Initiation of Coverage

EXEC EDGE RESEARCH

March 17, 2026

SPAC DEAL CONTOURS	
COMPANY NAME	
Xanadu Quantum Technologies Inc.	
SPAC NAME & TICKER	
Crane Harbor Acquisition Corp.	
Ticker: CHAC ($9.55 as of 3/16 close)	
COMBINED ENTITY NAME & TICKER (PROPOSED)	
Xanadu Quantum Technologies Limited	
Proposed Ticker: XNDU	
Pro Forma EV	$3.1 billion
Cash to Balance Sheet	$455 million
Deal Closure	1Q26

Source: Company Website, CHAC Filings, TIKR

Management Team
Chief Executive Officer
Christian Weedbrook
Chief Financial Officer
Michael Trzupek
Chief Operating Officer
Rafal Janik

Source: Company Filings

STOCK PRICE – CHAC

Source: TIKR

CONTACT

Exec Edge Research
research@executives-edge.com

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Xanadu Quantum Technologies Inc.

Differentiated Full-Stack Photonic Quantum Platform Set to Go Public via SPAC Deal with CHAC

- **Xanadu (proposed ticker: XNDU) is developing a full-stack photonic quantum computing platform, a relatively scarce public-market asset within the emerging quantum computing market**. The company is building proprietary photonic quantum hardware designed for utility-scale, fault-tolerant systems while also building a software ecosystem through PennyLane, Catalyst, and related tools. This integrated approach is increasingly relevant as the industry shifts from isolated technical milestones toward architectures capable of supporting error correction, modular scaling, and real-world application development. While XNDU remains early in the commercialization of utility-scale quantum computing, the platform already spans hardware, software, cloud access, and workflow enablement, giving it a broader strategic position as the market evolves.
- **XNDU's differentiation rests on three core elements: photonic architecture, Aurora system progress, and the PennyLane developer ecosystem**. Photonics offers potential advantages in room-temperature computation, optical networking compatibility, manufacturability, and clock speed, characteristics that become increasingly important as the industry advances toward utility-scale quantum computing (USQC). Aurora represents an important proof point because it demonstrates a modular, networked photonic system architecture with real-time error-correction capabilities. At the same time, PennyLane extends the company's reach beyond its own hardware through a developer-facing software environment that supports hybrid quantum-classical workflows. Together, architectural differentiation, system-level validation, and software ecosystem reach form the basis of XNDU's competitive positioning.
- **The industry backdrop is becoming increasingly supportive as quantum computing moves from experimentation toward early commercialization**. Market estimates suggest the quantum computing industry could exceed $1 billion in revenue in 2025, with substantially larger long-term value creation tied to the emergence of utility-scale, fault-tolerant systems. Governments are increasingly treating quantum as strategic infrastructure, enterprise users are expanding pilot programs across scientific and industrial use cases, and investor interest is broadening through listed pure-play companies, thematic indices, and quantum-focused ETFs. XNDU appears well aligned with these developments given its focus on photonic hardware, software infrastructure, sovereign-compute initiatives, and industrial partnerships spanning aerospace, semiconductors, and advanced manufacturing.
- **XNDU is set to enter the public markets in 1Q26 through its business combination with CHAC at a valuation that appears attractive relative to listed pure-play quantum peers**. The transaction values Xanadu at a pro forma enterprise value of approximately $3.1 billion and is expected to deliver roughly $500 million of total sources, including a fully committed $275 million PIPE and approximately $225 million of CHAC trust cash, with about $455 million expected to reach the balance sheet after illustrative transaction expenses. These figures assume no redemptions. The deal also strengthens governance through an expanded board, including William Fradin, whose capital-markets and transaction experience should support XNDU's transition to the public markets.

Table of Contents

SPAC Transaction & Company Overview 3
Xanadu-CHAC – Bringing Full Stack Photonic Quantum Computing to Public Markets 3
Company Overview – From Photonics Research to a Quantum Computing Platform 4
Right-to-Win 7
Photonics Architecture, Software Ecosystem, and Technical Depth Underpin the Moat 7
Industry Trends and Company Positioning 12
Quantum Computing Approaches a Commercial Inflection as Utility-Scale Systems Emerge 12
Government Support Accelerates Quantum's Path to Commercial Adoption 15
Public Market Appetite for Quantum Computing Continues to Expand 16
Growth Strategy 18
Five Strategic Pillars Anchor Path from Development to Commercial Scale 18
Management Team 21
Founder-Led Leadership Supported by Growing Public-Company Depth 21
Fundamentals & Valuation 22
Development-Stage Financial Profile Supported by Meaningful Post-Transaction Capital 22
Differentiated Photonic Quantum Platform at an Attractive Entry Valuation 24
Risks 25
Disclaimer 26

SPAC Transaction & Company Overview

Xanadu-CHAC – Bringing Full Stack Photonic Quantum Computing to Public Markets

- **Xanadu Quantum Technologies Inc. is approaching the public markets through a business combination with Crane Harbor Acquisition Corp. (CHAC)**. The transaction, announced on November 3, 2025, will see Xanadu advancing its business combination with Crane Harbor and a newly formed public company, Xanadu Quantum Technologies Limited (NewCo), which is expected to trade on the Nasdaq and the Toronto Stock Exchange under the ticker symbol XNDU following the closing of the transaction. Throughout this report we refer to the company as Xanadu or by its proposed ticker, XNDU.
  - **Xanadu is a Canada-based quantum computing company developing a full-stack platform that spans proprietary photonic hardware and quantum software**. Under the current structure, the deal is expected to be funded by CHAC's cash held in trust and proceeds from a fully committed PIPE, and targeted to **close by the end of 1Q26**, subject to customary closing conditions. Importantly, the company has indicated that the fully committed PIPE satisfies the minimum cash condition under the business combination agreement, which reduces execution risk around deal completion.
- **The transaction provides XNDU with meaningful balance-sheet capacity while bringing the company public at a roughly $3 billion valuation**. The business combination implies a pro forma enterprise value of approximately $3.1 billion, based on a $3.0 billion valuation for XNDU and a $3,586 million pro forma equity value at $10.00 per share. Total transaction proceeds are expected to include roughly $225 million of cash in CHAC's trust account and a $275 million PIPE, resulting in approximately $455 million of net cash to the balance sheet after illustrative transaction expenses. That capital base is notable given XNDU's stage of development, as it provides funding to support multiple technical and operational workstreams in parallel. The valuation provides a public-market entry point while allowing existing XNDU shareholders to retain significant ownership in the combined company.

Chart 1: CHAC – Xanadu Transaction Overview

TRANSACTION HIGHLIGHTS

Valuation	• Xanadu valuation of $3.0B • Transaction implies ~$3.1B pro-forma enterprise value
Financing	• Assumes Xanadu raises $275M PIPE at $10.00 per share • Assumes 0% redemption from ~$225M Crane Harbor's Cash in Trust[3] • Expected uses include deployment of Photonics based fault tolerant quantum computers
Structure	• Xanadu shareholders would rollover 100% of their equity and are expected to hold ~84% of the economic ownership [1]

CASH SOURCES & USES ($ MILLIONS)

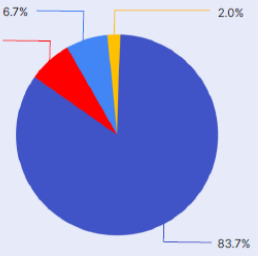
SOURCES	Cash in Trust[3], [4]	$225
	PIPE[6]	$275
	Total Sources	$500
USES	Cash to Balance Sheet[2]	$455
	Illustrative Transaction Expenses	$45
	Total Uses	$500

PRO-FORMA VALUATION ($ MILLIONS)

Shares Outstanding (Millions)	$358.6
Share Price ($)	$10.00
Equity Value	$3,586
Net Cash[2]	($455)
Enterprise Value	$3,131

PRO-FORMA OWNERSHIP

	Shares (Millions)	%Own.
Xanadu	300.0	83.7%
PIPE Investor[6]	27.5	7.7%
Public Shareholders[4], [5]	24.2	6.7%
SPAC Sponsor[7]	6.9	2.0%



Source: Exec Edge Research, Company Investor Presentation. Notes: 1) Assuming no redemptions and includes the dilutive impact of existing equity incentive awards and options. 2) Crane Harbor cash-in-trust plus PIPE investment and Xanadu cash less illustrative expenses. 3) As of 9/30/2025 before deducting deferred underwriting fees. For illustrative purposes only and does not entirely account for additional accrued interest on cash in trust since 9/30/2025, which would increase trust value per share at close. Crane Harbor cash-in-trust was ~$227M as of 2/27/2026. 4) Assumes no Crane Harbor shareholders exercise redemption rights to receive cash from trust account at closing. 5) Assumes 2.2M shares from 22M rights to receive 1/10th of a Class A ordinary shares for each right. 6) Based on PIPE commitments at the time of BCA signing. 7) Does not include 1.1M SPAC sponsor earnout.

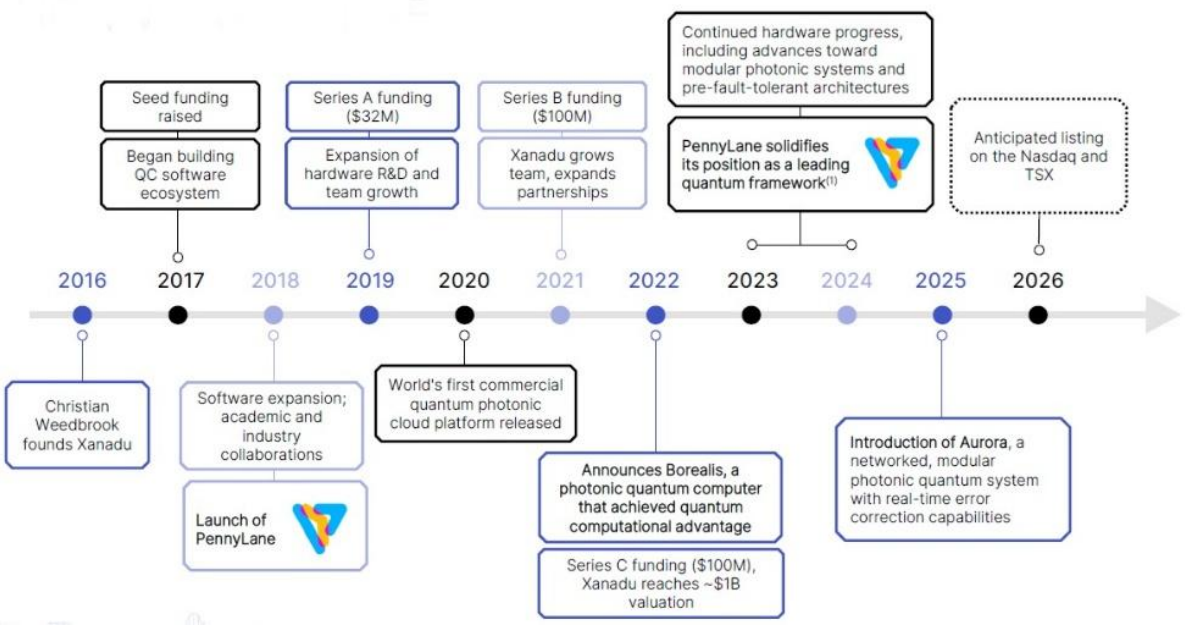
- **The transaction structure also highlights strong external investor participation while keeping legacy shareholders closely aligned with new public investors**. Concurrent with the merger announcement, XNDU

secured $275 million of fully committed PIPE financing from institutional and strategic investors, with more than 90% of the oversized and oversubscribed raise coming from new-money investors. Named participants include AMD, BMO Global Asset Management, CIBC Asset Management Inc., and Polar Asset Management Partners, alongside support from existing investors such as Bessemer, Georgian, and OMERS Ventures. **The financing represents the largest quantum PIPE associated with a de-SPAC transaction since 2022**. Alignment is further reinforced by the fact that existing XNDU shareholders are rolling over 100% of their equity and are expected to retain roughly 84% of the combined company's economic ownership. In addition, existing shareholders are subject to a six-month lock-up, while the SPAC sponsor has agreed to a 12-month lock-up, subject to limited early-release provisions tied to share-price performance and certain strategic transactions.

