

October 26, 2026

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QuantumCore Ltd. (QNCRF – OTCQB)

Specialized components for quantum computing offer geometric growth potential as customers move from laboratory testing to volume deployment

Strong Buy
 12–15 month price
 Target: US\$8.32

Recent Price: US\$1.28

Market Data (OTCQB; October 26, 2026 close)

Market Capitalization (US\$ mln)	40.59
Enterprise Value (US\$ mln)	39.66
Issued Shares Outstanding (000s)*	31,715
Avg. Volume (3-month)*	2,310
Institutional Ownership	N/A*
Insider Ownership	~32.8%
Exchange	OTCQB / CSE

*Shares last disclosed October 20, 2026.

Balance Sheet (June 30, 2026; US\$000s)

Shareholders' Equity (US\$000s)	4,640.6
Price/Book Value	8.75x
Cash (US\$000s)	938.1
Net Working Capital (US\$000s)	4,545.0
Long-Term Debt (US\$000s)	0
Debt / Equity	0%

Company Overview

QuantumCore is a Canadian developer of components for quantum computers. Its four programs address microwave amplification, photon detection, cryogenic switching and multiplexing, and magnetless signal isolation. The business grew out of research at the University of Waterloo's Institute for Quantum Computing. Its acquisition of Avalanche PhotonIQ added photon-detection technology. The Company intends to sell to computer manufacturers, research institutions, and other equipment suppliers. The Company expects to use university facilities for early production and specialized foundries as demand expands. Commercial success depends on product performance, customer adoption, and repeatable manufacturing.

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Summary and Investment Opportunity

• Quantum computing creates demand for specialized components

Quantum computers could help solve problems beyond the practical reach of conventional machines, supporting advances in drug discovery, materials, and industrial processes. Customers need equipment to detect weak signals, reduce interference, and connect larger systems. McKinsey & Company estimates that quantum computing companies generated more than US\$1 billion in revenue in 2025, with potential to reach US\$4.4 billion in 2028 and US\$43 billion to US\$71 billion by 2035. These industry estimates provide context for the opportunity; they do not measure QuantumCore's addressable market.

• Four product programs address bottlenecks in quantum hardware

QuantumCore's microwave amplifiers aim to strengthen the faint signals used to read superconducting qubits while producing less heat. Its photon detectors register individual particles of light for quantum computing, communications, and scientific instruments. Cryogenic switching and multiplexing let multiple signal channels share connections, reducing wiring and heat entering the refrigerator. Magnetless circulators would protect sensitive processors from returning noise in a smaller package. Together, these programs address cooling, space, and measurement constraints that become more demanding as quantum systems expand from 100 Qubits to a planned 1 million Qubits.

• Customer qualification and foundry production support expansion

QuantumCore plans to sell components to quantum computer manufacturers, research institutions, and other equipment suppliers. Photon detectors provide an initial commercial entry point, while other products advance through development and customer qualification. Winning a place in a customer's design can generate repeat orders as that customer expands. The Company plans to use university facilities for early production and specialized foundries for larger volumes while retaining its designs and proprietary processing expertise. This approach serves multiple buyers, limits fabrication investment, and aligns production expansion with demand.

• Our revenue estimates and valuation analysis assume successful commercialization

The Company will likely remain pre-revenue until Q2 '27, and management thinks most of the risk will be gone by FYE '27 if they are successful over the next 15 months. We valued the Company based on a successful outcome, but applied a 100% discount rate to all EPS through FYE '31 to account for the relatively extreme risk we expect in the business during the next six to nine months while the Company is proving out its key technology product. Because of the extreme upside in this Company, and based on our comparables analysis, we are initiating coverage of QuantumCore with a Strong Buy, and set our 12-15 month price target at \$US8.32 per share.

P&L (US\$000s)	2027E	2028E	2029E	2030E	2031E
Revenue	3,240	21,000	73,125	226,688	736,734
Annual revenue growth	N/A	548.1%	248.2%	210.0%	225.0%
Gross profit	2,415	17,746	60,696	190,112	619,141
Gross margin	74.5%	84.5%	83.0%	83.9%	84.0%
Operating profit (loss)	(4,329)	3,673	24,189	91,967	337,386
Net income (loss)	(4,062)	4,056	18,530	67,067	247,118
Basic EPS (US\$)	(0.118)	0.099	0.429	1.534	5.535
Diluted EPS (US\$)	(0.118)	0.095	0.426	1.518	5.410
Diluted weighted shares (000s)	34,352	42,846	43,453	44,184	45,681

Please see analyst certification and disclosures on pages 20 and 21 of this report.

Executive Summary

QuantumCore is building the equipment required to expand quantum computing capacity by 100x to 10,000x over the next few years. The Company is developing specialized components for system manufacturers and research institutions. Our financial projections describe a successful-commercialization case: products qualify for customer use, manufacturing scales, and initial orders develop into volume deployments.

The easiest way to understand the business is through the problems its products address. Microwave amplifiers strengthen the extremely weak signals used to read superconducting qubits. Photon detectors register individual particles of light. Cryogenic multiplexers allow signal channels to share connections, while circulators help protect sensitive processors from unwanted microwave noise. Better components can help customers accommodate more computing capacity within the limits of their refrigeration and supporting equipment.

A commercial starting point in photon detection

The September 2026 acquisition of Avalanche PhotoniQ added semiconductor photon-detection technology and a prospective first revenue source. We expect the Company to sell its initial detectors for approximately US\$20,000 each. In our October discussions, management described an ambition to begin deliveries early in 2027, subject to product readiness. We model first paid shipments in Q2 '27 and sales of 140 detectors and 22 amplifiers during the year, generating ~US\$3.24 million of revenue for the Company.

We expect the amplifier program to become a larger revenue contributor as customers build systems with more microwave readout channels. The Company's target is the second amplification stage, operating near 4 degrees kelvin, or minus 269 degrees Celsius. The Company intends its superconducting design to provide useful amplification while producing substantially less heat than conventional transistor amplifiers.

Manufacturing scale drives the financial opportunity

The Company intends to use university facilities for early production and specialized foundries for larger runs. A foundry manufactures chips for other companies. This approach allows QuantumCore to concentrate on device designs, proprietary materials processes, testing, and customer integration. It also makes the number of usable devices that each manufacturing run produces an important determinant of cost.

In this case, we forecast approximately US\$21.00 million of revenue and US\$3.67 million of operating profit in 2028. We estimate diluted EPS of approximately US\$0.095 after stock compensation, depreciation, amortization, and modeled dilution.

Given the nature of this industry, if the Company is successful in 2027, we expect geometric revenue growth beginning in 2028 through 2031 and possibly beyond. In 2028 we model shipments of 1,000 detectors, 250 amplifiers, and 100 multiplexing modules, generating revenue of ~\$US21.0 million, with 2029 revenue of ~US\$73 million, 2030 revenue of ~US\$226.69 million, and 2031 revenue of ~US\$736.73 million.

