
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of May 2025

Commission File Number: 001-40777

ARQIT QUANTUM INC.
(Exact name of registrant as specified in its charter)

1st Floor, 3 Orchard Place
London, SW1H 0BF United Kingdom
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F ☒ Form 40-F ☐

EXPLANATORY NOTE

On May 22, 2025 Arqit Quantum Inc. (“**Arqit**”) Arqit reported its financial and operational results for the six months ended March 31, 2025. A copy of a press release Arqit issued in connection therewith entitled “Arqit Quantum Inc. Announces Financial and Operational Results for the First Half of Fiscal Year 2025,” is attached as Exhibit 99.1 hereto, Arqit’s unaudited condensed consolidated interim financial statements as of and for the six months ended March 31, 2025 are attached hereto as Exhibit 99.2 and management’s discussion and analysis of financial condition and results of operations for the six months ended March 31, 2025 is attached hereto as Exhibit 99.3.

On May 16, 2025, Arqit’s board of directors approved the appointment of chief executive officer Andrew Leaver as a Class II director, and the appointment of existing director Garth Richie as chairman. In connection with Mr. Leaver’s appointment, Nick Pointon agreed to tender his resignation as a director, however will continue to serve as Arqit’s chief financial officer. The changes to the board became effective on May 20, 2025.

Other than as indicated below, the information in this Report of Foreign Private Issuer on Form 6-K (including the exhibits hereto) shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act. The information furnished in Exhibit 99.2 and Exhibit 99.3 to this Report of Foreign Private Issuer on Form 6-K is hereby incorporated by reference into the Company’s registration statements on Form S-8 (File Nos. 333-262215, 333-275960 and 333-284706) and Form F-3 (File Nos. 333-268786, 333-259982 and 333-284343), and shall be a part thereof, to the extent not superseded by documents or reports subsequently filed or furnished.

EXHIBIT INDEX

Exhibit

No.

Description

99.1	Press release of Arqit Quantum Inc., dated May 22, 2025.
99.2	Unaudited Condensed Consolidated Interim Financial Statements as of and for the Six Months Ended March 31, 2025.
99.3	Management's Discussion and Analysis for the Six Months Ended March 31, 2025.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ARQIT QUANTUM INC.

By: /s/ Andrew Leaver

Name: Andrew Leaver

Title: Chief Executive Officer

Date: May 22, 2025

Arqit Quantum Inc.

Announces Financial Results for First Half of Fiscal Year 2025

London, UK – 22 May 2025

Arqit Quantum Inc. (Nasdaq: ARQQ) (“Arqit” or the “Company”), a global leader in quantum-safe encryption, announces financial results for the first half of fiscal year 2025.

- Consistent with management’s preliminary assessment of the expected range of revenue which was announced 4 April 2025, reported revenue for the first half period ended 31 March 2025 was \$67,000.
- As previously announced, Arqit was awarded a multi-year enterprise license contract in the EMEA region for a government end user, which was signed prior to the end of the 2024 fiscal year. Revenue generation was expected to commence early in the first half of fiscal year 2025. However, due to end customer delay, revenue generation did not commence until late March, adversely affecting revenue for the period. The original terms of the contract remain in effect and represent a multi-year enterprise license that is expected to result in seven figures in annual recurring revenue in total.
- Revenue for the first half of fiscal year 2025 was generated from 6 contracts. Two of the contracts which generated revenue during the period are multi-year contracts representing annually recurring revenue. Both contracts only commenced revenue generation immediately before the end of the fiscal period. Generally, Arqit’s go-to-market strategy is to sell software licenses to leading network operators, technology vendors and system integrators which in turn are sold to their end customers. Such a strategy is commonly called a B-2-B-2-B business model. Arqit’s initial license sale is for a defined use of its Arqit SKA-Platform™ (symmetric key agreement encryption solution). Arqit expects initial licenses to grow as licensees successfully sell quantum-safe cybersecurity solutions enabled by Arqit to their end customers.
- During the first half of fiscal year 2025, Arqit engaged in or completed demonstration and test activity with 6 telecom network operators and 17 other commercial enterprises and government related parties. Such activity is the initial step in the process toward potential licensing of the Arqit SKA- Platform™ solution.
- For the six months ended 31 March 2025, Arqit’s operating costs averaged \$2.4 million per month.
- The Company ended the period with cash and cash equivalents of \$24.8 million as of 31 March 2025.

Recent Important Developments

At the end of or shortly after the first half of the 2025 fiscal period, important developments occurred which merit highlighting.

- On 28 March, Arqit signed a contract associated with Arqit’s symmetric key agreement software embedded into a solution sold to the U.S. Department of Defense (DoD) for a funded program of record. The solution is in partnership with a large IT vendor to the DoD and was sold through one of Arqit’s established government sales channels. More details regarding the contract will be forthcoming. This is an important milestone for the Company as the contract represents Arqit’s first win with the DoD. The U.S. Department of Defense represents a significant market opportunity for Arqit. The Company believes that being compliant with the U.S. National Security Agency’s (NSA) Commercial Solutions for Classified (CSfC) program and now on a DoD program of record is validating as Arqit pursues additional opportunities in this critical target market.
 - On 31 March, the Company signed a contract to integrate Arqit’s cryptographic technology into the enterprise and government security solutions of a large IT solutions provider. Arqit’s partner will create a sovereign capability securing edge, remote and deployed communications in mission-critical environments. Through our partner, Arqit sees opportunities for penetrating multiple vertical markets and geographies, particularly European government and defence markets.
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- Arqit announced on 8 April that it had signed shortly before the close of the fiscal period a three year contract with a Tier 1 network operator that operates in 32 countries, providing secure digital infrastructure, with a fibre backbone spanning over 600,000 kilometres. The Company's quantum-safe Arqit NetworkSecure™ technology will be deployed as part of the telecom network operator's Network-as-a-Service (NaaS) suite which is now available for order by enterprises and governments. The network operator is already engaged with three significant end customers for the service.

