmetric digital keys

and notarised on a quantum-secure ledger, DNIs can be created, transferred and stored in a fully auditable and secure manner throughout their lifecycle. tradeseecure.arqit.uk

About Traxpay

Traxpay is a tradetech company providing working capital optimisation using a comprehensive suite of supply chain finance instruments. The Traxpay Dynamic Financing Platform[®] offers combined solutions for payables, receivables and payment risk management. They practice upcycled financing using negotiable financing instruments in their digital form, taking care of payment, financing and hedging in one.

Established financial institutions such as Deutsche Bank, DZ Bank, Nord/LB, LBBW and KfW IPEX-Bank trust Traxpay's financing solution and maintain strategic partnerships with the company.

About LuxAG

LuxAG is a management company and operates a Luxembourg securitisation vehicle. LuxAG has over 15 years of experience in structuring and managing capital markets transactions for institutional investors. LuxAG service offering suite includes off-balance sheet securitisation solutions, product and portfolio-management, risk management, payment processing, credit analysis, credit enhancement solutions, and NAV calculations. LuxAG operates a securitisation vehicle in Luxembourg.

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Caution About Forward-Looking Statements

This communication includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, may be forward-looking statements. These forward-looking statements are based on Arqit's expectations and beliefs concerning future events and involve risks and uncertainties that may cause actual results to differ materially from current expectations. These factors are difficult to predict accurately and may be beyond Arqit's control. Forward-looking statements in this communication or elsewhere speak only as of the date made. New uncertainties and risks arise from time to time, and it is impossible for Arqit to predict these events or how they may affect it. Except as required by law, Arqit does not have any duty to, and does not intend to, update or revise the forward-looking statements in this communication or elsewhere after the date this communication is issued. In light of these risks and uncertainties, investors should keep in mind that results, events or developments discussed in any forward-looking statement made in this communication may not occur. Uncertainties and risk factors that could affect Arqit's future performance and cause results to differ from the forward-looking statements in this release include, but are not limited to: (i) the outcome of any legal proceedings that may be instituted against the Arqit, (ii) the ability to maintain the listing of Arqit's securities on a national securities exchange, (iii) changes in the competitive and regulated industries in which Arqit operates, variations in operating performance across competitors and changes in laws and regulations affecting Arqit's business, (iv) the ability to

implement business plans, forecasts, and other expectations, and identify and realise additional opportunities, (v) the potential inability of Arqit to successfully deliver its operational technology, (vi) the risk of interruption or failure of Arqit's information technology and communications system, (vii) the enforceability of Arqit's intellectual property, and (viii) other risks and uncertainties set forth in the sections entitled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" in Arqit's annual report on Form 20-F (the "Form 20-F"), filed with the U.S. Securities and Exchange Commission (the "SEC") on 21 November 2023 and in subsequent filings with the SEC. While the list of factors discussed above and in the Form 20-F and other SEC filings are considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realisation of forward-looking statements.



Source: Arqit