Company Overview – From Photonics Research to a Quantum Computing Platform

- **Xanadu has evolved from a photonics start-up into a full-stack quantum platform**. Founded in 2016, XNDU is building quantum computing solutions for enterprise and government customers through a model that combines proprietary photonic hardware with a broad software layer. The company remains pre-commercial in utility-scale quantum computing, and is focused on steady technical execution, ecosystem building, and commercialization readiness. The company's development arc reflects a deliberate platform strategy. XNDU began by building its software ecosystem in 2017, launched PennyLane in 2018, introduced a commercial photonic cloud platform in 2020, demonstrated quantum computational advantage with Borealis in 2022, and unveiled Aurora in 2025 as a modular photonic system with real-time error correction. The progression reflects a company moving from research roots toward a more complete platform strategy spanning applications, infrastructure, and future compute access. Overall, XNDU is entering the public markets as an early-stage quantum company, but one that has already assembled much of the technical and ecosystem foundation needed for long-term commercialization.

Chart 2: Evolution of XNDU Over the Past Decade

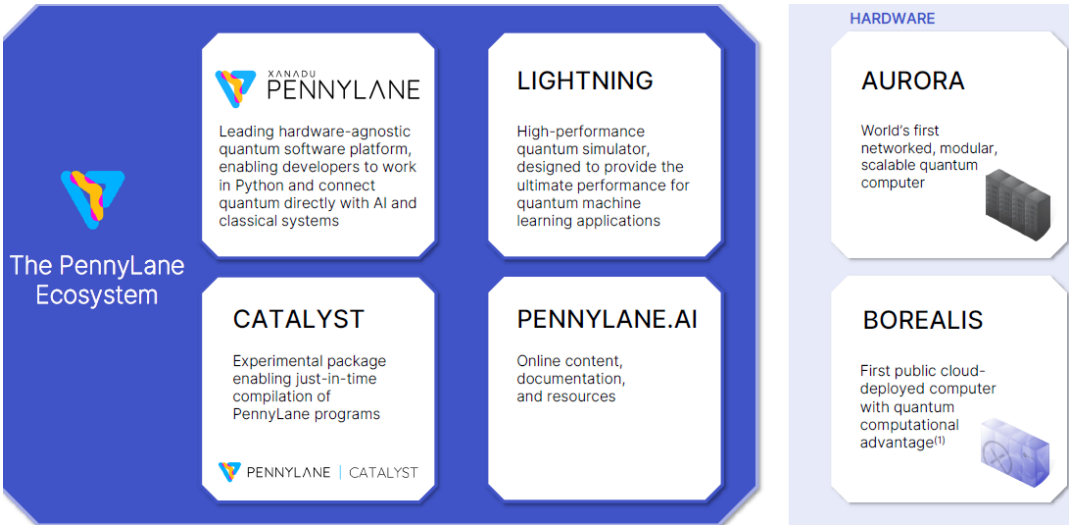


Source: Exec Edge Research, Company Investor Presentation 1) 2024 Quantum Open-Source Software Survey Results, Unitary Foundation

- **XNDU's architecture combines proprietary photonic hardware with a developer-oriented software stack**. On the hardware side, XNDU is focused on a photonic architecture that operates largely at room temperature, is compatible with existing silicon manufacturing processes, and is built for modular, fiber-networked scaling. Borealis established an early proof point by demonstrating quantum computational advantage on the cloud, while Aurora pushed the platform toward data-center-style design through a networked, modular system intended to support fault-tolerant scaling over time. On the software side, PennyLane is a hardware-agnostic platform that lets developers work in Python and connect quantum workflows with classical and AI systems. Around PennyLane, XNDU has built

Catalyst for just-in-time compilation, Lightning for high-performance simulation, and a broader developer ecosystem that expands its reach beyond its own hardware. Together, the hardware and software layers position XNDU across both sides of the quantum stack, helping the company build developer adoption today while advancing toward more capable photonic systems over time.

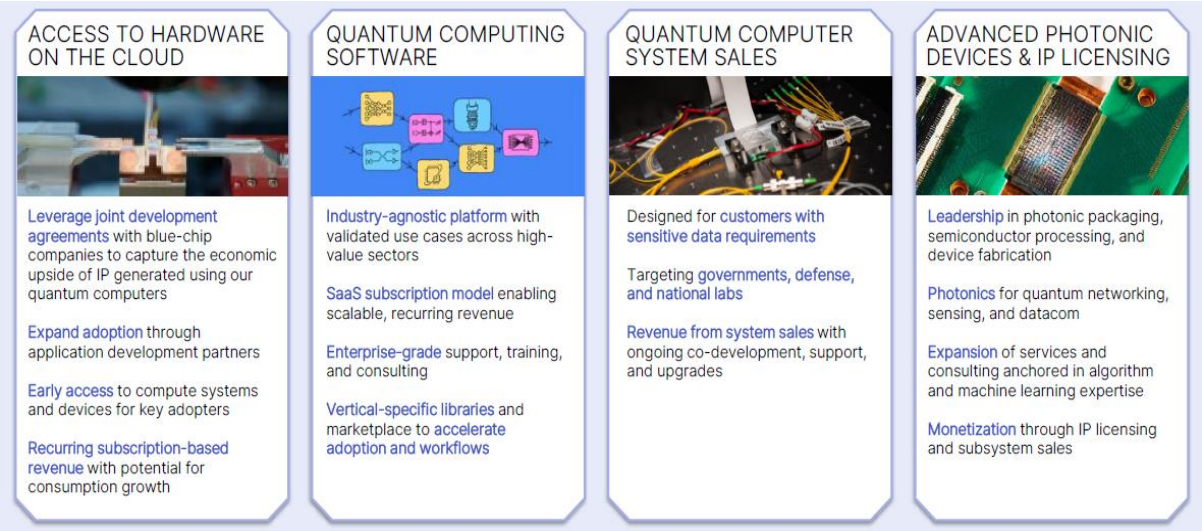
Chart 3: XNDU's Hardware and Software Stack



Source: Exec Edge Research, Company Investor Presentation 1) Quantum Computational Advantage with a Programmable Photonic Processor (Nature, June 2022)

- **XNDU is pursuing a staged commercialization model with multiple potential revenue channels across the quantum stack**. The model includes cloud access to quantum hardware, commercialization of quantum software, dedicated system sales, and potential monetization of photonic devices and intellectual property. The software leg is positioned around enterprise tools, support, training, consulting, and over time potentially more scalable recurring revenue streams. The hardware leg is aimed first at early adopters and later at customers with sensitive data or sovereign compute needs, including governments, defense organizations, and national labs. XNDU also has adjacent monetization opportunities in photonic packaging, datacom, sensing, and telecommunications.

Chart 4: Commercialization Strategy



Source: Exec Edge Research, Company Investor Presentation

- **XNDU's operating footprint is research-intensive and talent-dense, while manufacturing flexibility is maintained through external fabrication partnerships**. The company is headquartered in Toronto, where it

operates roughly 48,000 square feet of office and nanophotonic facility space used for research, development, and design. XNDU also maintains an additional packaging and assembly facility in Toronto and a U.S. office that supports collaboration with semiconductor manufacturing partners and government stakeholders. As of September 30, 2025, the company had 246 employees, including more than 135 PhDs. Operationally, XNDU combines internal capabilities in design, systems engineering, and integration with external fabrication and specialized manufacturing support, which should help preserve flexibility as the platform moves from development toward commercialization.

- **A broad IP portfolio and commercial partner ecosystem reinforce both a defensive moat and an active co-development pathway**. XNDU has built an intellectual property portfolio spanning photonic quantum computing architectures, GKP state generation, Gaussian boson sampling, quantum simulation, and quantum machine learning. As of November 14, 2025, XNDU reported 67 patent families, including 31 granted patents and 95 pending patent applications across major global jurisdictions. That IP position is reinforced by partnerships that extend beyond research into commercial validation and manufacturing readiness. XNDU has highlighted collaborations with Volkswagen, Toyota Research Institute of North America, Mitsubishi Chemical Group, and Rolls-Royce on application development, while manufacturing and photonics partnerships include Applied Materials, Corning, IMEC, SUNY, HyperLight, DISCO, and Tower. Overall, XNDU's IP strategy supports co-development, expands technical validation, and increases the number of stakeholders aligned with the company's photonic roadmap.

Chart 5: XNDU's Strong Partner Ecosystem

Source: Exec Edge Research, Company Investor Presentation

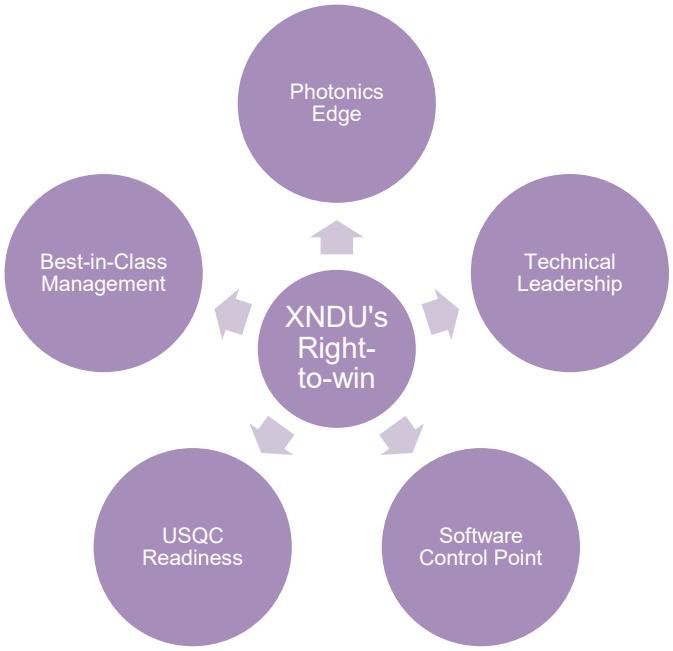
- **The CHAC transaction positions Xanadu to enter public markets as the first pure-play photonic quantum computing company upon deal closure, with a balance sheet capable of supporting multi-year platform development**. Assuming no redemptions, the transaction is expected to provide roughly $455 million of net cash at closing, supported by about $225 million held in CHAC's trust account and a fully committed $275 million PIPE. This capital is significant given XNDU's development stage, as the company continues investing across hardware, software, manufacturing readiness, and system integration ahead of broader commercial scaling. Proceeds are expected to support continued R&D and engineering investment while expanding capabilities in advanced packaging, heterogeneous integration, test-and-measure infrastructure, and supply-chain development. The expanded balance sheet should also allow XNDU to qualify multiple manufacturing partners in parallel and accelerate design-build-test cycles.
- **On March 11, 2026, XNDU announced that it has entered negotiations toward up to C$390 million of additional government support from the Governments of Canada and Ontario for Project OPTIMISM**, an initiative aimed at establishing advanced semiconductor and photonic manufacturing capabilities for the quantum technology supply chain in Canada. Under Project OPTIMISM, Xanadu is expected to develop domestic capabilities across heterogeneous integration, photonic integrated circuit packaging, wafer-level semiconductor test and measurement, and quantum module assembly. Subject to due diligence and the execution of definitive agreements, the initiative – if finalized – would boost XNDU's capital base, supporting its roadmap toward utility-scale quantum computing and future quantum data-center infrastructure, while offsetting a substantial portion of the capital required for the next phase of deployment.

