Quantum Computing Inc.

Q1 about inline. We expect strong growth over the next year to be positive for stock. Raising P/T to $9.50.

COMPANY UPDATE

Rating: BUY

Ticker: QUBT

Price: $1.30

Target: $9.50
(from $9.25)

Q1 about inline: Quantum recently (on May 11) reported its fiscal Q1 2023 (ending March) results. Revenue was $0.1, compared to our estimate of $0.1 million. EPS was $(0.14), compared to our estimate of $(0.10). There was no consensus estimates or company guidance.

Still very early stage: Quantum's recent financial performance is reflective of its developmental and early commercialization stage though it has commenced commercialization of its technology in Q1 2023. The company has recently launched several new products and is currently focusing on sales and marketing of them. We believe investors should be focused on its product commercialization, which we believe (and company's guidance) in 2023 that revenue should grow quickly.

Adjusting estimates: We are maintaining our 2023 revenue estimate of $1.1 million, but lowering it for EPS to $(0.47) from $(0.39).

Acquired QPhoton: In June 2022, the company acquired QPhoton, Inc., a privately held company that is a leading innovator in the quantum photonic technology space. Merger consideration was paid in stock (~37 million shares). This follows the announcement in February 2022 of a marketing agreement with QPhoton, to merge QCI's quantum software solution, Qatalyst, with QPhoton's advanced photonic quantum technologies for its application to QCI-specific solutions.

QPhoton QPS: QPhoton's quantum photonic system (QPS) operates at room temperature and maintains computational stability in a variety of application environments. This allows it to be easily deployed and at a substantially reduced cost relative to competing (quantum computers) offerings.

Focused on quantum computing: Quantum's flagship software solution, Qatalyst, is a ready-to-run quantum and classical software for optimization computations for faster, better, and more diverse business decisions. By being early in this rapidly growing industry, we believe Quantum is well-positioned to capture and drive a meaningful market share and industry growth.

The need for quantum computing: The rapid and widespread adoption of technologies such as the Internet, artificial intelligence, virtual and augmented reality, 3D imaging, and the Internet of Things (IoT), have served to exponentially increase the generation of data. This has driven up the demand for high-performance computing to process all this data.

Large market potential: As quantum computing hardware continues to advance, we expect a corresponding growth in demand for quantum software to run on these computers. The U.S. Government has committed $1.3 billion to funding quantum information science programs, along with ~$50 billion for onshoring domestic chip research and manufacturing.

Balance sheet: As of Q1, the company has $7 million in cash and $8 million in debt. In Q1, the company raised ~$7 million from its ATM. We believe the company has enough cash into Q4 2023.

Positive high risks versus rewards: We believe the ~billion dollars market potentials presents high rewards for the risks.

Valuation attractive: We are maintaining our BUY rating, but raising our 12-month price target to $9.50 from $9.25, based on a NPV analysis, representing significant upside from the current share price. We believe this valuation appropriately balances out the company's high risks with the company's high growth prospects and large upside opportunities.

Company Description

Based in Leesburg, VA, Quantum Computing is a software company focused on classical and quantum software for complex optimization computations.

Stock Data

Exchange:	NasdaqCM
52-week Range:	1.05 – 4.40
Shares Outstanding (million):	62
Market cap ($million):	$81
EV ($million):	$82
Debt ($million):	$8
Cash ($million):	$7
Avg. Daily Trading Vol. ($million):	$1
Float (million shares):	30
Short Interest (million shares):	1
Dividend, annual (yield):	$0 (NA%)

Revenues (US$ million)

	2023E (Cur.)	2023E (Old)	2024E (Cur.)	2024E (Old)
Q1 Mar	0.1A	0.1E	0.8E	
Q2 Jun	0.2E		0.9E	
Q3 Sep	0.3E		1.0E	
Q4 Dec	0.5E		1.3E	
Total	1.1E		4.0E	
EV/Revs	75x		21x	

Earnings per Share (pro forma)

	2023E (Cur.)	2023E (Old)	2024E (Cur.)	2024E (Old)
Q1 Mar	(0.14)A	(0.10)E	(0.11)E	(0.09)E
Q2 Jun	(0.11)E	(0.10)E	(0.10)E	(0.09)E
Q3 Sep	(0.11)E	(0.10)E	(0.11)E	(0.09)E
Q4 Dec	(0.11)E	(0.09)E	(0.10)E	(0.09)E
Total	(0.47)E	(0.39)E	(0.42)E	(0.37)E
P/E	N/A		N/A	

Exhibit 1: Quantum Computing Inc. Overview

Source: Company reports.

Exhibit 2: Quantum Computing Investment Highlights

Source: Company reports.

Exhibit 3: Quantum Computer Reality Check

Source: Company reports.

Exhibit 4: Quantum Computing's Solutions

1 UNIQUE AND DIFFERENTIATED HARDWARE...

- Most Quantum Computers try to exclude noise from the external environment and create perfect systems insulated from nature.

- These systems require significant engineering feats and experts are anticipating that doing anything useful with them will take decades.

- QCI's Entropy Quantum Computer (EQC) is uniquely designed to solve for this noise and create useful qubits to perform computations now.

1 EQC UTILIZES THE MEASUREMENT POSTULATE OF QUANTUM MECHANICS.

2 EQC OPERATES ON QUANTUM OPEN SYSTEMS, WHERE THE DYNAMICS OF A QUANTUM STATE IS AFFECTED BY ITS SURROUNDING ENVIRONMENT.

3 EQC IS A GENERAL METHODOLOGY TO QUANTUM INFORMATION PROCESSING, SUPPORTING OPTIMIZATION, GATE MODELS, AND MORE.

4 FOR OPTIMIZATION, EQC STARTS WITH QUANTUM FLUCTUATIONS AND PREFERABLY AMPLIFIES THE GROUND STATE OF A HAMILTONIAN THROUGH A FEEDBACK CONTROL LOOP.