The contract validates Arqit's focus on the telecom networking sector as a key vertical market. It also provides a blueprint for the 10 telecom network operators with whom Arqit has been or is engaged in demonstration and test activity over the past twelve months. While it took approximately 12 months from initial engagement to commercialization of this contact, Arqit expects subsequent timelines with prospective telecom network operators to compress as a result of the experience.

- On 28 April, Arqit announced that the benefits of its quantum-safe Arqit NetworkSecure™ technology has been delivered to secure confidential computing. In collaboration with Intel, Arqit NetworkSecure™ running inside a Trusted Domain enclave created by Intel TDX brings the benefits of quantum-safe symmetric key security to sensitive workloads at the chip level. For more information regarding Arqit NetworkSecure™ running inside a Trusted Domain created by Intel TDX please visit the following link: <https://arqit.uk/resources/press-release/arqit-delivers-quantum-safe-protection-enhanced-by-confidential-computing>

Symmetric key cryptography securing data within the enclave at the chip level allows quantum-safe security between Intel TDXs. The architecture provides advanced data sovereignty by design. This collaboration opens a new opportunity for Arqit securing confidential computing which is a significant market. Applications include:

- Enterprise Edge & AI Workloads
- Network Security for Telcos
- Virtual Hardware Security Modules (HSMs) for Critical Infrastructure
- Secure Collaboration Across Domains

- In collaboration with Equus Compute Solutions and Intel, on 29 April Arqit announced the world's first quantum-safe CSfC-Compliant MACP Architecture for Classified Mobile Communications secured by symmetric key agreement. The companies have worked together to successfully develop, demonstrate and validate a Mobile Access Capability Package (MACP) architecture that is compliant with the NSA's Commercial Solutions for Classified program and resistant to threats from Quantum computing. This innovation introduces a quantum-secure, nested IPsec tunnelling configuration using Arqit SKA-Platform™, strongSwan VPN, and the Intel NetSec Accelerator Reference Design with Intel Xeon D processor and Intel Ethernet Controller E810.

The announced collaboration further demonstrates Arqit's leadership in developing quantum-safe mobile solutions, building upon Arqit's other announced innovations in secure mobile communications, including Private 5G. Arqit's leadership in mobile communications security innovation has been recognized with industry awards. The collaboration highlights Arqit's compliance with the NSA's CSfC security standards which is essential to address the U.S. National Security and Defence markets.

- The recent announced collaborations with Intel, plus a previously announced collaboration regarding quantum-safe throughput on 4th Gen Intel® Xeon® Scalable processor-based servers, result in joint efforts across secure mobile communications, confidential computing and server technology. Arqit is working jointly on further development of these integrated technologies and go-to-market strategies.
 - The Board of Directors approved the following changes to the composition of the board, which were effective as of 20 May: Nick Pointon stepped down from the board but will continue in his role as Chief Financial Officer, Chief Executive Officer Andy Leaver was appointed to the board as a director, and existing director Garth Ritchie was appointed as Chairman of the Board.
 - As of 22 May, Arqit has signed license contracts for its Arqit SKA-Platform™ across several of its targeted vertical markets, specifically telecom networks, governments and defence organizations. These markets are key near and
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medium term opportunities for the Company. The Company has visibility of additional contract opportunities that have or are moving through the demonstration and test cycle. Arqit's contract base includes customers in the United States, Europe and the Middle East.

Management Commentary

In reporting fiscal year 2024 results, Arqit emphasized messages including increased market awareness of quantum computing and the threat it poses; the Company's focus on the most actionable revenue opportunities, particularly in telecom and defence vertical markets; alignment of internal processes and resources to meet customer fulfilment and control costs. The first half of fiscal year 2025 has seen the realization of these messages.

The pace of development of quantum computing is accelerating. Significant public and private capital has been invested in development of the technology and the result of that investment is manifesting itself. Since late 2024, leading technology firms such as Microsoft, Google and Amazon have, respectively, announced development of quantum computing chips with advanced computational power. Quantum computer developers such as Rigetti, D-wave and IBM are announcing continual increases in computational power and error correction of their respective computers. While timing of a quantum computer at scale is uncertain, there is no doubt about the resources and effort being put toward that end.

The threat which a quantum computer at scale poses to current cryptographic security is increasingly recognized. Arqit is currently experiencing high levels of inquiry about the Arqit SKA-Platform™. Foot traffic at Arqit's stand at the RSA 2025 Conference in May, the world largest cybersecurity conference, was significant. Technology companies, network operators, enterprises and governments are understanding that Q Day is coming and that cybersecurity enhancements are required. The market is moving toward Arqit with increased pace.

