



Quantum Computing Inc.

Q4 revenues about inline. New foundry about to open. We expect strong revenue growth in 2025 to be positive for stock. Raising P/T to \$14.

COMPANY UPDATE

Rating: BUY

Ticker: QUBT

Price: \$7.13

Target: \$14.00
(from \$8.50)

Q4 revenues about inline: Quantum recently (on March 20) reported its fiscal Q4 2024 (ending December) results. Revenue was \$0.1 million, compared to our estimate of \$0.2 million. EPS was \$(0.47), compared to our estimate of \$(0.05). There was no consensus estimates or company guidance.

Still early stage, but lots of revenue activities: Quantum's recent financial performance is reflective of its developmental and early commercialization stage though it has commenced commercialization of its technology. It has many proposals in development. 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 that revenue should grow significantly in 2025/26.

Adjusting estimates: We are adjusting our 2025 estimates for revenue to \$0.7 million, from \$1.5 million, and for EPS to \$(0.26) from \$(0.21).

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.

Foundry almost open with lots of orders: The company's Thin Film Lithium Niobate (TFLN) foundry in Tempe, AZ remains on schedule and is in the final stage of commissioning. Production is expected to start early in 2025 with presales and numerous orders already in place.

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.

Balance sheet: As of Q4, the company has \$79 million in cash and no debt. In Q4, the company raised ~\$82 million as its stock had a rapid rise in share price.

New CEO: In April, Dr. William McGann, 67, announced he will retire effective May 12, 2025. The company named Dr. Yuping Huang as Interim CEO and President until a permanent CEO is named.

Even with huge increase in valuation, we are still bullish: Quantum's stock has had a significant increase in valuation in the past 6 months, but we believe there is still significant upside as interest in quantum computing industry continues to grow rapidly.

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 \$14.00 from \$8.50, 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 Hoboken, NJ, Quantum Computing is a software company focused on classical and quantum software for complex optimization computations.

United States
Technology

April 26, 2025

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Stock Data

Exchange:	NasdaqCM
52-week Range:	0.35 – 27.15
Shares Outstanding (million):	138
Market cap (\$million):	\$984
EV (\$million):	\$905
Debt (\$million):	\$0
Cash (\$million):	\$79
Avg. Daily Trading Vol. (\$million):	\$119
Float (million shares):	112
Short Interest (million shares):	21
Dividend, annual (yield):	\$0 (NA%)

Revenues (US\$ million)

	<u>2025E</u> (Cur.)	<u>2025E</u> (Old)	<u>2026E</u> (Cur.)	<u>2026E</u> (Old)
Q1 Mar	0.1E	0.3E	0.3E	
Q2 Jun	0.1E	0.3E	0.3E	
Q3 Sep	0.2E	0.4E	0.4E	
Q4 Dec	<u>0.3E</u>	<u>0.6E</u>	<u>0.6E</u>	
Total	0.7E	1.5E	1.5E	
EV/Revs	N/A		N/A	

Earnings per Share (pro forma)

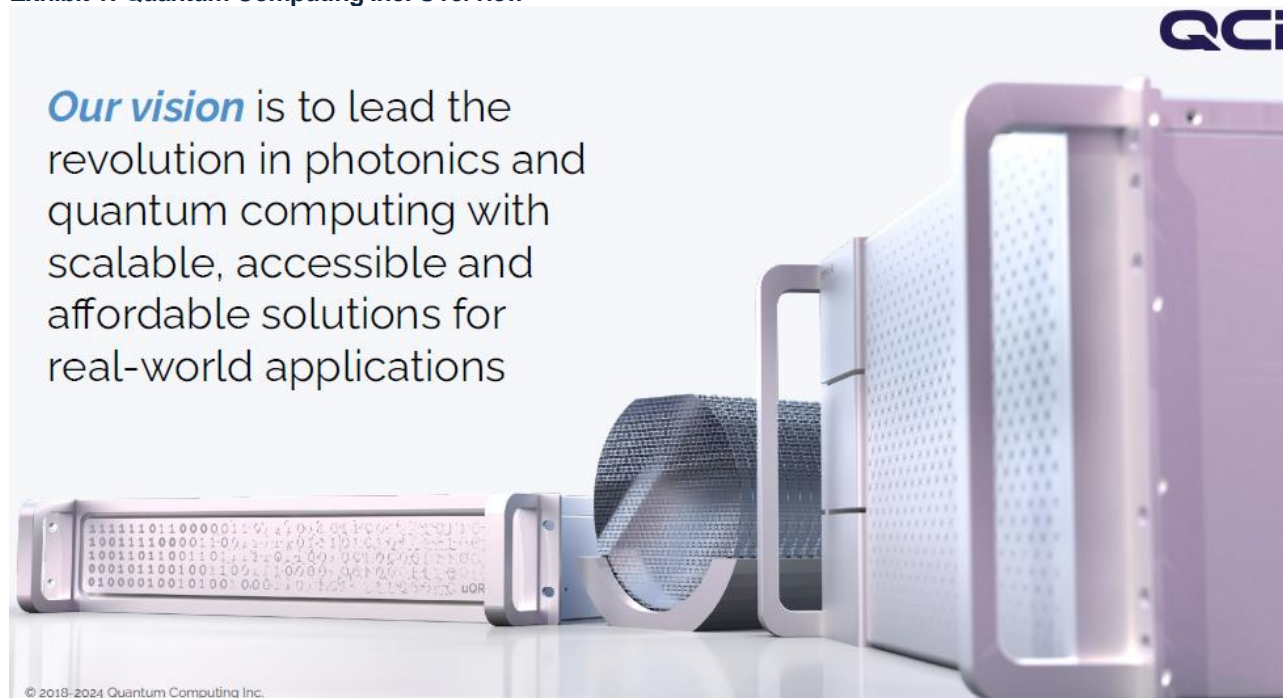
	<u>2025E</u> (Cur.)	<u>2025E</u> (Old)	<u>2026E</u> (Cur.)	<u>2026E</u> (Old)
Q1 Mar	(0.07)E	(0.05)E	(0.07)E	
Q2 Jun	(0.07)E	(0.05)E	(0.07)E	
Q3 Sep	(0.07)E	(0.05)E	(0.07)E	
Q4 Dec	<u>(0.07)E</u>	<u>(0.05)E</u>	<u>(0.06)E</u>	
Total	(0.26)E	(0.21)E	(0.26)E	
P/E	N/A		N/A	

Important Disclosures

Ascendant Capital Markets LLC seeks to do business with companies covered by its research team. Consequently, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making an investment decision.