1 ...THAT DELIVERS VALUE TODAY...

✓ SOLVES LARGE AND COMPLEX BINARY OPTIMIZATION PROBLEMS.

✓ PROCESS PROBLEMS WITH DATA SETS THAT REQUIRE HIGHER PERFORMANCE THAN CURRENTLY AVAILABLE QUANTUM COMPUTERS.

✓ ELIMINATES ERRORS THAT MINIMIZE THE VALUE DELIVERED BY OTHER QUANTUM COMPUTING APPROACHES.

✓ DEPLOYS AS A READY-TO-RUN, ROOM TEMPERATURE, RACK-MOUNTABLE SERVER REQUIRING NO SPECIAL INFRASTRUCTURE.

TODAY ALREADY DEPLOYED AS A SUBSCRIPTION SERVICE

QCi

Source: Company reports.

Exhibit 5: Quantum Computing's Solutions

MARKET LEADING SOFTWARE

QATALYST: Cloud-based service that allows users to solve different types of optimization problems on a variety of quantum computers or quantum simulators.

- Users formulate their problem once and submit that problem to different quantum systems without needing to re-formulate their problem specifically for each different quantum system.

- Allows focus on their optimization problem domain, rather than the detailed and machine-specific programming needed to allow their optimization problem to run on different quantum machines.

2

EXAMPLE QPU VENDORS

OQC   IONQ   rigetti   D:WAVE   QCi Innovative Quantum Solutions Company

EXAMPLE PROBLEMS

✓ GRAPH PARTITIONING
✓ COMMUNITY DETECTION
✓ OPTIMIZATION PROBLEMS

3

SOLUTION-LED PROFESSIONAL SERVICES

QUANTUM SOLUTIONS

QCI's Quantum Solutions team helps clients solve high-value business problems using quantum hardware and software technologies.

PHASE 1	PHASE 2	PHASE 3	PHASE 4
Identify Expectations	**Explore Quantum Options**	**Quantum Testing**	**Initial Quantum**
• Goals • Needs • PoC Process	• QPU Hardware • Quantum-Ready Classical • Software Development • Compare to Qatalyst or other ready-to-run quantum software	1st use cases • Evaluate hybrid • Evaluate pure quantum • Evaluate quantum classical • Tune problems • Identify plan and first production steps	Appropriate use cases applied to best approach • 1st hybrid runs • Pure quantum runs (if practical) • ID potential for quantum advantage/value
Evaluate Current • Applications • Use Cases • New Opportunities			
Define Quantum Opportunities	**Define Quantum Infrastructure**	**Measure Quantum Potential**	**First Production Quantum Results**

Source: Company reports.