Arqit is focused on pursuing the most actionable opportunities, both vertical markets and specific potential customers, to drive growth in revenue. Operating within the Company's finite resources, Arqit has made positive headway in converting demonstration and test engagements with telecom network operators and defence organizations into multi-year contracts, as evidenced by announcements of contracts with a Tier 1 telecom network operator and the U.S. DoD. The Company has multiple additional contract opportunities in these key vertical markets moving through the demonstration and test cycle. The Company expects to convert more such opportunities to contracts in this fiscal year.

Beyond telecom networks and defence, other market opportunities include but are not limited to:

- Financial services – security of financial institution infrastructure and trading activity
- Pharmaceutical industry – security of valuable Intellectual property
- Data Centres - confidential computing securing workloads and data across multiple domains

Arqit envisions the application of its symmetric key cryptographic solution across data in process, data in transit and data at rest. The Company has demonstrated capability to provide quantum-safe security for data in all three states. Arqit's goal is to have monetizable solutions addressing data in each of these states. However, it remains focused on converting actionable opportunities which will result in near term revenue growth.

The Company has realigned personnel to meet its current stage of development. Increases in customer fulfilment and support roles have occurred. Likewise, increasing the number of sales roles has been a hiring emphasis. Driving revenue is important but so too is the efficient fulfilment of executed contracts. Despite growth in personnel in these areas, overall headcount of 72 as of 31 March 2025 was below budgeted headcount of 83 employees. Likewise, monthly operating costs averaged \$2.4 million, in line with budgeted costs. Prioritizing the utilization of resources and disciplined cost control remain key objectives of management.

Commenting, Andy Leaver, Chief Executive Officer said: "2025 has been designated by the United Nations as the "International Year of Quantum Science and Technology" in recognition of the role quantum mechanics has played and will play in society. We are seeing the impact, positive and potentially the threat, of quantum physics playing out in real time with the development of quantum computing. Q Day is coming and governments and enterprises need to be prepared to embrace the benefits of quantum computing and safeguard against the threat which it poses.

Arqit's symmetric key agreement cryptographic solution is increasingly seen as a leading cybersecurity antidote to the quantum threat. Important contract wins in the telecom and defence markets, and recent joint development with leading technology partners of innovative quantum-safe solutions for data networking, mobile communications and confidential computing demonstrate Arqit is at the forefront of radical cryptographic advancement.

We will continue to be focused on driving opportunities through our sales pipeline to grow revenue. The strength of our technology will lead our success, but prioritization, focus and cost control are key to driving value creation for all our stakeholders.”

First Half of Fiscal Year 2025 Financial Highlights

The following is a summary of Arqit's operating results for the six month period ended 31 March 2025. Comparison is made, where applicable, to the comparable period ended 31 March 2024.

- Generated \$67,000 in revenue for the first half of fiscal year 2025 as compared to \$119,000 in revenue for the comparable period in 2024. Revenue for the first half of the fiscal period was adversely affected due to end customer delay in commencing activity under a previously announced multi-year contract in the EMEA region. Revenue generation did not commence until late March. The variance between periods was also due to less revenue being recognized under customer contracts as Arqit continues to transition from primarily enterprise sales, for which revenue is recognized upfront, to sales through channel partners for which revenue is recognized over time as services are provided under the contract.
- Revenue from Arqit SKA-Platform™ platform as a service and Arqit NetworkSecure™ products totalled \$52,400. Professional services and maintenance revenue in support of contract activity was \$14,500 for the period. For the comparable period in fiscal year 2024, Arqit SKA-Platform™ platform as a service and Arqit NetworkSecure™ contract revenue totalled \$65,000 and professional services and maintenance in support of contract activity was \$54,000.
- Arqit SKA-Platform™ revenue for the period was generated from contracts with 6 customers. For the six months ended 31 March 2024, revenue was generated from contracts with 9 customers.
 - Four contracts represented a license for Arqit SKA-Platform™ as a service. Two such contracts represent multi-year recurring revenue contracts, specifically Arqit's contract in EMEA and its contract with a tier 1 telecom network operator. Arqit only began recognizing revenue under both contracts immediately before the close of the first half period.
 - Two contracts were for Arqit NetworkSecure™ licenses.
 - Two contracts for Arqit SKA-Platform™ as a service have professional services and maintenance contracts attached to them.
- Administrative expenses¹ for the first half of fiscal year 2025 were \$18 million versus \$16.8 million for the comparable period in fiscal year 2024. The variance between periods was due to lower headcount resulting in lower staff expenses and share based compensation and a reduction in property costs as a result of the termination of Arqit's previous office lease arrangement being more than offset by unfavourable changes in foreign exchange. Arqit's headcount as of 31 March 2025 was 72 employees as compared to 125 as of 31 March 2024. Administrative expense for the period includes a \$1.3 million credit for a non-cash charge associated with share based compensation versus a \$293,000 credit for the comparable period in 2024.
- Operating loss for the period was \$17.8 million versus a loss of \$16.6 million for the first half of fiscal year 2024. The variance in operating loss between periods primarily reflects lower revenue and an increase in administration expenses for the period.

¹ Administrative expenses are equivalent to operating expenses.