Right-to-Win

Photonics Architecture, Software Ecosystem, and Technical Depth Underpin the Moat

- **XNDU's right to win rests on a combination of architectural differentiation, system-level execution, software reach, and technical depth that together are difficult for peers to replicate**. In an industry where commercial leadership will likely depend on more than isolated scientific milestones, XNDU is building advantage across several critical layers: a photonic modality designed for scalability, early system-level validation through Aurora, a developer ecosystem anchored by PennyLane, and a team capable of connecting research, engineering, and commercialization. Together, these elements form the foundation of XNDU's competitive positioning as the quantum computing market develops. We discuss these elements in detail below.

Chart 6: Xanadu's Moat



Source: Exec Edge Research, Company Investor Presentation

- **XNDU's photonic architecture addresses several of quantum computing's core scaling bottlenecks simultaneously, reinforcing a structural moat around the platform**. Rather than competing on qubit count alone, the underlying modality determines whether a system can ultimately be scaled, networked, manufactured, and operated at commercially viable cost and complexity. Photonics therefore becomes more than a technical preference; it defines the economic and engineering feasibility of building utility-scale systems. XNDU's approach highlights several structural advantages, including room-temperature operation during computation, native compatibility with optical networking, reduced error-correction overhead through photonic qubits, faster clock speeds relative to atom- and ion-based architectures, and compatibility with established semiconductor manufacturing processes. Together, these attributes position photonics as a modality capable of supporting modular, networked, and manufacturable quantum systems at scale. The company's differentiation can be framed across the following dimensions:
  - **True room-temperature computation**: Once qubits are prepared, computation, gates, and measurement occur at room temperature, avoiding the cryogenic infrastructure required by many competing quantum architectures. This lowers system complexity, reduces power requirements, and improves compatibility with conventional data-center environments.
  - **Natural networking capability**: Photons are already the medium used for optical networking. Because XNDU computes using the same photons that connect chips, the architecture avoids the conversion losses and fidelity penalties that arise when other modalities must translate between electronic and photonic signals.

- **Lower error-correction burden**: The company indicates that its photonic approach may reduce error-correction overhead by roughly 10–100x relative to conventional surface-code architectures. Reduced overhead is significant because error correction remains one of the primary constraints on scaling practical quantum systems.
- **Faster clock speeds**: Photonic systems operate at optical frequencies, allowing for substantially faster clock speeds than atom- or ion-based systems. As platforms scale, gate speed may become a meaningful differentiator in system performance.
- **Manufacturability and capital efficiency**: Photonic integrated circuits can be fabricated using semiconductor processes already established in telecom and datacom supply chains. Compatibility with existing foundry infrastructure may enable wafer-scale production and higher manufacturing yields over time.
- **Modular system architecture**: XNDU's design emphasizes modular photonic chips connected through fiber interconnects, supporting a networked system architecture more similar to distributed data-center infrastructure than single laboratory-scale quantum devices.
- **Architectural flexibility**: The company's photonic GKP-based design provides flexibility in error-correction approaches over time, reducing the risk of committing too early to a single architectural pathway.

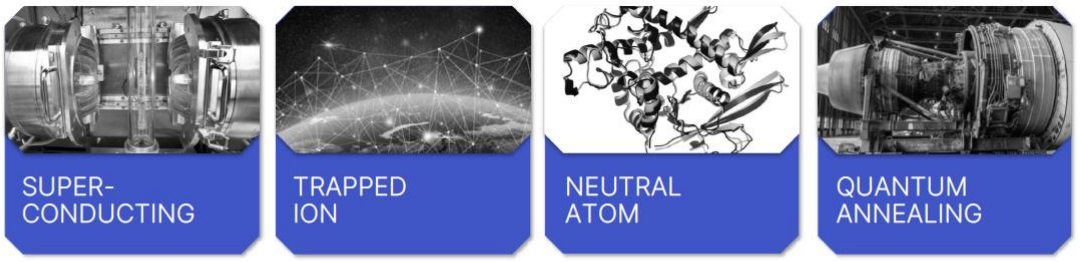
- Together, these attributes make photonics the company's most substantive architectural moat. The advantage lies not simply in using photons, but in the modality's ability to address cooling, networking, manufacturability, speed, and error-correction efficiency within a single system architecture.

Chart 7: Photonics Combines Speed, Connectivity, and Room-Temperature Operation

COMPANY/MODALITIES	XANADU	OTHER PHOTONICS	SUPERCONDUCTORS	TRAPPED ION	NEUTRAL ATOM	ANNEALING
CLOCK SPEED	~100MHZ	~100MHZ	~1MHz	~10kHz	~10kHz	NO CLOCK RATES/ NO GATES
SCALABLE INTERCONNECTS DEMONSTRATED	✓	✗	✗	✗	✗	✗
LOGICAL OVERHEAD	~100:1	1000:1	1000:1	1000:1	1000:1	N.A.
2Q FIDELITY	99.99%	99.22%	99.86%	99.99%	99.5%	NO GATES
CONNECTIVITY	ALL-TO-ALL	ALL-TO-ALL	NEAREST NEIGHBOR	ALL-TO-ALL IN A SINGLE TRAP	ALL-TO-ALL IN A SINGLE TRAP	20:1
ROOM TEMPERATURE COMPUTATION	✓	✗	✗	✗	✗	✗
PHOTONICS TECHNOLOGY IN ROADMAP	✓	✓	✓	✓	✓	✓

Source: Exec Edge Research, Company Investor Presentation

Chart 8: Photonics Addresses Scaling, Cooling, and Networking Bottlenecks

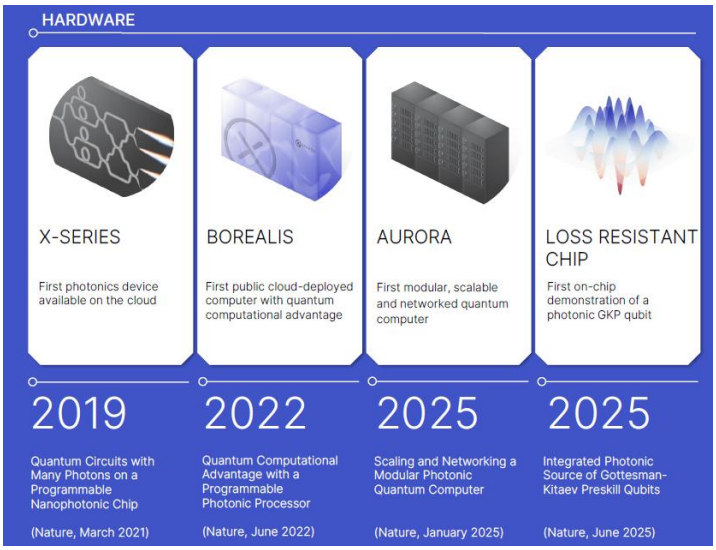


	SUPER-CONDUCTING	TRAPPED ION	NEUTRAL ATOM	QUANTUM ANNEALING
KEY TECHNOLOGICAL HURDLES	✗ Significant cooling and networking requirements	✗ Slower gate speeds and networking	✗ Slower gate speeds and networking	✗ Application specific
XANADU'S SOLUTIONS	✓ Limited cooling and networking solved	✓ 100MHz gate speed	✓ Scalable via modular and networked systems	✓ Universal applications

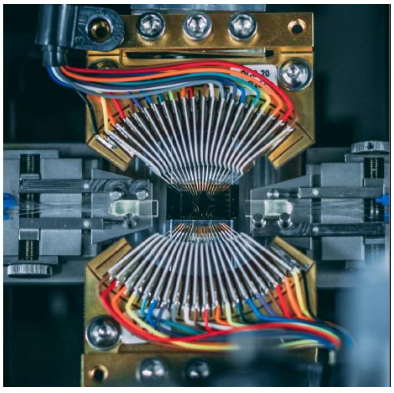
Source: Exec Edge Research, Company Investor Presentation

- **Aurora represents XNDU's first system-level validation of its photonic architecture and a key proof point for the company's path toward scalable quantum systems**. Many of XNDU's advantages stem from its photonic modality, but Aurora is important for a different reason: it demonstrates that those architectural advantages can be integrated into a working system rather than remaining isolated laboratory components. Described by the company as the first modular, networked photonic quantum computer, Aurora combines multiple server racks, integrated photonic chips, and real-time error-correction decoding within a single platform. As the competitive debate in quantum shifts from isolated technical milestones toward demonstrating a credible path to larger, fault-tolerant machines, system-level integration is becoming an increasingly important differentiator. In that context, Aurora strengthens XNDU's competitive position for three reasons:
  - **System integration proof**: Progress is demonstrated not only at the chip or qubit level, but across networking, modularity, and control systems operating together within one architecture. This type of integrated system design is more relevant to eventual commercial deployment than single-point laboratory breakthroughs.
  - **Error-correction relevance**: Aurora incorporates real-time error-correction decoding, linking the system architecture directly to the broader path toward fault-tolerant quantum computing. Error correction remains one of the primary gating factors for utility-scale systems.
  - **Execution credibility**: Demonstrating a working modular system distinguishes XNDU from peers whose roadmaps remain largely conceptual. With the core architectural elements now demonstrated, the remaining work shifts toward improving component performance, reducing optical loss, and scaling engineering execution.

Chart 9: Hardware Firsts Reinforce Execution Credibility – Aurora Progressing Toward Fault-tolerance



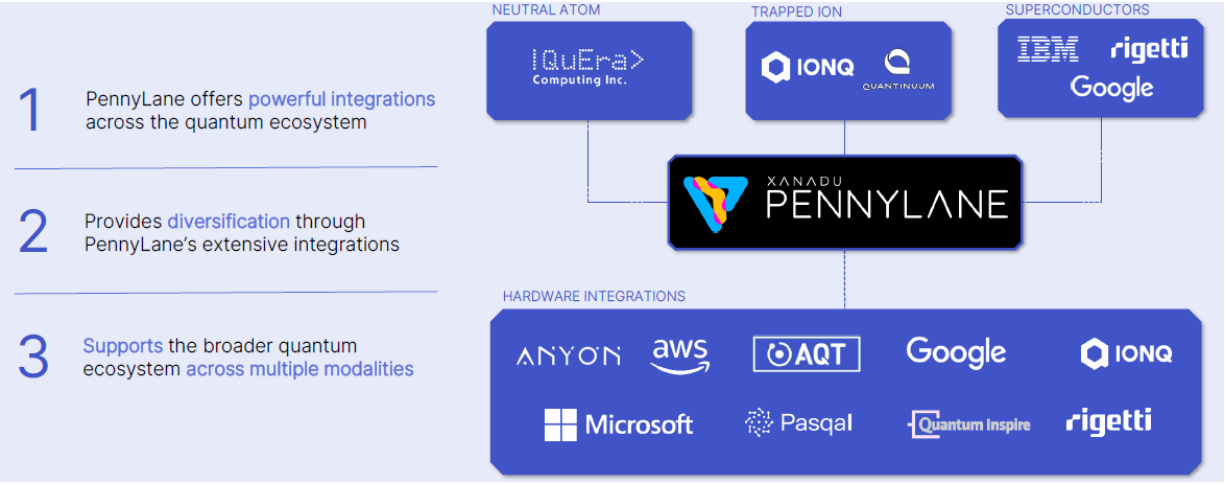
- Aurora: First modular, scalable, and networked quantum computer[1]
- Demonstration of error resistant photonic qubits on an integrated photonic chip[2]
- Photonic systems compute without cryogenics or laser cooling
- Scalable approach to QML: Efficient training models with up to one thousand qubits and hundreds of thousands of parameters. [3]



Source: Exec Edge Research, Company Investor Presentation, 1) Aghaee Rad, H., Ainsworth, T., Alexander, R.N. et al. Scaling and networking a modular photonic quantum computer. Nature 638, 912–919 (2025), 2) Larsen, M.V., Bourassa, J.E., Kocsis, S. et al. Integrated photonic source of Gottesman–Kitaev–Preskill qubits. Nature 642, 587–591 (2025), 3) Recio-Armengol, Erik, Shahnawaz Ahmed, and Joseph Bowles. "Train on classical, deploy on quantum: scaling generative quantum machine learning to a thousand qubits." arXiv preprint arXiv:2503.02934 (2025).