Exhibit 6: Quantum's Market Opportunity
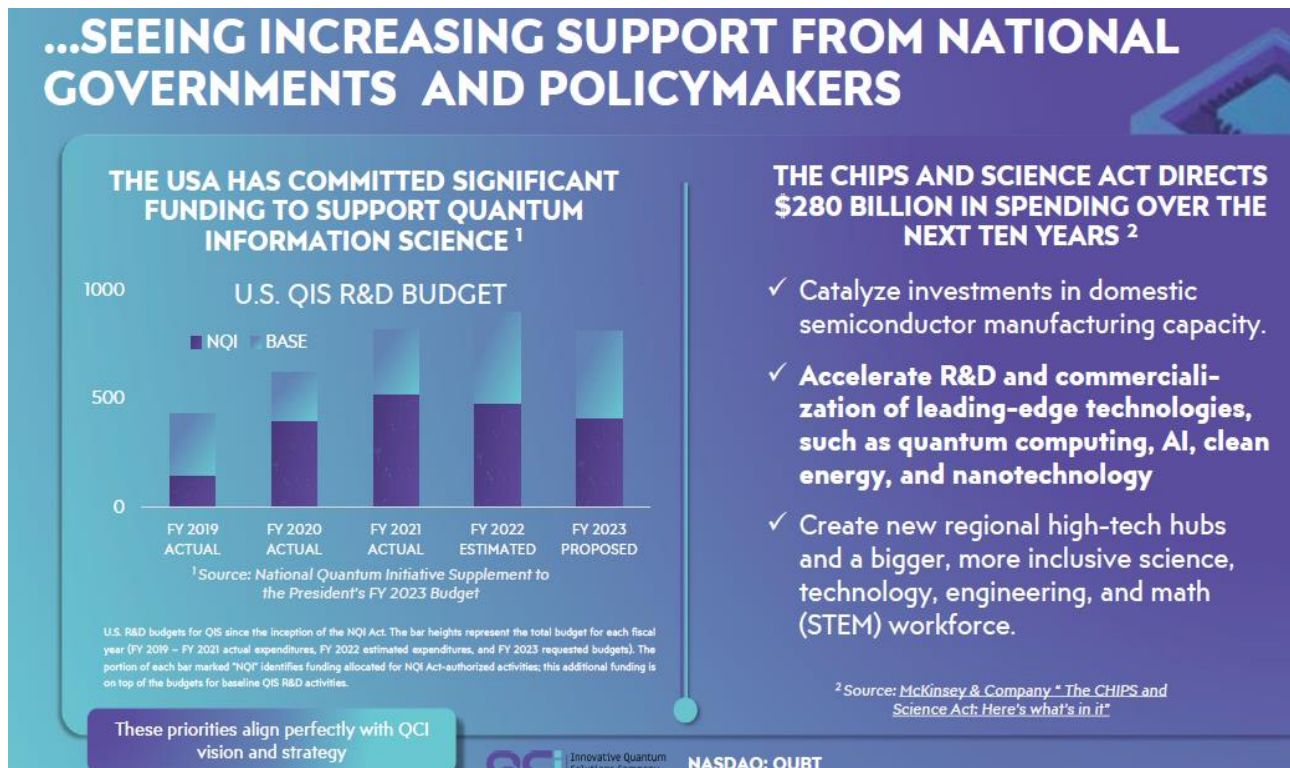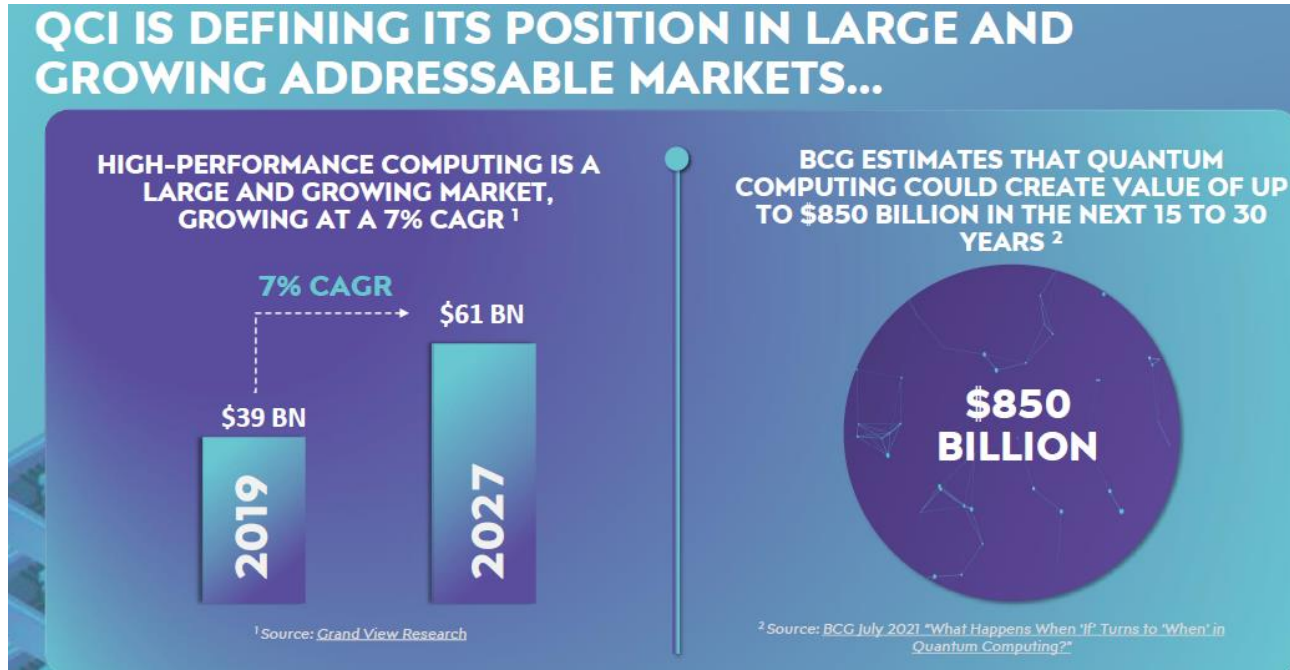
Source: Company reports.

Exhibit 7: Quantum Market Opportunities

QCI Market Opportunities

QCi QUANTUM COMPUTING INC.
NASDAQ:QUBT

Markets QCI is Addressing Today

Transportation/Logistics
Airlines/Cargo routing, crew scheduling, gate assignments
Ground transportation routing per traffic & emergency scenarios.
Supply chain routing & logistics

Manufacturing
Raw Materials optimization and planning, discrete manufacturing line optimization.

Material Sciences & Pharma
Improved chemistry simulations for discovering novel materials.
Fast drug discovery, better clinical trial design, molecular modeling.

Retail
Ecommerce shift changes entire retail supply chain (inbound and distribution logistics), demanding complex optimizations.

Government & Security
Improved disaster response, faster detection of fraud and bad actors, stronger cyber security and national security, intercept-proof communications.

Finance & Investment
Faster and better portfolio optimization, risk modeling, and derivatives creation.

Qatalyst Near-term Addressable Markets – Examples

QCi QUANTUM COMPUTING INC.
NASDAQ:QUBT

Application	Markets	Addressable Market Size
Supply Chain & Logistics Optimization	• Retail • Aerospace • Chemical/Materials • Utilities • Manufacturing	$22 Billion+ [1]
Transportation Optimization	• Airlines • Delivery	$5 Billion+ [2]
Community Detection	• Cyber Security • Biotech • Government	$156 Billion+ [3]
	Total	**$157 Billion+**

Other potential revenue sources:
• Government or Commercial R&D contracts
• Consulting

Typical Gross Margins of 60% - 70%
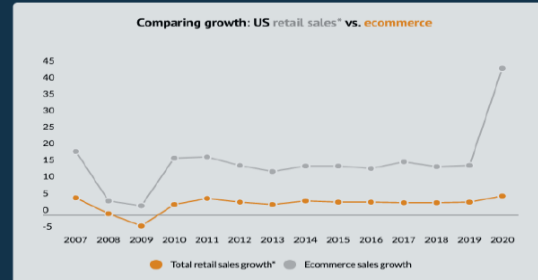
Source: Company reports.