The share buyback program, covering up to 5% of outstanding shares, signals exceptional conviction from CEO Eugene Profis that the market undervalues QuantumCore's prospects.

Valuation

The Company remains pre-revenue, and management expects most business risk to subside by the end of calendar 2027. We therefore assess the Company's successful-commercialization case and apply a high discount rate to forecast earnings to reflect its substantial execution risk. We also see considerable potential upside: the four profitable companies in our comparison currently trade at an average trailing P/E of 42.9x and a forward P/E of 20.6x.

Our model assumes geometric growth beginning in 2028 through at least 2031. We apply a 100% annual discount rate to both losses and profits from Q4 '26 through FYE '31, producing cumulative discounted EPS of US\$0.1940. We then applied the 42.9x average trailing P/E of the four profitable companies in our analysis¹ to arrive at a current value of US\$8.32 per share. We initially found this result surprising given the exceptionally high discount rate. Nevertheless, under these assumptions, we conclude that QuantumCore's shares remain extremely undervalued even after allowing for execution risk. We rely almost entirely on management's assessment of the market and how it might develop in reaching this conclusion.

Industry Background

What quantum computing offers

Conventional computers store information as bits with values of zero or one. Quantum computers use qubits, which can hold controlled combinations of those states. Qubits can also share a relationship called entanglement, allowing a calculation to use their states collectively. Quantum algorithms manipulate these relationships to make selected outcomes more likely. For certain problems, this can provide a substantial advantage over classical computing.

Molecular simulation illustrates the opportunity. Interactions among electrons and nuclei become increasingly difficult to calculate as molecules grow more complex. Quantum computers offer a way to model these interactions more directly, potentially improving the design of catalysts, batteries, and drugs. Quantum and classical computers can work together, with each handling suitable parts of a calculation.

Different technologies create different component markets

Quantum hardware developers use several physical approaches to create qubits. Their supporting equipment differs, which is why the Company's products serve distinct applications.

Approach	How quantum information is held	Supporting equipment
Superconducting circuits	Electrical states in very cold circuits	Refrigeration, microwave electronics, amplifiers, and interconnects
Trapped ions	Internal states of charged atoms	Vacuum equipment, lasers, optics, and controls
Neutral atoms	Internal states of uncharged atoms	Lasers, optical traps, and imaging
Photonics	Properties of individual photons	Photon sources, optical circuits, switches, and detectors
Semiconductor spin qubits	Particle spin in semiconductor structures	Chip fabrication, refrigeration, and electrical controls

Larger machines require more supporting equipment

Quantum information is fragile. Interference and imperfect operations can introduce errors. Quantum error correction encodes information across groups of physical qubits and checks for errors. A fault-tolerant machine maintains this protection long enough to complete a useful calculation.

IBM's published roadmap targets its Starling system for 2029, with 200 logical qubits and the ability to run 100 million quantum gates. Such objectives require improvements in the electronics and connections around the quantum processor as well as the processor itself. A logical qubit combines multiple physical qubits to protect a unit of quantum information.

In superconducting machines, the processor sits inside a specialized refrigerator. Electrical connections carry

¹ Keysight Technologies (KEYS - NYSE), Coherent (COHR - NYSE), Analog Devices (ADI - NasdaqGS), and MKS (MKSI - NasdaqGS)

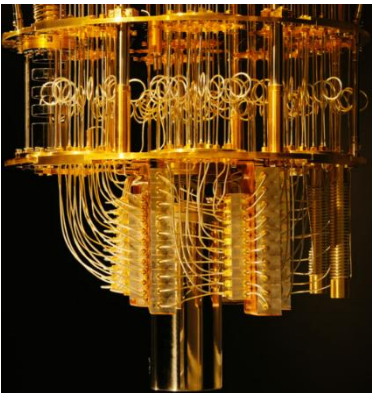
control signals to it, and faint returning signals carry information about the qubits. Amplifiers strengthen those signals so ordinary electronics can interpret them. Researchers call this measurement process readout.

Larger machines need more measurement channels and connections. Wiring occupies space and carries heat into the refrigerator, while equipment inside it can generate additional heat. Lower-power components and efficient signal routing help manufacturers work within those limits. Optical systems have a corresponding need to generate, guide, and detect individual photons.

Component demand can develop before manufacturers complete full-scale machines. Laboratories and manufacturers purchase equipment to test designs and build successive generations of hardware. A supplier can therefore establish customer relationships during the industry’s development phase and expand as those customers move to larger deployments.



Company Overview and Business Model



QuantumCore is a Canadian company developing components for quantum computers and related equipment. It combines internal research, university partnerships, and acquisitions to serve manufacturers using several hardware approaches.

The business grew out of research at the University of Waterloo’s Institute for Quantum Computing. Co-founders Eugene Profis and Dr. Christopher Wilson combined capital markets experience with expertise in superconducting electronics. Their initial product opportunity was an amplifier for measurement equipment around superconducting processors.

The Company incorporated in Ontario in August 2025, completed a reverse takeover of MGM Resources Corp. in April 2026, and began trading on the Canadian Securities Exchange that month. It runs its corporate operations from Toronto and its technical operations from Waterloo.

The portfolio now includes four programs. Avalanche PhotoniQ added photon detection in September 2026. The Company subsequently announced cryogenic switching and multiplexing development and, on October 13, a magnetless circulator program. Internal research, university partnerships, and acquisitions provide complementary ways to expand the product offering.

Program	Customer need	Commercial role in our model
Photon detectors	Detect individual photons with compact cooling	Initial revenue in 2027
Second-stage amplifiers	Strengthen microwave signals with less heat	Initial sales in 2027; substantial scale from 2028
Multiplexing modules	Reduce wiring and connection requirements	First revenue in 2028
Magnetless circulators	Direct signals and isolate returning noise	First revenue in 2029

Selling to laboratories and equipment manufacturers

The Company intends to sell to quantum computer manufacturers, research institutions, and other equipment developers. Laboratories offer individual-device sales; manufacturers offer repeat orders as components become part of their systems. Technical engagement will be important to both sales and support.

Pricing will reflect performance, configuration, and order size. A single detector sold to a laboratory may have different economics from an array supplied to a system manufacturer. Our forecast therefore combines rising shipments with lower average selling prices as customers move toward larger orders.

Pricing can reflect benefits to the customer's complete system, including lower cooling requirements, simpler equipment, or greater capacity. These benefits can support attractive economics when the component meets the buyer's performance requirements.

The Company could complement direct sales with partnerships with non-competing suppliers. Interconnect, connector, and cabling companies could incorporate the Company's switching technology into larger assemblies and bring established customer relationships.

A broader portfolio could increase the Company's revenue from an existing customer. The Company could also combine amplification, switching, and isolation in more integrated assemblies. Our unit forecasts treat the four programs separately, with each product earning its own assumed selling price. We would reassess both unit counts and revenue recognition for future integrated products to avoid counting the same functionality twice.