- **PennyLane strengthens XNDU's competitive position by placing the company at the developer and workflow layer of the quantum ecosystem**. This is important because platform control in emerging computing markets is often established before the hardware market fully matures. XNDU's software stack strengthens that position in three ways.
  - First, PennyLane is already broadly distributed across the ecosystem: it is used across more than 120 universities and numerous enterprise partners, and at the recent Analyst Day the company cited roughly 200,000 trailing 30-day downloads and around 35,000 trailing 30-day active users.
  - Second, it is hardware agnostic and integrated across major modalities, which means XNDU can participate in ecosystem growth even before its own hardware becomes broadly commercial. This creates diversification and keeps the company relevant regardless of which architectures advance first.
  - Third, PennyLane is not just a front-end SDK. Catalyst is the compiler layer that connects high-level algorithms to photonic hardware execution, with support for hybrid quantum-classical workflows, low-latency control logic, and future fault-tolerant operation.
- **That makes the software stack strategically important in two ways**: externally, it builds user adoption and ecosystem familiarity; internally, it serves as the control layer needed for XNDU's own path to utility-scale systems. The moat, therefore, is not software revenue alone. It is the possibility that XNDU becomes embedded in how quantum applications are built, optimized, and eventually routed to hardware.

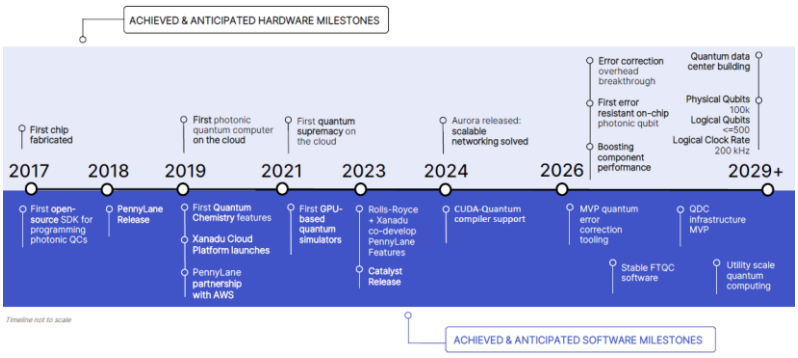
Chart 10: Cross-modality Integrations Broaden Relevance Regardless of Hardware Winner



Source: Exec Edge Research, Company Investor Presentation

- **XNDU is designing its architecture from the outset for utility-scale quantum computing (USQC), rather than attempting to retrofit a research system for commercial deployment later**. The company defines USQC as fault-tolerant systems with hundreds to thousands of logical qubits capable of supporting commercially relevant workloads, and this target state drives architecture decisions today. The eventual winners in quantum will be companies whose hardware, error-correction stack, compiler layer, and deployment model are designed around the requirements of commercial-scale operation from the beginning. Those requirements include high clock speeds, continuous error correction, modular networking, data-center compatibility, practical energy and cooling budgets, and manufacturable hardware. The photonic GKP architecture, real-time qLDPC error correction, and measurement-based model are designed to address those requirements together.
  - **This full-stack orientation makes USQC readiness a meaningful moat driver**. On the hardware side, XNDU's modular rack-based system can scale through fiber networking and wafer-scale photonics. On the software side, PennyLane and Catalyst act as the bridge between algorithm design and low-level photonic execution, which is important because utility-scale performance will depend as much on compilation and control flow as on qubit physics. The strategic advantage rests in the fact that XNDU is presenting a coordinated architecture designed around the end-market requirements of commercially useful quantum computing, which may reduce redesign risk as the industry moves from technical demonstrations toward real deployment.

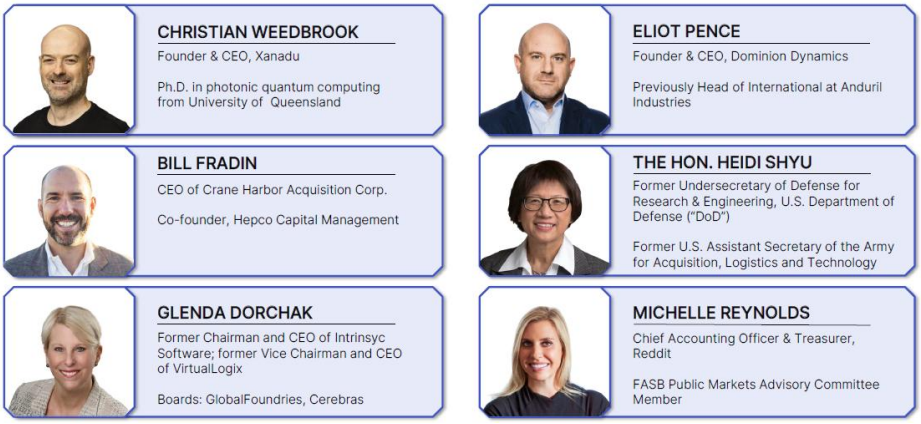
Chart 11: Hardware and Software Milestones Converge Toward Utility-Scale Deployment



Source: Exec Edge Research, Company Investor Presentation

- **XNDU's technical depth and leadership continuity strengthen its ability to execute on a complex quantum roadmap**. Quantum computing still requires coordinated progress across science, engineering, software, and commercialization, and few players appear to have assembled that breadth of expertise in one organization. The advantage lies not simply in experienced executives or strong academic roots. More important is that XNDU has built a team with depth across photonics, quantum error correction, chip design, systems engineering, software infrastructure, and go-to-market development, all of which are necessary to move a quantum platform from research into commercial relevance. As of September 30, 2025, XNDU had 246 employees, including more than 136 physicists and engineers working in quantum technology. 75% of the leadership team has been with the company since its early years, which suggests the core technical direction has been developed with continuity rather than frequent resets.
- **The de-SPAC meaningfully strengthens XNDU at the board level by adding a group of directors whose backgrounds map directly to the company's next phase of execution**. The proposed nominees bring complementary expertise across capital markets, semiconductors, government, defense, and public-company governance, which should support the company as it moves from founder-led technical scaling toward listed-company discipline. **William Fradin** adds transaction, investment, and SPAC execution experience through prior roles in the BlackSky and Janus International transactions and broader investing activity through HEPCO Capital Management. **Glenda Dorchak** contributes semiconductor and public-board experience through roles at GlobalFoundries and Cerebras, while **Michelle Reynolds** strengthens financial oversight through senior finance positions at Reddit, Snap, and Procter & Gamble. **Heidi Shyu and Eliot Pence** add government, defense, and national-security connectivity that may be valuable as XNDU expands sovereign and public-sector engagement. Taken together, the board additions expand governance, capital-markets expertise, and sector connectivity while leaving the company's technical leadership structure intact.

Chart 12: Experienced Board of Directors Nominees



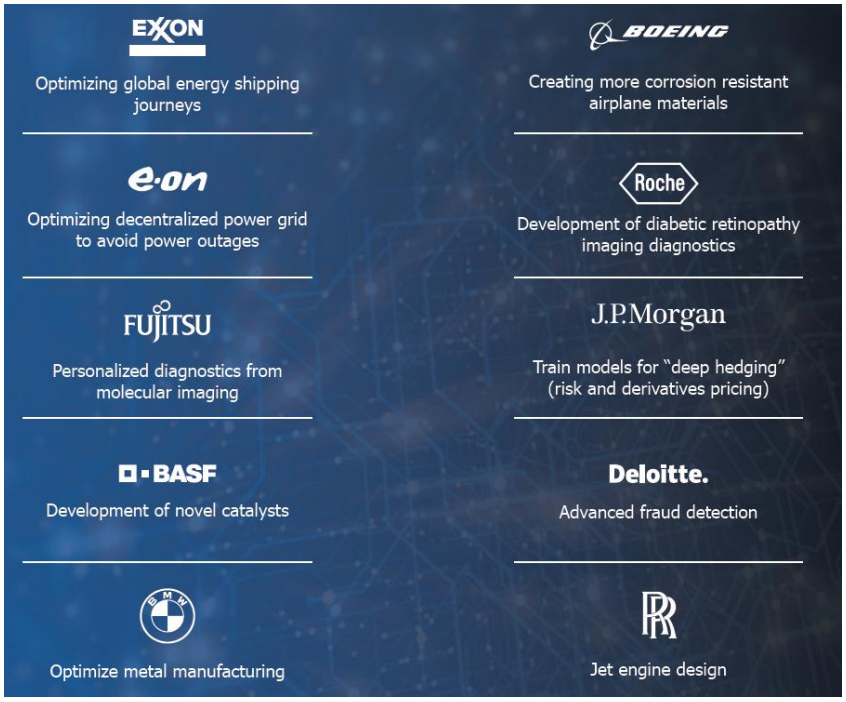
Source: Exec Edge Research, Company Investor Presentation

Industry Trends and Company Positioning

Quantum Computing Approaches a Commercial Inflection as Utility-Scale Systems Emerge

- **Quantum computing is approaching a commercial inflection point as architectures capable of supporting utility-scale systems begin to emerge**. Unlike classical computers that process information in binary bits, quantum systems operate using qubits that exploit superposition, entanglement, and interference to explore complex solution spaces more efficiently. This makes quantum computing particularly relevant for problems such as molecular simulation, portfolio optimization, cryptography, and logistics where computational complexity grows exponentially. While the theoretical foundations of the field date back to the 1980s with work by Feynman and Deutsch, practical hardware progress accelerated in the 2010s but remained constrained by noise, limited qubit scale, and instability.
  - **The quantum computing sector is approaching an inflection point as the industry begins shifting toward utility-scale quantum computing (USQC)**. Quantum error correction, a key milestone once thought decades away, has progressed rapidly and was demonstrated in late 2024. This is significant because it reduces the overhead needed to build logical qubits, accelerating the timeline for practical quantum systems. At the same time, classical computers are increasingly unable to simulate quantum systems, reinforcing the latter's computational uniqueness. New qubit platforms such as those based on neutral atoms are also gaining momentum, offering more scalable and potentially fault-tolerant architectures. Together, these developments suggest that practical quantum advantage may emerge within the next few years. Although we remain in the NISQ era, the convergence of maturing hardware, advancing software runtimes, and emerging ecosystem collaboration signals the beginning of a transition from research to real-world deployment. For companies like XNDU, this inflection point creates a unique opportunity to commercialize a full-stack platform spanning photonic hardware and software infrastructure geared toward utility-scale quantum computing.
  - **XNDU's photonic architecture, Aurora system milestones, and PennyLane software ecosystem position the company to participate in the industry's transition beyond early-stage experimentation**. As the sector increasingly prioritizes architectures capable of supporting error correction, modular scaling, and commercially relevant workloads, platforms designed around utility-scale deployment may become more strategically relevant than those focused solely on near-term NISQ experimentation.

