

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO OR FROM THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, OR SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DISTRIBUTE THIS ANNOUNCEMENT.

7th February 2022

Quantum Exponential Group plc
(the 'Company' or 'Quantum Exponential')

Investee Update – Arqit Quantum Inc. ('Arqit')

Arqit Signs Agreement with United States Airforce to prove the viability of Quantum Encryption

Quantum Exponential Group plc (AQUIS: QBIT), a company focused on investing in quantum technology, notes that on 4th February Arqit Quantum Inc. (NASDAQ: ARQQ), a global leader in quantum encryption technology and a company which Quantum has an option to be transferred 199,993 ordinary shares, announced that it had signed a Cooperative Research and Development Agreement ('CRADA') with United States Air Force ('USAF'.) The agreement aims to demonstrate the functionality of Arqit's QuantumCloud™ and prove the viability of quantum encryption to government users.

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.

Under the agreement, a variety of performance measures and interoperability 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 user cases.

Commenting on the agreement Steven Metcalfe, CEO of Quantum Exponential Group, said:

"Cybersecurity remains one of the biggest threats to our world today. We believe that quantum technology, and quantum encryption, in particular, will have a pivotal role in addressing that threat and that companies such as Arqit and its QuantumCloud™ technology will lead the way".

A full copy of Arqit's announcement can be viewed the following link: <https://arqit.uk/news/press-releases/>

This announcement contains information which, prior to its disclosure, was inside information as stipulated under Regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310 (as amended).

The Directors take responsibility for this announcement.

****ENDS****

For more information, visit the Company's website: www.quantum-exponential.co.uk

For further information please contact:

Quantum Exponential Group Plc Steven Metcalfe, Chief Executive Officer	Tel: c/o +44 (0)207 236 1177
Novum Securities (AQSE Corporate Adviser) David Coffman, Lucy Bowden	Tel: +44 (0)20 7399 9400
Oberon Capital (Broker) Mike Seabrook, Chris Crawford, Robert Hayward	Tel: +44 (0)20 3179 5344
St Brides Partners Limited (Financial PR) Catherine Leftley, Ana Ribeiro, Isabelle Morris	Tel: +44 (0)207 236 1177

Notes to Editors

About Quantum Exponential Group plc

Quantum Exponential is a first of its kind, AQSE Growth Market SPAC, focused on opportunities in quantum technology and the wider quantum computing sector, with an advisory board made up of industry advisors, entrepreneurs, and technology investment professionals with broad access to quantum opportunities and markets. Quantum Exponential's investment strategy is to assemble a portfolio of minority investments in early-stage global quantum technology companies, primarily in NATO allied countries, offering institutional and private investors access to revolutionising technologies and industries in the realms of artificial intelligence, manufacturing and healthcare.

Quantum Exponential trades on AQSE Growth Market under the ticker symbol "QBIT".

About Arqit Quantum Inc.

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. Arqit trades on Nasdaq under the ticker symbols 'ARQQ' and 'ARQQW'.

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 Defense. 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.