Management continues to evaluate complementary technologies. Our forecast assigns no revenue to unidentified future acquisitions, although multiple acquisitions are part of the Company's plan. We would need to analyze any transaction for its purchase price, financing, development costs, and contribution to the existing portfolio.

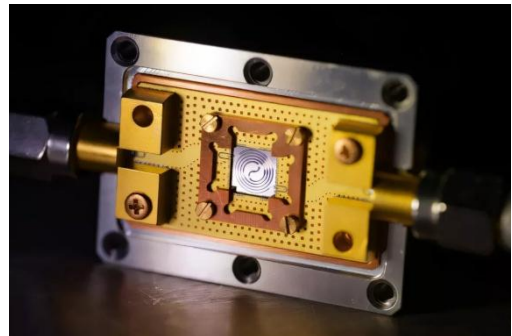
Technology and Intellectual Property

Microwave amplifiers

QuantumCore's amplifier strengthens the weak microwave signals used to measure superconducting qubits. Several amplification stages normally separate the processor from the electronics that interpret its output. The Company targets the second stage, operating at approximately 4 kelvin, or minus 269 degrees Celsius. Reducing heat at that stage could allow a customer to accommodate more readout channels within the refrigerator's cooling capacity.

The device is a kinetic inductance traveling wave parametric amplifier, abbreviated KI-TWPA. A patterned superconducting film carries both the faint incoming signal and a stronger microwave signal called a pump. The film's electrical properties allow energy from the pump to strengthen the incoming signal as they travel along the device.

The design can amplify signals across a broad frequency range. That is useful because several qubits can share a measurement line when their readout signals occupy different frequencies. The intended result is more measurement capacity with low added noise and less heat. The practical comparison includes the pump and associated equipment, as well as the amplifier chip itself.



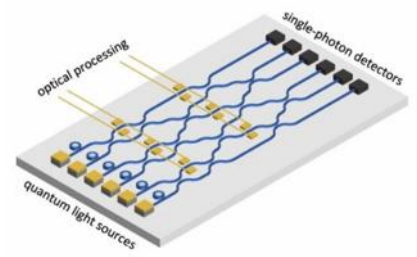
Single photon detectors

The detector converts an arriving photon into an electrical pulse. Its distinctive feature is a metasurface: a semiconductor surface with patterned structures smaller than the wavelength of the light it detects. Their shape and spacing influence how light enters the material and where the material absorbs it.

Absorption can release a charge carrier that triggers an electrical avalanche, producing a pulse large enough to register. Controlling the absorption location also helps make the delay between photon arrival and the pulse more consistent. Precise timing matters when equipment must distinguish closely spaced events.

The absorber research reported approximately 94% light absorption under its test conditions, but that figure measures absorption rather than the efficiency of the finished detector. Complete-device performance also depends on converting absorbed light into measurable electrical events.

The platform's design calls for a compact thermoelectric cooler. Its published operating specification is approximately 200 kelvin, or minus 73 degrees Celsius. This is substantially warmer than superconducting detectors, although still below room temperature. The customer benefit would be sensitive detection with simpler cooling equipment. Management described initial products for telecommunications wavelengths and broader coverage for university laboratories; subsequent designs could adjust the patterned surface for other wavelengths.



What customers would gain

For amplifier customers, the intended benefit is more useful readout capacity within a refrigerator's cooling budget. For detector customers, the objective is sensitive optical measurement in a compact installation. The commercial comparison is between complete products, including cooling, control electronics, packaging, and integration requirements.

Signal Routing and Technology Rights

Cryogenic switching and multiplexing

Multiplexing allows several signal channels to share connections. QuantumCore's program uses switches to select a signal path close to the processor, potentially reducing the cables entering the refrigerator. This can save space and reduce heat carried through the wiring.

Waterloo Professor Raafat Mansour leads the research into phase-change materials and superconducting switches. A phase-change material changes its electrical characteristics when it moves between physical states. A switch that retains its state after a switching pulse can maintain a connection with very little continuous power. The Company's objective is to achieve efficient signal routing within equipment where both space and cooling are limited.

Magnetless cryogenic circulators

Circulators direct microwave signals and protect qubits from noise returning through the measurement chain. QuantumCore aims to replace bulky magnetic devices with compact chips using electrically controlled switches. Professor Raafat Mansour is leading the Waterloo research. Smaller components could free up refrigerator space as systems add measurement channels. The Company must still demonstrate performance. Its announcement provided no commercial launch date or shipment target.

The Company's multiplexing and circulator programs address related functions. Switching selects a signal path; circulation directs microwave energy and helps isolate the processor from returning noise. Combining these functions could reduce the space and connections required by a larger superconducting system.

Intellectual property

In December 2025, CTO Chris Wilson assigned amplifier intellectual-property rights to the Company's operating subsidiary. The disclosed rights cover an invention for second-stage amplification and include a U.S. provisional patent application from November 2025. Avalanche PhotoniQ added detector designs and patent rights associated with semiconductor photon detection.

The Waterloo agreement provides an exclusive, fully paid-up, royalty-free, irrevocable commercial license for cryogenic applications and associated fields, including sublicensing rights. These are licensed rights, rather than ownership of the University's research.

Manufacturing knowledge is another part of the Company's technical position. Management emphasized the recipes and preparation methods for creating superconducting films. These processes affect whether manufacturers can reproduce a design consistently. QuantumCore's position therefore combines patent rights,

licensed university research, device designs, and proprietary fabrication expertise.

The path from a design to a reliable product that can be manufactured at scale

A design must progress through fabrication, packaging, testing, and customer integration. A prototype demonstrates that a device can work. A qualified product demonstrates that it works under a customer's operating conditions. Repeatable production establishes that the Company can supply more devices with consistent performance and cost. These stages provide observable milestones for following the Company's commercial progress.

Commercialization and Manufacturing

We distinguish management's development objectives from the shipment dates we use in our forecast. Where indicated, we treat the dates below as planning assumptions rather than purchase commitments.

Program	Development objective	Forecast treatment
Photon detectors	Management discussed potential early-2027 deliveries, depending on readiness	Paid shipments begin Q2 2027; 140 units in 2027
Amplifiers	Prototype refinement, customer evaluation, and fabrication consistency	22 units in 2027; 250 in 2028
Multiplexing	Management targets commercial prototypes about twelve months after the October 2026 announcement	We model sales of 100 modules in 2028
Circulators	Demonstrate cryogenic isolation and low signal loss; no announced commercial date	We model sales of 250 units in 2029

Management's early discussions described roughly 100 detectors as an initial commercial milestone. The October 19 follow-on discussion considered higher annual volumes and an early-2027 start. We use Q2 2027 for first paid shipments and 140 detectors for the full year.

Foundries and proprietary processing

The Company's detector program is furthest along, with initial production at the University of Waterloo and the National Research Council Canada. The Company identified the Canadian Photonics Fabrication Centre in Ottawa for subsequent wafer fabrication and process optimization. Moving from small development runs to consistent wafer production is central to increasing output.