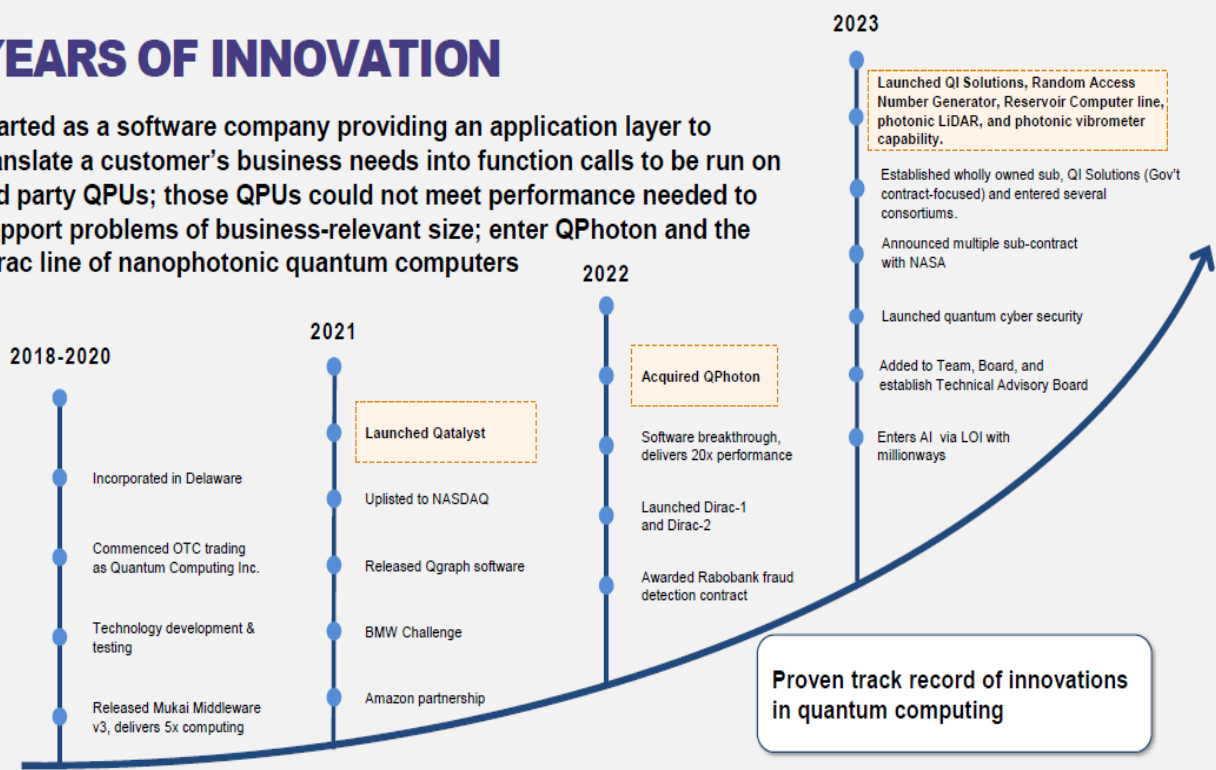
For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report, beginning on page 16.

Exhibit 1: Quantum Computing Inc. Overview



YEARS OF INNOVATION

Started as a software company providing an application layer to translate a customer's business needs into function calls to be run on 3rd party QPUs; those QPUs could not meet performance needed to support problems of business-relevant size; enter QPhoton and the Dirac line of nanophotonic quantum computers



Source: Company reports.

Exhibit 2: Quantum Computing Investment Highlights

Investment Highlights and Differentiators

Only pure-play

nonlinear quantum optics and integrated photonics public company

Well-positioned to capitalize on **early-mover advantage** in an emerging, rapidly growing photonics market

Sustainable roadmap and growth model

with two complementary revenue streams

Best-in-class use cases in

energy, automotive, and financial portfolio optimization

High-margin revenue potential

with U.S.-based foundry services and proprietary TFLN¹ chip design

Innovative technology **addressing the energy consumption challenges of AI**

Source: Company reports.

Exhibit 3: Quantum Computer Reality Check

The Quantum Reality Check



The Good

- Huge investments by major players are driving quantum momentum.
- Quantum has the potential to deliver faster, better solutions for many critical, real-world enterprise problems.
- QPUs are constantly improving and expanding
- Every day we're learning more about quantum programming, the challenges, and what we really need to think about.

The Bad, i.e., What Needs Work

Hardware

- Quantum processors are still in their infancy.
- Cannot scale to process the large volumes of data and variables created by today real-world problems
- No standard quantum computer architecture.
- Proprietary, unique low-level code required for each vendor

Software

- Requires complex programming with SDK (software development kits)
- SDKs require quantum expertise to understand and use
- Long lead time and costs required to train and develop the skills needed to create quantum programs

Source: Company reports.

Exhibit 4: Quantum Computing's Solutions

QCI'S BREAKTHROUGH TECHNOLOGY SOLVES FOR INDUSTRY CONCERNS

Quantum Computing Myths	QCi Solutions
Too expensive	Cost of a departmental server
Quantum is 5-10 years away	Available today - Already solving complex problems
Not practical to operate and energy intensive	Slots into a common server rack at room temperature and consumes a fraction of the power
Limited applications	Solving multi-variable optimization use cases today as well as predictive capabilities
Scalability	Connects all available qubits regardless of superposition for unprecedented and hyper-scalable processing power
Unstable and no solution for error correction	Actually utilizes the noise that creates those errors rather than avoiding it and having to correct for them

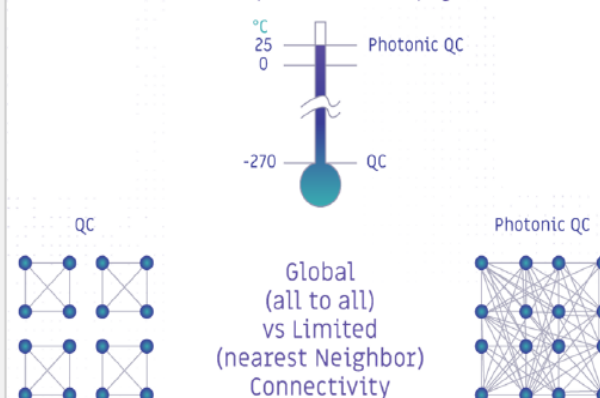
QCI OFFERS READY-TO-USE QUANTUM TECHNOLOGY, ACCESSIBLE TO BUSINESS TEAMS

Our Quantum Nanophotonics Systems delivers quantum **nanophotonic power at room temperature**, in a **highly stable, coherent system**