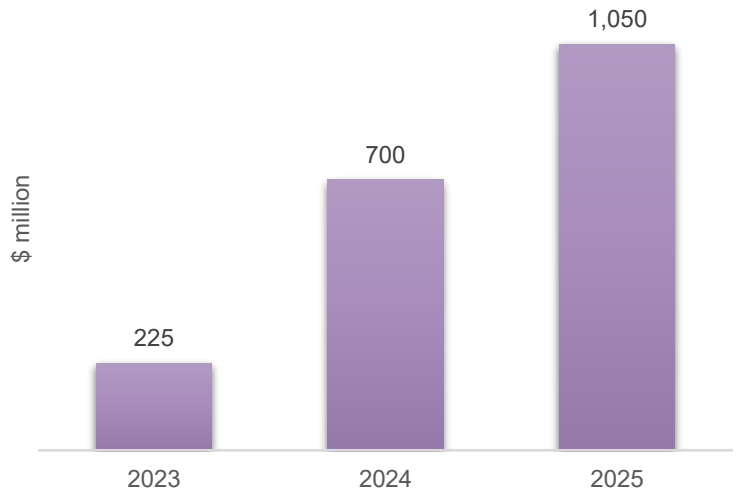
Chart 13: Real-World Quantum Computing Use Cases



Source: Exec Edge Research, Lunate Capital, IBM, Google, McKinsey

- **The quantum computing (QC) market – estimated to exceed $1 billion in 2025 – is beginning to transition from research and experimentation toward early-stage commercialization**. According to McKinsey & Company's Quantum Monitor 2025, QC companies collectively earned an estimated $650 million to $750 million in revenue in 2024, more than doubling from $200 million to $250 million in 2023. This trend is expected to continue with annual growth of around 40%, projecting total industry revenues to reach $1 billion to $1.1 billion in 2025. This acceleration reflects a shift from pure experimentation toward early economic value creation. The broader quantum technology landscape is composed of three pillars—quantum computing (QC), quantum communication (QComm), and quantum sensing (QS). Among these, quantum computing stands out as the most commercially promising. By 2035, McKinsey estimates that the QC segment alone is projected to reach between $28 billion and $72 billion, expanding further to $45 billion to $131 billion by 2040.
  - **McKinsey further highlights error correction as a critical turning point**, pointing to 2024-25 advances from Google and others as evidence that the industry is moving beyond pure qubit-count competition toward logical-qubit robustness and controllability.
  - **XNDU is directly aligned with the quantum computing pillar, and its strategy is geared toward capturing value as the industry moves from experimentation toward commercially relevant, utility-scale systems**. The company's positioning spans both hardware and software, with a photonic quantum computing architecture on the hardware side and PennyLane as a developer-facing software environment. That full-stack positioning is relevant in the current phase of market development, where the industry is beginning to place greater value not only on scientific milestones but also on the infrastructure needed to translate those milestones into real-world applications. XNDU also has adjacency to broader photonics-enabled quantum opportunities, including areas such as networking, sensing, and communications, although quantum computing remains the core commercial focus.
- **The momentum in the quantum computing market is underpinned by several drivers:**
  - Technological milestones such as improvements in qubit fidelity, error correction, and chip scalability.
  - Growing private and public investment, with major governments (e.g., U.S., China, EU, Singapore) launching national quantum strategies.
  - Expanding enterprise interest, with corporates in chemicals, pharma, and financial services beginning to allocate pilot budgets to explore quantum advantage.
  - An evolving startup ecosystem, where firms like XNDU are helping push the market forward through advances in photonic hardware, quantum software infrastructure, and architectures designed for scalable, fault-tolerant systems.

Chart 14: Quantum Computing Market is Estimated to Cross $1 billion in 2025



Source: Exec Edge Research, McKinsey, Crunchbase; Oxford Economics; PitchBook; Quantum Computing Report; S&P Capital IQ.

- **Quantum computing's long-term growth outlook is supported by the technology's potential economic impact across multiple sectors**. According to McKinsey, quantum computing could unlock between $900 billion and $2 trillion in economic value by 2035, with ten industries expected to benefit meaningfully. Financial services leads the opportunity set, with potential value creation of $400 billion to $600 billion from applications such as portfolio optimization, fraud detection, and risk modeling. Energy and materials – including oil & gas, sustainable energy, and chemicals – could generate $200 billion to $500 billion in value through advances in catalyst design, process optimization, and energy distribution. Other sectors such as travel and logistics, pharmaceuticals, and advanced industries (including automotive, aerospace, and semiconductors) also show meaningful potential. For companies like XNDU, this breadth of opportunity underscores the importance of building a full-stack platform capable of addressing diverse enterprise and government workloads across simulation, optimization, chemistry, materials, and industrial applications.
- **While the long-term value creation potential of quantum computing is immense, near-term progress will depend on architectures capable of supporting utility-scale quantum computing (USQC), which should favor early movers like XNDU**. According to the 2024 Quantum Threat Timeline Report by the Global Risk Institute, a majority of experts believe practical quantum applications are likely to emerge within the next five years, with 64% assigning a greater than 50% likelihood to commercial use cases by 2029. That raises the importance of hardware choices that can support scale, manufacturability, and error correction rather than isolated proof points.
  - **XNDU's architecture is designed around those requirements**. Its photonic approach is designed to avoid cooling during computation, leverage silicon manufacturing processes, support flexible error correction, and enable modular, networkable systems compatible with telecom infrastructure. The company also highlights faster clock speeds as another advantage of the modality. Taken together, these attributes suggest XNDU's hardware is being built not only to demonstrate quantum capability, but to meet the practical requirements of USQC, which should matter more as the market shifts from NISQ experimentation toward commercially relevant deployment.

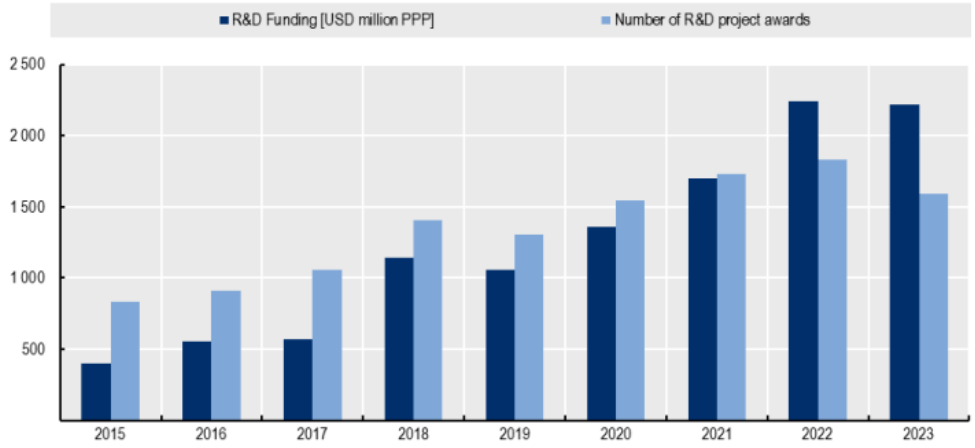
Chart 15: Photonics May Offer a More Practical Path to USQC

Source: Exec Edge Research, Company Investor Presentation

Government Support Accelerates Quantum's Path to Commercial Adoption

- **Governments are becoming central to quantum adoption as the technology carries long development timelines, uncertain private-sector payback periods, and clear strategic implications for economic competitiveness, digital security, and national resilience**. In its December 2025 overview of national quantum strategies, the OECD notes that governments are supporting quantum not only for potential breakthroughs in computing, sensing, and communications, but also to secure leadership in a field with implications for healthcare, energy, logistics, advanced manufacturing, and national security. That policy push is becoming more structured. By November 2025, 18 OECD member countries plus the European Union had adopted formal quantum strategies, while global government commitments to quantum science and technology had reached an estimated $55.7 billion since 2013. The OECD also highlights that governments are no longer relying on a single lever; the policy toolkit now spans institutional research funding, public research grants, business R&D grants, public procurement, and equity financing. The chart below underscores how quickly support has scaled. Across 19 OECD countries and EU programs, 12,209 quantum-oriented R&D projects received approximately $11.235 billion in funding awards (PPP terms) between 2015 and 2023. The average project size was $0.92 million versus $0.75 million across all R&D fields. Importantly, funding accelerated after 2019, and 2022 plus 2023 together accounted for more than one-third of total quantum R&D funding in that period. In our view, that rising state support will likely remain a key tailwind for the sector, particularly for companies aligned with sovereign compute, domestic supply chains, and public-private commercialization models.

Chart 16: Estimated Annual Quantum R&D Funding in the OECD Fundstat Database, 2015-23



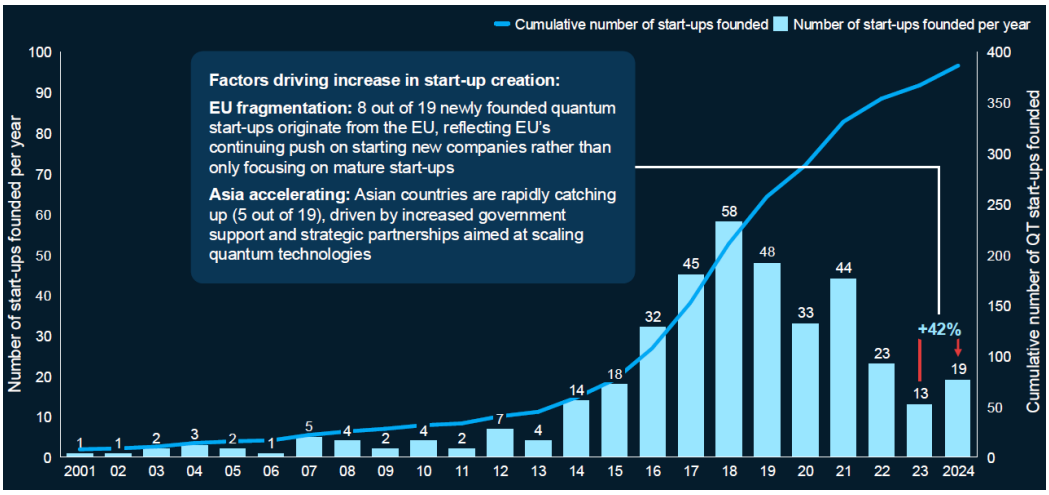
Source: Exec Edge Research, OECD. Note: Calculations based on data from the OECD Fundstat database (v.2024), accessed in September 2025.

- **XNDU is well positioned to benefit from this trend because its strategy is explicitly tied to sovereign quantum compute capacity, domestic advanced-manufacturing ecosystems, and government-backed commercialization pathways**. The company is partnering with governments and research agencies to build trusted quantum infrastructure, local photonic supply chains, and workforce capabilities, and has already received substantial support from both Canadian and U.S. programs. Examples include a C$40 million Canadian Strategic Innovation Fund award to support development and commercialization of a photonic fault-tolerant quantum computer, a C$3.75 million Canadian contribution tied to PennyLane, and selection for up to C$23 million under Canada's Quantum Champions Program. XNDU also states that government partnerships can provide co-funding, early procurement opportunities, and validation for systems intended for sovereign and security-sensitive use cases. In that context, stronger public-sector adoption may matter to XNDU not only as a source of non-dilutive capital, but also as a mechanism to accelerate manufacturing readiness, workforce development, and early demand formation around its photonic quantum platform.
  - That positioning was reinforced in March 2026, when XNDU announced negotiations toward up to C$390 million of support from the Governments of Canada and Ontario for Project OPTIMISM. If finalized, the proposed support would deepen XNDU's alignment with sovereign manufacturing priorities while potentially accelerating packaging, integration, and module-assembly capacity in Canada, supporting its path toward scaled, utility-relevant systems.