For amplifiers, Waterloo's cleanroom can support early production while management evaluates larger-scale fabrication arrangements. Many steps use established chipmaking methods, including depositing thin films and patterning microscopic structures. The Company's proprietary contribution includes the materials, their preparation, and the device design.

One potential arrangement would have QuantumCore prepare a proprietary superconducting film, then send it to a foundry for later processing. Management described the equipment required for that internal step as a relatively modest investment, and retaining this process would preserve control over an important part of the technology while maximizing the benefits of external fabrication options.

Management described how the Company and its manufacturing partners could produce many more devices per run as they optimize their processes. Wafer fabrication costs represent only part of finished-product cost. Our model also includes packaging, testing, production losses, and manufacturing overhead. The forecast assumes these costs become more efficient as volumes increase.

Customer qualification means confirming that a component works within the buyer's complete system. Selection for that system can lead to repeat orders as the customer expands production. Technical sales, applications support, and reliable delivery will therefore become increasingly important as the Company moves beyond initial laboratory customers.

Market Opportunity and Scale

The market is growing through both additional quantum systems and more demanding equipment requirements within each system. Readout and connection needs will rise as processors expand, although the number of components required depends on system architecture and the required degree of integration. Efficient designs may support more qubits per amplifier or connection, making product configuration as important as raw qubit counts.

McKinsey & Company's Quantum Technology Monitor 2026 estimates that quantum computing companies generated more than US\$1 billion of revenue in 2025 and could generate as much as US\$4.4 billion in 2028. Its longer-term forecast places the annual market at US\$43 billion to US\$71 billion by 2035. These figures include hardware, software, and services, and investors should note that QuantumCore will not address all of this market.

The Company's March 2026 investor presentation estimates a quantum microchip opportunity of approximately US\$1.11 billion to US\$2.96 billion for the 2030 to 2035 period, based on publicly announced development plans. This is management's estimate for a broader component market that it seeks to address through product development and acquisitions, and we cannot treat it as the addressable market for the four current programs without further segmentation.

The amplifier and circulators address systems using microwave readout, particularly superconducting computers. Multiplexing targets manufacturers and equipment suppliers seeking more efficient connections inside refrigerated systems. Detector demand extends into optical computing, quantum communications and networking, scientific instrumentation, and selected imaging and sensing applications.

The wider detector market is commercially useful because customers need not all follow the same quantum computing schedule. A university laboratory may purchase devices for an experiment while a computer manufacturer is still developing its next system. Management also sees opportunities to adapt the detector's absorber to different wavelengths, allowing a common technology to serve several customer groups.

Relating the market discussion to our forecast

Our forecast builds revenue from product shipments and selling prices. It does not assign a fixed percentage of the overall quantum computing market to the Company. The broad market estimates include spending that QuantumCore does not address, while some detector applications extend beyond quantum computing.

Measure	Amount	Interpretation
2028 forecast revenue	US\$21.00 million	Initial commercial scale across three products
2031 forecast revenue	US\$736.73 million	Volume adoption across four products
Currency translation assumption	US\$0.74074 per CAD1	Constant model rate; not a current market quote
Management component-market estimate	US\$1.11–US\$2.96 billion	Translated estimate for 2030–2035; not a same-year market-share denominator

The US\$736.73 million forecast would make QuantumCore a significant hardware supplier. It equals approximately 25% to 66% of the endpoints of management's broader component-market estimate. Achieving that scale requires substantial customer adoption, expansion of the relevant component markets, and detector sales into communications, research, and sensing. The model does not allocate detector revenue among those markets or identify enough customer deployments to substantiate the full 2031 volume. These are conditions for investors to validate if and when customer orders begin to emerge.

Competition

Customers already have alternatives for amplification and photon detection, while suppliers are developing several technologies for cryogenic switching. Purchasing decisions will reflect how a component performs within the complete system, including its cooling needs and ease of integration.

For second-stage microwave amplification that the Company is targeting, Low Noise Factory supplies established cryogenic transistor amplifiers. QuantumCore seeks to perform the same function with superconducting technology and less heat. Qubic Technologies is pursuing a closer technological alternative using kinetic-inductance traveling-wave amplification at approximately 4 kelvin. Qubic announced an initial amplifier purchase by Quantum Machines in May 2026. Gain, bandwidth, added noise, and total thermal requirements will be important points of comparison.

Photon detection has two main competitive groups. ID Quantique and AUREA Technology offer compact semiconductor detectors for near-infrared applications. Single Quantum and ID Quantique also supply superconducting detector systems. QuantumCore seeks to combine an engineered light-absorbing surface with semiconductor detection and thermoelectric cooling.

Against superconducting systems, the proposed advantage is simpler cooling and a smaller installation. Against semiconductor products, the comparison centers on detection efficiency, timing accuracy, background noise, and performance at the required wavelength. Customers will weigh those characteristics together, rather than selecting a product solely based on one headline specification.

Menlo Micro provides a different approach to cryogenic switching using microscopic mechanical switches. Menlo Micro and Rosenberger announced a partnership in March 2026 to develop a multichannel cryogenic switching module. QuantumCore is pursuing phase-change and superconducting switching technologies. The commercial comparison will depend on signal loss, power requirements, switching speed, and connection density.

Product area	Relevant alternatives	Principal basis of comparison
Second-stage amplification	Low Noise Factory; Qubic Technologies	Gain, bandwidth, added noise, heat, and integration
Semiconductor photon detection	ID Quantique; AUREA Technology	Detection efficiency, timing, background noise, wavelength, and cooling
Superconducting photon detection	Single Quantum; ID Quantique	System performance, cooling infrastructure, and total cost
Cryogenic switching	Menlo Micro and other switching approaches	Signal loss, switching performance, power, and packaging

How QuantumCore could establish a solid market position

A supplier can win business by improving the performance or cost of the complete customer system. Lower heat generation can permit more measurement channels. Compact cooling can simplify a detector installation. Smaller switching and isolation components can free space inside refrigerated equipment. These benefits give the Company specific commercial propositions to demonstrate.

Customer evaluations will also consider the Company’s support, delivery consistency, and the effort required to change an existing QuantumCore design. We therefore regard integration with customer equipment and subsequent repeat purchases as more informative commercial milestones than a single laboratory performance figure.

Management and Scientific Leadership

Eugene Profis, *Co-Founder and Chief Executive Officer*, brings experience from investment management and capital markets, including roles at Black Diamond Asset Management, Mackenzie Investments, Burgundy Asset Management, and Haywood Securities. He holds the CFA designation and HBA and MBA degrees from Ivey Business School in London, Ontario. His background is relevant to financing development, evaluating acquisitions, and allocating capital among various programs.

Dr. Christopher Wilson, *Co-Founder and Chief Technology Officer*, is a professor at the University of Waterloo's Institute for Quantum Computing and Department of Electrical and Computer Engineering. His research covers superconducting quantum electronics and microwave quantum optics, and he previously served as a senior scientific adviser to Rigetti Computing. His experience connects the research underlying the amplifier to the requirements of a commercial quantum hardware developer.

