Q3 EARNINGS UPDATE

NOVEMBER 11, 2026

Xanadu Quantum Technologies · Nasdaq / TSX: XNDU

All amounts in US dollars unless noted.

This presentation contains forward-looking statements. Targets are not guarantees of future performance.

Copyright © 2026 Xanadu Quantum Technologies Limited | All Rights Reserved

Forward Looking Statements

This presentation includes “forward-looking statements” within the meaning of the U.S. federal securities laws and “forward-looking information” within the meaning of applicable Canadian securities laws (collectively, “forward-looking statements”). Forward-looking statements may be identified by the use of words such as “estimate,” “plan,” “project,” “forecast,” “intend,” “will,” “expect,” “anticipate,” “believe,” “seek,” “target,” “continue,” “could,” “may,” “might,” “possible,” “potential,” “predict” or similar expressions that predict or indicate future events or trends or that are not statements of historical matters. We have based these forward-looking statements on current expectations and projections about future events.

These statements include: Xanadu's mission and technology roadmap, including its path toward fault-tolerant, utility-scale quantum computing, and the commercial viability of its technology; expectations regarding R&D and capital spending, including the timing and pace of wafer runs, tapeouts, and engineering hires and targets for logical qubits; the planned build-out, capabilities and anticipated benefits of the inception photonics manufacturing facility in Toronto, including expected test and measurement capacity and control of the loss budget; expectations regarding strategic collaborations and partnerships, including with Lockheed Martin, ASML, Bluefors, GlobalFoundries, AMD, Mitsubishi Chemical, and other financial institutions; the quantum computing market and the portion of the market that the Company believes it is equipped to address; expectations regarding government funding and support, including the timing and receipt of funding and the expected use and allocation of such funding; the Company's approach to the synthetic at-the-market equity facility with Yorkville Advisors; Xanadu's anticipated benefits, milestones and deliverables arising from collaboration with manufacturing and component partners including ASML to mitigate waveguide loss in integrated photonic circuits; Bluefors to develop compact, modular cryogenics that reduce cooling footprint and overall system cost within a quantum data center environment and the multi-year strategic partnership with GlobalFoundries to scale the ultra-low-loss silicon nitride platform and superconducting nanowire single-photon detectors (SNSPDs), including expected improvements in machine clock rates and reduction in qubit factory footprint and resource requirements; statements regarding the integration, capabilities and future evolution of Backline developed with AMD; expectations regarding round-trip communication latencies between FPGAs, CPUs and GPUs; the enablement of real-time quantum error correction, feedback and control across heterogeneous hardware; and the development of an FTQC-ready software pipeline for semiconductor materials with Mitsubishi Chemical, alongside software adoption and workforce development initiatives with Lockheed Martin, RBC, Booz Allen and the University of Alberta; and Xanadu's approach to opportunistically drawing on the remaining $232.8 million synthetic at-the-market equity facility based on prevailing market conditions and valuation.

These forward-looking statements are provided for illustrative purposes only and are not intended to serve as, and must not be relied on as, a guarantee, an assurance, a prediction, or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions, many of which are beyond the control of Xanadu. These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions that may cause Xanadu's's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such statements. Such risks and uncertainties include: Xanadu's limited operating history and history of net losses; that Xanadu is pursuing an emerging technology, faces significant technical and engineering challenges inherent in scaling quantum hardware, overcoming photonic and waveguide loss, integrating heterogeneous classical control infrastructure, and realizing fault-tolerant quantum error correction, and may not achieve commercialization or market acceptance; risks related to the commercial readiness, performance and adoption of Backline, PennyLane and proprietary photonic quantum architectures; Xanadu's reliance on strategic partners and other third parties and the risk that such strategic collaborations and partnerships may fail to achieve anticipated technical or commercial outcomes; dependencies on third party semiconductor foundries, fabrication facilities and equipment suppliers; Xanadu's concentration of revenue in, and reliance upon, government and state-funded programs, including the risk that provisional approvals or funding agreements (such as the Strategic Response Fund or DARPA QBI) may be delayed, altered, conditioned, or terminated before planned amounts are fully disbursed; Xanadu's dependence on members of its senior management and its ability to attract, hire and retain specialized quantum, optical, and classical hardware and software talent; Xanadu's ability to maintain, protect, and defend its intellectual property rights; dilution market volatility and availability risks associated with drawing on the synthetic at-the-market equity facility with Yorkville Advisors; competition from alternative quantum computing modalities and established classical high-performance computing technologies and broader macroeconomic, regulatory and capital markets fluctuations; ; Xanadu's expectations regarding future financial performance and capital requirements; the potential need for additional future financing; and other factors described in the Company's filings with the U.S. Securities and Exchange Commission (the “SEC”) and the Canadian Securities Administrators (the “CSA”), which are incorporated by reference herein.

These forward-looking statements are based on certain assumptions, including that none of the risks identified above materialize; that there are no unforeseen changes to economic and market conditions, and that no significant events occur outside the ordinary course of business. Additional information concerning these and other factors that may impact such forward-looking statements can be found in filings by the Company with the SEC and the CSA, including under the heading “Risk Factors.” If any of these risks materialize or assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements.

These forward-looking statements reflect the expectations, plans, and forecasts of Xanadu's management as of the date of this presentation; subsequent events and developments may cause their assessments to change. While Xanadu may elect to update these forward-looking statements at some point in the future, it specifically disclaims any obligation to do so, unless required by applicable securities laws. Accordingly, undue reliance should not be placed upon these statements.

Financial Information; Non-GAAP Financial Measures

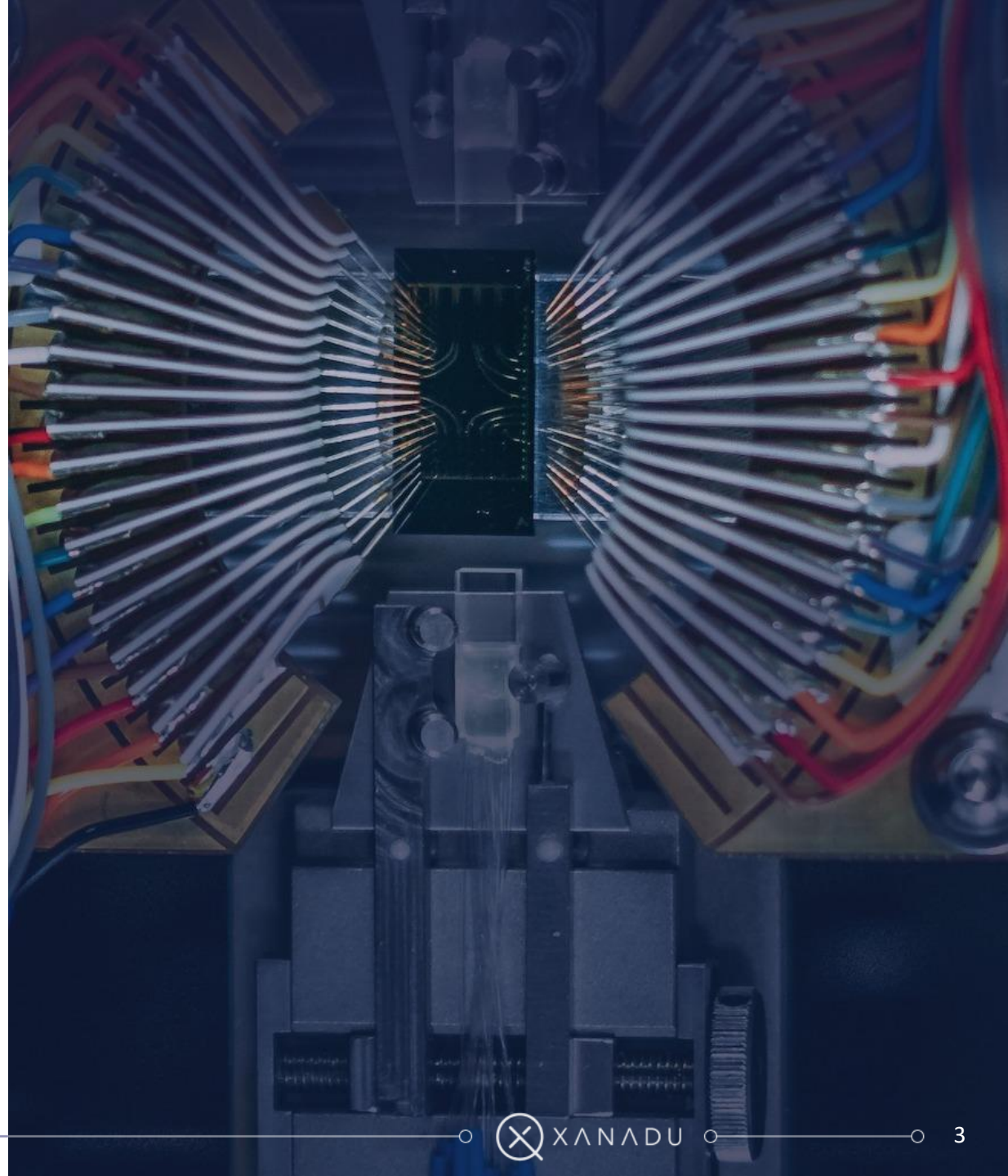
To supplement the Company's historical consolidated financial statements, which are prepared and presented in accordance with U.S. generally accepted accounting principles ("GAAP"), the Company uses Adjusted EBITDA, a non-GAAP financial measure, to understand and evaluate its financial and operating performance.

