

## Centricus combination declared Effective by SEC

9 August 2021

Following unanimous approval by both companies' Boards, on 2 August Arqit announced that that the SEC has declared effective the registration statement in connection with the proposed combination of Arqit with NASDAQ-listed Centricus, a major step towards the final deal.

**SEC declares Effective.** The Securities and Exchange Commission has declared Effective the Registration Statement (Form F-4) concerning the combination of Arqit and Centricus (CENHU, CENH, CENHUW, current market capitalisation US\$428m). As noted in our Arqit report of 18 July ([Unbreakable quantum encryption: the 'holy grail'](#)) combining with NASDAQ-listed Centricus will give Arqit initial access to funds of up to approximately US\$400m with which to realise its plans, plus a quoted public market presence as *Arqit Quantum Inc.*, through which to promote its offering.

**Board approval and 31 August EGM.** Following unanimous approval of the combination by the Boards of both companies, Centricus will hold an EGM for shareholders at 0900 (ET) on 31<sup>st</sup> August to approve the associated proposals, details of which can be found in the prospectus available at <https://sec.report/CIK/0001859690>

**Centricus CEO Garth Ritchie** commented: *"We are pleased to be moving into the final stage of our proposed Business Combination which will bring Arqit to the public markets"*, noting, *"this transaction will enable Arqit to accelerate adoption of its encryption technology [QuantumCloud™ 1.0] which launched live for customers today"*.

**Arqit QuantumCloud™ 1.0 release.** On 2 August 2021 Arqit also announced release of the first version of its Platform-as-a-Service, QuantumCloud™ 1.0, which offers its clients secure communications channels and data for cloud-based, edge or end-point devices on a global basis. Arqit reports that the service was successfully tested with customers in Q2, with SDKs subsequently being shipped to customers. Combining Arqit's proprietary developments in quantum- and classical-based cryptography, QuantumCloud™ 1.0 creates instant pairs of (symmetric) keys between devices, placing decryption beyond the reach of even the most powerful computers (see our [18 July report](#)). Arqit plans a range of additional features in the coming quarters, leading up to the launch of its own satellite network targeted for 2023, which replaces the current terrestrial based QuantumCloud™ infrastructure.

**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, in collaboration with industry leaders: **BT, Sumitomo Corporation, Northrop Grumman, Leonardo, QinetiQ Space N.V. and Honeywell.**

**Centricus CEO Garth Ritchie concludes:** *"The cyber threat continues to escalate globally, with almost weekly headline-grabbing breaches of key technological infrastructure in the public and private sectors - Arqit's ability to deliver symmetric key encryption to any end-point users, coupled with company's ability to win blue chip customers, has allowed the board of Centricus Acquisition Corp. to **unanimously recommend** this transaction to shareholders. We believe that Arqit is set to deliver on its vision of becoming the future of encryption which will accelerate as the marketplace comprehends the imminent threat that quantum computers pose."*

Arqit has already signed **over US\$130m** of contracts with telecoms, government, and defence firms and has additional contracted proof-of-concept projects with major corporates. The market for data encryption is estimated by experts to reach c.US\$198bn by 2024. With Board and SEC approval, **a combination with NASDAQ-listed Centricus would give Arqit a well-timed base to access this sizeable opportunity for its proprietary quantum-based encryption technology.**

### Introduction

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: telecom operators, defence, autos 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 August 2021.

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