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1 March 2022

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

Quantum Exponential Announces First Investment

Investee company Siloton's technology aims to reduce the effect of macular disease, one of the UK's biggest causes of sight loss

Quantum Exponential Group plc (AQUIS:QBIT), a company focused on investing in quantum technology is pleased to announce that it has invested c.£300,000 as part of a c.£470,000 seed funding round in Siloton Limited ('Siloton') (the 'Funding'), 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.

Highlights:

- Quantum Exponential's first quantum technology equity investment since listing in November 2021
- Investment in disruptive health-tech company utilising quantum techniques
- Siloton uses quantum-aligned technology to create a new generation of equipment that is used as part of a service to monitor disease status of those with age related macular degeneration
- Market for monitoring of age-related macular degeneration expected to reach some 288 million patients by 2040²
- PICs at the forefront of optical diagnostic imaging technologies
- Potential positive impact on patients with age-related macular degeneration with robust in-home measurement of eye health, with PIC technology used as an early indicator of other health issues, and significant economic benefits by extension
- Siloton is led by an experienced management team with technical and commercial knowledge in quantum technologies and biomedical imaging, including Ian Reid the ex-CTO of QinetiQ

Following the investment, Quantum Exponential will hold 2,752 ordinary shares in Siloton representing 12.79% of Siloton's enlarged issued share capital. The funds invested by the Company will be used for further development of the product to technical validation and to expand the team and this funding round is intended to get Siloton beyond its next significant product development milestone.

Quantum Exponential's investment is accompanied by investment from an impact-focussed fund alongside value-add angels including two ophthalmologists, two software specialists, and entrepreneurs in the ophthalmic services and consumer-tech spaces.

Siloton will initially focus on advancing the development of a technology called Optical Coherence Tomography ('OCT') for the assessment of age-related macular degeneration ('AMD'), a condition that if untreated can lead to blindness and is estimated to affect 600,000¹ people currently in the UK and some 288 million patients worldwide by 2040².

Commenting on its first investment, CEO of Quantum Exponential Group, Steven Metcalfe said: *"I am thrilled to be announcing Quantum Exponential's inaugural investment following its admission to AQSE late last year, leading this funding round in Siloton. This marks a milestone moment for the company as we deploy funds into revolutionary quantum technology-based companies which are not ordinarily accessible to investors.*

"This is our first investment to sit alongside our option to acquire shares in Arqit Quantum. We have a number of advanced discussions ongoing with potential investee companies and I look forward to updating shareholders as these discussions come to fruition.

"According to the Macular Society there is an estimated 1.5 million affected by macular disease in the UK³. Siloton's PIC system will, in due course, address a significant market with AMD only becoming more prevalent as populations age. The team at Siloton are experts in the design and use of PICs and as such we expect their use in several applications across healthcare as well as a wide range of non-destructive testing applications ranging from agriculture to art restoration. We are excited to be an early investor in this company and look forward to supporting Siloton in their journey, both financially and commercially."

Siloton has identified that the largest market ready to be disrupted is in the delivery of eye-care assessments in the health-tech sector. In the UK, ophthalmology is largely considered to be in crisis and AMD contributes to this, costing the UK £1.6bn annually¹. Currently, once patients are diagnosed, they must attend near-monthly monitoring appointments, and this represents a significant strain on diagnostic imaging resources for hospitals. Siloton's innovation is to use a PIC-based diagnostic imaging system, resulting in a price-point and level of portability that enables units to be installed in the homes of patients. This will allow care-providers to deliver personalised treatment schedules in the community, optimising care and reducing pressure on clinic-based assessments.

Dr Alasdair Price, Siloton's CEO, explains: *"OCT is a technique used to non-invasively image the retina, however current OCT scanners are large, fragile and very expensive, meaning they are confined to specialist environments. Siloton is developing a new generation of PIC-based OCT, where light is actively guided within a monolithic chip. This means our device will be smaller, more robust and less expensive than current OCT scanners. The Siloton team is using proprietary PICs to develop an advanced hand-held imaging device, providing patients with 24/7 access to diagnostic imaging. This will enable personalised disease management with results automatically sent via the cloud to their ophthalmologist. In doing so, we will be reducing the delay between a patient needing treatment and them receiving medication, potentially down to as little as a few hours. This has the effect of limiting the time window for irreversible damage to the eye, allowing patients with AMD to maintain their vision for longer".*

¹ <https://www.ucl.ac.uk/iao/news/2016/nov/millionsacross-uk-will-go-blind-2050-warns-new-report>

² <https://www.brightfocus.org/macular/article/age-related-macular-facts-figures#:~:text=degeneration%20is%20widespread,As%20many%20as%2011%20million%20people%20in%20the%20United%20States,to%20288%20million%20by%202040>

³ <https://www.macularsociety.org/macular-disease/>

Siloton's product has been tested in the lab but the first year will be used to integrate the individual PICs into an OCT engine, including a full custom fabrication run. This will be used to demonstrate the first fully integrated hand-held OCT system for ophthalmology. The Siloton management team believe the use of next-generation OCT has a growing use to detect disease beyond visual health and there is the possibility of earlier revenue from supplying PICs to parallel markets such as non-destructive testing.

Siloton is led by an experienced management team with technical and commercial knowledge in quantum technologies and biomedical imaging, including Ian Reid the ex-CTO of QinetiQ as Non-Executive Chairman. Stuart Nicol, Quantum Exponential's CIO, will join the Board of Siloton as a Non-Executive Director in order to help the company develop commercially.

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 or contact:

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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 Siloton Limited

Siloton is developing an at-home monitoring service for the 25% of over 60's with macular disease. This service will reduce the burden of treatment and while helping patients retain their sight for longer. Siloton's service combines a next-generation diagnostic imaging device with cloud-based digital health tools that will enable clinicians to deliver an unparalleled quality of care to their patients.

Siloton was founded in April 2020 in Bristol, UK and is an alumnus of the Quantum Technologies Enterprise Centre (QTEC) incubator programme. At the core of Siloton's new generation of diagnostic imaging device is a photonic integrated circuit (PIC) that allows Siloton to realise order of magnitude reductions in size and cost while increasing device robustness.

To find out more, visit www.siloton.com or follow updates on Siloton's LinkedIn page.