The Company defines Adjusted EBITDA as net loss before interest expense (income), income tax expense (benefit), depreciation and amortization expense, stock-based compensation, change in fair value of financial instruments, and other (income) expense, net (primarily foreign exchange gain (loss)), and other non-recurring income and expenses. The Company uses Adjusted EBITDA to measure the operating performance of its business, excluding specifically identified items that it does not believe directly reflect its core operations and may not be indicative of its recurring operations. By excluding certain items that are non-recurring or not reflective of the performance of the Company's normal course of business, the Company believes that Adjusted EBITDA provides meaningful supplemental information regarding its performance. Accordingly, the Company believes that Adjusted EBITDA is useful to investors and others because it allows investors to supplement their understanding of the Company's financial trends and evaluate the Company's ongoing and future performance in the same manner as management.

However, there are several limitations related to the use of Adjusted EBITDA as it reflects the exercise of judgment by the Company's management about which expenses are excluded or included. Adjusted EBITDA should be considered in addition to, not as a substitute for or in isolation from, the Company's financial results prepared in accordance with GAAP. Adjusted EBITDA is not a standardized measure and the Company's presentation of Adjusted EBITDA may differ from how such a metric is used by other companies. For more information, please see "Adjusted EBITDA and Selected Cash Flow Data" included at the end of this presentation and the footnotes for such non-GAAP measure.

OUR MISSION

To build quantum computers that are **useful** and **available to people everywhere**



Key Stats at a Glance

Founded in 2016 and building fault-tolerant quantum computers using light

2016	3	160+	150+	1.1M	150+
Year founded	Generations of hardware released	PhDs[2]	Patents and patents pending[2]	PennyLane installs per month[3]	University partners

FOUNDER-LED SINCE 2016

Founded by Christian Weedbrook, a pioneer and co-creator of photonic quantum computing; headquartered in Toronto.

Listed on Nasdaq and TSX (XNDU) in 2026.

TRACK RECORD OF FIRSTS

X-Series, Borealis and Aurora: three hardware generations, each published in Nature.

Aurora: first modular, scalable and networked quantum computer.[4]

FULL-STACK STRATEGY

Proprietary photonic hardware, PennyLane hardware-agnostic software and Backline classical infrastructure, co-designed with AMD.

Roadmap target: up to 200 logical qubits by 2029, scaling up to 500 by 2030 and 1,000 by 2031.

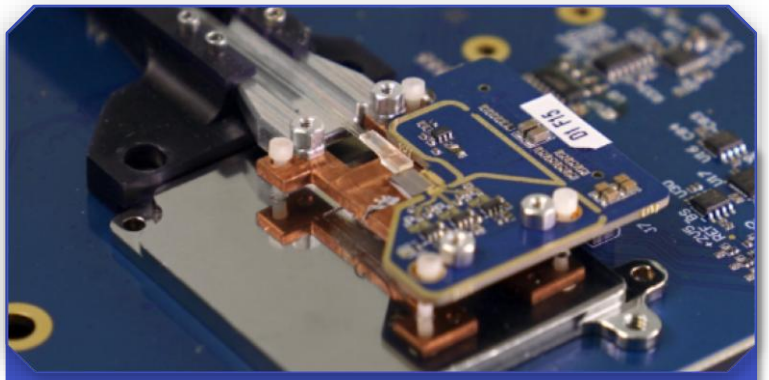
BLUE-CHIP PARTNERS

AMD, ASML, GlobalFoundries, BLUEFORS, Lockheed Martin, RTX, Rolls-Royce, Toyota, Mitsubishi Chemical Group, RBC, Booz Allen, DARPA

1) As of Sept 30, 2026). 2) PhDs as of Sept 3, 2026; patents and patents pending as of Aug 15, 2026. 3) PyPI installs of the PennyLane package family, 30 days to July 29, 2026; installs, not unique users. 4) Based on first peer-reviewed publication of an experimental demonstration of a scalable, modular, networked quantum computer (Nature, Jan 2025).

XANADU'S APPROACH TO QUANTUM

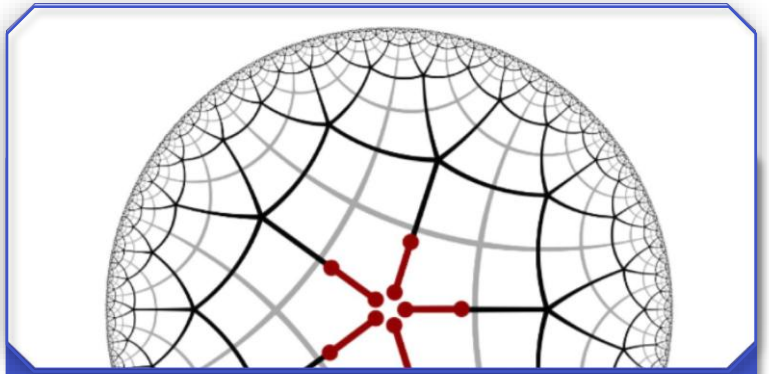
Xanadu's photonic approach delivers distinct advantages relative to other modalities.



NO COOLING REQUIRED
FOR COMPUTATION



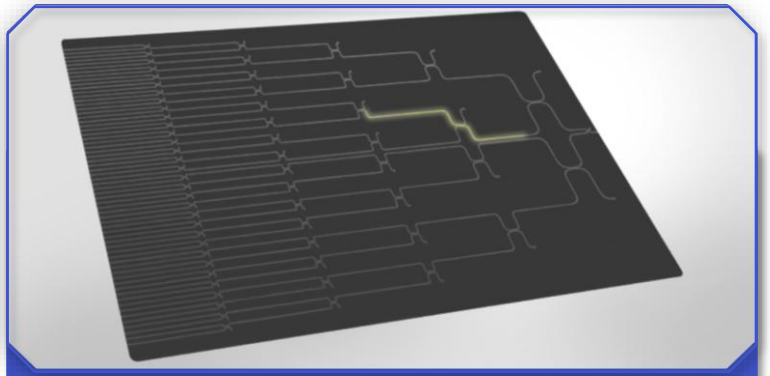
MANUFACTURABLE USING
SILICON PROCESSES



ERROR CORRECTION FLEXIBILITY



MODULAR AND NETWORKABLE



FASTER CLOCK SPEEDS



COMPATIBLE WITH TELECOM

WHY PHOTONICS OUTPERFORMS CONVENTIONAL TECHNOLOGIES

	PHOTONICS	OTHER PHOTONICS	SUPERCONDUCTING	TRAPPED ION	NEUTRAL ATOM	ANNEALING
COMPANY/MODALITIES	XANADU	QCI	D-Wave, Google Quantum AI, IBM, IQM, rigetti	IONQ, QUANTINUUM	Google Quantum AI, PASQAL	D-Wave
CLOCK SPEED	~100MHZ	~100MHZ	~1MHz	~10kHz	~10kHz	NO CLOCK RATES/ NO GATES
SCALABLE INTERCONNECTS DEMONSTRATED	✓	✗	✗	✗	✗	✗
LOGICAL OVERHEAD	~100:1	1000:1	1000:1	1000:1	1000:1	N.A.
2Q FIDELITY	99.99%	99.22%	99.86%	99.99%	99.5%	NO GATES
CONNECTIVITY	ALL-TO-ALL	ALL-TO-ALL	NEAREST NEIGHBOR	ALL-TO-ALL IN A SINGLE TRAP	ALL-TO-ALL IN A SINGLE TRAP	20:1
ROOM TEMPERATURE COMPUTATION	✓	✗	✗	✗	✗	✗
PHOTONICS TECHNOLOGY IN ROADMAP	✓	✓	✓	✓	✓	✓

Source: Information derived from peer-reviewed journals and articles. All figures as of August 27, 2026.