We enable **full connectivity of all qubits to accelerate and scale processing power**

The result is a suite of **highly scalable systems and technologies that can be deployed and used virtually anywhere, by anyone**

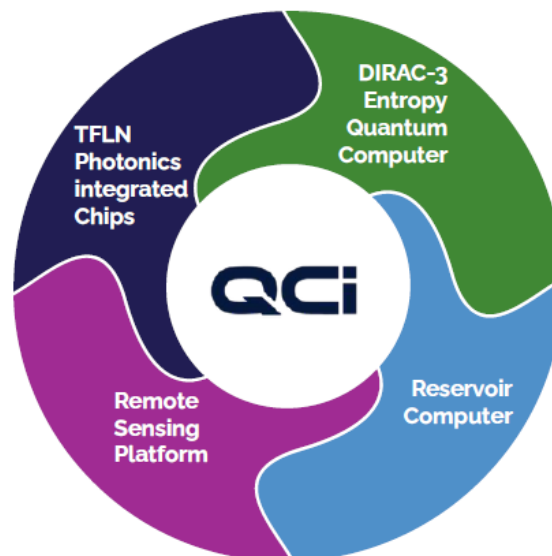
Room Temperature vs Cryogenic



Source: Company reports.

Exhibit 5: Quantum Computing's Solutions

Our Product Flywheel



Our flagship offerings



Foundry services

Quantum optimization

Our R&D offerings



Reservoir computing



Sensing and imaging



Cybersecurity



uQRNG

Source: Company reports.

Exhibit 6: Quantum's Market Opportunity

Thin Film Lithium Niobate

- TFLN is rapidly emerging as the **new darling child of the telecom and datacom industries**
- Modulators built using TFLN **consume very little power**, are capable of operating with extremely **high bandwidth**, and hold the promise of **miniaturization**
- TFLN is in **limited supply**, coming exclusively from China
- TFLN is already in **high demand**: a processed six-inch TFLN wafer can potentially yield over \$3 million in sellable inventory

TFLN Modulator Market¹

\$185M

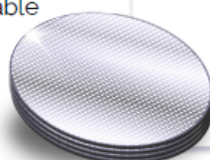
Market Size in 2022

41%

CAGR 2023- 2029

\$2B

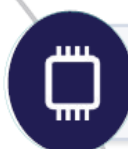
Market Size in 2029



¹ OY Research; Sept. 2023



QCI's Early Mover Advantage in TFLN



First US-Based TFLN Foundry Operational in Q1'25

The fab will enable components and integrated circuits for **electro-optic modulators, frequency converters & photonic integrated circuits (PIC)**



Unmatched Capabilities

QCI is the only US company capable of processing 150mm wafers; in the first full year of production, QCI may be capable of producing **\$180M in sellable inventory**



Barriers to Entry: Opportunity to Grab Market Share

The supply chain constraint is prohibitive for large-scale semiconductor companies (IBM, Samsung, Intel); QCI is in a **"Goldilocks" position to capture and grow significant market share**



Initial Offtake Agreement Received

As of March 2024, QCI has an **offtake agreement with Comtech Telecommunications Corporation** to produce wafers for its satellite communications

Source: Company reports.

Exhibit 7: Quantum's Product Solutions

Solving Real World Problems with One Solution

Our technology shows promise for applications across multiple verticals and cross-cutting domains



Healthcare

Financial
Services

Supply Chain

Energy
Management

Autonomous
Vehicle

Molecular
Modeling

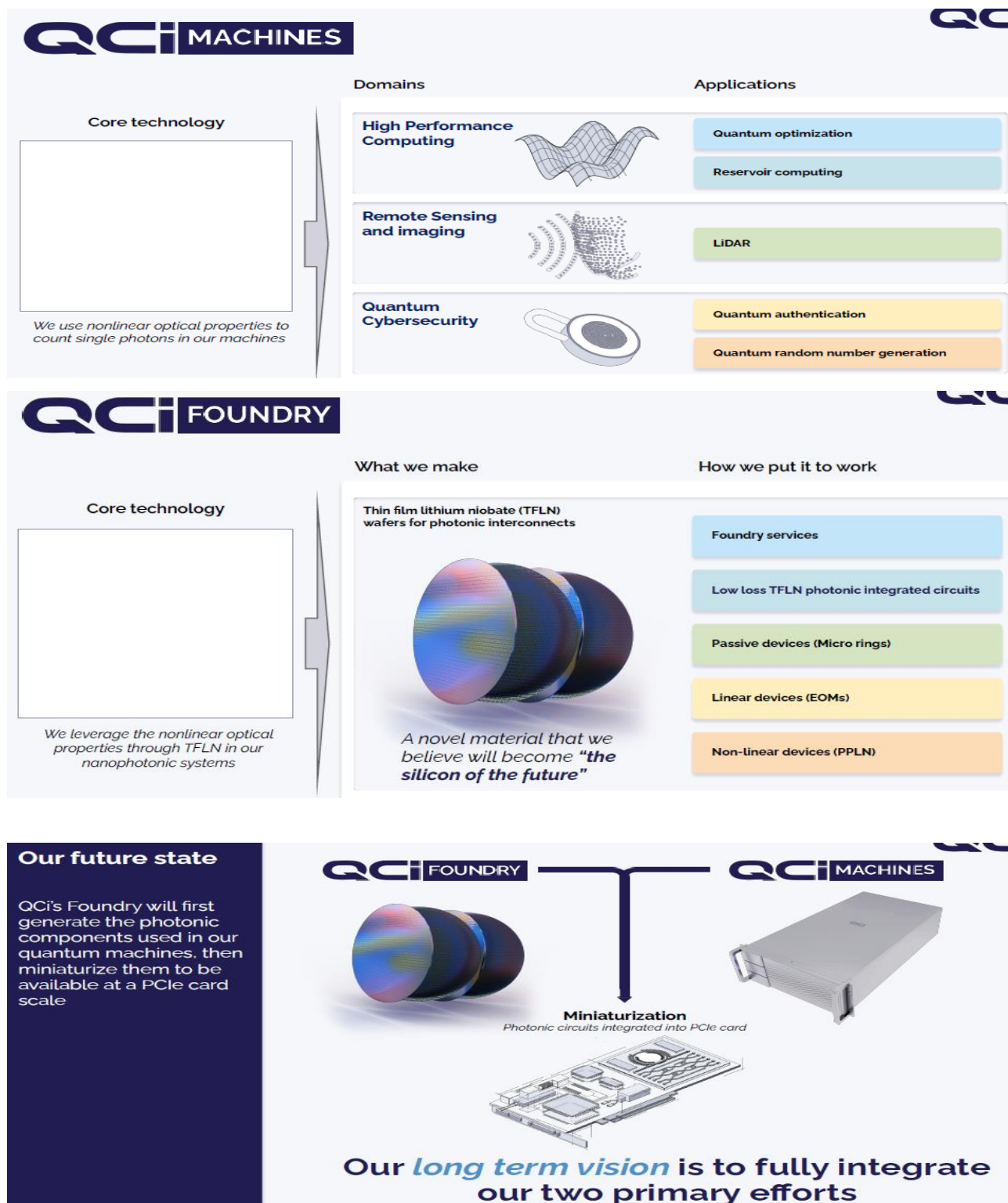
DIRAC-3 Growing Use Case Library Driving Interest