Public Market Appetite for Quantum Computing Continues to Expand

- **Global investment in quantum startups has accelerated significantly, reflecting rising commercial confidence in the field**. The quantum computing startup ecosystem is experiencing a marked acceleration in capital inflows, signaling growing conviction among investors that quantum technologies are moving closer to commercial viability. According to McKinsey, global investment in quantum computing companies grew from less than $100 million in 2015 to nearly $2.3 billion in 2022. The cumulative investment since 2001 now exceeds $6.5 billion, with annual funding experiencing a CAGR of nearly 40% over the last decade. Venture capital firms remain the largest contributors, responsible for approximately 70% of all funding, followed by government grants and corporate investors. This reflects both private sector optimism and strong public sector interest in securing technological leadership in quantum domains. Notably, while North America and Europe have led quantum investments historically, there is a growing diversification in funding geographies. Asia, particularly China and Singapore, is increasing its share of capital allocation, aided by national quantum strategies and supportive R&D infrastructure. The diversity of capital sources, which range from early-stage VCs to deep-pocketed sovereign wealth funds and strategic industry players, has created a rich funding environment for startups operating across all segments of the quantum value chain. **For XNDU, this backdrop is relevant because the company is one of the more scaled private quantum platforms to attract institutional, strategic, and government-linked capital across multiple funding rounds and is now moving to access public markets through the Crane Harbor transaction**.

Chart 17: Europe and Asia Fuel a 46% Rise in Quantum Computing Start-up Creation



Source: Exec Edge Research, McKinsey, Crunchbase, Pitchbook

- **Investor focus is shifting from capital-intensive hardware ventures to scalable, software-driven quantum computing business models**. From an industry segmentation standpoint, most funding to date has gone to hardware-focused companies, which require capital-intensive R&D and infrastructure development. However, McKinsey points to a rising interest in application software and systems software layers, where scalability, capital efficiency, and near-term revenue potential are higher. This shift reflects investor preference for business models with faster paths to monetization through cloud delivery, software licensing, or subscription models. Further, recent years have seen a spike in quantum-focused funds, incubators, and dedicated SPAC activity. Quantum computing firms such as IonQ and Rigetti have gone public, drawing mainstream investor attention to the field and setting valuation benchmarks. This is fostering a more mature funding ecosystem where early technical milestones are now being translated into commercial roadmaps. Many startups are also leveraging partnerships with academic institutions and national labs to de-risk technological development while maintaining lean operational structures.
  - **XNDU is well aligned with this shift** because, while it is building capital-intensive photonic hardware, it also brings a software layer through PennyLane and a broader full-stack commercialization model that includes cloud access, software, system sales, and IP-related monetization. In that sense, XNDU is not purely a hardware funding story, but a platform story that may benefit from investor preference for businesses with multiple routes to commercial relevance.

- **The public market interest in quantum computing is surging, reflecting an inflection point for the industry**. One indicator of this shift is the launch of the Solactive Developed Quantum Computing Index (TR), which tracks roughly 25 companies across the quantum value chain, from pure plays like IonQ, D-Wave, and Rigetti (RGTI), to tech giants such as IBM, Alphabet, and NVIDIA, who are investing heavily in quantum research and commercialization. The index has more than doubled in the last one year, significantly outperforming the broader Solactive GBS Developed Markets All Cap Index (+24% y/y). This sharp outperformance reflects both investor optimism and growing confidence in the maturity and near-term viability of quantum technologies. The index composition also reflects increasing participation from large-cap technology companies which account for nearly 30% of the index by weight, providing institutional investors with a lower-risk entry point into the sector. Mid- and small-cap firms, including pure-play quantum names, account for the remaining 70%, offering exposure to upside potential. Further, the launch of QUANTM – Boreas Solactive Quantum Computing UCITS ETF in September 2025 is another milestone, reflecting institutional demand for structured, diversified exposure to the space. With a low expense ratio of 0.49%, it is positioned to attract both retail and institutional flows, reinforcing the narrative that quantum is becoming "investable."
  - **A critical reason for this momentum is the maturing value chain of the industry**. The index captures companies working not only on quantum processors but also across enabling hardware, cloud platforms, quantum communications, sensing, and software. Investors now recognize that the full spectrum of quantum technologies, including post-quantum security, quantum AI, and hybrid cloud orchestration, now offers monetizable pathways. This broad exposure, coupled with compelling use cases from molecular simulations to financial optimization, is driving capital inflows.

Chart 18: Solactive Developed Quantum Computing Index Has More Than Doubled in the Past 12 Months

Source: Exec Edge Research, Solactive Website. Data as of 3/11/26.

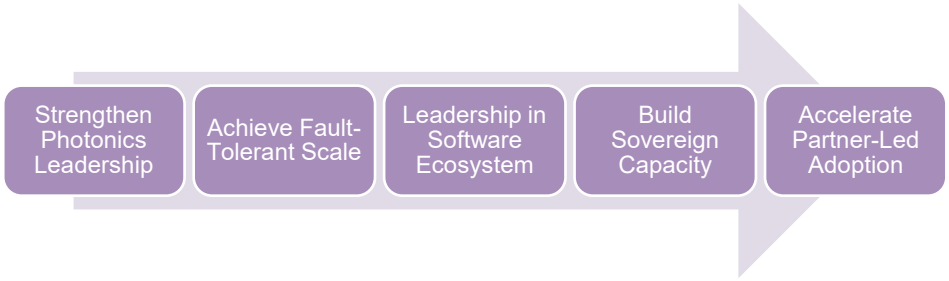
- **XNDU's proposed public listing comes as investor demand for differentiated quantum platforms continues to expand**. As the public-market ecosystem expands, companies that offer both technical differentiation and a clearer path to commercial relevance are likely to attract greater attention. XNDU's positioning is distinctive in that it combines a photonic hardware architecture with a developer-facing software layer through PennyLane. The company also plans to list on both Nasdaq and the Toronto Stock Exchange under the ticker XNDU. Together, these elements may broaden its relevance to investors seeking exposure not only to quantum hardware progress, but also to software adoption, ecosystem development, and longer-term utility-scale roadmap execution. Over time, broader public-market visibility could also improve access to capital, deepen institutional awareness, and potentially support eligibility for thematic quantum baskets, subject to index methodologies and inclusion criteria.

Growth Strategy

Five Strategic Pillars Anchor Path from Development to Commercial Scale

- **XNDU's growth strategy is organized around five pillars designed to bridge today's development stage with long-term commercial and technical scale**. The company is focused on execution across photonics manufacturability, fault-tolerant roadmap progression, software ecosystem development, government engagement, and industrial partnership formation to drive growth. Each pillar is designed to generate value independently while reinforcing the others, creating a platform dynamic where software adoption, hardware progress, and customer development advance in parallel rather than in sequence. The strategy reflects a company building toward utility-scale quantum computing with multiple near-term proof points already in motion.

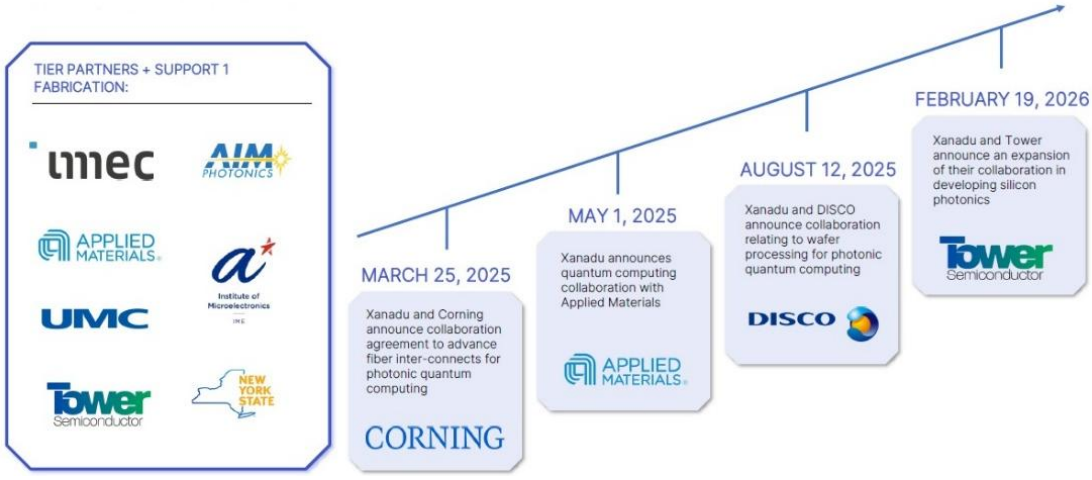
Chart 19: Five-Pronged Growth Strategy



Source: Exec Edge Research, Company Investor Presentation

- **Strengthening photonics leadership through manufacturability and supply-chain depth**. XNDU is trying to widen its photonics lead through manufacturability and supply-chain depth. The strategic intent is to defend photonics as the company's chosen modality, and to turn that architectural choice into a harder-to-replicate manufacturing advantage. What stands out in execution is the pairing of technical development with industrial follow-through. Over the last year, XNDU has added and expanded collaborations across the physical supply chain, including Corning on fiber interconnects, DISCO on advanced wafer processing, Thorlabs on optical controls, and Tower Semiconductor on silicon photonics manufacturing. Near-term hardware development is focused on improving component performance, particularly loss reduction, which represents one of the key bottlenecks for scaling photonic systems. XNDU's photonics strategy is becoming more concrete as the company builds the supplier relationships and process infrastructure needed to improve yields, repeatability, and hardware readiness over time.

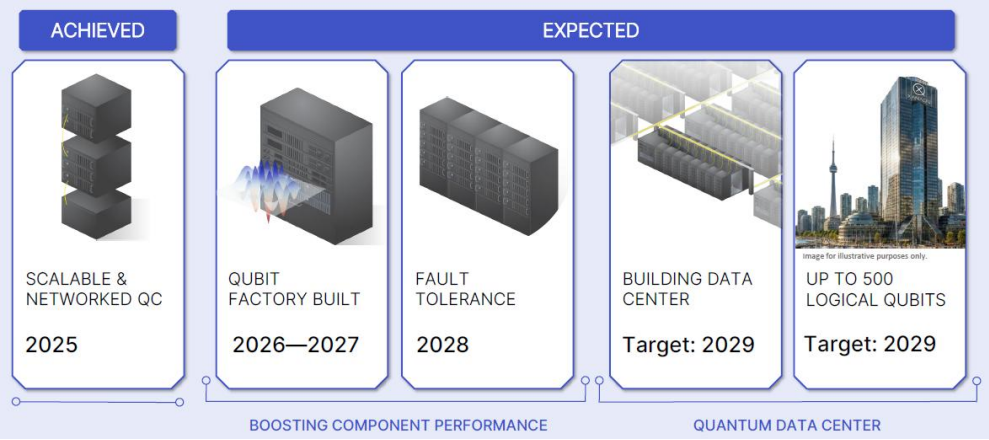
Chart 20: Xanadu Hardware Leverages Existing Silicon Supply Chain



Source: Exec Edge Research, Company Investor Presentation

- **Advancing toward fault-tolerant, utility-scale quantum computing**. XNDU's roadmap is centered on moving from architecture proof to fault tolerance. The company's stated objective is to progress from today's technical milestones toward a utility-scale, fault-tolerant system targeted at up to 100,000 physical qubits and up to 500 logical qubits by 2029. Aurora demonstrated scalable networking in practice, while subsequent updates have emphasized real-time error-correction decoding, loss-resistant photonic qubits, and continued work on reducing error-correction overhead. At the company's Analyst Day, management narrowed the next phase of work to a disciplined set of priorities – boosting component performance, building a qubit factory, and advancing quantum data center infrastructure – turning the growth strategy from a high-level destination into a sequenced operating plan.

