

Pasqal
First Half 2026 Earnings Call
September 24, 2026

Presenters

Wasiq Bokhari, CEO

Stephane Rougeot, CFO

Q&A Participants

Kingsley Crane – Canaccord Genuity

Suji Desilva – Roth Capital Partners

Gary Mobley – StoneX

David Williams – Needham & Company

Troy Jensen – Cantor Fitzgerald

Operator

Greetings and welcome to the Pasqal First Half 2026 Earnings Call. At this time, all participants are in a listen-only mode. A question-and-answer session will follow the formal presentation. If anyone should require operator assistance during the conference, please press star zero from your telephone keys. As a reminder, this conference is being recorded. I'd now like to turn the conference over to Investor Relations. Please go ahead.

Unknown

Welcome to Pasqal's First Half 2026 Earnings Conference Call. Joining us are Pasqal CEO, Wasiq Bokhari, and CFO, Stephane Rougeot. Before we begin, I'd like to remind everyone that today's discussion will include forward-looking statements including, among others, statements about our expectations for our future financial performance, growth opportunities, business strategy, market trends, and capital allocation plans. These statements are based on our current views and assumptions and are subject to risks and uncertainties that could cause actual results to differ materially. We direct you to our recent SEC filings for a full description of these risks. We undertake no obligation to update any forward-looking statements whether as a result of new information, future events, or otherwise except as required by law. We will also reference certain non-GAAP financial measures. These measures should be considered only as supplements to their comparable GAAP measures. Additional information including reconciliations of the non-GAAP measures to their most comparable GAAP measures can be found in our earnings release at investors.pasqal.com. Finally, I would like to remind everyone that this call will be recorded and made available for replay via a link available in the investor relations section of the company's website at investors.pasqal.com. With that, I'll now turn the call over to Wasiq.

Wasiq Bokhari

Thank you. Good morning and thank you for joining us for Pasqal's first earnings call as a public company. The first half of 2026 was an important period for Pasqal. We advanced our technology roadmap, expanded our commercial activity, delivered a major customer system, strengthened our manufacturing and organizational capabilities, and prepared the company for its next phase of growth as a Nasdaq-listed company. Before stepping back and discussing the broader Pasqal story, I want to briefly highlight a few accomplishments from the first half. We delivered revenue growth of 14% year-over-year with QPU-related services revenue increasing 34%, reflecting growing customer demand for our systems and expertise. We continued advancing customer deployments, expanded strategic relationships across our priority industries, and executed against our product roadmap.

I would like to spend a few minutes now providing context for investors who may be newer to the Pasqal story. At its core, Pasqal is building a high-value, high-scale quantum computing business. We are not a research project. We are not a lab experiment. We are focused on building commercially relevant computing systems that solve important problems for customers today while creating the foundation for fault-tolerant quantum computing tomorrow. Today, we believe Pasqal operates the world's second-largest fleet of high-complexity quantum computers after IBM. We have seven systems deployed across three continents with three additional systems in production. These systems operate in real-world environments, support customers and researchers globally, and are designed to function as practical computational infrastructure rather than lab equipment. What differentiates Pasqal is the combination of scientific leadership, engineering discipline, and commercial focus. We were founded by pioneers of neutral atom quantum computing including Nobel Laureate Alain Aspect and Professor Antoine Browaeys. We have deep technical expertise, a substantial intellectual property portfolio, and a full-stack platform spanning hardware, software, and applications. Just as importantly, we have spent years industrializing our technology and learning what it takes to build, deploy, operate, and upgrade reliable quantum computing systems at scale. Pasqal is genuinely a global company. Our customers, scientific talent, engineering capabilities, and intellectual property span Europe, North America, the Middle East, and Asia. Through our Nasdaq listing, investors now have access to a global quantum computing platform with established systems, customer relationships, and technical capabilities across multiple innovation ecosystems.

While quantum technologies include several important fields, quantum computing represents the most significant long-term opportunity for Pasqal. Focus matters. Concentrating our talent, capital, and engineering resources on computing allows us to pursue excellence in the area where we believe we can create the greatest customer and shareholder value. That focus leads directly to our commercial strategy. In quantum computing, it is easy to become consumed by architectures, modalities, and individual technical benchmarks. Those metrics matter to us as engineers, but they are not where the customer conversation begins. Customers care about value. Can we solve an important problem? Can we solve it better than existing approaches? And if we can, what is the economic value of that improvement? That philosophy has become the foundation of our commercial strategy. We organize the company around what

we call the problems worth solving. Rather than pursuing every possible quantum opportunity, we deliberately concentrate on applications where we believe quantum computing can generate significant and measurable value, a meaningful benefit compared to traditional computing. Today, our highest priority verticals are energy, financial services, and high-value materials.

