

## Merger completed & deal with Juniper Networks

15 September 2021

Arqit Quantum Inc. has announced that it has signed a 'Technology Alliance Partner Connect' agreement with Juniper Networks (NYSE: JNPR market cap. US\$9.1bn) to explore network security technology to provide protection from quantum-based security threats.

**Demand** for network security has never been more pressing given the ever-present and increasingly frequent threat of cyber-attack. Improved active authentication of devices in order to protect data from even a quantum-based attack requires the use of software-defined networking and improved cryptographic key exchanges. Under the agreement Arqit and Juniper will explore how network providers can employ quantum-based secure key-exchange processes to ensure the integrity of communications networks.

**Juniper Networks** Vice President of Engineering, Domenico Di Mola, commented: "*Quantum encryption is a promising technology to help make networks more secure against threats now and into the future, and we are thrilled to be working with Arqit on these new innovations.*"

### Nasdaq listing

Arqit Limited completed its merger with Centricus Acquisition Corp. on 9 September and has been renamed **Arqit Quantum Inc.**

Its shares trade under the ticker symbol **ARQQ** and at their recent price of US\$13.6 the group's market capitalisation is US\$1.5bn. Arqit's Nasdaq presence and the cash received from the Centricus merger provide the basis to develop its proprietary quantum-based encryption offering. Indeed, the agreement with Juniper is an early example of the benefits of the profile created through the combination of Arqit's technology and its high-profile listing.

### Unique solution for vast cyber security market

**Arqit's encryption solution** is based on the properties of quantum physics to create number permutations that would take even a next-generation quantum computer millions of years to resolve. Its approach establishes a pair of quantum keys to encrypt and decrypt information which are created instantaneously rather than being held in a 'secure' location which is always at risk, however small, of being hacked.

As no 'trusted' secure location is required, Arqit's solution is 'trustless' and may be made available on a global scale and on any device. The core and focus of Arqit's proprietary offering is quantum-based encryption technology, however the global distribution of its quantum keys uses a satellite-based quantum key delivery (S-QKD) system which planned for deployment from 2023.

This development follows on from numerous industry collaborations. As announced in June 2021, Arqit established its **Federated Quantum System (FQS)** to meet governmental preferences for "Private Instances" access to secure cloud technology, involving many leading global corporates: **BT, Sumitomo Corporation, Northrop Grumman, Leonardo, QinetiQ Space N.V. and Honeywell.**

The group has already signed **over US\$130m** of contracts with telecoms, government, and defence firms, in addition to contracted proof-of-concept projects with major corporates. Arqit is further working to embed its software into the hardware and software of major network infrastructure vendors in fixed line and mobile communications. By doing this, it potentially opens very scalable global sales channels, and the company has previously indicated that it expects more projects likely to be forthcoming. This looks to be a sensible strategy to accelerate revenues.

**The market for data encryption is estimated by experts to reach c. US\$198bn by 2024.**

#### Description

Arqit is an innovative developer and provider of quantum-based encryption services based on its expertise in the combined fields of quantum cryptography, cyber security software and satellite technology.

It has turned deep tech into a platform-as-a-service offering which is software-light and highly scalable, with worldwide distribution capability.

Online sales target every vertical, with direct sales in initial specific sectors: telcos, defence, autonomous vehicles, and financial services.

Arqit has assembled a Management Team that is rich in technology skills and contacts with top-level decision takers in leading companies and government bodies.

An estimated market opportunity is \$198bn, as reflected in the current value and shares' rating of leading listed cybersecurity companies: over \$350bn and forward EV/revenue of 22.9x, respectively.

Contracts worth US\$130m have already been agreed, and the first software product release from Arqit was confirmed on 2<sup>nd</sup> August 2021.

#### Mike Jeremy (Analyst)

0207 065 2690

[mike.jeremy@equitydevelopment.co.uk](mailto:mike.jeremy@equitydevelopment.co.uk)

#### Andy Edmond

0207 065 2691

[andy@equitydevelopment.co.uk](mailto:andy@equitydevelopment.co.uk)



## Contacts

### Andy Edmond

Direct: 020 7065 2691

Tel: 020 7065 2690

[andy@equitydevelopment.co.uk](mailto:andy@equitydevelopment.co.uk)

### Hannah Crowe

Direct: 0207 065 2692

Tel: 0207 065 2690

[hannah@equitydevelopment.co.uk](mailto:hannah@equitydevelopment.co.uk)

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Equity Development, 15 Eldon Street, London, EC2M 7LD

Contact: [info@equitydevelopment.co.uk](mailto:info@equitydevelopment.co.uk) | 020 7065 2690