Exhibit 9: Quantum Acquisition of QPhoton (announced May 24, 2022, closed June 16, 2022)

Quantum Computing Inc. Announces Agreement to Acquire QPhoton Delivering First Commercially Available, Ready-to-Run Full-Stack Quantum Solutions

QPhoton's Design for Affordable and Accessible QPS in Combination with QCI's Ready-to-Run Qatalyst Software Positions QCI as the Only Quantum Provider for Non-Quantum Experts

LEESBURG, VA. – May 24, 2022 – Quantum Computing Inc. ("QCI" or the "Company") (NASDAQ: QUBT), a leader in accessible quantum computing software, today announced that it has entered into a definitive agreement to acquire QPhoton, a quantum photonics innovation company that has developed a series of quantum photonic systems (QPS). The acquisition of QPhoton extends QCI's offerings to accelerate the accessibility of quantum computing, and other powerful technologies, into easily deployable solutions today, and advances QCI into a full-spectrum quantum software and hardware company.

QPhoton's QPS, including those for AI and optimization, operate at room temperature and maintain computational stability in a variety of application environments. These unique approaches eliminate the cost and complexity required by the hyper-cooled, tightly controlled environments required by other technology. QPhoton's QPS is designed to be easily deployed and used at a substantially reduced total cost of ownership relative to competing offerings, while providing substantial quantum advantages.

The QPS for optimization work effectively with QCI's Qatalyst™ software, which is designed to eliminate the need for complex quantum programming and runs seamlessly across a variety of quantum computers. This combination sets QCI on a path to delivering a broadly accessible and affordable solution that can be used by non-quantum experts, anywhere, for real-world industry applications.

QPhoton will be a wholly-owned subsidiary of QCI, and Dr. Huang is expected to join QCI as a director and officer. Under the definitive agreement, at the closing of the proposed transaction, QCI will issue to QPhoton's stockholders aggregate merger consideration consisting of: 5,802,206 shares of QCI's common stock, 2,377,028 shares of a new series of QCI's preferred stock, convertible into 23,770,280 shares of common stock (subject to receipt of the approval of QCI's stockholders), and warrants exercisable, at a purchase price of $0.0001 per share, to purchase up to 7,028,337 shares of common stock (subject to receipt of the approval of QCI's stockholders). The merger consideration is subject to adjustment under certain circumstances, such that it will represent in total approximately 49% of the total capital stock of QCI outstanding immediately following the closing. The transaction is expected to close during the third or fourth quarter of 2022 and is subject to customary and other closing conditions, including QCI obtaining a final order from the Court of Chancery of the State of Delaware pursuant to Section 205 of the General Corporation Law of the State of Delaware.

Quantum Computing Inc. Closes Acquisition of QPhoton

- *The combination of QPhoton QPS and QCI's Qatalyst software represents a major milestone in the quantum computing industry.*

- *The acquisition enables QCI to launch ready-to-run, full-stack quantum systems and extend its solutions in key markets such as supply chain and portfolio optimization, fraud detection, underwriting and government defense and security projects.*

- *The technology operates seamlessly alongside today's classical technology.*

LEESBURG, VA. – June 16, 2022 – Quantum Computing Inc. ("QCI" or the "Company") (NASDAQ: QUBT) a leader in accessible quantum computing, today announced the successful completion of its previously announced merger agreement to acquire QPhoton, Inc., a quantum photonics innovation company that has developed a quantum photonic system (QPS). The closing of this transaction will enable QCI to deliver the first ready-to-run, broadly accessible and affordable full-stack QPS that can be used by non-quantum experts, anywhere, for real-world business applications. QCI expects to release initial quantum solutions leveraging QPhoton's QPS in Q4 2022.

Source: Company reports.

Exhibit 10: Quantum's QPhoton

The QPhoton QPU Advantage
Quantum Anywhere, For Anyone

QPU Requirement	Other QPUs	QPhoton
Cooling	Hyper Cooled: Temperature of Space or Cooled Room	Room Temperature
Environment	Highly unstable, easily collapsed	Stable in most business environments
Infrastructure	Beyond supercomputers	No special requirements
Deployment/Mtc	Expert care and feeding on cloud or on premise	Deploy anywhere, cloud and on premise
PROJECTED TCO-Q	Cooling alone is millions	Like a departmental server

Affordable, Highly Accessible Quantum Computing

1st Generation vs QCI

Hyper-cooled, Hyper-Controlled Environment

QCI QPhoton
2u Rackable Blade Chassis

The difference is obvious

Dramatic Acceleration of Commercial Quantum Computing
Evolution of Classical Computing

1945 ENIAC

1964 IBM System 360

1983 First PC

39 years to Desktop Classical

QCI Accelerates Quantum Computing

2019 Gate Model QC

2022 QCI/QPhoton Cloud

2023/4 QCI/QPhoton On Premise/Desktop

5-6 years to Desktop Quantum

Significantly Expanding QCI Total Available Market/Revenue Opportunities

Source: Company reports.

Exhibit 11: Q1 2023 and Recent Highlights

Quantum Computing Inc. initiates commercialization of its technology during first quarter of 2023 and commenced multiple product launches to date, including:

- Dirac series entropy quantum computer.

- Zero-trust cyber security protection solution.

- Non-repeatable Quantum Random Number Generator.

- Reservoir photonics computing (machine learning/predictive) capability to enhance Artificial Intelligence systems.

Source: Company reports.

Exhibit 12: Company Guidance (as of May 11, 2023)

Guidance:

- The Company has completed its discovery and research phase of its core technology and has now transitioned to commercializing applications through its various product lines. Year-to-date, QCI has released several products in the first four months of 2023 with a number of additional product launches planned during the remainder of this year. The Company is actively increasing its sales and marketing efforts, anticipating gradual revenue increase mid year with acceleration to occur in the second half of 2023.

Source: Company reports.