- Loss before tax from continuing operations for the period was \$17.2 million. For the first half of fiscal year 2024, loss before tax from continuing operations was \$16.1 million. The variance between periods is primarily due to lower revenue, increased administrative expenses, lower finance income partially offset by lower finance costs.
- As of 31 March 2025, the Company had cash and cash equivalents of \$24.8 million.
- During the period, 658,321 restricted share units were granted under Arqit's equity incentive plan. A total of 1,065,640 restricted share units and 319,757 options, have been granted to employees, officers and directors under the plan up to 31 March 2025.
- In January 2025, Arqit established an at-the-market equity offering program (the "ATM Program") pursuant to which it may issue and sell ordinary shares with an aggregate offering amount of up to \$75.0 million. Arqit issued 1,141,687 shares under the ATM Program during the first half of fiscal year 2025.

Conference Call

Arqit will host a conference call at 11:00 a.m. ET / 8:00 a.m. PT on 22 May, 2025 with the Company's CEO, Andy Leaver, and CFO, Nick Pointon. A live webcast of the call will be available on the "News & Events" page of the Company's website at ir.arqit.uk. To access the call by phone, please go to this link (registration link) and you will be provided with dial in details. To avoid delays, we encourage participants to dial into the conference call fifteen minutes ahead of the scheduled start time. A replay of the webcast will also be available for a limited time at ir.arqit.uk.

About Arqit

Arqit Quantum Inc. (Nasdaq: ARQQ, ARQQW) supplies a unique symmetric key agreement encryption software service which makes the communications links of any networked device, cloud machine or data at rest secure against both current and future forms of attack on encryption – even from a quantum computer. Compatible with NSA CSfC Components and meeting the demands of NSA CSfC Symmetric Key Management Requirements Annexe 1.2. and RFC 8784, the Arqit SKA-Platform™, uses a lightweight software agent that allows end point devices to create encryption keys locally in partnership with any number of other devices. The keys are computationally secure and facilitate Zero Trust Network Access. It can create limitless volumes of keys with any group size and refresh rate and can regulate the secure entrance and exit of a device in a group. The agent is lightweight and will thus run on the smallest of end point devices. The product sits within a growing portfolio of granted patents. It also works in a standards compliant manner which does not oblige customers to make a disruptive rip and replace of their technology. In September 2024, Arqit was named as an IDC Innovator for Post-Quantum Cryptography, 2024. Arqit is winner of two GSMA Global Mobile Awards, The Best Mobile Security Solution and The CTO Choice Award for Outstanding Mobile Technology, at Mobile World Congress 2024, recognised for groundbreaking innovation at the 2023 Institution of Engineering and Technology Awards and winner of the National Cyber Awards' Cyber Defence Product of the Year 2024 and Innovation in Cyber Award 2022, as well as the Cyber Security Awards' Cyber Security Software Company of the Year Award 2022. Arqit is ISO 27001 Standard certified. www.arqit.uk

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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) the outcome of any legal proceedings that may be instituted against Arqit, (ii) the ability to maintain the listing of Arqit's securities on a national securities exchange, (iii) changes in the competitive and regulated industries in which Arqit operates, variations in operating performance across competitors and changes in laws and regulations affecting Arqit's business, (iv) the ability to implement business plans, forecasts, and other expectations, and identify and realise additional opportunities, (v) the potential inability of Arqit to successfully deliver its operational technology, (vi) the risk of interruption or failure of Arqit's information technology and communications system, (vii) the enforceability of Arqit's intellectual property, (viii) market and other conditions, and (ix) other risks and uncertainties set forth in the sections entitled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" in Arqit's annual report on Form 20-F (the "Form 20-F"), filed with the U.S. Securities and Exchange Commission (the "SEC") on 5 December 2024 and in subsequent filings with the SEC. While the list of factors discussed above and in the Form 20-F and other SEC filings 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 realisation of forward-looking statements.

Arqit Quantum Inc.
Unaudited Condensed Consolidated Interim Financial Statements
For the period ended 31 March 2025

Arqit Quantum Inc.
Unaudited Condensed Consolidated Financial Statements
as of and for the period ended 31 March 2025

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Arqit Quantum Inc.
Condensed Consolidated Statement of Comprehensive Income
For the period ended 31 March 2025

	Note	Unaudited six month period ended 31 March 2025 \$'000	Unaudited six month period ended 31 March 2024 \$'000
Continuing operations			
Revenue	2	67	119
Other Income	2	101	—
Administrative expenses	3	(17,963)	(16,757)
Operating loss		(17,795)	(16,638)
Change in fair value of warrants		(2)	(1)
Finance costs		(26)	(140)
Finance income		566	674
Loss before tax		(17,257)	(16,105)
Income tax		—	—
Loss from continuing operations		(17,257)	(16,105)
Discontinued operation			
Profit/(loss) from discontinued operation, net of tax	4	91	(31,567)
Loss for the period		(17,166)	(47,672)
Other comprehensive loss:			
Items that may be reclassified to profit or loss			
Currency translation differences		4,522	(2,848)
Total comprehensive loss for the period attributable to equity holders		(12,644)	(50,520)
Total comprehensive (loss)/profit for the year attributable to equity holders arises from:			
Continuing operations		(12,735)	(18,953)
Discontinued operations		91	(31,567)
Total comprehensive (loss)/profit for the year attributable to equity holders		(12,644)	(50,520)
Earnings per ordinary share from continuing operations attributable to equity holders			
Basic earnings per share		(1.35258)	(0.09926)
Diluted earnings per share		(1.35258)	(0.09926)
Earnings per ordinary share for the loss attributable to equity holders			
Basic earnings per share		(1.34545)	(0.29383)
Diluted earnings per share		(1.34545)	(0.29383)