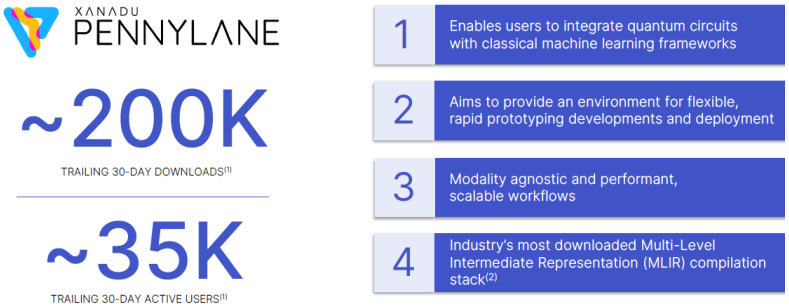
Chart 21: Xanadu's Roadmap



Source: Exec Edge Research, Company Investor Presentation

- **Expanding leadership in the quantum software ecosystem through PennyLane**. XNDU is using PennyLane to build demand before its own hardware matures, and the adoption metrics suggest that effort is gaining real traction. With roughly 200,000 trailing 30-day downloads, around 35,000 trailing 30-day active users, and deployment across more than 120 universities and numerous enterprise partners, PennyLane is already one of the leading environments for quantum programming. The software stack continues to expand beyond the core SDK, with recent examples including Catalyst's role in compilation and optimization, hardware integrations across major modalities, and the February 2026 integration with the Munich Quantum Toolkit to improve compilation and interoperability. Overall, the software strategy is focused on ecosystem control: XNDU is trying to ensure that when the market scales, developers are already working inside a framework closely tied to its broader platform.

Chart 22: PennyLane Adoption Creates a Developer Funnel Ahead of Hardware



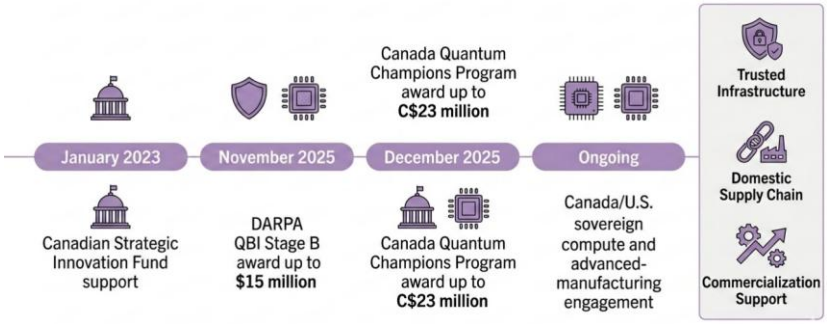
Source: Exec Edge Research, Company Investor Presentation

- **Building sovereign quantum compute capacity through government partnerships**. Government alignment is becoming a funding source and demand signal. XNDU's stated strategy is to work with governments to build sovereign quantum compute and advanced-manufacturing capacity. Recent developments suggest these relationships are already moving beyond policy positioning toward funded programs and procurement pathways. The company has support from both Canadian and U.S. government programs, and those relationships are relevant to national security, domestic supply chains, and long-duration commercialization. On execution, the most tangible

markers are the January 2023 Canadian Strategic Innovation Fund support, XNDU's advancement to Stage B of DARPA's Quantum Benchmarking Initiative in November 2025 with up to $15 million in funding, and the December 2025 award of up to C$23 million through Canada's Quantum Champions Program. These announcements align directly with what governments want from quantum suppliers: trusted infrastructure, domestic capability, and technical progress that can support future procurement. This acts as a dual lever for XNDU, providing both non-dilutive or programmatic capital support and a pathway into sovereign, security-sensitive end markets.

- Most recently, XNDU announced negotiations toward up to C$390 million of combined support from Canada and Ontario for Project OPTIMISM, which would expand domestic capabilities in photonic packaging, semiconductor test and measurement, heterogeneous integration, and quantum module assembly, subject to final agreements.

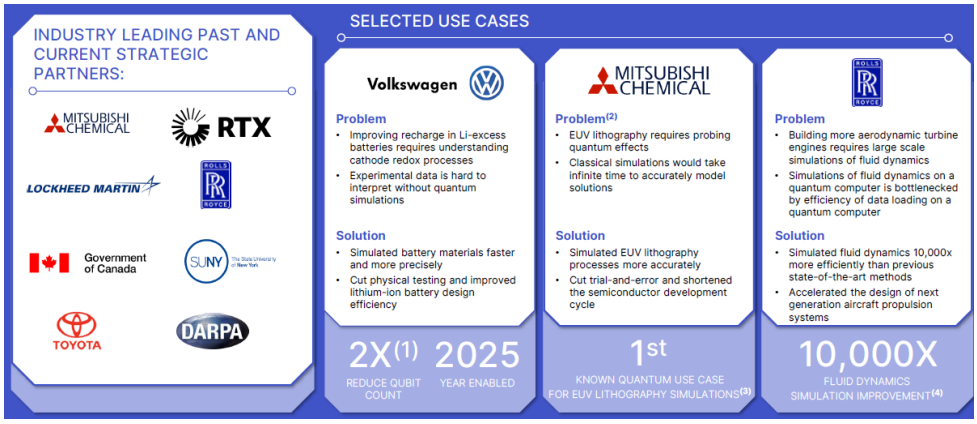
Chart 23: Government Programs Reinforce Sovereign Capacity, Funding, and Commercialization.



Source: Exec Edge Research, Company Filings

- **XNDU is using partnerships to turn research progress into commercial relevance**. The most recently disclosed example is a joint research initiative with Lockheed Martin focused on quantum machine learning, which extends the company's industrial reach into defense and signals a broadening of its application development agenda. Across other sectors, XNDU has worked with Volkswagen on battery-material simulations, collaborated with Mitsubishi Chemical on EUV lithography-related work, and jointly announced improvements in jet-engine airflow simulation workflows with Rolls-Royce and Riverlane. What makes this pillar compelling is that these relationships are not being presented as generic ecosystem partnerships. Instead, these are mechanisms to develop application IP, improve customer readiness, and position XNDU's platform around real industrial workflows, before utility-scale hardware arrives.
- **Taken together, these pillars illustrate a strategy focused on advancing both technology readiness and ecosystem development**. **By progressing hardware, software, partnerships, and government engagement in parallel, XNDU is positioning its platform for broader adoption as the quantum computing market matures**.

Chart 24: Partnerships Link Technical Milestones to Real Industrial Use Cases



Source: Exec Edge Research, Company Investor Presentation, 1)"Fast simulations of X-ray absorption spectroscopy for battery materials on a quantum computer", 2025. 2) "Simulating key properties of lithium-ion batteries with a fault-tolerant quantum computer", 2023. 3) Based on articles published in academic journals and management's knowledge of such articles, findings, and key artifacts. 4) Based on completed paper pending peer review.

Management Team

Founder-Led Leadership Supported by Growing Public-Company Depth

- **XNDU is led by a leadership group that combines founder-led technical vision with growing public-company and capital-markets depth**. CEO Christian Weedbrook remains central to the company's strategic direction, bringing deep domain expertise in photonic quantum computing and continuity from XNDU's founding through its current commercialization phase. That scientific leadership is complemented by CFO Michael Trzupek, whose background adds experience in scaling organizations, strengthening balance sheets, and navigating complex financing and public-market processes. More broadly, the executive team spans operations, legal, and people leadership, giving XNDU a more complete platform as it prepares for life as a listed company. At the board level, the proposed director nominees (discussed in the Right-to-Win section) add further value through expertise in semiconductors, defense, accounting, governance, and public-company oversight, adding institutional discipline and public-company governance as XNDU enters its next phase of growth.

Chart 25: Xanadu – Management Team

Christian Weedbrook, Chief Executive Officer

Christian Weedbrook founded Xanadu in September 2016 and has served as CEO since inception. Before establishing the company, he was a postdoctoral research fellow at MIT and the University of Toronto, bringing over a decade of combined industry, government, and academic experience in quantum computing. He holds a B.S. and Ph.D. from the University of Queensland, giving him deep technical grounding at the intersection of quantum research and company building.

Michael Trzupek, Chief Financial Officer

Michael Trzupek joined XNDU as CFO in January 2026, bringing extensive public-company financial leadership across technology, semiconductors, and healthcare. He previously served as CFO at Imagination Technologies, Core Scientific, and Premera Blue Cross, and held senior finance roles at Microsoft and Intel spanning hardware, venture integration, and manufacturing. He holds a B.S. in chemical engineering from the University of Illinois Urbana-Champaign and an MBA from the University of Chicago.

Rafal Janik, Chief Operating Officer

Rafal Janik has served as COO since July 2022, having joined XNDU in April 2019 as Machine Learning Lead before advancing through Head of Product. Prior to Xanadu, he worked as a Principal Data Scientist at VDM-Labs and as an independent consultant across healthcare software and technology. He holds a B.S. in physics and an M.S. in biophysics from the University of Guelph, combining scientific depth with operational and product experience.

Rebecca Laramée, Chief People Officer

Rebecca Laramée has led people operations at XNDU since September 2019, serving as Chief People Officer since January 2024 after progressing from HR Consultant to Head of Human Resources. Before joining the company, she held HR roles at the Ontario Securities Commission and Mount Sinai Hospital. She holds an HBSc in biology and physiology from the University of Toronto and completed post-graduate HR management coursework at Seneca College.

Natalie Wilmore, Chief Legal Officer

Natalie Wilmore joined XNDU as Chief Legal Officer in January 2026. She brings broad public-company legal experience across securities, corporate governance, and compliance, having held senior legal roles at Pagaya Technologies, TelevisaUnivision, Skillz, and IBM. Her background spans fintech, media, gaming, and enterprise technology. She holds a B.A. in politics and romance languages and a J.D., both from New York University.

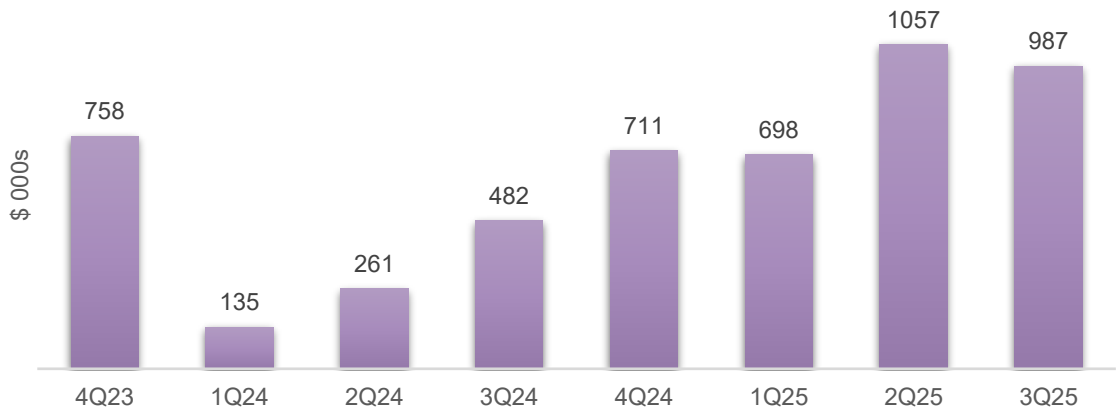
Source: Exec Edge Research, Company Website

Fundamentals & Valuation

Development-Stage Financial Profile Supported by Meaningful Post-Transaction Capital

- **XNDU's income statement reflects a platform in buildout mode**. Revenue remains modest relative to the cost base and should be read primarily as evidence of early customer engagement, sponsored research, and co-development activity rather than as a measure of product-market maturity. In 2024, revenue stood at $1.59 million vs. $2.48 million in 2023, while net loss widened to $45.97 million from $35.59 million. The key driver was investment intensity. R&D increased to $39.22 million from $35.72 million and represented roughly three-quarters of total operating expenses, while G&A rose to $6.86 million from $6.03 million and sales and marketing increased to $1.05 million from $0.61 million. The same pattern persisted in 9M25, although revenue improved sharply to $2.74 million from $0.88 million in 9M24, driven by government-related programs and strategic engagements. However, net loss widened further to $47.64 million from $35.12 million, reflecting heavier R&D spending, larger wafer runs, expansion of internal processing capabilities, and continued development across the stack. Additional pressure came from capital-markets preparation and lower interest income as cash balances declined. Overall, XNDU's spending pattern reflects a strategy focused on establishing technical leadership and building a long-term competitive advantage centered around its technology stack, while preparing to enter the public markets as the first pure-play photonic quantum computing company.