Dr. Michael Reimer, *Head of Photonics*, brings experience in semiconductor optical devices and single-photon detection. A Waterloo professor, he previously worked at JDS Uniphase and conducted research at Delft University of Technology. He also participated in the early development of Single Quantum, gaining experience that includes both semiconductor and superconducting approaches to photon detection.

Dr. Dmytro Dubyna, *Senior Scientific Officer*, holds a doctorate in superconductivity and has more than 15 years of research experience involving superconducting circuits and quantum devices.

Jon Li serves as QuantumCore's *Chief Financial Officer*.

The Company's Waterloo research collaboration also includes Professor Raafat Mansour, whose work supports the cryogenic multiplexing and magnetless circulator programs. The arrangement combines university research capabilities with QuantumCore's intended commercialization and customer-development role.

Building the commercial organization

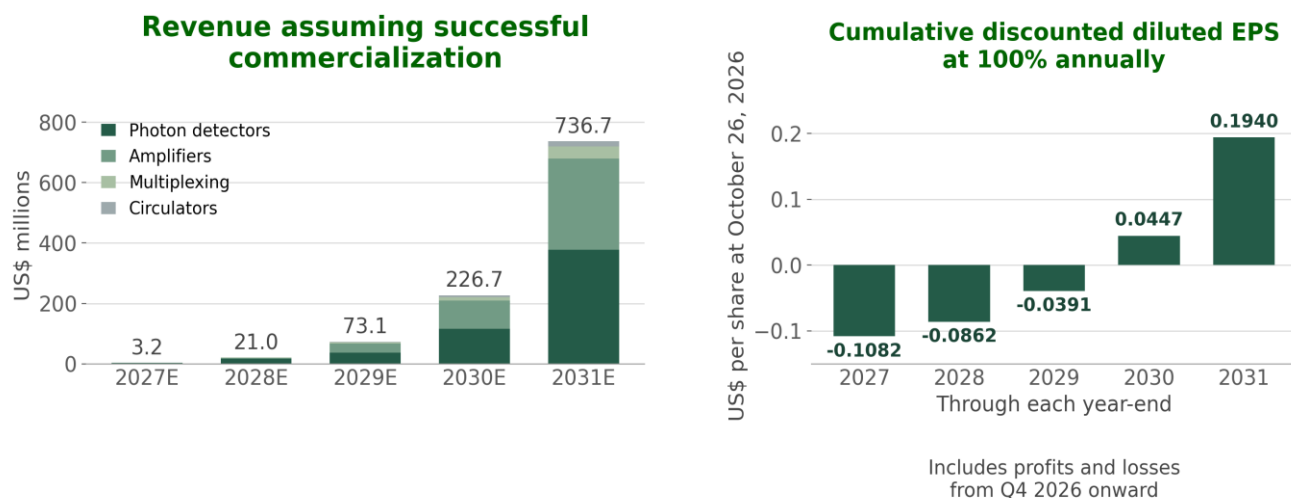
The next phase for the Company requires more than just additional scientific development. Process engineering, test procedures, applications support, and technical sales must expand with shipments. In our follow-on discussion, management described the need for a larger commercial team as products reach volume customers.

In our successful-commercialization case, we expect operating expenses to rise substantially as the business expands. Research and development reaches approximately US\$160 million in 2031, sales and marketing US\$73 million, and general and administrative expense US\$49 million. These estimates include stock compensation and the relevant depreciation and amortization allocations that go with them. We expect profitability to improve as revenue grows faster than these expenses. It does not depend on holding the organization at its current size. Successful execution will require the Company to recruit and coordinate a much larger operating team while maintaining its technical capabilities and growing its customer relationships.

Financial Outlook

We assume successful product qualification, manufacturing expansion, and customer adoption across all four current programs. We calculate revenue by multiplying paid shipments by selling prices. Our projections describe that successful outcome; we do not probability-weight them or present them as management guidance.

We forecast revenue rising from US\$3.24 million in 2027 to US\$21.00 million in 2028, US\$73.13 million in 2029, US\$226.69 million in 2030, and US\$736.73 million in 2031. The final-year estimate requires 100,750 amplifiers, 37,781 detectors, and approximately 12,200 multiplexing modules and circulators. The following shipment schedule explains those assumptions.



We sum forecast diluted EPS from Q4 2026 through each year-end in the right-hand chart, applying a discount rate to both losses and profits at a constant 100% annual rate through CY 2031.

How the discount affects valuation

We discount forecast diluted EPS from Q4 2026 through FY 2031 at 100% annually, producing cumulative discounted EPS of US\$0.1940 as of October 26, 2026. Applying our selected 42.9x multiple gives a current value of US\$8.32 per share. We present revenue, earnings, and EPS in the P&L before this valuation.

We hold the annual discount rate at 100% throughout the forecast. We use quarterly EPS through 2028 and annual EPS for 2029–2031, excluding the 2027 and 2028 annual summaries to avoid double-counting. We discount each period's EPS from its period-end date. Losses reduce the cumulative total.

Profitability in the successful-commercialization case

We forecast gross margins of 74.5% in 2027, 84.5% in 2028, and 84.0% in 2031, reflecting product mix and lower manufacturing costs per unit. We expect the Company to achieve operating profitability in Q2 2028. Full-year operating profit increases from US\$3.67 million in 2028 to US\$337.39 million in 2031, and diluted EPS rises from US\$0.095 to US\$5.41.