XANADU IS BUILDING THE FULL QUANTUM COMPUTING STACK

One integrated platform, from photonic chips and manufacturing to software, applications and end users



Xanadu's modular, networked photonic hardware

WHY FULL STACK

1. **Control of the loss budget, from chip to system**
2. **Tighter integration of hardware and software**
3. **Optimization across the whole system**
4. **Modular architecture designed to scale to fault tolerance**

5. APPLICATIONS & USERS
Industry use cases, research and enterprise training

MITSUBISHI CHEMICAL · Volkswagen · Rolls-Royce

150+ university partners across 35+ countries

Applications built with PennyLane

4. SOFTWARE
Hardware-agnostic: write once, run anywhere

PENNYLANE (WRITE) · CATALYST BETA (COMPILE) · LIGHTNING (RUN)

PennyLane drives Backline and Xanadu hardware



3. SYSTEMS & CONTROL
Modular, networked photonic quantum computers

- Aurora: modular, scalable, networked
- Backline: classical control co-designed with AMD

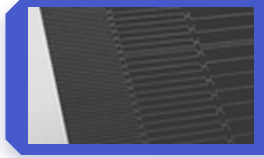
Rack-level modules assembled in-house



2. MANUFACTURING
In-house facility plus tier-1 partners

- Inception: in progress 158K ft² facility, Toronto
- Partners: GlobalFoundries · ASML · Bluefors

Fabricate–measure–adjust learning cycles



1. PHOTONIC CHIPS
Proprietary integrated photonics

- Ultra-low-loss silicon nitride
- On-chip GKP qubits
- PNR detectors
- 7 mdB optical switch

ADDRESSING A POTENTIAL MULTI-TRILLION DOLLAR MARKET

Xanadu is positioned for broad value capture as quantum computing adds trillions in industry value

$$$

Massive Opportunity

$1.3 – 2.7 Trillion

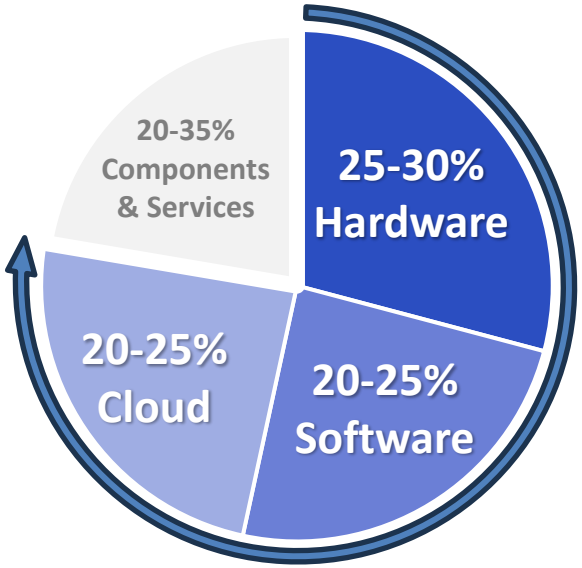
Quantum Computing Value Creation by 2035(1)



Broad Potential

Up to 80%

Portion of Quantum Market Xanadu is Equipped to Address(2)



Significant Traction

Developing Real-World Applications with Partners & Customers

- **Automotive**
- **Aerospace & Defense**
- **Energy, Materials & National Labs**
- **Financial Services**
- **Advanced Industries, Semiconductors & Cloud**
- **Government, Public Sector & Research**

(1) McKinsey & Company, Quantum Technology Monitor (April 2026).
(2) Includes Advanced Industries, Insurance, Telecommunication and Media (excludes technology companies and quantum computing pure-play players).

Q3 Technical Update



EXECUTIVE SUMMARY

Progress across our business

1

TECHNOLOGY

7 mdB

NEW RECORD

New optical switch, which the Company believes is state of the art

2

MANUFACTURING

3

STRATEGIC PARTNERSHIPS

ASML

BLUEFORS

GlobalFoundries

3

SOFTWARE

Backline

LAUNCHED WITH AMD

Classical control layer for fault-tolerant quantum computing

4

COMMERCIALIZATION

5

ORGANIZATIONS ENGAGED

RBC

MITSUBISHI CHEMICAL GROUP

JSR

UNIVERSITY OF ALBERTA

Booz Allen

5

FUNDING

~$150M

SOVEREIGN FUNDING

$140M Government of Canada

+ up to $10M DARPA

Takeaway: **Measurable progress across technology, manufacturing, software, the commercial ecosystem and funding, advancing the roadmap toward a potentially commercially viable, fault-tolerant quantum computer.**

Note: all $ amounts in USD.

HARDWARE ROADMAP

The visual path to large-scale fault tolerance, showing loss, physical qubit growth, error suppression, and manufacturing timeline milestones.

KEY TECHNICAL INDICATOR[1]	2026	2027	2028	2029	2030	2031
Loss[2]	10.2	7.2	1.8	1.0	1.0	1.0
Logical Error Rate				10^{-3} - 10^{-8}	10^{-16}	Less than 10^{-16}
Logical Qubits				Up to 200	Up to 500	1000+

	2026	2027	2028	2029	2030	2031

Technical Projects



Qubit Factory Built
Target: 2026 - 2027



Fault Tolerance
Target: 2028 - 2029



Quantum Data Center Operational
Target: 2029 - 2030

Facilities

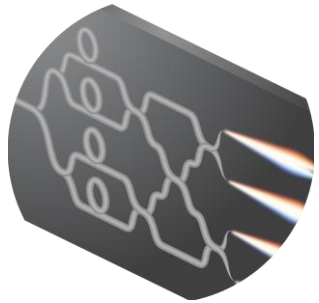
Inception: Photonics Manufacturing & Integration

Building Quantum Data Center

(1) Year labels indicate the end of each calendar year
(1) Loss stated as a dimensionless ratio of Hardware Loss / Loss Requirement; 1.0 indicates hardware loss meets the requirement.

A TRACK RECORD OF FIRSTS

Stable & steady progress as validated by our quantum hardware generation releases



X-SERIES

First photonics device available on the cloud

2020

Quantum Circuits with Many Photons on a Programmable Nanophotonic Chip

(Nature, March 2021)



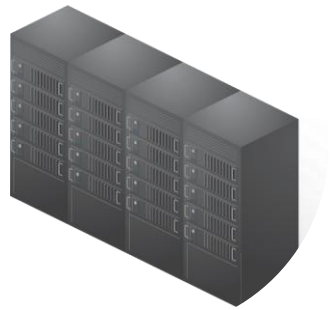
BOREALIS

First public cloud-deployed computer with quantum computational advantage

2022

Quantum Computational Advantage with a Programmable Photonic Processor

(Nature, June 2022)



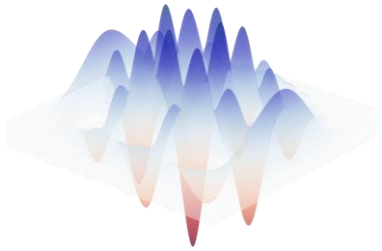
AURORA

First modular, scalable and networked quantum computer

2025

Scaling and Networking a Modular Photonic Quantum Computer

(Nature, January 2025)



LOSS RESISTANT CHIP

First on-chip demonstration of a photonic GKP qubit

2025

Integrated Photonic Source of Gottesman-Kitaev Preskill Qubits

(Nature, June 2025)