Arqit Quantum Inc.
Condensed Consolidated Statement of Financial Position
As at 31 March 2025

	Note	Unaudited 31 March 2025 \$'000	Audited 30 September 2024 \$'000
ASSETS			
Non-current assets			
Property, plant and equipment		173	267
Right of use asset		706	811
Intangible assets	5	1,935	1,939
Total non-current assets		2,814	3,017
Current assets			
Trade and other receivables	6	1,790	4,997
Cash and cash equivalents		24,781	18,705
Assets classified as held for sale	4	—	—
Total current assets		26,571	23,702
Total assets		29,385	26,719
LIABILITIES			
Current liabilities			
Trade and other payables	7	10,572	11,911
Lease liabilities		256	286
Liabilities classified as held for sale	4	—	—
Total current liabilities		10,828	12,197
Non-current liabilities			
Trade and other payables	7	2,000	2,000
Lease liabilities		577	704
Warrants liability		2	—
Total non-current liabilities		2,579	2,704
Total liabilities		13,407	14,901
Net assets		15,978	11,818
EQUITY			
Share capital	8	34	29
Share premium	9	168,234	150,084
Other reserves	9	166,804	166,804
Foreign currency translation reserve	9	(4,919)	(9,441)
Share-based payment reserve	9	35,105	36,456
Retained earnings	9	(349,280)	(332,114)
Total Equity		15,978	11,818

Arqit Quantum Inc.
Condensed Consolidated Statement of Changes in Equity
For the period ended 31 March 2025

	Share Capital \$'000	Share Premium \$'000	Other reserves \$'000	Foreign currency translation \$'000	Share option reserve \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 October 2023	16	137,021	166,804	1,790	38,555	(277,533)	66,653
Loss for the period	—	—	—	—	—	(47,672)	(47,672)
Other comprehensive income	—	—	—	(2,848)	—	—	(2,848)
Total comprehensive income	—	—	—	(2,848)	—	(47,672)	(50,520)
Issuance of ordinary shares	1	—	—	—	—	—	1
Transactions with owners in their capacity as owners:							
Share option charge	—	—	—	—	(803)	—	(803)
Balance at 31 March 2024 attributable to owners of the Group	17	137,021	166,804	(1,058)	37,752	(325,205)	15,331
Balance at 1 October 2024	29	150,084	166,804	(9,441)	36,456	(332,114)	11,818
Loss for the period	—	—	—	—	—	(17,166)	(17,166)
Other comprehensive income	—	—	—	4,522	—	—	4,522
Total comprehensive income	—	—	—	4,522	—	(17,166)	(12,644)
Issuance of ordinary shares	5	18,150	—	—	—	—	18,155
Transactions with owners in their capacity as owners:							
Share option credit	—	—	—	—	(1,351)	—	(1,351)
Balance at 31 March 2025 attributable to owners of the Group	34	168,234	166,804	(4,919)	35,105	(349,280)	15,978

Arqit Quantum Inc.
Condensed Consolidated Statement of Cash Flows
For the period ended 31 March 2025

	Unaudited six month period ended 31 March 2025 \$'000	Unaudited six month period ended 31 March 2024 \$'000
Cash flows from operating activities		
Cash used in operations	(12,476)	(22,655)
Net cash used in operating activities	<u>(12,476)</u>	<u>(22,655)</u>
Cash flows from investing activities		
Interest received	566	674
Capital expenditure on property, plant and equipment	(30)	(6)
Capital expenditure on intangibles	(223)	(1,068)
Net cash used in investing activities	<u>313</u>	<u>(400)</u>
Cash flows from financing activities		
Proceeds from issue of shares, net of issue costs	16,548	—
Shares issued on exercise of warrants	1,607	—
Payments of lease liabilities	(151)	(284)
Payments of interest portion of lease liabilities	(26)	(37)
Proceeds from government grants	239	416
Net cash generated from financing activities	<u>18,217</u>	<u>95</u>
Net decrease in cash and cash equivalents	6,054	(22,960)
Cash and cash equivalents at beginning of period	18,705	44,455
Foreign exchange on cash and cash equivalents	22	(167)
Cash and cash equivalents at end of period	<u>24,781</u>	<u>21,328</u>

Arqit Quantum Inc.
Condensed Consolidated Notes to the Financial Statements
For the period ended 31 March 2025

1. General information and significant accounting policies

General information

Arqit Quantum Inc. (the “Company”) is a Cayman Islands exempted limited liability company with registered number 374857. The address of its registered office and its principal place of trading is c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

These condensed consolidated financial statements comprise the Company and its subsidiaries (together referred to as the “Group”).

The principal activity of the Group is provision of cybersecurity services.