QuantumCore Ltd. U.S. GAAP Profit and Loss Model

FYE December 31 (US\$000s, except EPS)	Q4 '26E	Q1 '27E	Q2 '27E	Q3 '27E	Q4 '27E	FY 2027E	Q1 '28E	Q2 '28E	Q3 '28E	Q4 '28E	FY 2028E	FY 2029E	FY 2030E	FY 2031E
Photon detectors	—	—	400	1,000	1,400	2,800	2,527	3,700	4,673	6,600	17,500	37,500	116,250	377,813
Second-stage amplifiers	—	—	—	40	400	440	300	550	750	900	2,500	30,000	93,000	302,250
Multiplexing modules	—	—	—	—	—	—	—	115	315	570	1,000	4,000	12,400	40,300
Magnetless circulators	—	—	—	—	—	—	—	—	—	—	—	1,625	5,038	16,372
Total revenue	—	—	400	1,040	1,800	3,240	2,827	4,365	5,738	8,070	21,000	73,125	226,688	736,734
Annual revenue growth	—	—	—	—	—	n.a.	—	—	—	—	548.1%	248.2%	210.0%	225.0%
Cost of revenue	70	99	149	231	346	825	470	685	892	1,206	3,254	12,429	36,575	117,593
Gross profit (loss)	(70)	(99)	251	809	1,454	2,415	2,357	3,680	4,845	6,864	17,746	60,696	190,112	619,141
Gross margin	n.a.	n.a.	62.7%	77.8%	80.8%	74.5%	83.4%	84.3%	84.4%	85.1%	84.5%	83.0%	83.9%	84.0%
Operating expenses														
Research & development	701	890	874	875	1,268	3,906	1,525	1,818	1,997	2,420	7,760	20,049	54,454	159,745
Sales & marketing	143	179	187	256	405	1,026	598	817	949	1,201	3,565	9,525	25,956	72,753
General & administrative	319	338	331	331	441	1,441	547	674	695	831	2,748	6,933	17,736	49,258
Other operating expense, net	—	—	—	370	—	370	—	—	—	—	—	—	—	—
Total operating expenses	1,163	1,406	1,391	1,832	2,114	6,743	2,670	3,309	3,641	4,452	14,073	36,507	98,145	281,755
Operating profit (loss)	(1,234)	(1,505)	(1,140)	(1,024)	(660)	(4,329)	(314)	371	1,204	2,411	3,673	24,189	91,967	337,386
Operating margin	n.a.	n.a.	-285.1%	-98.4%	-36.6%	-133.6%	-11.1%	8.5%	21.0%	29.9%	17.5%	33.1%	40.6%	45.8%
Interest income	52	42	33	101	91	267	91	88	100	104	383	695	1,732	5,470
Interest expense	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Income (loss) before tax	(1,182)	(1,463)	(1,107)	(923)	(569)	(4,062)	(223)	459	1,304	2,515	4,056	24,884	93,699	342,855
Income tax expense (benefit)	—	—	—	—	—	—	—	—	—	—	—	6,354	26,632	95,738
Net income (loss)	(1,182)	(1,463)	(1,107)	(923)	(569)	(4,062)	(223)	459	1,304	2,515	4,056	18,530	67,067	247,118
Net margin	n.a.	n.a.	-276.8%	-88.7%	-31.6%	-125.4%	-7.9%	10.5%	22.7%	31.2%	19.3%	25.3%	29.6%	33.5%
Earnings (loss) per share, basic	(0.037)	(0.045)	(0.034)	(0.025)	(0.016)	(0.118)	(0.006)	0.012	0.030	0.059	0.099	0.429	1.534	5.535
Earnings (loss) per share, diluted	(0.037)	(0.045)	(0.034)	(0.025)	(0.016)	(0.118)	(0.006)	0.011	0.030	0.058	0.095	0.426	1.518	5.410
Equity valuation discount rate, annualized	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Weighted average common shares, basic	31,658	32,229	32,446	36,312	36,353	34,352	38,785	39,700	42,882	42,884	41,072	43,182	43,727	44,648
Weighted average common shares, diluted	31,658	32,229	32,446	36,312	36,353	34,352	38,785	42,676	43,073	43,119	42,846	43,453	44,184	45,681

We estimate all periods under our successful-commercialization case. Our U.S. GAAP assumptions include stock compensation, depreciation, amortization, and exclusion of anti-dilutive instruments in loss periods.

We apply the 100% annual rate to positive and negative EPS in the valuation calculation. We present the P&L above before discounting. Share counts are in thousands.

We translate Canadian-dollar amounts at a constant 1.35 Canadian dollars per U.S. dollar. We prepared this forecast; the Company did not issue these financial statements. Rounding may affect totals.

Shipment and Pricing Assumptions

Paid shipments drive our successful-commercialization forecast. Fabricated chips, evaluation samples, and available production capacity do not automatically generate revenue. We present selling prices as weighted annual averages in U.S. dollars. Unit estimates are rounded for display. Each product must qualify for customer use and win repeat orders at the assumed prices.

	2027E	2028E	2029E	2030E	2031E
Photon detectors units	140	1,000	2,500	9,300	37,781
Average selling price	\$20,000	\$17,500	\$15,000	\$12,500	\$10,000
Amplifiers units	22	250	5,000	23,250	100,750
Average selling price	\$20,000	\$10,000	\$6,000	\$4,000	\$3,000
Multiplexing modules units	–	100	500	1,908	8,060
Average selling price	–	\$10,000	\$8,000	\$6,500	\$5,000
Circulators units	–	–	250	1,008	4,093
Average selling price	–	–	\$6,500	\$5,000	\$4,000

Why growth accelerates after 2029

We assume that successful qualification leads to much larger orders and revenue growth of 210% in 2030 and 225% in 2031. From 2029 to 2031, detector shipments increase from 2,500 to 37,781 and amplifier shipments from 5,000 to 100,750. Falling selling prices partly offset those volume gains, as shown above.

We forecast approximately 150,700 units in 2031, averaging about 12,600 per month. Amplifiers account for 100,750 units and detectors 37,781, together producing about 92% of revenue. This requires repeat orders and volume deployments across equipment manufacturers and other buyers, rather than laboratory purchases alone.

Foundry allocation, usable manufacturing yields, packaging, testing, and delivery capacity would all need to support that output. We cannot convert unit counts directly into numbers of quantum computers because component requirements vary by architecture and integration. We have not established customer-by-customer commitments for these volumes; they represent the commercial scale we assume in the model.

Management input and our judgment

Informed by management discussions	Selected in our forecast
Initial detector pricing and early production economics	Quarterly shipment timing and annual unit totals
Potential for much larger amplifier demand as systems scale	The size and timing of 2030–2031 acceleration
Foundry cost reductions and lower prices on larger orders	Selling-price and finished-product cost trajectories
Need to expand commercial and technical operations	Expense growth, financing terms, dilution, taxes, and valuation rates

Sensitivity Analysis, One Year Commercialization Delay

To show the financial consequence of slower execution, we shift planned unit shipments back by four quarters through 2028. First paid shipments move from Q2 2027 to Q2 2028. We retain each calendar quarter's selling prices and variable unit costs, so 2028 revenue is US\$2.60 million from 140 detectors and 22 amplifiers. We use this timing stress without assigning it a probability.

We retain the original operating expense, production overhead, stock compensation, depreciation, capital spending, and acquisition-payment schedules. Variable production costs and working capital fall with shipments, and we recalculate interest income from cash balances. We test the cost of maintaining the planned organization while sales arrive later and assume no offsetting spending cuts.

US\$ millions	2027 Main case	2027 Delay	2028 Main case	2028 Delay
Revenue	3.24	0.00	21.00	2.60
Operating profit / (loss)	(4.33)	(7.14)	3.67	(12.37)
Year-end cash before extra funding	11.86	10.48	14.24	0.58

The delay changes 2028 operating profit of US\$3.67 million into an operating loss of US\$12.37 million. With the main case's funding assumptions, cash falls from US\$10.48 million at year-end 2027 to US\$0.58 million at year-end 2028. Cash remains positive through the modeled period, but falls below the illustrative US\$2.00 million reserve in Q4 2028.

Illustrative additional financing and dilution

Maintaining an illustrative US\$2.00 million year-end cash reserve would require about US\$1.42 million of additional net proceeds. At the main model's assumed US\$2.963 issue price and 6% cash financing fee, this implies a US\$1.51 million gross raise and approximately 510,000 new common shares. A matching 6% broker-warrant allowance adds approximately 31,000 potential shares.