Exhibit 13: Quantum Computing Inc. Stock Price (5-Years)

Source: https://bigcharts.marketwatch.com/
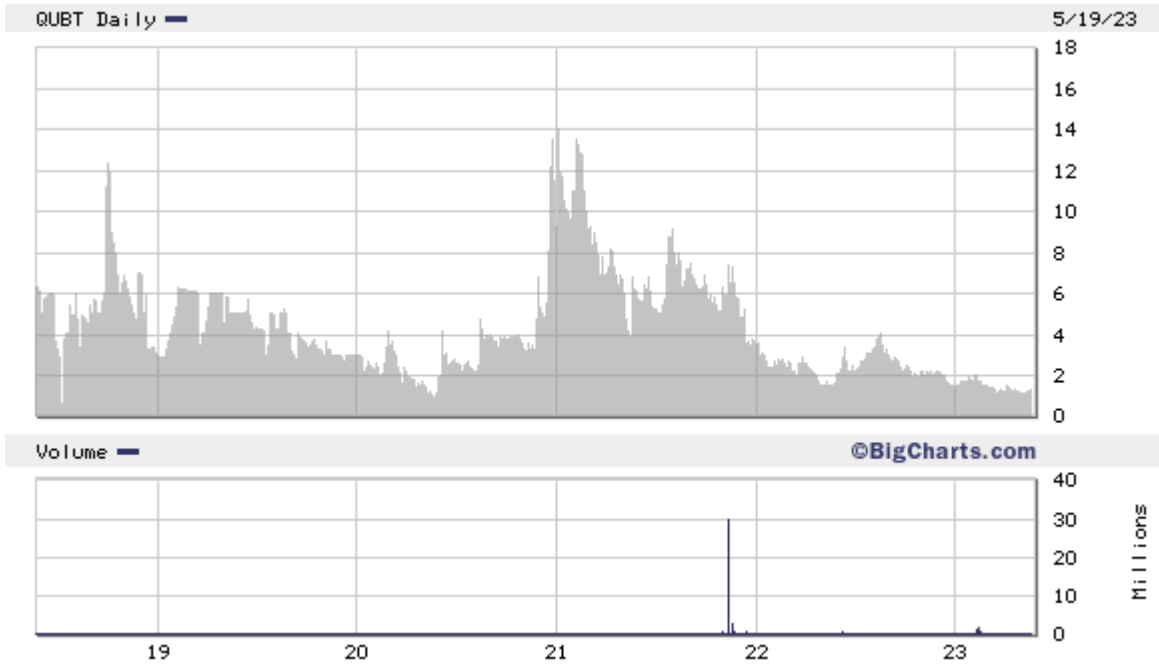
FINANCIAL MODEL

Quantum Computing Inc.

