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Arqit signs a Cooperative Research and Development Agreement (CRADA) with United States Air Force (USAF)

Demonstration of QuantumCloud™ to prove viability of Quantum Encryption to government users

LONDON, Feb. 04, 2022 (GLOBE NEWSWIRE) -- Arqit Limited ("Arqit"), a leader in quantum encryption technology, has signed a new Cooperative Research and Development Agreement (CRADA) with the US Air Force's (USAF) Research Laboratory, Directed Energy Directorate, Space Electro-Optics Division.

The CRADA will demonstrate the interoperability and performance of Arqit's QuantumCloud™ platform for defence use cases. When the Arqit platform is upgraded to include quantum satellites, the space-to-ground quantum encryption links will also be examined in order to prove the viability of high bit-rate global quantum encryption to the USAF and the Department of Defence (DoD) end-points.

Under the agreement, a variety of performance measures and interoperabilities will be examined to demonstrate and validate the contribution that QuantumCloud™ can make to DoD facilities. The expected outcome of the CRADA is to prove viable quantum encryption services from a commercial platform to DoD infrastructure for USAF and wider DoD use cases.

Commenting on the CRADA, **Capt. Steven Long for the Air Force Research Laboratory said:** "The planned collaboration with Arqit under this agreement will highlight the performance and configurability of the Research Lab's ground to space quantum infrastructure. This opportunity provided by Arqit gives us the ability to demonstrate a quantum communications channel with a commercial partner and conduct various scientific research experiments at the same time. This is made possible by Arqit's advances in practical usability of quantum encryption in the private sector. By forming a relationship, we hope to remain at the cutting-edge of quantum technology, and highlight the important relationships we have with our international partners and allies."

Arqit Founder, Chairman and CEO David Williams said: "We are honoured to sign a CRADA with the USAF. They have a fantastic pedigree for embracing and developing pioneering technology and given its lead status in areas like directed energy, cyber warfare, and Joint All-Domain Command and Control (JADC2), the USAF is the perfect partner for us not only in developing applications for US Government users but also for other Five-Eyes partners."

Arqit has solved all the known problems of QKD and has gone further to establish a method to translate the benefits of quantum keys to end-points using a new software crypto system, which may have significant benefit in solving the security layer problem evident in plans for achieving and securing decision advantage in Joint All-Domain Command and Control.

About Arqit

Arqit supplies a unique quantum encryption Platform-as-a-Service which makes the communications links of any networked device secure against current and future forms of attack – even from a quantum computer. Arqit's product, QuantumCloud™, enables any device to download a lightweight software agent, which can create encryption keys in partnership with any other device. The keys are computationally secure, optionally one-time use and zero trust. QuantumCloud™ can create limitless volumes of keys in limitless group sizes and can regulate the secure entrance and exit of a device in a group. The addressable market for QuantumCloud™ is every connected device.

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About United States Air Force

The Air Force Research Laboratory (AFRL) is the primary scientific research and development center for the Department of the Air Force, within the U.S. Department of Defence. AFRL plays an integral role in leading the discovery, development, and integration of affordable warfighting technologies for the air, space, and cyberspace force. With a workforce of more than 11,500 across nine technology areas and 40 other operations across the globe, AFRL provides a diverse portfolio of science and technology ranging from fundamental to advanced research and technology development. For more information, visit: www.afresearchlab.com.

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) risks that the business combination disrupts Arqit's current plans and operations, (ii) the outcome of any legal proceedings that may be instituted against the Arqit related to the business combination, (iii) the ability to maintain the listing of Arqit's securities on a national securities exchange, (iv) changes in the competitive and regulated industries in which Arqit operates, variations in operating performance across competitors, changes in laws and regulations affecting Arqit's

business and changes in the combined capital structure, (v) the ability to implement business plans, forecasts, and other expectations after the completion of the business combination, and identify and realize additional opportunities, (vi) the potential inability of Arqit to convert its pipeline or orders in backlog into revenue, (vii) the potential inability of Arqit to successfully deliver its operational technology which is still in development, (viii) the risk of interruption or failure of Arqit's information technology and communications system, (ix) the enforceability of Arqit's intellectual property, and (x) 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, filed with the U.S. Securities and Exchange Commission (the "SEC") on December 16, 2021 and in subsequent filings with the SEC. While the list of factors discussed above and the list of factors presented in the final prospectus 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 realization of forward-looking statements.

Source: Arqit