Industry/Market	Challenge	Use Case Evaluation	Application Demo	PoC Engagement
INTELLIGENCE	IRS Drone Routing	<div></div>		
ENERGY	Power Grid Optimization	<div></div>		
DEFENSE	Remote Sensing Landmine Detection	<div></div>		
AUTOMOTIVE	Sensor Design Optimization	<div></div>		
MANUFACTURING	Supply Chain Optimization	<div></div>		
FINANCE	Investment Portfolio Optimization	<div></div>		
INSURANCE	IT Operations Optimization	<div></div>		
INSURANCE	TV Ad Spend Alloc. Optimization	<div></div>		
BANKING	Fraud Transaction Detection	<div></div>		
GOVERNMENT	Drone Flight Risk Optimization	<div></div>		
ENERGY	Wind Farm Design Optimization	<div></div>		

Source: Company reports.

Exhibit 8: Quantum's Product Solutions



Source: Company reports.

Exhibit 9: Quantum Partnerships



ARTIFICIAL BRAIN

Our Partners

We are proud to work with a growing number of government agencies, scientific institutions and industry leaders as we advance our hardware solutions from conception to deployment



Partner Spotlight





QCi Awarded 4 Grants From NASA

QCi continues to support NASA's goal of lowering the cost of spaceborne missions and to obtain more precise data to better understand the effects of global warming

2 LIDAR SNOW DEPTH EVALUATION	<p>Completed</p> <p>QCi quantum LiDAR system demonstrated snow depth measurements with cost-effective satellite deployment.</p>
3 SOLAR BACKGROUND NOISE REDUCTION	<p>Completed</p> <p>QCi's reservoir computer prototype for pattern prediction and recognition performance improvements.</p>
4 ACCURATE MEASUREMENT OF AIR PARTICULATES	<p>Completed</p> <p>Designed and delivered a new, compact photonic sensor package to accurately measure light scattering through clouds and aerosols.</p>
4 SOLAR NOISE REMOVAL FROM SPECTRAL MAPPING IN LOWER EARTH ORBIT	<p>Underway</p> <p>QCi's DIRAC-3 Entropy Quantum Computing offers NASA a potentially superior and affordable alternative for denoising LiDAR spectral information.</p>

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Source: Company reports.

Exhibit 10: Q4 2024 and Recent Highlights (as of March 20, 2025)

Quantum Computing Inc. Reports Fourth Quarter 2024 Financial Results

HOBOKEN, N.J., March 20, 2025 /PRNewswire/ -- [Quantum Computing Inc.](#) ("QCI" or the "Company") (Nasdaq: QUBT), an innovative, integrated photonics and quantum optics technology company, today released financial results for the three and twelve-month periods ended December 31, 2024.

Dr William McGann, Chief Executive Officer of QCI, commented, "QCI made meaningful progress in the fourth quarter strengthening our financial position to support the continued advancement of our quantum solutions and foundry services. With a significantly bolstered balance sheet, we are well-positioned to scale operations and accelerate commercialization efforts.

"Operationally, we remain on track to launch our Quantum Photonic Chip Foundry in early 2025, with multiple purchase orders secured, reinforcing the growing demand for TFLN (thin film lithium niobate)-based photonic integrated circuits. Additionally, our collaborations with NASA highlight the real-world applications of our Dirac-3 quantum optimization machine, further validating its capabilities. Looking ahead, we are focused on executing our growth strategy, expanding industry partnerships, and delivering next-generation photonic and quantum technologies to the market."

Fourth Quarter 2024 Operational Highlights

- *Advancing Strategic Partnerships with NASA:* On October 17, QCI secured its fifth task order with NASA, focused on developing quantum remote sensing technology for spaceborne LiDAR missions. This contract aims to lower the cost of climate-monitoring missions while improving data collection capabilities. On December 17, QCI announced an additional contract with NASA to support phase unwrapping using the Dirac-3 quantum computer as a Photonic Optimization Solver, further demonstrating the machine's capabilities in complex data processing applications.
- *Quantum Photonic Chip Foundry Update:* QCI reached the final stage of commissioning its Quantum Photonic Chip Foundry in Tempe, Arizona. Construction is substantially complete, and the Company is now establishing its process design kit (PDK) and filling customer orders. During the quarter, the Company announced two memorandums of understanding (MOUs) with leading industry partners, Spark Photonics Design and Alcyon Photonics, expanding collaboration opportunities. As part of its 2024 Pilot Launch Program, QCI secured multiple pre-orders, and subsequent to the quarter, the Company announced a total of five purchase orders for its TFLN Foundry. The Foundry remains on schedule to be operational in the first quarter of 2025.
- *Strengthening Sales & Market Presence:* The Company continued expanding its commercial and government engagement, attending 10 trade shows and conferences during the quarter to showcase its quantum optimization and photonic chip solutions to potential customers and partners.
- *Advancing Quantum Solutions to Meet Immediate Market Needs:* On November 14, 2024, CEO Dr. William McGann presented at the Quantum Frontiers Conference at Los Alamos National Laboratory, showcasing QCI's quantum optimization solutions and their potential to accelerate real-world adoption of quantum technologies. QCI continues to position its Dirac-3 machine as a critical tool for government and commercial applications, bridging the gap between theoretical quantum advancements and practical deployment to make quantum computing accessible today.