Income Statement ($ mils) Fiscal Year End: December 31	Mar-21 Q1A	Jun-21 Q2A	Sep-21 Q3A	Dec-21 Q4A	2021 FY-A	Mar-22 Q1A	Jun-22 Q2A	Sep-22 Q3A	Dec-22 Q4A	2022 FY-A	Mar-23 Q1A	Jun-23 Q2E	Sep-23 Q3E	Dec-23 Q4E	2023 FY-E	Mar-24 Q1E	Jun-24 Q2E	Sep-24 Q3E	Dec-24 Q4E	2024 FY-E
Total Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.1	0.2	0.3	0.5	1.1	0.8	0.9	1.0	1.3	4.0
Cost of Revenues	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.2	0.3	0.6	0.3	0.4	0.4	0.5	1.6
Gross Profit	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	(0.0)	0.1	0.1	0.1	0.2	0.3	0.5	0.5	0.5	0.6	0.8	2.4
Salaries	0.2	0.5	0.7	1.1	2.5	1.1	1.4	1.3	0.6	4.3	1.5	1.1	1.2	1.2	5.0	1.2	1.2	1.4	1.4	5.2
Consulting	0.3	0.2	0.3	0.2	1.1	0.4	0.3	0.3	0.4	1.3	0.2	0.2	0.2	0.2	0.9	0.3	0.3	0.3	0.3	1.2
Research & Development	0.6	0.6	0.6	0.8	2.6	1.0	0.9	1.3	1.4	4.6	1.5	1.3	1.3	1.3	5.4	1.4	1.4	1.4	1.4	5.6
Stock Based Compensation	2.0	2.5	2.6	2.3	9.4	3.1	0.3	1.3	13.1	17.8	2.0	1.5	1.5	1.5	6.5	1.5	1.5	1.5	1.5	6.0
Related Party Marketing					0.0					0.0					0.0					0.0
Selling General & Administrat	0.2	0.5	0.6	0.2	1.6	1.1	2.1	2.7	2.8	8.7	2.7	2.7	2.7	2.7	10.7	2.5	2.5	2.5	2.5	10.0
Restructuring and other					0.0					0.0					0.0					0.0
Total operating expenses	3.4	4.3	4.8	4.6	17.1	6.7	4.9	6.8	18.2	36.7	7.9	6.8	6.9	6.9	28.4	6.9	6.9	7.1	7.1	28.0
Operating income (loss)	(3.4)	(4.3)	(4.8)	(4.6)	(17.1)	(6.7)	(4.8)	(6.8)	(18.2)	(36.6)	(7.8)	(6.7)	(6.7)	(6.6)	(27.9)	(6.4)	(6.4)	(6.5)	(6.3)	(25.6)
Interest income (expense)	0.0	0.0	0.0	0.0	0.0	(0.4)	(0.3)	(0.7)	(0.6)	(2.0)	(0.7)	(0.2)	(0.2)	(0.2)	(1.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.7)
Other income (expense)		0.2		(11.0)	(10.8)					0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income before income taxes	(3.4)	(4.1)	(4.8)	(15.6)	(27.9)	(7.1)	(5.1)	(7.6)	(18.8)	(38.6)	(8.5)	(6.9)	(6.9)	(6.8)	(29.1)	(6.6)	(6.5)	(6.7)	(6.5)	(26.3)
Income taxes					0.0					0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income (loss)	(3.4)	(4.1)	(4.8)	(15.6)	(27.9)	(7.1)	(5.1)	(7.6)	(18.8)	(38.6)	(8.5)	(6.9)	(6.9)	(6.8)	(29.1)	(6.6)	(6.5)	(6.7)	(6.5)	(26.3)
Nonrecurring/noncash adjustments					0.0					0.0					0.0					0.0
Net income (pro forma)	(3.4)	(4.1)	(4.8)	(15.6)	(27.9)	(7.1)	(5.1)	(7.6)	(18.8)	(38.6)	(8.5)	(6.9)	(6.9)	(6.8)	(29.1)	(6.6)	(6.5)	(6.7)	(6.5)	(26.3)
EBITDA	(1.2)	(1.9)	(1.8)	(2.1)	(6.9)	(3.7)	(4.6)	(5.7)	(8.7)	(22.6)	(3.7)	(2.7)	(2.7)	(2.6)	(11.7)	(2.4)	(2.3)	(2.5)	(2.3)	(9.4)
Shares, Basic	28.7	29.1	29.2	29.2	29.2	29.2	29.2	33.9	56.0	56.0	60.5	61.5	61.8	62.1	61.5	62.2	62.5	62.8	63.1	62.7
Shares, Diluted	28.7	29.1	29.2	29.2	29.2	29.2	29.2	33.9	56.0	56.0	60.5	61.5	61.8	62.1	61.5	62.2	62.5	62.8	63.1	62.7
EPS Basic (pro forma)	($0.12)	($0.14)	($0.16)	($0.54)	($0.96)	($0.24)	($0.17)	($0.22)	($0.34)	($0.69)	($0.14)	($0.11)	($0.11)	($0.11)	($0.47)	($0.11)	($0.10)	($0.11)	($0.10)	($0.42)
EPS Diluted (pro forma)	($0.12)	($0.14)	($0.16)	($0.54)	($0.96)	($0.24)	($0.17)	($0.22)	($0.34)	($0.69)	($0.14)	($0.11)	($0.11)	($0.11)	($0.47)	($0.11)	($0.10)	($0.11)	($0.10)	($0.42)
Margins																				
Gross margin						63%	92%	34%	-1406%	55%	53%	40%	50%	50%	49%	60%	60%	60%	60%	60%
Salaries																				
Consulting																				
Research and development																				
General and administrative																				
Operating margin																				
Tax rate, GAAP																				
Net margin																				
Y/Y % change																				
Total Revenue																				
Gross margin																				
Salaries	49%	279%	444%	383%	287%	355%	167%	98%	-49%	74%	30%	-19%	-8%	117%	14%	-17%	9%	17%	17%	5%
Consulting	298%	257%	6%	-81%	-36%	22%	12%	-2%	46%	19%	-39%	-12%	-24%	-37%	-30%	33%	33%	33%	33%	33%
Research and development	81%	69%	114%	37%	68%	64%	50%	107%	82%	76%	50%	53%	3%	-8%	19%	-9%	8%	8%	8%	3%
General and administrative	72%	201%	-53%	-57%	-27%	371%	335%	335%	1100%	453%	135%	28%	-2%	-4%	22%	-6%	-6%	-6%	-6%	-6%
Operating income (loss)	95%	372%	-45%	-23%	-1%	98%	11%	43%	294%	114%	16%	40%	-1%	-64%	-24%	-18%	-5%	-4%	-5%	-8%
Net income (loss)	386%	131%	-59%	47%	13%	110%	24%	58%	20%	38%	19%	35%	-9%	-64%	-25%	-23%	-5%	-4%	-5%	-10%
EPS Diluted (pro forma)	31%	-32%	-76%	42%	8%	107%	24%	36%	-37%	-28%	-43%	-36%	-50%	-67%	-31%	-25%	-7%	-5%	-6%	-11%

Source: Company reports and Ascendiant Capital Markets estimates.

Quantum Computing Inc.