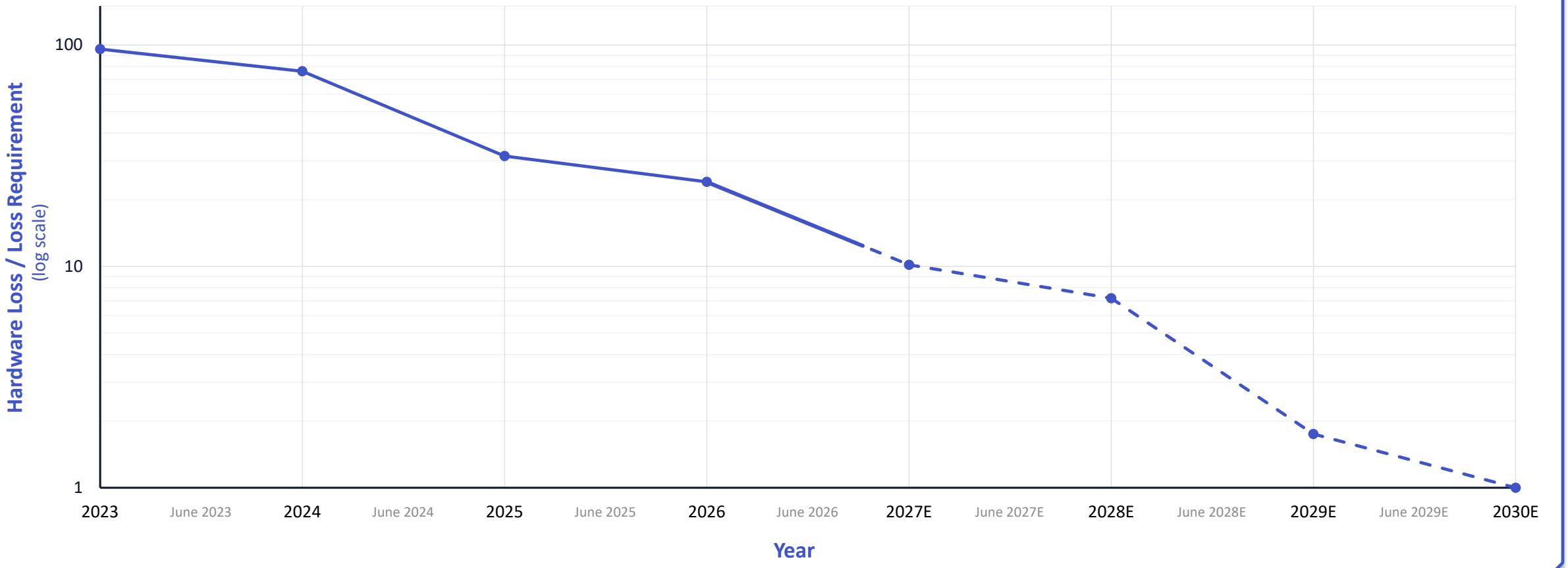
Note: Based on internal estimates and research.

PHOTON LOSS ROADMAP

This represents the most challenging loss pathway.

LOSS BY YEAR

AGGREGATE OF 17 KEY OPTICAL COMPONENTS (PROJECTIONS REPRESENT THE MIDPOINT OF INTERNAL RANGES)



Note: Projections based on internal engineering estimates; actual results may differ materially. Year labels indicate the beginning of each calendar year, not the end.

TECHNOLOGY: LOWER LOSS IN CRITICAL COMPONENTS

A record optical switch and measured loss reductions in two key components moving us closer to fault tolerance

1

OPTICAL SWITCH

7 mdB

new record for the component

Routes light inside the chip

A result the Company believes is state of the art

2

ON-CHIP HOMODYNE DETECTOR

2x

lower loss year over year

Reads out the result of a quantum algorithm

Now measures 77 mdB

3

FIBER DELAY LINE

>3x

lower loss this year, compared to 2025

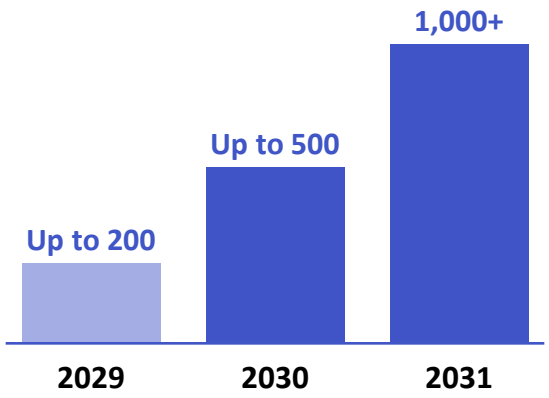
Serves as the quantum memory in our computer

One of the key components on our loss roadmap

4

FAULT-TOLERANT ROADMAP

Logical qubit targets



Takeaway: **Loss is the main engineering challenge on the path to fault tolerance. Measured gains in critical components are reducing overall system loss and moving the roadmap toward a quantum data center.**

mdB = millidecibel; lower is better. Homodyne detector: change vs Q3 2025. Fiber delay line: change since the beginning of 2026. Logical qubit figures are targets from the Company's August 2026 Technology Roadmap Presentation; bar heights illustrative. Year labels indicate the end of each calendar year

TECHNOLOGY: FASTER LEARNING, FASTER LOSS REDUCTION

Tighter integration of design, fabrication, testing and measurement shortens the path from design change to measured improvement

MORE WAFER RUNS, MORE LEARNING CYCLES

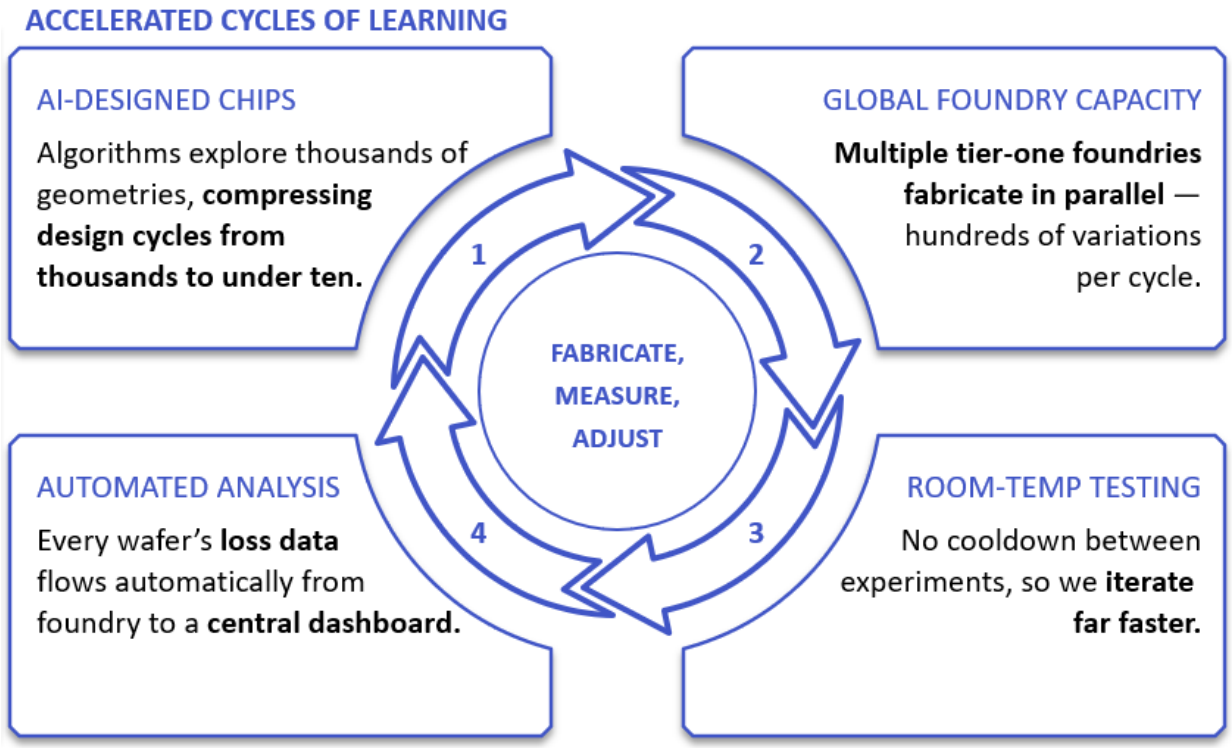
2x

Silicon nitride
wafer runs, year to date

+15%

Thin-film lithium niobate
wafer runs vs Q2 2026

- **Faster iteration.** Each wafer run and tapeout is another cycle of learning.
- **Shorter feedback loops.** Hardware and manufacturing teams work closely, so design changes reach measured results sooner.
- **Sustained results.** Faster loops are driving continued reductions in aggregate photon loss.



Takeaway: Faster learning cycles shorten the time from design change to measured improvement. Continued loss reduction helps advances Xanadu toward fault-tolerant quantum computing.

Wafer runs: silicon nitride year to date; thin-film lithium niobate vs Q2 2026.