Basis of preparation

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the IASB, including IAS 34 ‘Interim Financial Reporting’. They do not include all of the information required in annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended September 30, 2024. The report of the auditors on those financial statements was unqualified. The comparative balance sheet figures for the year ended September 30, 2024, were derived from the audited consolidated financial statements.

The unaudited condensed consolidated financial statements have been presented in United States Dollars “USD” which is also the Group’s functional currency. All values are rounded to the nearest units (USD ‘000), except when otherwise indicated.

Information on the accounting policies applied can be found in the Group’s latest annual audited financial statements. The unaudited condensed consolidated interim financial statements are prepared on the historical cost basis, other than investor warrants held at fair value through profit or loss.

Going Concern

The directors have adopted the going concern basis in preparing these condensed consolidated financial statements. In assessing whether the going concern assumption is appropriate, the Directors have taken into account all relevant available information about the current and future position of the Group. As part of their assessment, the Directors have also taken into account the ability to raise additional funding whilst maintaining sufficient cash resources to meet all commitments. The Group has prepared detailed forecasts considering the impact of the current economic and political climate and uncertainties and strong cost control measures in place. The forecasts show that the Group will be able to grow according to its plans and that it can continue to operate for the foreseeable period. Based on the above, the Directors have a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future, such that they will be able to realize their assets and discharge their liabilities in the normal course of business for a period of at least 12 months from the date of signing these consolidated condensed financial statements, and beyond. Therefore, the financial statements are prepared on the going concern basis.

Use of judgments and estimates

The preparation of the unaudited condensed consolidated interim financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

Arqit Quantum Inc.
Condensed Consolidated Notes to the Financial Statements
For the period ended 31 March 2025

1. General information and significant accounting policies (continued)

Use of judgments and estimates (continued)

Measurement of fair values

A number of the Group's accounting policies require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a senior finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The senior finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the senior finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Accounting Standards, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group audit committee.

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability are categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

New and amended standards adopted by the Group

There have been no new or amended standards adopted by the Group for the first time during the interim period.

Operating segments

The Group operates within one operating segment, being the provision of cybersecurity services.

Arqit Quantum Inc.
Condensed Consolidated Notes to the Financial Statements
For the period ended 31 March 2025

2. Revenue

The Group's operations and main revenue streams are those described in the last annual financial statements. The Group's revenue is derived from contracts with customers.

Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market and service line.

	Period ended 31 March 2025 \$'000	Period ended 31 March 2024 \$'000
SKA-Platform™ – provision of services	67	119
Geographical markets		
UK	67	119
	67	119

Grants of \$101k received during the period are shown as Other Income on The Statement of Comprehensive Income.

Contract balances

The following table provides information about receivables, contract assets and contract liabilities with customers.

	31 March 2025 \$'000	30 September 2024 \$'000
Receivables, which are included in trade and other receivables	182	471
Contract assets	49	—
Contract liabilities	50	4

The contract assets primarily relate to the Group's rights to consideration for work completed or in progress but not billed at the reporting date on services provided. The contracts are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. The contract liabilities primarily relate to the advance consideration received from customers for services where revenue is recognized over time.

The full amount of \$4 thousand recognized in contract liabilities at the beginning of the period has been recognized as revenue in the six months ended 31 March 2025.

The amount of revenue recognized in the six months ended 31 March 2025 from performance obligations satisfied (or partially satisfied) in previous periods is \$nil.

Arqit Quantum Inc.
Condensed Consolidated Notes to the Financial Statements
For the period ended 31 March 2025

3. Expenses by Nature

	Period ended 31 March 2025 S'000	Period ended 31 March 2024 S'000
Employee benefit expense and other staff costs	9,822	12,006
Capitalised within intangible assets	—	—
Legal and professional	1,729	1,874
Foreign exchange	4,542	(3,979)
Property costs	203	1,134
Share based compensation	(1,379)	(293)
Depreciation	126	497
Amortisation	314	1,078
Other expenses	2,606	4,440
Total administrative expenses	17,963	16,757

4. Discontinued operations and assets held for sale

In May 2023, Arqit announced that it was selling its satellite division consisting of satellite assets under construction, patents, customer contracts and an engineering team. Following that announcement, the satellite division was reported as discontinued operations and classified as a disposal group held for sale in the 2023 annual financial statements. During the six months ended March 31, 2024, Arqit was unsuccessful in its efforts to identify a buyer for the satellite division and/or related IP, and as a result determined that its satellite assets were no longer considered as held for sale as at 31 March 2024. The assets of the satellite division have been fully impaired as at 31 March 2024. The condensed consolidated statement of comprehensive income presents profit/(loss) from discontinued operations separately from continuing operations.

During the six months ended 31 March 2025, Arqit recognised a grant claim received of \$117,000 related to a satellite project completed during the fiscal year ended 30 September 2025, and the sale of satellite division equipment for \$33,000.

The impact on the statement of comprehensive income is as below:

	Period ended 31 March 2025 S'000	Period ended 31 March 2024 S'000
Other Income	117	—
Administrative expenses	(59)	(916)
Impairment loss	33	(34,065)
Tax credit	—	3,414
Profit/(loss) from discontinued operation, net of tax	91	(31,567)

The net cash flows associated with the discontinued operations are as follow:

	Period ended 31 March 2025 S'000	Period ended 31 March 2024 S'000
Net cash (used)/generated in/from operating activities	117	(2,232)
Net cash used in investing activities	—	—
Net cash used in financing activities	—	—
Net cash flows for the period	117	(2,232)

There is no impact from the discontinued operation on the financial position of the Group at 31 March 2025.