Balance Sheet ($ mils) Fiscal Year End: December 31	Mar-21 Q1A	Jun-21 Q2A	Sep-21 Q3A	Dec-21 Q4A	Mar-22 Q1A	Jun-22 Q2A	Sep-22 Q3A	Dec-22 Q4A	Mar-23 Q1A	Jun-23 Q2E	Sep-23 Q3E	Dec-23 Q4E	Mar-24 Q1E	Jun-24 Q2E	Sep-24 Q3E	Dec-24 Q4E
Assets																
Cash and cash equivalents	13.8	12.6	10.4	16.7	11.5	6.7	10.4	5.3	6.8	3.1	0.2	(3.5)	(6.9)	(11.9)	(15.4)	(20.3)
Short term investments										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable, net					0.0	0.1	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Inventory										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income taxes										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prepaid expenses and other	0.3	0.2	0.6	0.5	1.7	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Total current assets	14.1	12.9	11.0	17.2	13.2	7.3	10.8	5.6	7.1	3.4	0.4	(3.2)	(6.6)	(11.6)	(15.1)	(20.0)
Property and equipment, net	0.0	0.0	0.0	0.0	0.0	0.2	0.3	1.0	1.3	2.1	2.5	3.3	4.1	6.6	7.4	9.8
Intangibles, net						84.3	82.8	81.3	79.9	79.9	79.9	79.9	79.9	79.9	79.9	79.9
Deferred income tax										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other					0.0	0.1	1.4	1.4	1.3	1.3	1.0	1.0	1.0	1.0	1.0	1.0
Total assets	**14.1**	**12.9**	**11.1**	**17.3**	**13.3**	**91.9**	**95.3**	**89.3**	**89.5**	**86.6**	**83.7**	**80.9**	**78.3**	**75.8**	**73.2**	**70.7**
Liabilities and stockholders' equity																
Accounts payable	0.2	0.6	0.5	0.5	0.8	0.8	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Accrued expenses	0.1	0.2	0.3	0.5	0.0	0.3	0.7	3.6	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Deferred revenue										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income tax										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Warrant liabilities										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other		0.0	0.0	0.1	0.2	0.2	1.5	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Short term debt	0.2						0.5	0.5	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3
Total current liabilities	**0.6**	**0.8**	**0.8**	**1.1**	**1.0**	**1.3**	**3.6**	**6.5**	**12.5719**	**12.6**	**12.6**	**12.6**	**12.6**	**12.6**	**12.6**	**12.6**
Deferred income taxes										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Warrant liabilities										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long term liabilities							0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred revenue										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long term debt							7.5	7.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total other liabilities	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**7.5**	**7.9**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Preferred stock				0.0	0.0	0.0	0.0	0.0	0.0							
Common stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.0	8.0	12.0	16.0	20.0	24.0	28.0
Additional paid-in capital	70.4	73.1	76.1	97.6	100.8	184.2	185.4	194.9	205.4	205.4	205.4	205.4	205.4	205.4	205.4	205.4
Retained earnings	(56.9)	(61.0)	(65.8)	(81.4)	(88.5)	(93.6)	(101.2)	(120.0)	(128.5)	(135.4)	(142.3)	(149.1)	(155.7)	(162.2)	(168.9)	(175.4)
Accumulated other comprehensive income										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total stockholders' equity	**13.5**	**12.1**	**10.3**	**16.2**	**12.3**	**90.6**	**84.2**	**74.9**	**76.9**	**74.1**	**71.2**	**68.3**	**65.8**	**63.2**	**60.6**	**58.1**
Total stockholders' equity and liabil	**14.1**	**12.9**	**11.1**	**17.3**	**13.3**	**91.9**	**95.3**	**89.3**	**89.527**	**86.6**	**83.7**	**80.9**	**78.3**	**75.8**	**73.2**	**70.7**

Balance Sheet Drivers

	Mar-21 Q1A	Jun-21 Q2A	Sep-21 Q3A	Dec-21 Q4A	Mar-22 Q1A	Jun-22 Q2A	Sep-22 Q3A	Dec-22 Q4A	Mar-23 Q1A	Jun-23 Q2E	Sep-23 Q3E	Dec-23 Q4E	Mar-24 Q1E	Jun-24 Q2E	Sep-24 Q3E	Dec-24 Q4E
Prepaid as % of total rev																
Accounts payable as % of total rev																
Accrued expenses as % of total rev																
Activity Ratios																
A/R Days Sales Outstanding																
Book & Cash Value (per share)																
Book Value per Share (diluted)	$0.47	$0.42	$0.35	$0.56	$0.42	$3.10	$2.48	$1.34	$1.27	$1.20	$1.15	$1.10	$1.06	$1.01	$0.96	$0.92
Cash per Share (diluted)	$0.48	$0.43	$0.36	$0.57	$0.39	$0.23	$0.31	$0.09	$0.11	$0.05	$0.00	-$0.06	-$0.11	-$0.19	-$0.24	-$0.32
Net cash per Share (diluted)	$0.47	$0.43	$0.36	$0.57	$0.39	$0.23	$0.07	-$0.05	-$0.03	-$0.08	-$0.13	-$0.19	-$0.24	-$0.32	-$0.38	-$0.45

Source: Company reports and Ascendiant Capital Markets estimates

Quantum Computing Inc.