FOUNDRY: FROM PROTOTYPES TO 300 MM PRODUCTION

GlobalFoundries is industrializing two core Xanadu technologies on a high-volume semiconductor line

FOUNDRY PARTNER

GlobalFoundries

Multi-year strategic partnership · Oct 2026

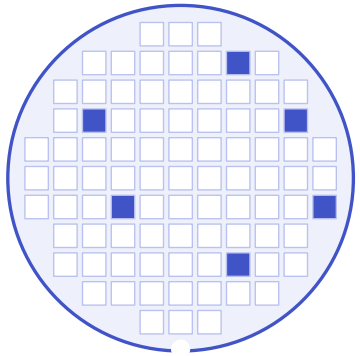
WHO THEY ARE

A leading semiconductor manufacturer with operations across the U.S., Europe and Asia

WHAT THEY BRING

- 300 mm production line in Malta, New York
- Industrial process expertise for photonic chips
- First focus: Xanadu's SNSPDs and SiN platform

WHAT GETS MANUFACTURED



300 mm wafer

Ultra-low-loss SiN

Optical circuit boards that produce high-quality qubits and route photons with negligible signal loss

SNSPDs

Count the photons in each light pulse to initialize the computation

Prototyping → Industrial production

WHY IT MATTERS TO INVESTORS

ROADMAP

Base for fault-tolerant demonstrators

Expected foundation for Xanadu's fault-tolerant demonstrators (target 2028–29)

PERFORMANCE

Faster, leaner machines

SNSPDs are expected to raise system speed and cut chip overheads

EXECUTION RISK

Volume production, not one-offs

Moving from prototypes to an established 300 mm line

Takeaway: A high-volume path for the low-loss chips and photon detectors that we believe fault-tolerant systems require.

SiN = silicon nitride; SNSPD = superconducting nanowire single-photon detector. Sources: Xanadu–GlobalFoundries press release (Oct 6, 2026); Xanadu Technology Roadmap (Aug 2026).

LITHOGRAPHY: ATTACKING PHOTON LOSS AT THE SOURCE

ASML and Xanadu are exploring how advanced lithography can produce smoother, lower-loss photonic circuits

LITHOGRAPHY COLLABORATION

ASML

Lithography process collaboration · Sep 2026

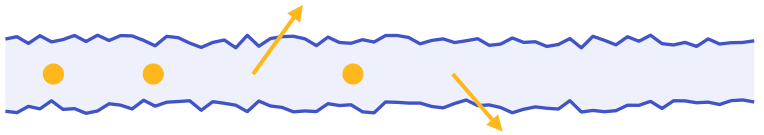
WHO THEY ARE

Leading semiconductor-industry supplier and maker of optical lithography systems

WHAT THEY BRING

- Advanced, industry-leading lithography processes
- Patterning know-how aimed at smoother edges
- Development of lower-loss photonic structures

WHY WAVEGUIDE EDGES MATTER



Rough edges: photons scatter out of the circuit (loss)



Smoother edges: more photons reach the output

Waveguides are patterned onto the chip by lithography. Rough sidewalls (line-edge roughness, LER) scatter light, so patterning quality shows up directly as optical loss.

WHY IT MATTERS TO INVESTORS

ROADMAP

Loss is the gating metric

Target: cut hardware loss to the fault-tolerance requirement (target 2028–29)

PERFORMANCE

Improve waveguides

“Smoother, cleaner waveguides” is a critical hardware lever in Xanadu's loss plan

EXECUTION RISK

Mainstream tools, early stage

Applies chip-industry patterning to photonic loss; the work is exploratory today

Takeaway: ASML brings chip-industry lithography to photon loss, the primary hurdle to photonic fault tolerance.

Loss ratio: 17 key optical components vs. the fault-tolerance requirement (midpoint projections).

CRYOGENICS: DETECTOR COOLING AT DATA-CENTER SCALE

Our QPU operates at room temperature, requiring cooling only for qubit generation; Bluefors making cryogenics smaller and more efficient.

CRYOGENICS PARTNER

BLUEFORS

Multi-million USD collaboration · Sep 2026

WHO THEY ARE

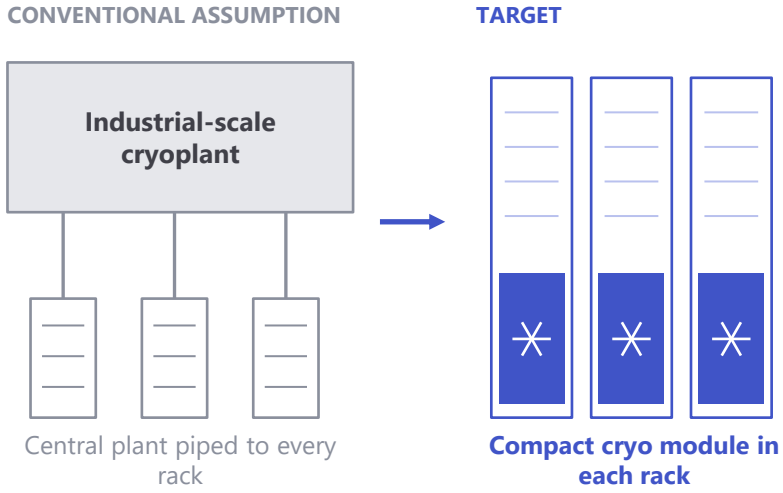
Quantum-infrastructure leader; EUR 210M+ revenue, 1,800+ systems delivered

WHAT THEY BRING

- Its most advanced cooling tech in a compact module
- High-performance cryogenic prototype for USQC
- Next: a mass-manufacturable detector module

COOLING THE DETECTORS, NOT THE COMPUTER

Xanadu's chips compute at room temperature; its superconducting photon detectors need cryogenic cooling.



WHY IT MATTERS TO INVESTORS

ROADMAP

Designed for the quantum data center

Intended blueprint for Xanadu's planned USQC data center (target 2029–30)

ECONOMICS

No traditional cryoplant

Expected to remove industrial cryoplants, improving scalability and economics

EXECUTION RISK

Established partner at scale

A supplier with 1,800+ systems delivered, on a path to mass manufacture

Takeaway: Bluefors has the ability to turn detector cooling from a facility-scale constraint into modular, rack-scale hardware.

USQC = utility-scale quantum computing. Bluefors figures are company-reported; illustration is schematic.
Note: Schematics are illustrative and intended to provide a high-level, bird's-eye view of the system architecture.

INCEPTION: PLANNED 158K ft² MANUFACTURING FACILITY



PROCESS QUALIFICATION
The operative phrase is “manufacturing process qualification”. Not research, not prototyping. We focus on a documented, repeatable process that yields to spec.

LOSS BUDGET CONTROL
Packaging and interconnects (fiber attach, splices, couplers) are an important contributor to total loss. Bringing this in-house lets us control the loss budget rather than inherit it.

KEY CAPABILITIES

1

Test & measure
- 65K ft² purpose-built fully certified clean and high-tech clean room space
- Test and measurement capabilities for millions of integrated devices per month

2

Heterogeneous integration
- 10K ft² of heterogenous integration space, state-of-the-art photonics processing
- Joining dissimilar materials and component types into one assembly

3

PIC packaging
- 20K ft² of dedicated high-throughput photonics packaging lines
- Packaging photonic integrated circuits — fibre attach, interposers, electrical

4

Rack module assembly
- Building the rack-level modules the networked architecture is made of

SOFTWARE: DEVELOPERS ALREADY BUILD ON PENNYLANE

An established, open-source developer ecosystem today; Backline extends it toward fault tolerance

DEVELOPER ADOPTION[1]

~30%

of quantum developers used PennyLane in the past year

MONTHLY INSTALLS[2]

~1.1M

package installs per month across the PennyLane family

RESEARCH FOOTPRINT

2,500+

academic papers cite PennyLane

COMMUNITY[3]

3,500+

QHack participants, a record for the seventh global challenge

WHY IT MATTERS

- Adoption is established: developers already use PennyLane today
- An established developer ecosystem is a competitive advantage as quantum computing scales
- Enterprise teams at RBC and Booz Allen are training on Xanadu's software stack

RELATED: BACKLINE, LAUNCHED WITH AMD

Extends Xanadu's software and classical computing infrastructure for fault-tolerant quantum computing, driven from PennyLane (next slide)

Takeaway: PennyLane provides an established developer ecosystem today, while Backline extends the software infrastructure needed for tomorrow's fault-tolerant quantum computers.

1) Unitary Foundation data on quantum developers' platform use in the past year. 2) Monthly package installs across the PennyLane family, including PennyLane Lightning and Catalyst. 3) QHack 2026, Xanadu's seventh global quantum coding challenge.