Arqit Quantum Inc.
Condensed Consolidated Notes to the Financial Statements
For the period ended 31 March 2025

5. Intangible fixed assets

	31 March 2025 \$'000
Cost	
At 1 October 2024	2,431
Additions	223
Reclassified to discontinued operations	—
Foreign exchange on translation	(74)
At 31 March 2025	2,580
Amortisation	
At 1 October 2024	(492)
Charge	(166)
Foreign exchange on translation	13
At 31 March 2025	(645)
Net Book Value	
At 31 March 2025	1,935
At 30 September 2024	1,939

Amortisation on intangible assets is calculated under the straight-line method over their estimated useful lives of between 3 – 10 years.

An impairment test was performed for the period ended March 31, 2025, which considered the value of existing contracts and forecasted revenues. No impairment was deemed necessary.

6. Trade and other receivables

	31 March 2025 \$'000	30 September 2024 \$'000
Current assets		
Trade debtors	231	471
Other debtors	567	4,009
Prepayments and accrued income	992	517
Total	1,790	4,997
Non-current		
Other debtors	—	—

The carrying amount of financial assets recorded at amortised costs in the financial statements approximate their fair value.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.

Arqit Quantum Inc.
Condensed Consolidated Notes to the Financial Statements
For the period ended 31 March 2025

7. Trade and other payables

	31 March 2025 \$'000	30 September 2024 \$'000
Current liabilities		
Trade payables	6,177	9,009
Other tax and social security	814	439
Other creditors	910	593
Accruals	2,621	1,866
Deferred income	50	4
Total	10,572	11,911

Trade payables and accruals relate to amounts payable at the balance sheet date for services received during the period. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe. The carrying amount of financial liabilities recorded at amortised costs in the financial statements approximate their fair value.

	31 March 2025 \$'000	30 September 2024 \$'000
Non-current Liabilities		
Trade payables	2,000	2,000
	2,000	2,000

8. Share capital

As of 31 March 2025, the total number of ordinary shares of the Company outstanding is 13,478,578 with a par value of \$0.0025.

	Number of ordinary shares	Share capital \$
30 September 2024 – par value \$0.0025	11,545,354	28,864
ATM	718,796	1,797
Registered Direct Offering	720,000	1,800
Warrants exercised	82,410	206
EMIs exercised	62,151	155
RSUs granted	349,867	875
31 March 2025 – par value \$0.0025	13,478,578	33,696

Arqit Quantum Inc.
Condensed Consolidated Notes to the Financial Statements
For the period ended 31 March 2025

9. Reserves

Share premium

Includes the difference in price between the par value of shares, and the total price the Group received for those shares, net of expenses.

Foreign currency translation reserve

Includes other comprehensive income relating to the translation of subsidiaries into the presentational currency of the group.

Share based payment reserve

Cumulative charges in respect of share options issued.

Retained earnings

Includes cumulative profit and loss and all other net gains and losses and transactions with owners (e.g. dividends) not recognized elsewhere.

Other reserves

Other reserve includes the IFRS 2 deemed acquisition cost and other reserves assumed as part of the reverse acquisition.

10. Contingent Liabilities

As previously reported, the Company is aware of legal proceedings relating to it, however given their nature and the uncertainties involved in the outcomes and financial impact, no liability has been recorded in relation to them.

11. Post balance sheet events

No events after the reporting period to disclose.

Results of Operations of Arqit Quantum Inc., (“Arqit” or the “Company”)***Comparison of the Six Months Ended March 31, 2025 and 2024******Revenue***

Revenue decreased by \$52 thousand from \$119 thousand for the six months ended March 31, 2024 to \$67 thousand for the six months ended March 31, 2025. The decrease was due to less revenue being recognized under customer contracts as Arqit continues to transition from primarily enterprise sales, for which revenue is recognized upfront, to sales through channel partners for which revenue is recognized over time as services are provided under the contract.

Other Income

Other income was \$101 thousand for the six months ended March 31, 2025 representing grants received during the period, compared to nil for the six months ended March 31, 2024.

Administrative Expenses

Total administrative expenses increased by \$1.2 million from \$16.8 million for the six months ended March 31, 2024 to \$18 million for the six months ended March 31, 2025. Lower staff expenses and a decrease in share based compensation as a result of fewer employees and reductions in property costs as a result of the termination of Arqit’s previous office lease arrangement during the six months ended March 31, 2025 were offset by foreign exchange expense increases during the period.

Change in Fair Value of Warrants

The change in fair value of warrants represents the difference in valuation of Arqit’s warrants as of March 31, 2025, compared with the valuation as of September 30, 2024, which was non-cash loss of \$1 thousand for the six months ended March 31, 2025, compared with a non-cash loss of \$1 thousand for the six months ended March 31, 2024.

Finance Costs

Finance costs decreased by \$114 thousand from \$140 thousand for the six months ended March 31, 2024 to \$26 thousand for the six months ended March 31, 2025. The decrease was primarily due to the termination of Arqit’s previous office lease arrangement during the six months ended March 31, 2025.

