

April 13, 2026

## VALUATION (XNDU)

Current Price	\$8.99
52 Week Range	\$7.01-12.26
Market Cap (\$-Mn)	2,683
EV (\$-Mn)	2,896
Shares Out. (Mn)	298.5
Float	14.4%
Avg. 3-Month Vol. (Mn.)	0.09

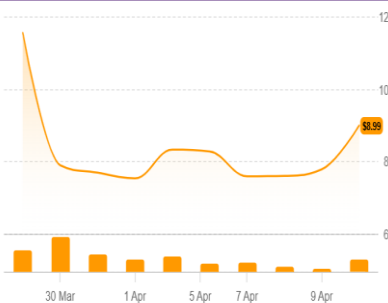
Source: TIKR

## FUNDAMENTALS

Sales (2024)	\$1.6 Mn
Sales (2025)	\$4.6 Mn
Cash Balance (2025-end)	\$16.2 Mn
Cash Proceeds from SPAC Deal	\$302 Mn

Source: Company Filings

## STOCK PRICE – XNDU



Source: TIKR

## CONTACT

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## Xanadu Quantum Technologies (XNDU)

### Post-Listing Capital Infusion and Platform Execution Advance Path to Scalable Quantum Commercialization

#### ■ Key Takeaways:

- XNDU completed its SPAC transaction in March 2026, raising approximately \$302 million and strengthening liquidity to fund its multi-year roadmap.
- Government funding (DARPA, Quantum Champions, and potential C\$390 million under Project OPTIMISM) and new partnerships signal progress toward commercialization and manufacturing scale.
- 2025 execution reinforced platform credibility, highlighted by Aurora launch, 12 logical qubits with real-time error correction, and a 60% reduction in optical loss.
- Valued at a discount to peers despite differentiated photonic architecture and full-stack positioning.

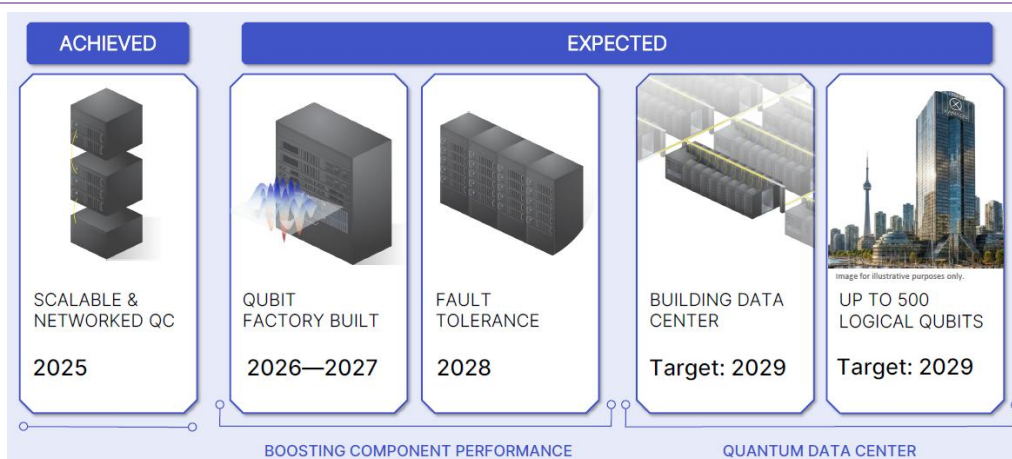
- **Public listing and capital infusion mark transition into XNDU's next phase of execution.** XNDU completed its business combination with Crane Harbor Acquisition Corp. on March 27, 2026, and subsequently listed on Nasdaq and the Toronto Stock Exchange under the ticker XNDU. The transaction generated approximately \$302 million in gross proceeds, materially strengthening the company's ability to execute against its multi-year roadmap, including fault tolerance development, manufacturing scale-up, and early commercialization.

- **Government backing accelerates, reinforcing funding visibility and enabling manufacturing scale-up aligned with national quantum strategies.** XNDU continues to deepen its alignment with public-sector initiatives, advancing to Stage B of the U.S. DARPA Quantum Benchmarking Initiative, unlocking access to up to \$15 million in funding while validating both technical performance and commercial potential. In parallel, the company has been selected for Canada's Quantum Champions Program, providing up to C\$23 million in additional support.