SOFTWARE: BACKLINE BUILDS THE CLASSICAL LAYER FOR FTQC

Launched with AMD: one Python interface across CPUs, GPUs and FPGAs at microsecond timescales

MEDIAN ROUND TRIP[1]

2.3 µs

FPGA ↔ CPU

MEDIAN ROUND TRIP[1]

4.5 µs

FPGA ↔ GPU

HOW IT WORKS

ONE PYTHON PROGRAM, DRIVEN FROM PENNYLANE

↓

AMD CPUs | AMD GPUs | AMD FPGAs

Each task routed to the engine that meets its latency budget

↓

Designed for real-time control and Quantum Error Correction (QEC) decoding

- **Co-designed with AMD**
- **Open, hardware-agnostic**
- **Python interface in PennyLane**

Takeaway: **Fault tolerance needs classical compute working with quantum hardware in microseconds. Backline delivers that layer on standard AMD hardware, through an open Python interface.**

1) Steady-state median round-trip latency over RoCE v2 from an FPGA to an AMD Ryzen Threadripper PRO CPU and an AMD Instinct MI210 GPU; no quantum processor in the loop. QEC = quantum error correction; FTQC = fault-tolerant quantum computing. Sources: Lee et al., arXiv 2609.09270; Backline launch release, Sept 10, 2026

Commercialization

An ecosystem is forming around Xanadu's software, training and algorithms

ENTERPRISE WORKFORCE

RBC
BANKING

Team training on Xanadu's software stack

Booz Allen
CONSULTING

Team training on Xanadu's software stack

Lockheed Martin
AEROSPACE

Enterprise quantum workforce training

INDUSTRIAL R&D

CHEMICALS

Mitsubishi Chemical

EUV photoresist modelling; building an FTQC-ready software pipeline

CHEMICALS

JSR

photochemistry & workforce development

RESEARCH

ACADEMIA

University of Alberta

Quantum algorithms for cancer treatment

Takeaway: **Institutions across sectors are building on Xanadu's software and algorithms, from materials R&D to workforce training.**

RBC and Booz Allen are engaged in workforce development programs leveraging Xanadu's software stack. The University of Alberta is a research partner. EUV = extreme ultraviolet lithography; FTQC = fault-tolerant quantum computing.

EXPANDING OUR PARTNERSHIP WITH MITSUBISHI CHEMICAL

Applying quantum computing to EUV lithography, a process crucial for current and next-generation semiconductor manufacturing

XANADU

QUANTUM SIMULATION

Parameters are derived from Xanadu's quantum computing simulations

MITSUBISHI CHEMICAL GROUP

MITSUBISHI CHEMICAL CORPORATION

MULTI-SCALE MODELS

Integrated directly into Mitsubishi Chemical's multi-scale models to predict blur

BETTER EUV MATERIALS

Identify resist materials that prevent radiation-induced blur

BUILDING TOWARD **A production-ready workflow and a fault-tolerant quantum computing (FTQC)-ready software pipeline**

PHASE 1: DEMONSTRATED

Quantum algorithms accurately modelled the optical properties of EUV photoresists

PHASE 2: EXPANDED, AUG 2026

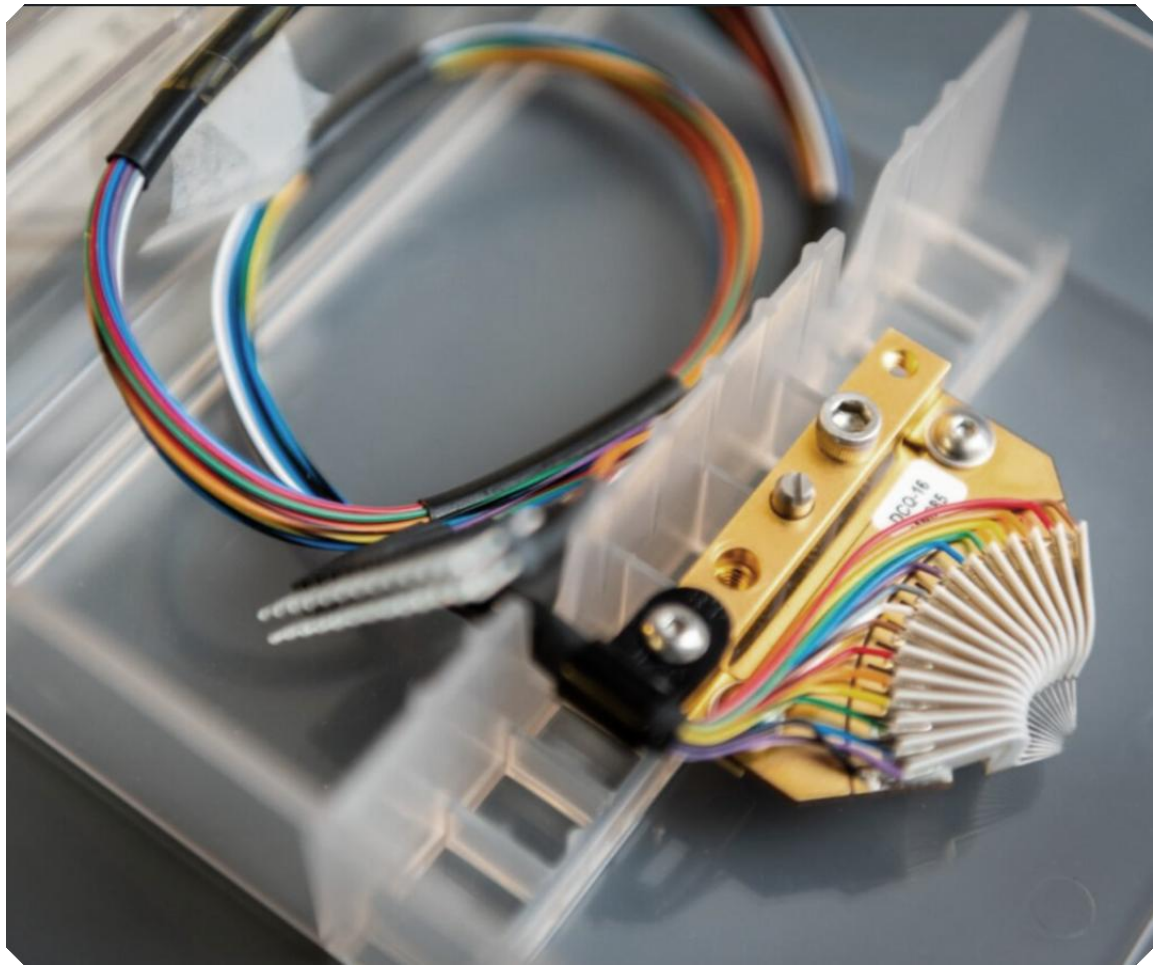
Moves from modelling photoresist properties to predicting radiation-induced blur

GOVERNMENT SUPPORT

Canada: NRC IRAP
Japan: Strategic Innovation Promotion Program

Takeaway: EUV lithography makes the chips used in mobile, AI and advanced computing. With a major industrial partner, Xanadu is building an application that aims to unlock commercial value for early fault-tolerant systems.

EUV = extreme ultraviolet; FTQC = fault-tolerant quantum computing; NRC IRAP = National Research Council of Canada Industrial Research Assistance Program. Japan's Strategic Innovation Promotion Program (SIP) project is led by AIST and G-QuAT.



