

Arqit and NEOM Enter Into Agreement to Build and Trial 'Cognitive City' Quantum Security System

- *New system aims to protect all users, transactions, devices, and data across cognitive cities worldwide.*
- *Software will be designed to defend cognitive cities against cyber-attacks.*
- *Once tested at NEOM the system has global export potential.*

LONDON--(BUSINESS WIRE)-- [Arqit Quantum Inc.](#) ("Arqit") and [NEOM Tech and Digital Company](#) (via its affiliate, NEOM Company) have entered a Memorandum of Understanding (MOU) today to build and trial the 'Cognitive City' quantum security system.

This press release features multimedia. View the full release here:
<https://www.businesswire.com/news/home/20211208005145/en/>

This trial will see the two organisations develop new software capable of defending cognitive cities against cyber-attacks from the most advanced computers to emerge in coming years.

The transformational quantum system will be built and tested at NEOM, the cognitive city – not just a 'smart' city that uses tech ad hoc, but a city built from the ground up, with AI woven into its fabric, that monitors the city's use and seeks to constantly improve citizens' lives.

Pending a successful trial in NEOM during the first half of 2022, the system could be exported to other cognitive cities around the world, offering billions of users a highly secure means to authenticate, identify and secure all forms of devices while fully guaranteeing their privacy.

Arqit Founder and Chairman, David Williams, said: "For the world to progress, people and businesses across all parts of the economy must be able to make costless, instant transfers, and seamless transactions, as well as have instantaneous access to all their information, and control who uses it and when.

"However, technology cannot be trusted until the cyber security threats of today and tomorrow are fully addressed. That's what Arqit has achieved with our new distributed ledger technology (DLT), Quantum Blockchain, designed to deliver financial payments and smart contracts in a way that is sustainable, energy-efficient and can manage instantaneous transactions at close to zero cost.

"NEOM is without doubt leading the world in the development of cognitive communities, and therefore the perfect launch partner for this technology."

Mansoor Hanif, Executive Director of Emerging Technologies for NEOM's Technology and Digital Company, said: "At NEOM, we strive to accelerate human progress every single day and we are excited to trial the world's first quantum secure cognitive city system.

“While blockchain-based technologies are making rapid progress around the world, many solutions have a negative impact on the climate and are not ready for a quantum future. It is essential that NEOM’s infrastructure is both quantum safe and energy efficient.”

As a result of Arqit’s technology, processing cycles are reduced by an estimated 99% compared with alternative non-quantum safe encryption. The blockchain-based system is also extremely energy-efficient.

Arqit's clients include British Telecom, Sumitomo Corporation, the UK Government, the US Government, Northrop Grumman and Honeywell, among others.

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 of less than 200 lines of code, which can create encryption keys in partnership with any other device. The keys are computationally secure, 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.

About NEOM Tech & Digital Company

NEOM Tech & Digital Company was founded in 2021 as the first subsidiary to be established out of NEOM, a region in Saudi Arabia charting the course for a new future fuelled by technology. It was created to power the world’s first ecosystem of cognitive technologies and, in partnership with global industry leaders, it aims to co-invent the future of living.

For further information visit: <https://www.neom.com/en-us/sectors/technology-and-digital>

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 final prospectus relating to the offer and sale of shares and warrants by certain selling securityholders named therein, filed with the U.S. Securities and Exchange Commission (the "SEC") on October 12, 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.

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