Chart 26: XNDU – Quarterly Revenue



Source: Exec Edge Research, Company Filings

- **Recent announcements indicate that XNDU's near-term revenue line is increasingly supported by a growing mix of funded programs, software engagements, and industrial collaborations**. Revenue increased to $2.74 million in 9M25, driven primarily by larger government contract values, recognition of DARPA QBI Phase A revenue, and milestone-based algorithms work. The company also disclosed roughly $1.97 million of remaining performance obligations as of September 30, 2025, with 98% expected to be recognized within the next 12 months. This trajectory is broadly consistent with the cadence of company announcements since late 2025, including advancement to Stage B of DARPA's Quantum Benchmarking Initiative with up to $15 million of funding and selection for Canada's Quantum Champions Program with up to C$23 million in Phase 1 support.
  - **The key takeaway is that recent releases show improving commercial activity across several monetization vectors**. On the applications side, XNDU highlighted work with Rolls-Royce and Riverlane that reduced jet-engine airflow simulation runtimes from weeks to less than an hour, an AMD collaboration that demonstrated hybrid aerospace simulations using PennyLane on AMD DevCloud infrastructure, and Mitsubishi Chemical work that the company described as one of the first concrete industrial semiconductor use cases for quantum computing. On the platform side, PennyLane's integration with the Munich Quantum Toolkit should strengthen software interoperability, while partnerships with Thorlabs and A*STAR extend hardware and manufacturing-related collaboration. Collectively, these developments indicate that the 9M25 revenue step-up reflects a broader base of customer and partner engagement than in earlier periods.

- **XNDU's balance sheet reflects a development-stage company investing heavily in technical capacity and infrastructure ahead of broader commercialization**. Cash and cash equivalents declined to $77.62 million at December 31, 2024 from $117.46 million a year earlier, and then to $36.11 million at September 30, 2025, reflecting operating cash outflows of $41.74 million in 2024 and $43.11 million in 9M25. The spending profile is consistent with a company prioritizing R&D, wafer production, system integration, and software development as it advances toward utility-scale quantum systems.
  - **The CHAC transaction meaningfully strengthens XNDU's financial runway**. Assuming no redemptions, the deal is expected to add roughly $455 million of net cash to balance sheet, supported by approximately $225 million held in CHAC's trust account and a fully committed $275 million PIPE. Relative to XNDU's historical operating burn, that capital should provide the resources needed to continue scaling hardware development, expand manufacturing partnerships, and invest in software and ecosystem growth as the company moves toward commercialization.
  - **Taken together, XNDU's financial profile reflects a company prioritizing technology leadership and ecosystem development ahead of near-term revenue scale**. The expanded balance sheet following the transaction should allow the company to sustain that investment cycle while advancing toward fault-tolerant systems and broader commercial deployment.

Chart 27: XNDU Financial Snapshot

Income Statement ($ thousand)	2023	2024	9M24	9M25
Revenue	2,479	1,589	878	2,742
Operating expenses:				
Cost of revenue (exclusive of D&A)	605	466	59	162
Research and development	35,718	39,223	30,396	38,321
General and administrative	6,034	6,863	5,116	8,098
Sales and marketing	607	1,051	851	863
Depreciation and amortization	3,730	4,869	3,633	4,242
Other operating income, net	(2,518)	(287)	(317)	40
Total operating expenses	44,176	52,185	39,738	51,726
Loss from operations	**(41,697)**	**(50,596)**	**(38,860)**	**(48,984)**
Other income (expense), net:				
Interest income (expense), net	6,507	4,670	3,666	1,228
Other income (expense), net	(402)	(42)	76	113
Total other income (expense), net	6,105	4,628	3,742	1,341
Net loss	(35,592)	(45,968)	(35,118)	(47,643)
Net loss per share, basic and diluted	(7.27)	(9.35)	(7.15)	(9.64)
Weighted average shares used in computing net loss per share	4,892,803	4,917,324	4,913,286	4,941,111

Key Balance Sheet Items ($ thousand)	2023	2024	9M24	9M25
Assets				
Current assets:				
Cash and cash equivalents	117,459	77,619		36,106
Accounts receivable	1,451	1,259		1,647
Total current assets	**123,625**	**90,367**		**57,205**
Property and equipment, net	15,836	15,376		18,287
Total assets	**150,983**	**116,765**		**87,345**
Liabilities				
Accounts payable	420	1,652		2,755
Warrant liabilities	270	258		1,055
Total current liabilities	**3,096**	**5,384**		**10,713**
Long-term debt	6,808	16,009		25,879
Total non-current liabilities	**19,084**	**29,270**		**43,939**
Shareholders' equity				
Common shares	7,287	7,399		7,523
Convertible preferred shares	213,002	213,002		213,002
Additional paid-in capital	3,060	5,937		8,666
Total shareholders' equity	**131,899**	**87,495**		**43,406**
Total liabilities and shareholders' equity	**150,893**	**116,765**		**87,345**

Key Cash Flow Items ($ thousand)	2023	2024	9M24	9M25
Net loss	(35,592)	(45,968)	(35,118)	(47,643)
Net cash used in operating activities	(29,549)	(41,737)	(29,882)	(43,111)
Net cash provided by financing activities	4,312	9,295	7,252	8,798
Net cash used in investing activities	(9,969)	(6,675)	(4,252)	(7,588)
Net increase (decrease) in cash	**(34,538)**	**(39,840)**	**(27,249)**	**(41,513)**

Source: Exec Edge Research, Company Filings.

Differentiated Photonic Quantum Platform at an Attractive Entry Valuation

- **Xanadu's transaction with CHAC introduces a 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.
  - **XNDU is going public at a valuation that screens attractive relative to listed pure-play quantum peers**. Based on the proposed de-SPAC transaction, XNDU is expected to have a pro forma equity value of roughly $3.59 billion, which compares with an average market capitalization of approximately $6.4 billion for pure-play public quantum computing companies (as of 3/12/26). In that context, XNDU appears to be entering the market at a discount to listed peers despite offering exposure to a differentiated photonic architecture and a broader full-stack platform. Like most public quantum companies, XNDU's valuation is likely to be driven less by current revenue and more by architecture credibility, platform positioning, and perceived progress toward utility-scale systems. Revenue increased 212% y/y in 9M25, reflecting early commercial traction even as the company remains in the early stages of scaling its platform.
  - **The key value drivers behind XNDU's valuation are architectural differentiation, full-stack positioning, and a credible path toward utility-scale systems**. XNDU offers investors exposure to a differentiated photonic quantum computing platform that combines proprietary hardware with a growing software ecosystem through PennyLane. This matters because the market is increasingly rewarding companies that can participate across more of the quantum stack rather than relying on a single hardware proof point. XNDU's value proposition is also supported by progress toward utility-scale quantum computing, a growing set of industrial and government relationships, and optionality across software, cloud access, system sales, and IP-linked monetization. Taken together, these elements support a valuation framework driven less by current revenue and more by strategic positioning in a market that is still defining its eventual winners.
  - **The transaction structure further underpins the valuation by improving both capital strength and governance depth**. The deal is expected to provide roughly $455 million net cash to the balance sheet, giving XNDU greater capacity to fund R&D, manufacturing readiness, advanced packaging, integration, test-and-measure infrastructure, and broader commercialization efforts. That balance-sheet expansion should be particularly important in a category where execution speed is often constrained by capital availability. At the same time, the transaction includes a fully committed PIPE and 100% equity rollover by existing shareholders, and added board-level governance, capital-markets, and public-company experience through Crane Harbor. In our view, that combination should improve institutional confidence in the story and provide XNDU with a stronger platform from which to execute as a listed company.

Chart 28: XNDU – Peer Valuation

Name	Ticker	MCap ($Mn)	EV ($Mn)	P/S LTM
Quantum Computing Inc.	QUBT	1,669	555	2,448
IonQ, Inc.	IONQ	12,110	9,762	93
D-Wave Quantum Inc.	QBTS	6,596	5,755	268
Rigetti Computing, Inc.	RGTI	5,338	4,901	753
Average		6,428	5,243	891
Xanadu	**XNDU***	**3,586**	**3,131**	**NM**

*Source: Exec Edge Research, TIKR. Data as of 3/12/26. *Current traded vehicle to gain exposure to XNDU is CHAC (Crane Harbor Acquisition Corp). XNDU is Xanadu Quantum Technologies Limited's proposed ticker upon the close of the business combination between CHAC and Xanadu Quantum Technologies Inc. XNDU's MCap and EV are basis SPAC deal valuation. NM = Not Meaningful.*

Risks

- **Technology execution**: XNDU's biggest operating risk remains execution against a technically demanding roadmap. The company is still working toward a commercially scalable, fault-tolerant quantum computer, and important development hurdles remain, including reducing photon loss, scaling logical relative to physical qubits, and building manufacturing processes that can support commercial volumes. Progress to date has been encouraging, but the timing of broader commercialization will likely remain sensitive to how quickly the company can convert research achievements into repeatable system performance and manufacturable hardware.
- **Funding needs**: XNDU is still operating with negative cash flow and will require ongoing capital to advance its roadmap. The company disclosed recurring losses, negative operating cash flow, and substantial doubt about its ability to continue as a going concern absent timely financing. This dynamic is typical for development-stage deep-technology companies where heavy R&D and commercialization investment precede material revenue scale. As a result, capital availability will remain an important factor in how effectively XNDU can fund engineering, manufacturing readiness, and go-to-market efforts.
- **Market adoption**: XNDU's commercial model depends on customer adoption in markets that remain early and relatively unproven. Cloud-based QCaaS adoption may not develop as quickly as expected, and customers may take time to expand deployments, particularly where data sensitivity, reliability, and workflow integration matter. XNDU may continue to see uneven monetization until enterprises move from pilot work and research engagements toward broader production use. The company's software and services can help bridge that gap, but revenue scaling may still be gradual and non-linear.
- **Customer concentration**: XNDU's revenue base remains concentrated among a small number of customers. The company disclosed that a limited number of customers accounted for a large share of revenue across 2023, 2024, and 9M25. As a result, quarterly performance may be influenced by the timing, scope, or renewal of a small set of contracts. As XNDU matures, concentration may ease through a wider mix of enterprise, government, software, and compute customers. Until then, individual customer decisions may have an outsized impact on revenue trends.
- **Government exposure**: XNDU benefits from government relationships, but that also creates dependence on funding cycles, procurement processes, and policy priorities. Future growth depends in part on winning government contracts, grants, loans, and other public-sector support, which are subject to budget constraints, appropriations processes, and shifting priorities. Government sales can also involve long approval cycles, phased contracts, and termination-for-convenience provisions. While this does not diminish the strategic value of sovereign quantum partnerships, it does mean that public-sector revenue and support may be slower-moving and less predictable than headline contract values initially suggest.
- **Supply dependence**: XNDU's hardware roadmap relies on third-party suppliers, manufacturing partners, and cloud providers, which adds execution complexity as the business scales. The company highlights dependence on suppliers for semiconductor and photonic components, the absence of long-term agreements with all suppliers, and potential exposure to shortages, pricing changes, freight disruption, tariffs, and geopolitical events. It also notes reliance on third-party cloud environments for parts of the platform. As a result, supply-chain resilience, partner execution, and manufacturing continuity remain important areas for investors to monitor.
- **IP complexity**: XNDU's intellectual property position is a strength, but it also comes with execution risk because parts of the company's development model rely on collaborators, universities, foundries, and third-party licensors. XNDU may need additional license rights to commercialize certain technologies and disputes over ownership, scope of rights, or joint-development outcomes could increase cost or delay commercialization. Patent infringement claims or the need to license or redesign technology in some cases also pose a risk.

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