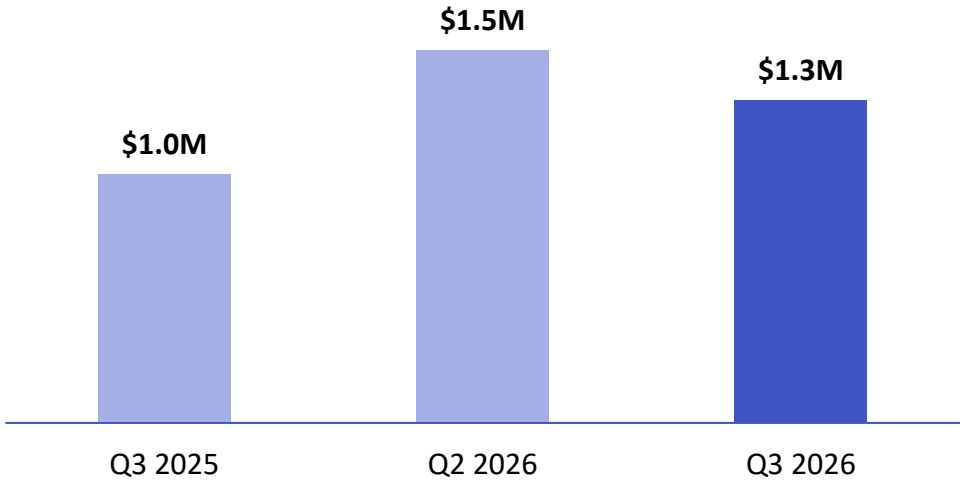
Q3 Financial Update

FINANCIAL PERFORMANCE: REVENUE AND SPENDING

Financial results reflect continued investment in R&D and infrastructure to advance our technology roadmap

REVENUE

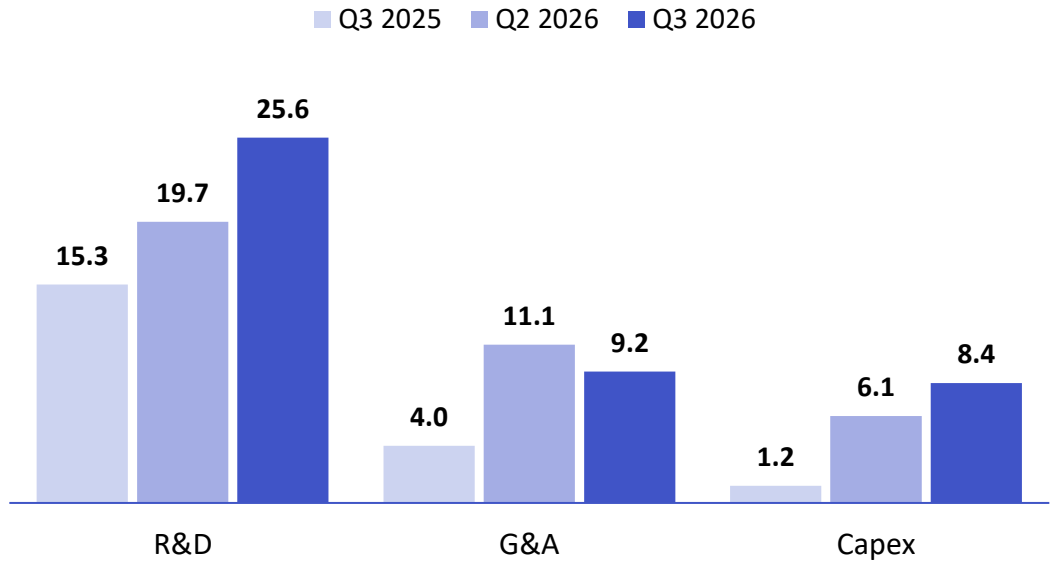
US$ MILLIONS, QUARTERLY



Revenue up 32% year over year, primarily from DARPA QBI revenue and partnership engagements

SPENDING, Q3 2025, Q2 2026 AND Q3 2026

US$ MILLIONS, QUARTERLY



R&D up $5.9M; G&A down $1.9M; Capex up $2.0M[1]

Year over year: R&D up 67%, G&A up 129%

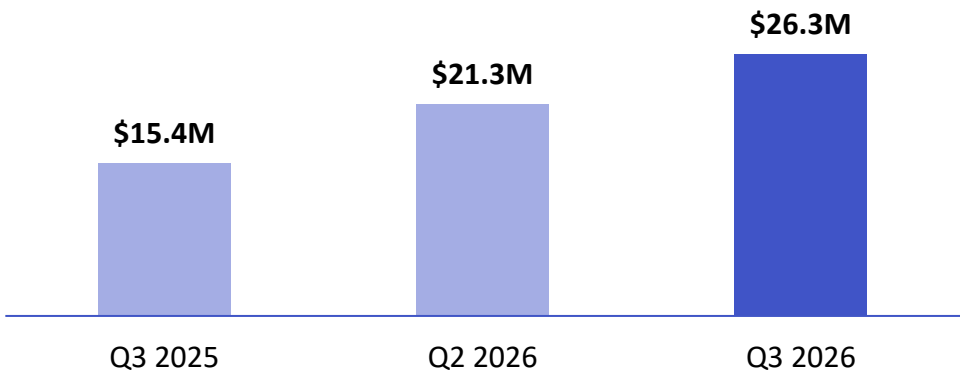
Note: all $ amounts in USD
(1) Capex defined as purchase of property and equipment, including equipment deposits, see appendix.
(2) Q3 2025 capex is not shown: the Q3 2026 filings disclose 2025 capex only for the nine months ($5.5M).

FINANCIAL PERFORMANCE: ADJUSTED EBITDA AND NET LOSS

Financial results reflect continued investment in R&D and infrastructure to advance our technology roadmap

ADJUSTED EBITDA LOSS (NON-GAAP)[1]

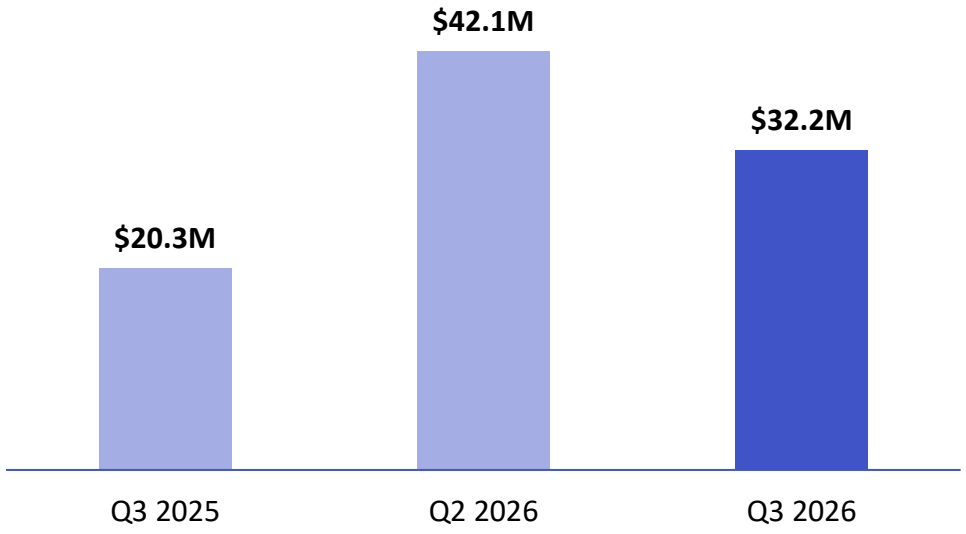
US$ MILLIONS, QUARTERLY



Loss widened year over year, primarily due to higher R&D and G&A expense

NET LOSS[2]

US$ MILLIONS, QUARTERLY



Net loss widened year over year on higher R&D and G&A; **down from Q2** as Q2 included non-cash fair value losses

Note: all $ amounts in USD
(1) Adjusted EBITDA is a non-GAAP financial measure. See Disclaimers- Financial Information; Non-GAAP Financial Measures.
(2) GAAP net loss. Q2 2026 included non-cash losses on fair value adjustments for earn-out share liabilities and derivative financial instruments.

$669M OF CAPITAL SOURCES

Total available funding and SATM share issuance capacity.[1]



1

CASH & CASH EQUIVALENTS

$286M[2]
43% of total

Form:
Cash on balance sheet

Features:
Unrestricted and freely available

2

SOVEREIGN FUNDING

$150M[3]
22% of total

Form:
Definitive agreement; non-dilutive loan

Features:
Non-dilutive; funds the establishment of advanced manufacturing facilities

3

SYNTHETIC ATM CAPACITY

$233M[4]
35% of total

Form:
Remaining share issuance capacity under Synthetic ATM program

Features:
At the company's discretion to issue shares

1) Total available funding reflects the sum of (i) unrestricted cash and cash equivalents as of September 30, 2026, (ii) confirmed but conditionally repayable government funding under an executed contribution agreement, and (iii) remaining share issuance capacity under the SATM facility. Government funding is subject to project-milestone and pre-disbursement conditions, annual parliamentary appropriation, and conditional repayment obligations and SATM capacity is subject to market conditions and the company's discretion to issue shares. No assurance can be given that the full amounts will be realized. Percentages may not sum to 100% due to rounding.
2) Cash and cash equivalents as of September 30, 2026, Further approvals from the TSX may be required to issue shares representing the full remaining capacity.
3) All $ amounts in USD, funding amount converted from C$195M to USD at the USD/CAD spot rate of 1.3961 as of the announcement date (November 4, 2026).
4) Available SATM capacity as of September 30, 2026, use of SATM subject to market conditions.
Note: percents do not sum due to rounding

FUNDING: NON-DILUTIVE SUPPORT FOR THE ROADMAP

A definitive Canadian agreement and a provisional DARPA approval

GOVERNMENT OF CANADA

~$140M

- Project OPTIMISM; structured as a non-dilutive loan
- Supports Inception: planned 158,000 sq ft photonics R&D and manufacturing facility, Toronto
- Expeccted to receive over time, as qualifying R&D is reimbursed subject to certain conditions

DARPA

Up to $10M

- Quantum Benchmarking Initiative (QBI)
- One-year contract extension, building on Stage B work
- Expected to allocate majority to accelerate critical R&D roadmap components

WHAT IT FUNDS R&D › MANUFACTURING INFRASTRUCTURE › ROADMAP EXECUTION

Takeaway: Non-dilutive capital extends resources for R&D and manufacturing while minimizing shareholder dilution.