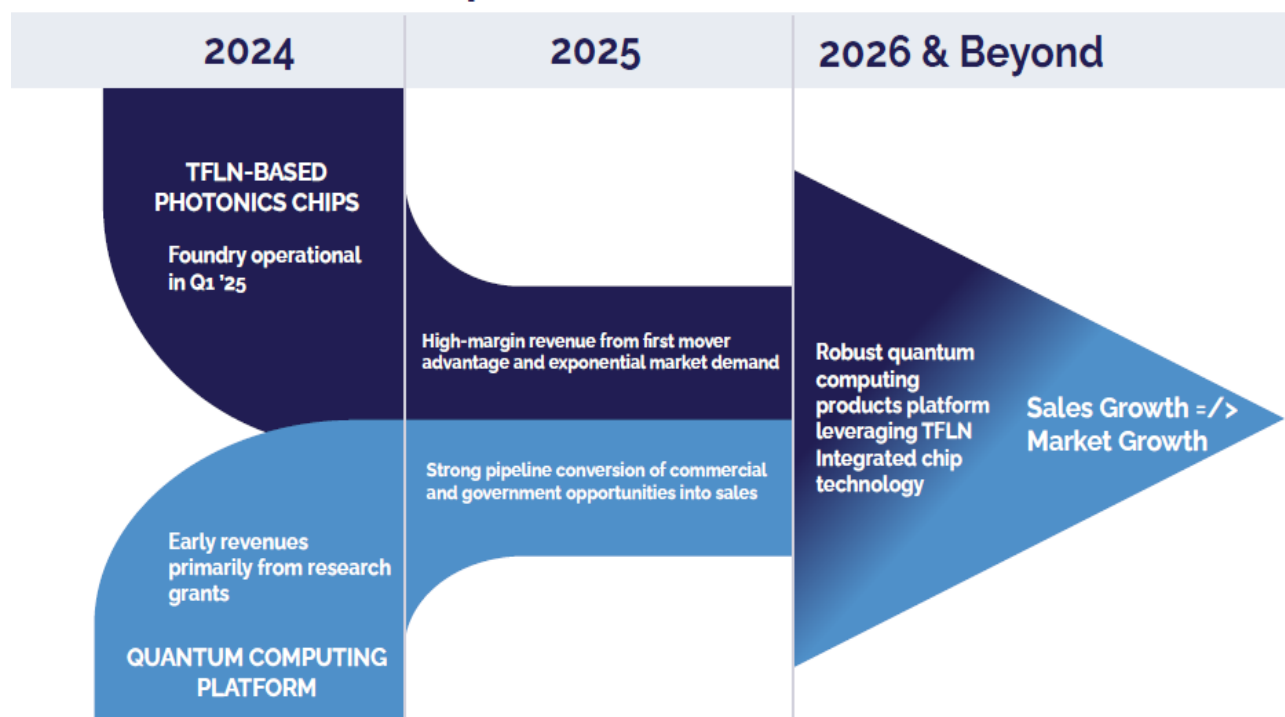
Source: Company reports.

Exhibit 11: Future Roadmap

How We Get There

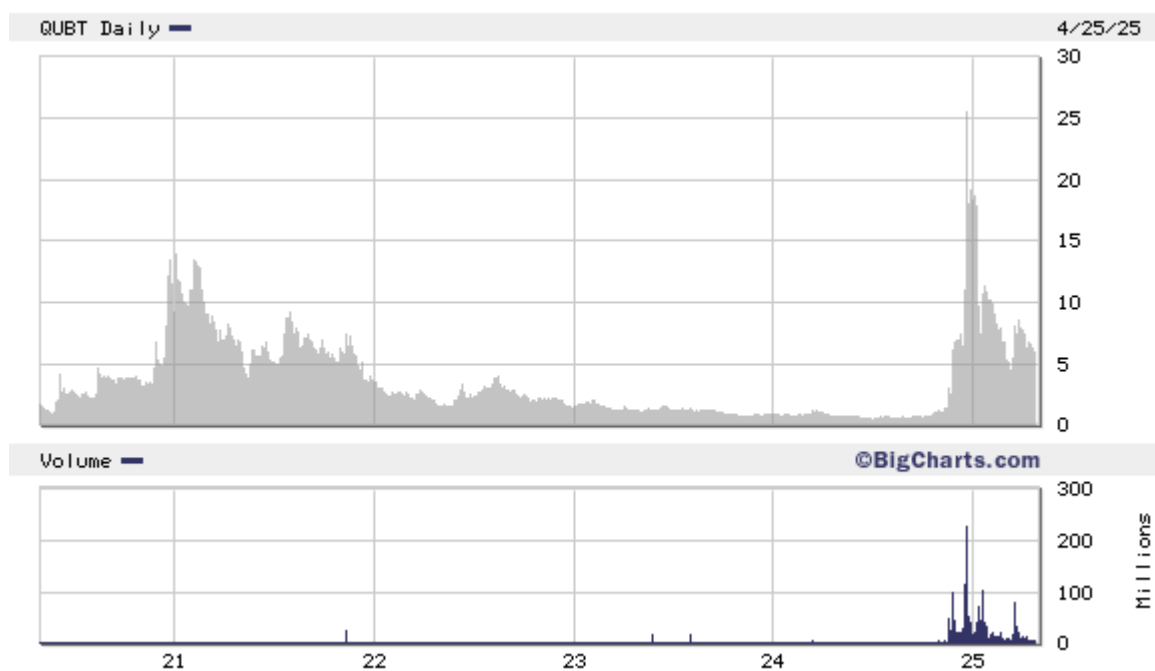
- **Proactively evolve our go-to-market strategy** for our quantum products
- **Successfully transition pipeline** of commercial and government opportunities into sales
- **Expand distribution** by adding sector/industry vertical specific technology partners with robust sales networks globally
- **Maintain momentum** in the rollout of Dirac-3 for commercial and government clients
- Continued emphasis on **innovation and investment** to meet evolving market needs and maintain leadership position

Our Growth Roadmap



Source: Company reports.