- **More importantly, XNDU has entered negotiations with the governments of Canada and Ontario for up to C\$390 million under Project OPTIMISM,** aimed at building advanced semiconductor and photonic manufacturing infrastructure and establishing a domestic quantum supply chain. These initiatives not only provide non-dilutive funding support but also position XNDU within broader national efforts to localize quantum manufacturing.
- **1Q26 partnerships with leading industry players support commercialization roadmap.** In 1Q26, XNDU announced strategic collaborations with AMD, Lockheed Martin, Tower Semiconductor, and TELUS, aimed at strengthening capabilities across compute infrastructure, manufacturing, and end-market applications. In our view, these partnerships support the company's transition toward commercialization by enhancing ecosystem depth and providing potential pathways for real-world deployment.

- **Leadership additions strengthen governance and public company readiness.** On January 12, 2026, XNDU appointed Michael Trzupsek as Chief Financial Officer and Natalie Wilmore as Chief Legal Officer, enhancing its executive bench as it transitions into a public company. These appointments strengthen financial discipline, capital allocation oversight, and regulatory readiness as the company transitions into the public markets.
- **These developments build on a strong 2025 characterized by best-in-class technical execution across architecture, qubit performance, and ecosystem expansion, reinforcing the credibility of XNDU’s photonic approach.**
- **Business and platform progress anchored by breakthroughs in photonic architecture and scaling roadmap.** XNDU’s 2025 performance was defined by meaningful progress across system architecture, qubit development, and component-level performance, reinforcing the viability of its photonic approach while advancing toward fault-tolerant quantum computing.
  - **The introduction of Aurora represents a foundational milestone,** positioned as the world’s first modular, networked photonic quantum computer with real-time error correction. This architecture enables distributed scaling across interconnected modules, marking a transition from experimental systems toward data-center-like quantum infrastructure required for utility-scale deployment.
  - **At the qubit level, the company demonstrated 12 logical GKP qubits with real-time error correction,** a critical step toward fault tolerance and a milestone validated through peer-reviewed publication. While still early relative to the company’s target of up to 500 logical qubits by 2029-2030, this achievement provides tangible validation of XNDU’s error-correction approach and architectural design.
  - **At the component level, XNDU achieved a 60% reduction in optical loss during 2025 and approximately 20-fold improvement over the past three years,** directly enhancing qubit fidelity and system performance. Given that photon loss remains a primary bottleneck in photonic quantum systems, these improvements are critical to enabling scalable architectures. Collectively, these advances reflect a transition from theoretical validation toward engineering execution across the full hardware stack.

Chart 1: Xanadu’s Roadmap



Source: Exec Edge Research, Company Investor Presentation

- **Ecosystem expansion and developer adoption strengthen platform positioning.**
  - **XNDU’s software ecosystem, anchored by PennyLane,** continued to scale rapidly in 2025 and represents a key pillar of its long-term platform strategy. Average monthly downloads reached approximately 160,000, representing 161% growth year-over-year and signaling accelerating developer engagement.
  - **This growth is strategically important given the early stage of hardware commercialization,** as it allows XNDU to build developer mindshare and seed an application ecosystem ahead of large-scale system deployment. PennyLane’s support for hybrid quantum-classical workflows positions it as a bridge between current computing paradigms and future quantum systems, enabling developers to experiment without requiring full hardware access.

- From a commercialization perspective, this creates a developer-led funnel that may convert into enterprise adoption over time, potentially lowering customer acquisition costs and increasing platform stickiness. However, monetization remains nascent, and conversion of developer engagement into scalable enterprise revenue remains unproven.
- **Partnerships and manufacturing build-out support commercial readiness.** XNDU also made meaningful progress in expanding its external ecosystem and laying the groundwork for commercialization.
  - **The company announced 10 new strategic partnerships across hardware, manufacturing, supply chain, and application development**, while deepening collaborations with organizations including Air Force Research Laboratory, Mitsubishi Chemical, Rolls-Royce, and Riverlane. These partnerships are focused on advancing real-world use cases such as quantum simulation, precision lithography, aerospace, and industrial optimization, supporting early-stage demand formation.
  - **At the same time, XNDU strengthened its manufacturing capabilities, including the opening of a \$10 million advanced photonic packaging facility and expanded partnerships with Corning Incorporated and Applied Materials.** These efforts represent initial steps toward scaling production of photonic quantum chips, though the transition to high-volume manufacturing remains a multi-year process. Overall, these developments reflect early-stage ecosystem formation across partnerships, infrastructure, and funding, positioning the company for future commercialization, albeit with most activity still concentrated in pilot and R&D phases rather than scaled deployment.
- **Early-stage revenue growth driven by services.** XNDU's financial profile remains consistent with a development-stage platform, characterized by limited revenue and significant investment in research and development. For the full year 2025, revenue increased to \$4.6 million from \$1.6 million in 2024, representing 188% growth. Revenue growth was driven by an expanding customer base alongside the addition of a large services contract. That said, customer concentration remains elevated, with approximately 78% of revenue attributable to three customers, compared to 53% from a single customer in 2024. Revenue composition remains heavily weighted toward professional services for application development and proof-of-concept work rather than recurring or scalable revenue streams. This reflects the current stage of quantum adoption, where revenue is driven by a limited number of enterprise and government engagements. 4Q25 revenue came in at ~\$1.9 million, compared to \$0.7 million in 4Q24.