Note: all $ amounts in USD. Canadian funding is a loan reimbursing qualifying R&D investment over time, not upfront cash. DARPA approval is provisional; $10M is a maximum.

APPENDIX

FINANCIAL RECONCILIATIONS

Consolidated Balance Sheets
Consolidated Statements of Operations and Comprehensive Loss
Reconciliation of Adjusted EBITDA
Selected Consolidated Cash Flow Data

Tables as presented in the Q3 2026 earnings press release (Exhibit 99.1). In US $ thousands, except for share and per share amounts.

Copyright © 2026 Xanadu Quantum Technologies Limited | All Rights Reserved

APPENDIX: CONSOLIDATED BALANCE SHEETS (1 OF 2)

Xanadu Quantum Technologies Limited · Consolidated Balance Sheets · In US $ thousands

	Sep 30, 2026 (unaudited)	Dec 31, 2025[1]
Assets		
Current assets:		
Cash and cash equivalents	$ 286,473	$ 16,164
Accounts receivable, net	5,328	9,477
Materials and supplies	3,929	8,344
Prepaid expenses and other current assets	15,457	6,229
Total current assets	**311,187**	**40,214**
Property and equipment, net	24,022	18,313
Operating right-of-use assets, net	25,743	6,949
Intangible assets, net	4,961	5,128
Long-term deposits	9,876	—
Total assets	**$ 375,789**	**$ 70,604**

	Sep 30, 2026 (unaudited)	Dec 31, 2025[1]
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	10,455	2,802
Accrued expenses and other current liabilities	12,764	2,191
Deferred revenue	343	544
Deferred grant income	1,497	492
Short-term operating lease liabilities	1,482	1,074
Current portion of long-term debt	264	—
Warrant liabilities	—	1,874
Total current liabilities	**26,805**	**8,977**
Long-term operating lease liabilities	26,035	7,185
Long-term debt	33,008	29,998
Total liabilities	**$ 85,848**	**$ 46,160**

[1] Old Xanadu convertible preferred shares and common shares have been retroactively recast after giving effect to the Reverse Recapitalization. Refer to the Company's Condensed and Consolidated Financial Statements and Management's Discussion and Analysis for the period ended September 30, 2026.

APPENDIX: CONSOLIDATED BALANCE SHEETS (2 OF 2)

Xanadu Quantum Technologies Limited · Consolidated Balance Sheets (continued) · In US $ thousands, except for share amounts

	September 30, 2026 (unaudited)	December 31, 2025[1]
Shareholders' equity:		
Old Xanadu convertible preferred shares, no par value, 204,286,254 shares authorized, 199,930,069 issued and outstanding at December 31, 2025 [1]	$—	$213,002
Old Xanadu common shares, no par value, 336,123,821 shares authorized, 55,964,876 shares issued and outstanding at December 31, 2025 [1]	—	7,585
Common shares, unlimited Xanadu Class A Multiple Voting Shares authorized, no par value, 115,458,298 issued and outstanding; unlimited Xanadu Class B Subordinate Voting Shares authorized, no par value, 195,786,645 shares issued and outstanding at September 30, 2026.	575,526	—
Additional paid-in capital	16,494	10,151
Accumulated deficit	(302,561)	(206,303)
Accumulated other comprehensive income	482	9
Total shareholders' equity	**289,941**	**24,444**
Total liabilities and shareholders' equity	**$ 375,789**	**$ 70,604**

[1] Old Xanadu convertible preferred shares and common shares have been retroactively recast after giving effect to the Reverse Recapitalization. Refer to the Company's Company's Condensed and Consolidated Financial Statements and Management's Discussion and Analysis for the period ended September 30, 2026.

APPENDIX: STATEMENTS OF OPERATIONS

Consolidated Statements of Operations and Comprehensive Loss (Unaudited) · In US $ thousands, except for share and per share amounts

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Revenue	**$ 1,305**	**$ 987**	**$ 5,648**	**$ 2,742**
Operating expenses:				
Cost of revenue (exclusive of depreciation and amortization below)	94	52	334	162
Research and development	25,560	15,301	63,165	38,321
General and administrative	9,150	4,002	29,426	8,098
Sales and marketing	900	263	2,848	863
Depreciation and amortization	1,740	1,707	4,996	4,242
Other operating (income) expense, net	(1,512)	358	(7,236)	40
Total operating expenses	35,932	21,683	93,533	51,726
Loss from operations	**(34,627)**	**(20,696)**	**(87,885)**	**(48,984)**
Other income (expense), net:				
Interest income (expense), net	2,272	334	4,401	1,228
Loss on fair value of earn-out share liabilities, net	—	—	(7,764)	—
Loss on derivative instruments, net	—	—	(1,907)	—
Other income (expense), net	159	64	(1,696)	113
Total other income (expense), net	2,431	398	(6,966)	1,341
Net loss	**$ (32,196)**	**$ (20,298)**	**$ (94,851)**	**$ (47,643)**
Net loss per share, basic and diluted [1]	$ (0.11)	$ (0.36)	$ (0.42)	$ (0.85)
Weighted average shares outstanding [1]	304,940,693	55,822,815	226,468,688	55,753,996
Comprehensive loss:				
Net loss	$ (32,196)	$ (20,298)	$ (94,851)	$ (47,643)
Cumulative translation adjustment	236	(278)	473	701
Net comprehensive loss	$ (31,960)	$ (20,576)	$ (94,378)	$ (46,942)

[1] Net loss per share and weighted average shares outstanding have been retroactively recast after giving effect to the Reverse Recapitalization. Refer to the Company's 6-K Q3 2026 Quarterly Report filed on November 12, 2026 for additional information.

APPENDIX: ADJUSTED EBITDA AND SELECTED CASH FLOW DATA

Xanadu Quantum Technologies Limited · Non-GAAP Financial Measure and Selected Cash Flow Data · In US $ thousands

Reconciliation of Non-GAAP Financial Measure Adjusted EBITDA:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net loss	**$ (32,196)**	**$ (20,298)**	**$ (94,851)**	**$ (47,643)**
Excluding:				
Depreciation and amortization	1,740	1,707	4,996	4,242
Stock-based compensation expense	5,530	950	11,616	2,609
Change in fair value of financial instruments [(1)]	—	811	10,566	785
Interest (income) expense, net [(2)]	(2,272)	(334)	(4,401)	(1,228)
Other (income) expense, net [(3)]	(159)	(64)	1,696	(113)
Non-recurring expenses [(4)]	1,087	1,782	8,893	1,853
Adjusted EBITDA	**$ (26,270)**	**$ (15,446)**	**$ (61,485)**	**$ (39,495)**

[(1)] Includes the gain (loss) on the fair value of the warrant, earn-out share liabilities, and derivative instruments.

[(2)] Interest (income) expense, net reflects the impact of interest earned on cash balances and non-cash interest expense relating to the Strategic Innovation Fund Agreement, by and between Old Xanadu and His Majesty the King in Right of Canada as represented by the Minister of Industry, as amended.

[(3)] Other (income) expense, net primarily consists of foreign exchange gain (loss).

[(4)] Non-recurring expenses primarily include professional fees such as legal, consulting, accounting and advisory fees incurred in connection with indirect costs related to the Reverse Recapitalization and PIPE Transaction, public offering, and the SATM Facility.

Selected Consolidated Cash Flow Data

	Nine Months Ended September 30,	
	2026	2025
Purchase of property and equipment, including equipment deposits ("capital expenditures")	$ (14,752)	$ (5,539)