Exhibit 12: Quantum Computing Inc. Stock Price (5-Years)



Source: <https://bigcharts.marketwatch.com/>

FINANCIAL MODEL

Quantum Computing Inc.

Income Statement (\$ mils)	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025	Mar-26	Jun-26	Sep-26	Dec-26	2026
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1E	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Total Revenue	0.1	0.1	0.1	0.1	0.4	0.0	0.2	0.1	0.1	0.4	0.1	0.1	0.2	0.3	0.7	0.3	0.3	0.4	0.6	1.5
<u>Cost of Revenues</u>	<u>0.1</u>	<u>0.1</u>	<u>0.0</u>	<u>0.1</u>	<u>0.2</u>	<u>0.0</u>	<u>0.1</u>	<u>0.1</u>	<u>0.0</u>	<u>0.3</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.3</u>	<u>0.1</u>	<u>0.2</u>	<u>0.2</u>	<u>0.3</u>	<u>0.8</u>
Gross Profit	0.1	0.1	0.0	0.0	0.2	0.0	0.1	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.3	0.1	0.2	0.2	0.3	0.8
Salaries	1.5	0.5	1.5	0.6	4.0					0.0					0.0					0.0
Consulting	0.2	0.2	0.2	0.2	0.8					0.0					0.0					0.0
Stock Based Compensation	2.0	1.9	2.0	2.8	8.7					0.0					0.0					0.0
Related Party Marketing					0.0					0.0					0.0					0.0
Research & Development	1.5	1.6	1.7	1.6	6.4	2.2	2.1	2.2	4.8	11.3	5.0	5.0	5.0	5.0	20.0	5.0	5.0	5.0	5.0	20.0
Sales and marketing						0.5	0.4	0.4	0.6	1.8	0.2	0.2	0.2	0.2	0.8	0.2	0.2	0.2	0.2	0.8
General and administrative	2.7	(0.3)	2.4	2.6	7.3	3.7	2.8	2.8	3.6	12.9	4.0	4.0	4.0	4.0	16.0	4.0	4.0	4.0	4.0	16.0
<u>Restructuring and other</u>					<u>0.0</u>					<u>0.0</u>					<u>0.0</u>					<u>0.0</u>
Total operating expenses	7.9	3.9	7.7	7.9	27.4	6.3	5.3	5.4	8.9	26.1	9.2	9.2	9.2	9.2	36.8	9.2	9.2	9.2	9.2	36.8
Operating income (loss)	(7.8)	(3.9)	(7.7)	(7.9)	(27.2)	(6.3)	(5.3)	(5.4)	(8.9)	(25.9)	(9.2)	(9.1)	(9.1)	(9.1)	(36.5)	(9.1)	(9.1)	(9.0)	(8.9)	(36.1)
Interest income (expense)	(0.7)	(0.8)	(0.6)	(0.4)	(2.5)	(0.1)	0.1	(0.2)	(1.8)	(2.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<u>Other income (expense)</u>					<u>0.0</u>				<u>(40.5)</u>	<u>(40.5)</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Income before income taxes	(8.5)	(4.6)	(8.3)	(8.3)	(29.7)	(6.4)	(5.2)	(5.7)	(51.2)	(68.5)	(9.2)	(9.1)	(9.1)	(9.1)	(36.5)	(9.1)	(9.1)	(9.0)	(8.9)	(36.1)
<u>Income taxes</u>					<u>0.0</u>					<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Net income (loss)	(8.5)	(4.6)	(8.3)	(8.3)	(29.7)	(6.4)	(5.2)	(5.7)	(51.2)	(68.5)	(9.2)	(9.1)	(9.1)	(9.1)	(36.5)	(9.1)	(9.1)	(9.0)	(8.9)	(36.1)
<u>Nonrecurring/noncash adjustments</u>					<u>0.0</u>					<u>0.0</u>					<u>0.0</u>					<u>0.0</u>
Net income (pro forma)	(8.5)	(4.6)	(8.3)	(8.3)	(29.7)	(6.4)	(5.2)	(5.7)	(51.2)	(68.5)	(9.2)	(9.1)	(9.1)	(9.1)	(36.5)	(9.1)	(9.1)	(9.0)	(8.9)	(36.1)
EBITDA	(3.7)	(3.7)	(3.6)	(5.5)	(16.5)	(4.2)	(3.8)	(3.8)	(4.6)	(16.3)	(4.8)	(4.8)	(4.8)	(4.7)	(19.0)	(4.7)	(4.7)	(4.7)	(4.5)	(18.6)
Shares, Basic	60.5	67.2	75.1	91.4	77.5	81.9	93.6	93.0	108.5	93.9	137.2	137.5	137.8	138.1	137.7	138.2	138.5	138.8	139.1	138.7
Shares, Diluted	60.5	67.2	75.1	91.4	77.5	81.9	93.6	93.0	108.5	93.9	137.2	137.5	137.8	138.1	137.7	138.2	138.5	138.8	139.1	138.7
EPS Basic (pro forma)	(\$0.14)	(\$0.07)	(\$0.11)	(\$0.09)	(\$0.38)	(\$0.08)	(\$0.06)	(\$0.06)	(\$0.47)	(\$0.73)	(\$0.07)	(\$0.07)	(\$0.07)	(\$0.07)	(\$0.26)	(\$0.07)	(\$0.07)	(\$0.07)	(\$0.06)	(\$0.26)
EPS Diluted (pro forma)	(\$0.14)	(\$0.07)	(\$0.11)	(\$0.09)	(\$0.38)	(\$0.08)	(\$0.06)	(\$0.06)	(\$0.47)	(\$0.73)	(\$0.07)	(\$0.07)	(\$0.07)	(\$0.07)	(\$0.26)	(\$0.07)	(\$0.07)	(\$0.07)	(\$0.06)	(\$0.26)
Margins																				
Gross margin	53%	54%	53%	14%	45%	41%	32%	9%	55%	30%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Salaries																				
Consulting																				
Research and development																				
General and administrative																				
Operating margin																				
Tax rate, GAAP																				
Net margin																				
Y/Y % change																				
Total Revenue																				
Gross margin																				
Salaries	30%	-61%	12%	10%	-6%															
Consulting	-39%	-28%	-34%	-34%	-34%															
Research and development	50%	86%	34%	15%	41%															
General and administrative	135%	-116%	-13%	-6%	-16%															
Operating income (loss)	16%	-20%	12%	-57%	-26%															
Net income (loss)	19%	-9%	9%	-56%	-23%															
EPS Diluted (pro forma)	-43%	-60%	-51%	-73%	-44%															

Source: Company reports and Ascendant Capital Markets estimates.