Chart 2: XNDU– Quarterly Revenue

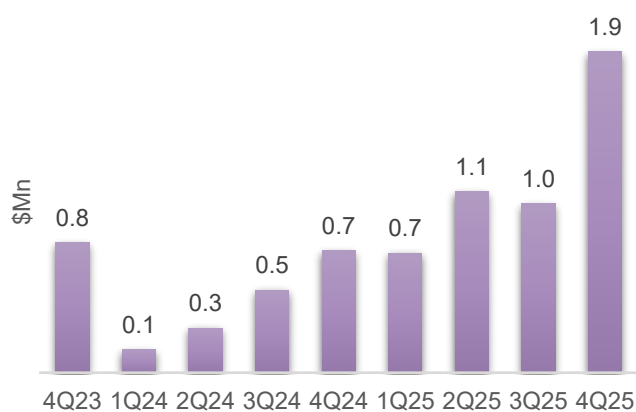
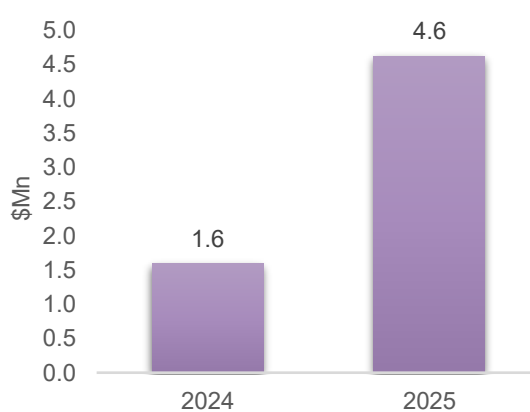


Chart 3: XNDU – Annual Revenue



Source: Exec Edge Research, Company Filings

- **Cost structure scaled materially, led by R&D and public company readiness.** Operating expenses increased to \$73.9 million in 2025 from \$52.2 million in 2024, driven by R&D of \$55.2 million (vs \$39.2 million), while G&A rose to \$15.4 million (vs \$6.9 million) reflecting organizational scaling; sales and marketing remained limited at \$1.2 million.
- **Losses and cash burn expanded in line with investment phase and transaction costs.** Net loss widened to \$70.7 million from \$46.0 million, driven by higher R&D and business combination expenses, while operating cash outflows increased to \$68.0 million from \$41.7 million, underscoring continued investment intensity.

- **Balance sheet strengthened post-transaction, extending growth runway.** The SPAC transaction materially strengthens XNDU’s balance sheet, with \$302 million in gross proceeds significantly increasing available capital relative to the \$16.2 million cash balance at year-end 2025. This capital, combined with government funding programs and potential additional support, extends runway and reduces near-term financing risk. Capital intensity remains high, though, given the need to scale hardware production and infrastructure. While the current liquidity position supports multi-year execution, longer-term funding requirements will remain tied to milestone pacing and commercialization progress, particularly as infrastructure build-out accelerates.

## Differentiated Photonic Quantum Platform at an Attractive Entry Valuation

- **We believe XNDU represents an attractively valued and relatively scarce public-market asset: a full-stack quantum computing platform combining proprietary photonic hardware with a growing software ecosystem.** Please note that the following analysis is for illustrative purposes and is not meant to be a stock recommendation/price target or a buy/sell/hold recommendation on the stock.
  - **Post-listing, XNDU trades at a discount to listed quantum peers despite differentiated positioning and a strengthened balance sheet.** Following its de-SPAC transaction, the company has a market capitalization of approximately \$2.68 billion and an enterprise value of ~\$2.89 billion (as of April 10, 2026), supported by ~\$302 million in gross proceeds raised through the transaction. Relative to pure-play quantum peers, which trade at higher implied valuations despite similar or earlier-stage commercialization profiles, XNDU appears discounted despite offering exposure across both hardware and software layers of the stack.
  - **Importantly, valuation in the quantum computing sector remains decoupled from near-term financials,** with revenue of \$4.6 million (+188% year-over-year) serving primarily as an early signal of demand rather than a driver of valuation. Instead, investor focus is centered on architectural credibility, ecosystem traction, and progress toward utility-scale quantum systems. In this context, XNDU’s demonstrated milestones (including logical qubit development, optical loss reduction, and modular system architecture) support a credible pathway toward scalability, though commercialization remains in its early stages.
  - **We see three primary drivers underpinning XNDU’s valuation and potential rerating.** First, architectural differentiation through its photonic approach positions the company to leverage semiconductor-compatible manufacturing, which could enable more scalable production relative to alternative architectures over time. Second, its full-stack positioning spanning hardware, software (PennyLane), and potential cloud access, expands monetization optionality and increases exposure to multiple layers of the quantum value chain. Third, growing engagement with industrial partners and government programs supports both validation and the development of early commercial pathways.
  - **Looking forward, valuation expansion will be driven by continued execution against key milestones,** including scaling logical qubits, improving error correction, and demonstrating real-world use cases. Conversion of partnerships into recurring revenue streams and evidence of enterprise adoption will be critical in bridging the gap between technical progress and commercial validation. Conversely, delays in achieving scalability or limited conversion of ecosystem activity into revenue could constrain upside.