The new common shares would increase the main case's year-end 2028 issued share count by approximately 1.2%, before any warrant exercise. This funding is additional to the US\$11.11 million gross raise we already assume for July 2027 and would replenish the illustrative reserve. The price, fees, warrant allowance, and US\$2.00 million reserve are analyst assumptions, not financing commitments. A lower issue price would require more shares.

What this sensitivity analysis establishes

The principal effect is a longer period of losses and a substantially smaller cash reserve, even with lower working-capital requirements. We retain the main case's option and warrant exercise proceeds and existing award schedule, although holders might not exercise their instruments during a delay. We assume no cash tax payments or deferred-tax benefit through 2028, consistent with losses and a full valuation allowance.

We limit this sensitivity analysis to operating results and liquidity rather than preparing a second full EPS forecast. We exclude the interest benefit of the illustrative extra financing and any further operating changes after 2028. Management could reduce spending, while weaker pricing, slower cost improvement, or less favorable financing could increase the shortfall. We apply no separate probability haircut to the main valuation.

Financing Dilution and Accounting

Cash and financing assumptions

The Company used approximately US\$1.67 million of operating cash during the six months ended June 30, 2026. Management subsequently reported approximately US\$7.41 million of cash during our October discussion. We use US\$7.41 million as an opening cash estimate for October 2026; the historical June balance is not our forecast starting point.

We assume a gross equity raise of US\$11.11 million in July 2027 at US\$2.963 per share, issuing 3.75 million shares. Cash financing fees of 6% reduce net proceeds to US\$10.44 million; we also include 225,000 broker warrants. These are analyst assumptions, not announced financing terms. We include no separate listing-related financing or additional raise in the main case.

Equity awards and potential dilution

Our share forecast includes existing options, warrants, share awards, assumed acquisition-related shares, and future stock compensation. We assume the first founder-warrant tranche meets its conditions in 2028 and issues approximately 2.841 million shares on exercise that year. We exclude the second founder tranche from forecast issuance because the modeled financing case does not meet its contractual conditions.

We forecast diluted weighted-average shares of 34.35 million in 2027, 42.85 million in 2028, 43.45 million in 2029, 44.18 million in 2030, and 45.68 million in 2031. Year-end issued shares reach 46.71 million in 2031. Weighted averages reflect issuance timing; diluted EPS includes instruments when dilutive and excludes them in loss periods. The EPS used in our valuation already incorporates this dilution.

On October 20, the Company announced authorization to repurchase up to 1,585,729 shares through October 16, 2027, unless it completes or terminates the program earlier. It reported 31,714,581 issued shares. The Company may choose whether to purchase shares and would cancel any shares acquired. We assume no repurchases, cash expenditure, or EPS benefit from this authorization.

We view this buyback program, covering approximately 5% of outstanding shares, as an exceptionally strong vote of confidence from CEO Eugene Profis in QuantumCore's commercialization prospects. Following recent customer discussions, the Company believes its shares are undervalued at current market prices. Its willingness to invest corporate cash in its own shares in the open market is a powerful positive signal for investors: management sees sufficient value in the business to commit capital before the anticipated commercial ramp. In our view, this decision underscores deep conviction in the Company's long-term opportunity.

U.S. GAAP forecast presentation

We present monetary amounts in U.S. dollars and translate Canadian-dollar amounts at 1.35 Canadian dollars per U.S. dollar, consistent with the forecast. We retain Canadian-dollar functional-currency and Canadian tax assumptions. We expense research and development and include stock compensation in operating expenses. The model uses a 26.5% statutory tax rate; permanent differences and deferred-tax adjustments affect the effective tax rate.

We maintain a full valuation allowance against deferred tax assets through 2028 and assume a release in 2029 as sustained profits support realization. We provisionally treat the acquired detector technology as completed technology with a ten-year amortization life and assume equity classification for the modeled awards. We will reassess these accounting judgments as transaction details and operating evidence develop.

We retain the Company's reported accounting basis for the historical June balances and translate them into U.S. dollars. Our prospective U.S. GAAP P&L is not an audited restatement of those statements. We use U.S. GAAP diluted EPS in the valuation, apply the 100% annual discount rate to both losses and profits, and keep the operating forecast itself undiscounted.

Risks

QuantumCore's investment case depends on successful development, customer adoption, and manufacturing at scale. The following risks could materially reduce revenue, earnings, or shareholder value, even if the Company meets its initial technical milestones.

Product performance and development delays. The amplifiers, detectors, multiplexers, and circulators must meet demanding performance requirements in customers' systems. A prototype could fall short on noise, heat, detection accuracy, or signal quality, forcing redesigns, delaying sales, or preventing a product from reaching the market.

Customer qualification may not produce orders. Evaluations and research collaborations do not guarantee purchases. Customers may require lengthy testing, change specifications, or retain an existing supplier. Even a technically successful product could take longer to generate meaningful repeat orders than our forecast assumes.

Quantum industry spending could develop more slowly than anticipated. Our growth assumptions depend on customers building larger systems and increasing component purchases. Technical setbacks elsewhere in quantum computing, reduced research funding, or delayed customer projects could slow demand even if QuantumCore delivers products on schedule.

Changing architectures could reduce component demand. Different quantum computing designs require different hardware. A shift away from architectures served by QuantumCore, or designs that support more qubits with fewer amplifiers and connections, could reduce the Company's sales opportunity despite growth in total qubit counts.

Manufacturing yields may disappoint. The Company must reproduce laboratory performance across larger production runs. If too few devices meet specifications, scrap, retesting, and rework would increase unit costs. Production problems could prevent QuantumCore from supplying the volumes or earning the gross margins in our model.

Dependence on outside fabrication facilities. QuantumCore relies on university facilities and external manufacturing partners. Capacity shortages, equipment outages, process-transfer difficulties, or unfavorable commercial terms could interrupt supply. Qualifying another facility could require additional time, spending, and customer testing.

Pricing and margins could fall short. Customers may demand larger discounts, while packaging, testing, and support costs may decline more slowly than expected. Our model assumes an approximately 84% gross margin in 2031. Lower prices or higher finished-product costs would materially reduce earnings, even at the forecast shipment volumes.

Competitors or customers could develop better alternatives. Established suppliers, emerging competitors, and customers' internal engineering teams may offer superior performance, lower prices, or easier integration. Losing selection for a major system could exclude QuantumCore from subsequent production orders and weaken its pricing power.

Revenue could depend on a narrow product and customer base. Detectors and amplifiers account for approximately 92% of our modeled 2031 revenue. Early sales could also depend on a small number of customers. A major cancellation, delayed rollout, or weakness in either product line could therefore have an outsized effect on results.

Product reliability and customer support. Devices that pass initial testing could fail during prolonged use or after repeated cooling cycles. Replacements, additional engineering work, or warranty claims could raise costs, disrupt customer projects, and damage the Company's prospects for repeat business.