Quantum Computing Inc.

Balance Sheet (\$ mils)	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Assets																
Cash and cash equivalents	6.8	7.2	7.4	2.1	6.1	2.5	3.1	78.9	172.0	164.3	156.7	149.1	141.5	125.4	117.9	101.9
Short term investments									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable, net	0.1	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	0.0
Inventory				0.1	0.2	0.3	0.2	0.0	0.0	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	0.0
Prepaid expenses and other	0.3	0.7	0.7	1.0	0.5	0.6	0.5	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Total current assets	7.1	8.0	8.1	3.2	6.8	3.4	3.9	79.2	172.1	164.5	156.9	149.3	141.7	125.6	118.0	102.0
Property and equipment, net	1.3	1.5	3.0	2.9	4.4	5.4	5.8	8.2	9.8	11.4	13.0	14.7	16.3	26.5	28.1	38.3
Intangibles, net	79.9	77.9	77.0	71.7	66.9	66.1	65.3	64.5	64.5	64.5	64.5	64.5	64.5	64.5	64.5	64.5
Deferred income tax									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	1.3	1.2	1.2	0.9	1.1	1.1	1.8	1.7	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total assets	89.5	88.6	89.3	78.7	79.2	76.0	76.8	153.6	247.5	241.5	235.5	229.5	223.5	217.6	211.7	205.9
Liabilities and stockholders' equity																
Accounts payable	0.9	0.9	1.1	1.5	1.7	1.7	0.9	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Accrued expenses	1.7	2.8	1.0	0.2	0.6	0.3	0.5	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Deferred revenue			0.0	0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Deferred income tax									0.0	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	0.0
Other	1.6	1.5	1.4	0.5	0.8	0.8	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Short term debt	8.3	6.5	4.5	2.5					0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total current liabilities	12.6	11.7	8.1	4.6	3.1	2.9	2.4	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6
Deferred income taxes									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Warrant liabilities							0.7	40.5	40.5	40.5	40.5	40.5	40.5	40.5	40.5	40.5
Other long term liabilities	0.0			0.8	0.8	0.7	1.3	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Deferred revenue									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long term debt	0.0						6.5		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	0.8	0.8	0.7	8.5	41.7	41.7	41.7	41.7	41.7	41.7	41.7	41.7	41.7
Preferred stock	0.0	0.0	0.0	0.0	7.7	6.8	5.5		0.0	0.0	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	3.1	6.2	9.3	12.4	15.5	18.6	21.7	24.8
Additional paid-in capital	205.4	210.0	222.6	223.0	206.0	209.1	209.7	307.8	307.8	307.8	307.8	307.8	307.8	307.8	307.8	307.8
Retained earnings	(128.5)	(133.1)	(141.4)	(149.7)	(138.4)	(143.6)	(149.2)	(200.5)	(209.6)	(218.8)	(227.9)	(237.0)	(246.0)	(255.1)	(264.1)	(273.0)
Accumulated other comprehensive income									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other									100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total stockholders' equity	76.9	76.9	81.2	73.3	75.3	72.4	65.9	107.3	201.2	195.2	189.2	183.2	177.3	171.3	165.4	159.6
Total stockholders' equity and liabilities	89.527	88.6	89.3	78.7	79.2	76.0	76.8	153.6	247.5	241.5	235.5	229.5	223.5	217.6	211.7	205.9

Balance Sheet Drivers

	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	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)	\$1.27	\$1.14	\$1.08	\$0.80	\$0.92	\$0.77	\$0.71	\$0.99	\$1.47	\$1.42	\$1.37	\$1.33	\$1.28	\$1.24	\$1.19	\$1.15
Cash per Share (diluted)	\$0.11	\$0.11	\$0.10	\$0.02	\$0.07	\$0.03	\$0.03	\$0.73	\$1.25	\$1.20	\$1.14	\$1.08	\$1.02	\$0.91	\$0.85	\$0.73
Net cash per Share (diluted)	-\$0.03	\$0.01	\$0.04	\$0.00	\$0.07	\$0.03	-\$0.04	\$0.73	\$1.25	\$1.20	\$1.14	\$1.08	\$1.02	\$0.91	\$0.85	\$0.73

Source: Company reports and Ascendant Capital Markets estimates

Quantum Computing Inc.