Chart 4: XNDU – Peer Valuation

Name	Ticker	MCap (\$Mn)	EV (\$Mn)	P/S LTM
Quantum Computing Inc.	QUBT	1,585	471	2,324
IonQ, Inc.	IONQ	10,556	8,208	81
D-Wave Quantum Inc.	QBTS	5,271	4,430	214
Rigetti Computing, Inc.	RGTI	4,876	4,440	688
Average		5,572	4,387	827
<b>Xanadu</b>	<b>XNDU</b>	<b>2,684</b>	<b>2,896</b>	<b>NM</b>

Source: Exec Edge Research, TIKR. Data as of 4/10/26.

## Chart 5: XNDU Financial Snapshot

Income Statement (\$ thousand)	2023	2024	2025
Revenue	2,479	1,589	4,617
<b>Operating expenses:</b>			
Cost of revenue (exclusive of D&A)	605	466	361
Research and development	35,718	39,223	55,237
General and administrative	6,034	6,863	15,415
Sales and marketing	607	1,051	1,190
Depreciation and amortization	3,730	4,869	5,849
Other operating income, net	(2,518)	(287)	(4,113)
Total operating expenses	44,176	52,185	73,939
<b>Loss from operations</b>	<b>(41,697)</b>	<b>(50,596)</b>	<b>(69,322)</b>
<b>Other income (expense), net:</b>			
Interest income (expense), net	6,507	4,670	1,209
Other income (expense), net	(402)	(42)	(2,554)
Total other income (expense), net	6,105	4,628	(1,345)
Net loss	(35,592)	(45,968)	(70,667)
Net loss per share, basic and diluted	(7.27)	(9.35)	(14.29)
Weighted average shares used in computing net loss per share	4,892,803	4,917,324	4,944,814
<b>Key Balance Sheet Items (\$ thousand)</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	117,459	77,619	16,164
Accounts receivable	1,451	1,259	9,477
<b>Total current assets</b>	<b>123,625</b>	<b>90,367</b>	<b>40,214</b>
Property and equipment, net	15,836	15,376	18,313
<b>Total assets</b>	<b>150,983</b>	<b>116,765</b>	<b>70,604</b>
<b>Liabilities</b>			
Accounts payable	420	1,652	2,802
Warrant liabilities	270	258	1,874
<b>Total current liabilities</b>	<b>3,096</b>	<b>5,384</b>	<b>8,977</b>
Long-term debt	6,808	16,009	29,998
<b>Total non-current liabilities</b>	<b>19,084</b>	<b>29,270</b>	<b>46,160</b>
<b>Shareholders' equity</b>			
Common shares	7,287	7,399	7,585
Convertible preferred shares	213,002	213,002	213,002
Additional paid-in capital	3,060	5,937	10,151
<b>Total shareholders' equity</b>	<b>131,899</b>	<b>87,495</b>	<b>24,444</b>
<b>Total liabilities and shareholders' equity</b>	<b>150,893</b>	<b>116,765</b>	<b>70,604</b>
<b>Key Cash Flow Items (\$ thousand)</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Net loss	(35,592)	(45,968)	(70,667)
Net cash used in operating activities	(29,549)	(41,737)	(68,045)
Net cash provided by financing activities	4,312	9,295	12,236
Net cash used in investing activities	(9,969)	(6,675)	(8,863)
<b>Net increase (decrease) in cash</b>	<b>(34,538)</b>	<b>(39,840)</b>	<b>(61,455)</b>

Source: Exec Edge Research, Company Filings.

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