Finance Income

Finance income decreased by \$108 thousand from \$674 thousand for the six months ended March 31, 2024 to \$566 thousand for the six months ended March 31, 2025. The decrease was primarily due to a decrease in interest earned during the period.

Discontinued Operations

During the six months ended March 31, 2024, Arqit was unsuccessful in its efforts to identify a buyer for the satellite division and/or related IP, and as a result determined that its satellite assets were no longer considered as “held for sale, the satellite assets were fully impaired, and an impairment loss was recognized as part of “loss from discontinued operations, net of tax” \$ 31.5 million was for the six months ended March 31, 2024. A “profit from discontinued operations, net of tax” of \$91 thousand was recognized in the six months ended March 31, 2025, representing residual grant income from satellite operations and proceeds from the disposal of some satellite assets.

Liquidity and Capital Resources

Arqit began to generate revenue from its principal business operations which is the provision of cybersecurity services, in the fiscal year ended September 30, 2021. Arqit will continue to incur net losses in accordance with its operating plan as it further develops the commercialization of its products.

In the period under review, Arqit has funded its operations, capital expenditure and working capital requirements through public offerings of its securities including proceeds from (1) completion of the business combination in September 2021, (2) sales of ordinary shares under its ATM Program (as defined below) and (3) sales of ordinary shares in registered direct offerings in February 2023, September 2023, September 2024 and October 2024. Historically, Arqit also funded its operations from capital contributions, loans and borrowings from certain venture investors and grants from the UK government's Future Fund, including convertible loan notes that were converted into ordinary shares in connection with the completion of the business combination in September 2021. Arqit's primary uses of liquidity in the period under review have been working capital requirements as it continues to increase commercialization of its products.

In January 2025, Arqit filed a registration statement on Form F-3 in order to establish an at-the-market equity offering program (the "ATM Program") pursuant to which it may issue and sell ordinary shares with an aggregate offering price of up to \$75.0 million. Arqit has no obligation to sell any such shares under its ATM Program. Actual sales will depend on a variety of factors to be determined by the Group from time to time, including, among others, whether additional capital is required, market conditions, the trading price of Arqit's ordinary shares, determination of the appropriate sources of funding for the Group, and potential uses of available funding. Arqit intends to use the net proceeds from the offering of such shares, if any, for general corporate purposes. In the six months ended March 31, 2025, Arqit issued 718,796 shares under the ATM Program, generating proceeds to the Company before fees and expenses of approximately \$15 million.

In September 2024, Arqit entered into a registered direct offering in which it sold 5,440,000 ordinary shares at an offering price of \$2.50 per share. In a concurrent private placement, Arqit issued unregistered warrants to purchase up to 5,440,000 shares at an exercise price of \$2.50 per share, exercisable only upon the later of (i) one year from the issuance date, (ii) the date of the approval by the Company's shareholders of an increase in authorized capital sufficient to permit the issuance of the shares issuable upon exercise of the September 2024 Investor Warrants and (iii) the date that the closing trading price of the Ordinary Shares on the Nasdaq Capital Market has exceeded \$5.00 for 60 consecutive trading days. The warrants will be exercisable for a period of one year following the Exercise Date. The Warrants will terminate on the earlier of (x) 5:00 p.m. (New York City time) on the last day of the exercise period or (y) 5:00 p.m. (New York City time) on the date falling five years after the date of issuance. The investors in the September 2024 offering were existing shareholders Heritage Assets SCSP, Ropemaker Nominees Limited, Carlo Calabria and Garth Ritchie. Arqit director Manfredi Lefebvre d'Ovidio has shared investment and voting power over the shares held by Heritage Assets SCSP, Arqit director Stephen Chandler is on the investment committee of Notion Capital Managers LLP, which is the beneficial owner of the Arqit shares held by Ropemaker Nominees Limited, and Carlo Calabria and Garth Ritchie are both Arqit directors. In the six months ended March 31, 2025, Arqit did not issue shares from a registered direct offering.

Cash Flows Summary

Cash Flows Used in Operating Activities

Cash flows used in operating activities to date have primarily resulted from personnel related costs, fluctuations in trade payables and other current assets and liabilities. During the six months ended March 31, 2025 cash used in operating activities was \$12.5 million. During the six months ended March 31, 2024 cash used in operating activities was \$22.7 million.

Arqit's non-cash items primarily consist of fair value movement on warrant valuation, share-based charges, impairment charges and depreciation, while movements in working capital are primarily driven by changes in trade and other payables.

Cash Flows Used in Investing Activities

Net cash generated in investing activities was \$0.3 million for the six months ended March 31, 2025, compared with net cash used \$0.4 million for the six months ended March 31, 2024. This increase was primarily attributed to a reduction in capital expenditure on intangible assets.

Cash Flows Generated from Financing Activities

Net cash generated from financing activities was \$18.2 million for the six months ended March 31, 2025, compared with \$0.1 million for the six months ended March 31, 2024. Net cash provided by financing activities for the six months ended March 31, 2025 was primarily related to proceeds from shares issued in connection with a registered direct offering and sales under the ATM Program during the period, and government grants being offset by lease costs. Net cash provided by financing activities for the six months ended March 31, 2024 was primarily related government grants being offset by lease costs.