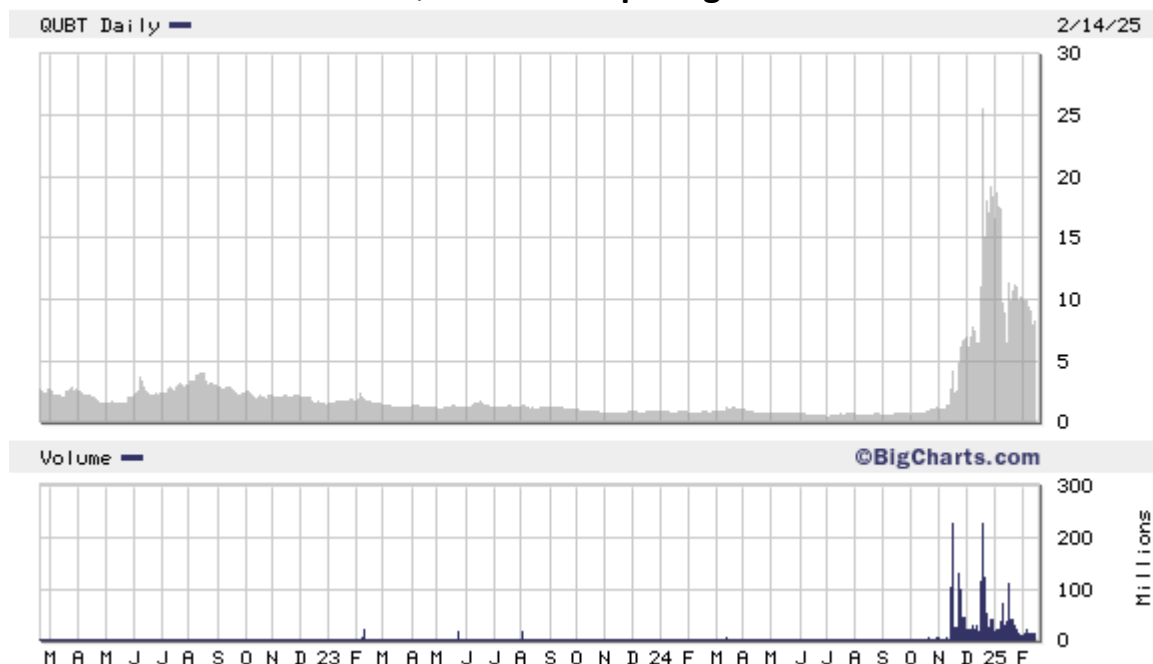
Cash Flow Statement (\$ mils)	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025	Mar-26	Jun-26	Sep-26	Dec-26	2026
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1E	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Cash flow from operating activities																				
Net income	(8.5)	(4.6)	(8.3)	(8.3)	(29.7)	(6.4)	(5.2)	(5.7)	(51.2)	(68.5)	(9.2)	(9.1)	(9.1)	(9.1)	(36.5)	(9.1)	(9.1)	(9.0)	(8.9)	(36.1)
Depreciation	0.0	0.1	0.1	1.8	2.0	0.8	0.8	0.9	1.3	3.8	1.3	1.3	1.3	1.3	5.0	1.3	1.3	1.3	1.3	5.0
Amortization	1.5	(1.7)	0.7	(0.5)	0.0	0.1		0.2	(0.3)	0.0					0.0					0.0
Debt related amortization expen	0.1	0.1	0.1	(0.4)	0.0				2.1	2.1					0.0					0.0
Stock comp	4.0	0.1	4.0	0.6	8.7	1.3	0.7	0.8	3.1	5.8	3.1	3.1	3.1	3.1	12.4	3.1	3.1	3.1	3.1	12.4
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	0.0
Change in fair value of warrant liability					0.0				39.9	39.9					0.0					0.0
Writedowns and impairments					0.0	0.0	0.0	0.0	(0.0)	0.0					0.0					0.0
Other gains/losses				0.0	0.0				0.3	0.3					0.0					0.0
Other					0.0					0.0					0.0					0.0
Changes in operating assets and liabilities:																				
Accounts receivable	(0.1)	(0.1)	0.1	(0.1)	(0.1)	0.0	(0.0)	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Inventory					(0.1)	(0.1)	(0.1)	0.0	0.2	0.1					0.0					0.0
Prepaid expenses & other curre	(0.0)	0.0	0.0	(0.1)	0.0	(0.1)	0.1	(0.1)	0.1	0.0	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)	0.3	0.2	0.1	(0.1)	(0.6)	0.6	0.0	0.7	0.0	0.0	0.0	0.7	0.0	0.0	0.0	0.0	0.0
Accounts payable	0.0	0.0	0.2	0.3	0.6	0.2	(0.0)	(0.7)	0.4	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accrued expenses	(1.9)	0.9	(1.8)	1.7	(1.0)	0.2	(0.2)	0.2	0.4	0.6	0.0	0.0	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	0.1	(0.1)	0.0	0.1					0.0					0.0
Other liabilities	(0.0)	0.0	0.0	(0.6)	(0.6)	(0.1)	(0.1)	0.6	(0.6)	(0.1)	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	(4.7)	(5.1)	(4.8)	(5.3)	(19.9)	(3.8)	(4.0)	(4.6)	(3.8)	(16.213)	(4.1)	(4.8)	(4.8)	(4.7)	(18.4)	(4.7)	(4.7)	(4.7)	(4.5)	(18.6)
Cash flow from investing activities																				
Purchases of property and equi	(0.4)	(0.2)	(1.6)	0.0	(2.1)	(1.6)	(1.1)	(0.5)	(2.9)	(6.0)	(2.9)	(2.9)	(2.9)	(2.9)	(11.5)	(2.9)	(11.5)	(2.9)	(11.5)	(28.7)
Purchases of short-term investments					0.0					0.0					0.0					0.0
Acquisitions					0.0					0.0					0.0					0.0
Other		(0.5)	(0.1)	0.1	(0.5)					0.0					0.0					0.0
Net cash used in investing activ	(0.4)	(0.7)	(1.6)	0.1	(2.6)	(1.6)	(1.1)	(0.5)	(2.9)	(6.0)	(2.9)	(2.9)	(2.9)	(2.9)	(11.5)	(2.9)	(11.5)	(2.9)	(11.5)	(28.7)
Cash flow from financing activities																				
Issuance of debt					0.0				7.0	7.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Repayment of debt		(1.9)	(2.1)	(2.2)	(6.2)	(2.7)	(0.9)	(1.4)	(9.6)	(14.6)					0.0					0.0
Issuance of stock	6.6	8.1	8.8	2.0	25.5	12.2	2.4	7.0	85.1	106.8	0.0	0.0	0.0	0.0	0.0	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					0.0	100.0				100.0					0.0
Cash provided by (used in) fina	6.6	6.2	6.7	(0.1)	19.3	9.5	1.5	5.6	82.5	99.1	100.0	0.0	0.0	0.0	100.0	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	1.5	0.4	0.2	(5.3)	(3.2)	4.0	(3.6)	0.5	75.9	76.9	93.0	(7.6)	(7.6)	(7.6)	70.2	(7.6)	(16.2)	(7.5)	(16.0)	(47.3)
Beginning cash and equivalents	5.3	6.8	7.2	7.4	5.3	2.1	6.1	2.5	3.1	2.1	78.9	172.0	164.3	156.7	78.9	149.1	141.5	125.4	117.9	149.1
Ending cash and equivalents	6.8	7.2	7.4	2.1	2.1	6.1	2.5	3.1	78.9	78.9	172.0	164.3	156.7	149.1	149.1	141.5	125.4	117.9	101.9	101.9

Source: Company reports and Ascendant Capital Markets estimates

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Quantum Computing Inc.



Source: <https://bigcharts.marketwatch.com/>

	Report Date		Price
Report	Date	Rating	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
8	5/19/2023	Buy	9.50
9	8/25/2023	Buy	9.00
10	11/23/2023	Buy	8.75
11	4/14/2024	Buy	8.25
12	11/11/2024	Buy	8.50

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Total return is defined as price appreciation plus dividend yield.

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Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
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Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	53	100%	21	40%

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