Intellectual property and licensing disputes. Patent applications may not produce commercially useful protection, competitors may design around patents, and proprietary manufacturing knowledge could leak. Disputes over ownership, infringement, or the scope of licensed university research could require legal spending, redesigns, or additional licenses.

Dependence on key personnel and execution capacity. QuantumCore depends on specialized scientific expertise and must expand its engineering, sales, and customer-support capabilities. The loss of a key scientist, difficulty recruiting qualified staff, or failure to coordinate a larger organization could delay product development and customer deliveries.

Acquisition integration. The Avalanche PhotonIQ acquisition adds technology and capabilities that must become a repeatable commercial operation. Problems integrating personnel, designs, manufacturing processes, or customer relationships could reduce the expected benefits and require additional development spending.

Financing terms and shareholder dilution. Our forecast assumes additional equity financing and includes shares from awards, warrants, and other instruments. Raising capital at a lower price, issuing more incentives, or completing further acquisitions could increase dilution beyond our estimates. Company growth would then translate into less earnings growth per share.

Trade restrictions and currency movements. Export controls, tariffs, or restrictions affecting particular customers could delay international orders or raise delivery costs. The Company also faces exposure to Canadian- and U.S.-dollar movements; our constant exchange-rate assumption could overstate reported U.S.-dollar earnings if revenue and costs move unfavorably.

Forecast and valuation assumptions. Our model assumes successful commercialization and very rapid growth, while the 42.9x multiple comes from larger, profitable businesses. Applying that multiple to cumulative discounted EPS differs from a conventional P/E valuation based on one year's earnings. Forecast shortfalls or lower market multiples could materially reduce the indicated value.

Risk may persist beyond early technical milestones. A working product would not establish the size of recurring demand, manufacturing economics, or long-term competitive strength. Our 100% annual discount rate is an analytical assumption, not a measured probability of success, and does not ensure that the valuation captures every adverse outcome.

Share-price volatility and trading liquidity. Changes in sentiment toward quantum technology or small companies could depress the shares despite operating progress. Limited trading volume or a large shareholder sale could widen bid-ask spreads and make it difficult for investors to sell a meaningful position near the quoted price. The shares may not reach our target.

Valuation Framework and Comparables

Following our Executive Summary, we discount each forecast period's U.S. GAAP diluted EPS, including losses, to October 26, 2026 at a constant 100% annual rate. We sum those discounted earnings through FY 2031 and apply our selected 42.9x trailing P/E multiple. The operating forecast assumes successful commercialization; the discount rate reflects our assessment of execution risk.

Discounted EPS = each period's diluted EPS / (1 + 100%)^t.

Current value per share = cumulative discounted EPS x 42.9, an average of four profitable companies in this sector².

Forecast period	Annual discount rate	Discounted EPS (US\$)
Q4 2026	100%	(0.0330)
2027	100%	(0.0753)
2028	100%	0.0221
2029	100%	0.0471
2030	100%	0.0838
2031	100%	0.1493
Total	100%	0.1940

Here, t measures the time from October 26, 2026 to each period-end in years using the model's quarterly timing convention. We use quarterly EPS through 2028 and annual EPS for 2029–2031. We exclude the 2027 and 2028 annual summaries to avoid double-counting. The first discount period covers the remaining portion of Q4 2026, while the calculation includes the full modeled quarterly loss. Totals use unrounded values.

Discounted profits contribute US\$0.3043 per share and discounted losses subtract US\$0.1104, leaving cumulative discounted EPS of US\$0.1940. Applying 42.9x produces a current value of US\$8.32 per share. We retain the 100% annual rate throughout the forecast, without reductions for later periods.

Comparable companies and selection of a multiple

Our comparison includes Keysight Technologies (KEYS), Coherent (COHR), Analog Devices (ADI), and MKS (MKSI). We use trailing P/Es of 43.2x, 50.8x, 46.4x, and 31.2x, respectively. Their arithmetic average trailing P/E ratio is 42.9x, the multiple used in our Executive Summary and this calculation.

These profitable component and instrumentation suppliers provide a valuation reference, although their maturity, customer diversification, and business mix differ from QuantumCore's. Our approach applies their average trailing multiple to cumulative discounted EPS. The result depends heavily on our successful-commercialization forecast and management's assessment of how the market may develop.

² Keysight Technologies (KEYS - NYSE), Coherent (COHR - NYSE), Analog Devices (ADI - NasdaqGS), and MKS (MKSI - NasdaqGS)

Conclusion

The Company will likely remain pre-revenue until Q2 '27, and management thinks most of the risk will be gone by FYE '27 if they are successful over the next 15 months. We valued the Company based on a successful outcome, but applied a 100% discount rate to all EPS through FYE '31 to account for the relatively extreme risk we expect in the business during the next six to nine months while the Company is proving out its key technology product. Because of the extreme upside in this Company, and based on our comparables analysis, we are initiating coverage of QuantumCore with a Strong Buy, and set our 12-15 month price target at \$US8.32 per share. We therefore recommend that all risk-tolerant investors consider the value that QuantumCore's shares represent.

Our Rating System

We rate enrolled companies based on the appreciation potential we believe their shares represent. The performance of those companies rated “Speculative Buy” or “Strong Speculative Buy” are often highly dependent on some future event, such as FDA drug approval or the development of a new key technology.

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STRONG BUY	We believe the enrolled company will appreciate more than 50% relative to the general market for U.S. equities during the next 12 to 24 months.
BUY	We believe the enrolled company will appreciate more than 30% relative to the general market for U.S. equities during the next 12 to 24 months.
STRONG SPECULATIVE BUY	We believe the enrolled company could appreciate more than 50% relative to the general market for U.S. equities during the next 12 to 24 months, if certain assumptions about the future prove to be correct.
SPECULATIVE BUY	We believe the enrolled company could appreciate more than 30% relative to the general market for U.S. equities during the next 12 to 24 months, if certain assumptions about the future prove to be correct.
NEUTRAL	We expect the enrolled company to trade between -10% and +10% relative to the general market for U.S. equities during the following 12 to 24 months.
SELL	We expect the enrolled company to underperform the general market for U.S. equities by more than 10% during the following 12 to 24 months.

Analyst Certification

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Analyst Highlight

Brian R. Connell, CFA**Senior Research Analyst**

Mr. Connell has over 25 years' experience in the securities industry, as an equity analyst and portfolio manager, and as the Founder and CEO of StreetFusion (acquired by CCBN/StreetEvents), a software company serving the institutional investment community. On the sellside, Mr. Connell served as the technology analyst for Neovest, an Atlanta-based boutique, and as a Senior Analyst - Internet for Preferred Capital Markets, an investment bank based in San Francisco. Mr. Connell has also held the position of Executive Director of Marquis Capital Management, a technology-focused hedge fund.

Mr. Connell holds degrees in Economics and Psychology from Duke University, and is a CFA Charterholder.