

Quantum Dynamics Inc. - Q4 and Full-Year 2025 Financial Report

I. Executive Summary (Management Discussion & Analysis - MD&A)

Quantum Dynamics successfully navigated a challenging hardware market in Q4, primarily by leveraging strong subscription revenue from its new software platform, 'NexusAI'. The strategic decision to divest our non-core assets in Q3 proved highly effective, streamlining operations and focusing capital expenditures on high-growth R&D initiatives. Management is confident that the groundwork laid this year—despite a slight margin contraction—positions the company for significant market share expansion in the next fiscal year.

II. Key Financial Figures (Amounts in Millions USD)

Metric	Q4 2025 (Current Period)	Q3 2025 (Previous Period)
Revenue	\$920.0	\$800.0
Net Income	\$138.0	\$120.0
Operating Expense Total	\$350.0	\$310.0
Gross Margin Percentage	0.40 (40%)	0.45 (45%)
Cash from Operations	\$160.0	\$145.0
Total Long-Term Debt	\$50.0	\$55.0
Cash and Equivalents	\$280.0	\$200.0

III. Risk Factors

The primary risk remains the **geopolitical instability** impacting the rare-earth minerals required for our flagship computing hardware. A secondary, but growing, risk is the **increased competitive spending** from two major industry rivals who recently launched similar AI integration services.

IV. Future Outlook Statement

We anticipate **moderate revenue growth of 8% to 10%** in the first quarter of 2026, primarily driven by the full rollout of the NexusAI subscription model across Europe.