Cash Flow Statement ($ mils) Fiscal Year End: December 31	Mar-21 Q1A	Jun-21 Q2A	Sep-21 Q3A	Dec-21 Q4A	2021 FY-A	Mar-22 Q1A	Jun-22 Q2A	Sep-22 Q3A	Dec-22 Q4A	2022 FY-A	Mar-23 Q1A	Jun-23 Q2E	Sep-23 Q3E	Dec-23 Q4E	2023 FY-E	Mar-24 Q1E	Jun-24 Q2E	Sep-24 Q3E	Dec-24 Q4E	2024 FY-E
Cash flow from operating activities																				
Net income	(3.4)	(4.1)	(4.8)	(15.6)	(27.9)	(7.1)	(5.1)	(7.6)	(18.8)	(38.6)	(8.5)	(6.9)	(6.9)	(6.8)	(29.1)	(6.6)	(6.5)	(6.7)	(6.5)	(26.3)
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.2
Amortization					0.0		0.2	1.5	1.5	3.2	1.5				1.5					0.0
Debt related amortization expense					0.0				0.1	0.1	0.1				0.1					0.0
Stock comp	2.2	2.5	3.0	2.5	10.2	3.0	0.2	1.2	9.5	13.9	4.0	4.0	4.0	4.0	16.0	4.0	4.0	4.0	4.0	16.0
Deferred income taxes					0.0					0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in fair value of warrant liability				10.7	10.7					0.0					0.0					0.0
Writedowns and impairments					0.0					0.0					0.0					0.0
Other gains/losses					0.0					0.0					0.0					0.0
Other				0.0	0.0	0.1	(0.1)	(0.0)	0.0	0.0					0.0					0.0
Changes in operating assets and liabilities:																				
Accounts receivable					0.0	(0.0)	(0.1)	(0.0)	0.1	(0.0)	(0.1)	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Inventory					0.0					0.0					0.0					0.0
Prepaid expenses & other curre	(0.3)	0.1	(0.4)	0.1	(0.4)	0.0	0.0	0.1	0.1	0.3	(0.0)	0.0	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0
Income tax					0.0					0.0					0.0					0.0
Other assets					0.0					0.0		0.0	0.3	0.0	0.3	0.0	0.0	0.0	0.0	0.0
Accounts payable	(0.1)	0.3	(0.1)	0.0	0.1	0.3	(0.0)	0.1	(0.2)	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accrued expenses	0.0	0.1	0.1	0.3	0.5	(0.5)	0.3	0.4	3.0	3.2	(1.9)	0.0	0.0	0.0	(1.9)	0.0	0.0	0.0	0.0	0.0
Deferred revenue					0.0					0.0					0.0					0.0
Other liabilities					0.0		0.1	1.3	(1.4)	0.0	(0.0)	0.0	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0
Net cash (used in) provided by	**(1.5)**	**(1.2)**	**(2.2)**	**(1.9)**	**(6.8)**	**(4.2)**	**(4.4)**	**(3.0)**	**(6.0)**	**(17.6)**	**(4.7)**	**(2.8)**	**(2.6)**	**(2.8)**	**(12.8)**	**(2.5)**	**(2.5)**	**(2.6)**	**(2.4)**	**(10.1)**
Cash flow from investing activities																				
Purchases of property and equip	(0.0)		(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.2)	(0.6)	(0.9)	(0.4)	(0.9)	(0.4)	(0.9)	(2.5)	(0.9)	(2.5)	(0.9)	(2.5)	(6.7)
Purchases of short-term investments					0.0					0.0					0.0					0.0
Acquisitions					0.0		(84.6)	0.0	83.2	(1.4)					0.0					0.0
Other		(0.0)		(0.0)	(0.0)	(1.2)	1.1	(1.3)	1.4	(0.0)					0.0					0.0
Net cash used in investing activ	**(0.0)**	**(0.0)**	**(0.0)**	**(0.0)**	**(0.0)**	**(1.2)**	**(83.6)**	**(1.4)**	**84.0**	**(2.2)**	**(0.4)**	**(0.9)**	**(0.4)**	**(0.9)**	**(2.5)**	**(0.9)**	**(2.5)**	**(0.9)**	**(2.5)**	**(6.7)**
Cash flow from financing activities																				
Issuance of debt					0.0			8.0	(0.0)	8.0		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Repayment of debt		(0.2)		0.0	(0.2)				0.0	0.0					0.0					0.0
Issuance of stock	0.1	0.3	(0.0)	8.3	8.6	0.2	0.1		(0.0)	0.3	6.6	0.0	0.0	0.0	6.6	0.0	0.0	0.0	0.0	0.0
Proceeds from stock option exercises					0.0					0.0					0.0					0.0
Other					0.0		83.1	0.0	(83.1)	0.0					0.0					0.0
Cash provided by (used in) fina	**0.1**	**0.0**	**(0.0)**	**8.3**	**8.4**	**0.2**	**83.2**	**8.0**	**(83.1)**	**8.4**	**6.6**	**(0.0)**	**(0.0)**	**(0.0)**	**6.6**	**(0.0)**	**(0.0)**	**(0.0)**	**(0.0)**	**(0.0)**
Effect of exchange rate on cash					0.0					0.0					0.0					0.0
Net increase (decrease) in cash	**(1.4)**	**(1.1)**	**(2.2)**	**6.3**	**1.5**	**(5.2)**	**(4.8)**	**3.6**	**(5.1)**	**(11.4)**	**1.5**	**(3.6)**	**(3.0)**	**(3.6)**	**(8.8)**	**(3.4)**	**(5.0)**	**(3.5)**	**(4.9)**	**(16.8)**
Beginning cash and equivalents	**15.2**	**13.8**	**12.6**	**10.4**	**15.2**	**16.7**	**11.5**	**6.7**	**10.4**	**16.7**	**5.3**	**6.8**	**3.1**	**0.2**	**5.3**	**(3.5)**	**(6.9)**	**(11.9)**	**(15.4)**	**(3.5)**
Ending cash and equivalents	**13.8**	**12.6**	**10.4**	**16.7**	**16.7**	**11.5**	**6.7**	**10.4**	**5.3**	**5.3**	**6.8**	**3.1**	**0.2**	**(3.5)**	**(3.5)**	**(6.9)**	**(11.9)**	**(15.4)**	**(20.3)**	**(20.3)**

Source: Company reports and Ascendiant Capital Markets estimates

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Quantum Computing Inc.

Source: https://bigcharts.marketwatch.com/
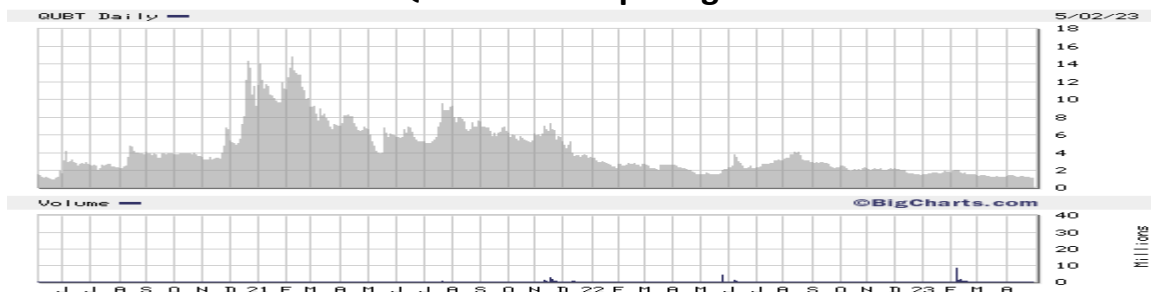
Report	Report Date Date	Rating	Price Target
1	11/1/2021	Buy	11.00
2	11/14/2021	Buy	11.50
3	3/16/2022	Buy	10.00
4	6/4/2022	Buy	9.00
5	8/22/2022	Buy	9.50
6	11/16/2022	Buy	9.00
7	4/4/2023	Buy	9.25

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Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
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Total	50	100%	18	36%

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