Within each vertical, we seek to develop deep domain knowledge, identify valuable applications, validate them with leading reference customers, and then make the resulting expertise, software, and solutions repeatable across additional customers. This creates a stronger foundation for a scalable business than building a large collection of disconnected proofs of concept. A broad pipeline can become large without becoming repeatable. Our objective is to create customer relationships and intellectual property that compound over time. The foundation of this strategy is our neutral-atom architecture. Our qubits are individual rubidium atoms. Every rubidium atom is fundamentally identical to every other rubidium atom. Our qubits therefore start identical by nature and behave in highly predictable ways. They also connect spontaneously to each other without requiring wiring. Our public roadmaps share our ability to scale to tens of thousands of high-quality qubits by 2030. We believe this creates a fundamental scaling advantage.

Unlike quantum architectures that require increasingly complex fabrication of specialized semiconductor or superconducting devices, we do not need to manufacture new chips for each qubit or to connect them to make complex systems. Nature manufactures our qubits. It creates a capital efficiency advantage for us as a business. We do not need the massive fabrication infrastructure that some other approaches ultimately require as they scale. We believe all this provides meaningful advantages in uniformity, manufacturability, scalability, and long-term economics. Our current QPUs consume approximately 3.5 kilowatts of power and are designed to operate inside conventional data center environments. This results in lower CapEx and OpEx. For our customers, we believe all these advantages ultimately translate into a highly capital-efficient form of quantum computation that we expect to become amongst the lowest capital cost per useful quantum operation as the technology scales. We believe scalability must be viewed much more broadly than simply increasing qubit count. True scalability means increasing computational capability while also manufacturing systems efficiently, deploying them reliably, minimizing infrastructure and energy requirements, and maintaining attractive economics as systems grow larger. We also operate manufacturing facilities in France and Canada that provide the infrastructure to build and deliver systems as demand develops. For Pasqal, this means lower capital requirements as we scale. Those characteristics matter because quantum computing ultimately must become practical infrastructure, not an isolated lab capability. We believe Pasqal's architecture and industrial approach position us well for that transition.

One of the most important differences between Pasqal and many others in the quantum industry is that we do not believe customers should have to wait for fault-tolerant quantum computing before deriving value from quantum systems. There is a common assumption that

useful quantum computing only begins when large-scale fault-tolerance arrives. We disagree. Our neutral-atom platform enables analog quantum computing today while securing a path towards digital fault-tolerant quantum computing on the same underlying hardware architecture. That creates a bridge rather than a waiting period. Customers can begin developing applications, workflows, integrations, and expertise today while remaining on a platform that we believe can continue evolving toward large-scale fault-tolerant quantum computing. This is why we describe our strategy as analog today and fault-tolerant tomorrow. Analog is not a detour on the road to fault-tolerance. It is the first stage of the same journey. The applications we develop today, the customer relationships we establish today, and the software capabilities we build today all contribute to the foundation for future fault-tolerant systems. We believe this approach shortens the path to commercial adoption and allows us to create customer value while we continue advancing our long-term technology roadmap. This gives Pasqal a major competitive edge in the industry.

Turning now to the first half, our focused commercial strategy continued to gain traction. We made progress across strategic accounts, expanded the range of applications being pursued with leading customers, and continued concentrating our resources on problems where quantum computing can provide meaningful business value. Aramco is an important example. In May, we commissioned the QPU under our Aramco contract, moving the system into its operational phase. Our work spans several potential applications, including reservoir simulation, well placement optimization, rig scheduling, and demurrage prediction. The progression of this relationship illustrates our model. One engagement helps us learn more about the customer's operations, which helps us identify the next problem worth solving. As our relationship has deepened, the number of use cases and opportunities has expanded. In August, we also announced a memorandum of understanding with Eleven Ventures to establish a commercial joint venture intended to deploy, commercialize, and scale Pasqal systems across Saudi Arabia and the broader region. The parties have not yet entered definitive agreements, but the initiative reflects the broader opportunity we see to build our presence and customer engagement in the region. We see a similar progression with Credit Agricole. After multiple years of collaboration in portfolio optimization and credit risk modeling, the relationship has advanced toward production-oriented applications involving capital reserve consumption and risk-weighted assets. That progression from experimentation toward implementation is exactly the outcome we are working to create.

In high-value materials, we continue building on our work in quantum materials simulation and on the domain expertise generated through those efforts. We believe materials is particularly well-aligned with neutral atom quantum computing, because accurately modeling quantum systems is both computationally difficult and economically significant. Increasingly, our commercial model is therefore less about adding logos and more about expanding relationships within strategic accounts. Deep customer relationships can create reusable expertise, reusable software, and repeatable solutions that have substantially greater longer-term value than isolated pilot projects. That strategy also provides important context for how we develop our backlog and commercial momentum. As of June 30, 2026, our booked and awarded business

stood at EUR 70.4 million. We view this as an important indicator of the commercial traction we are seeing across our target market and the confidence customers are placing in Pasqal's technology and long-term roadmap. Importantly, this reflects momentum across multiple customer engagements and verticals, providing a strong foundation as we continue scaling our commercial activity.

Our objective is not simply to maximize the number of projects in our pipeline. A pipeline can become very large without necessarily becoming scalable. If every engagement requires a completely new customer, a completely new problem, and a completely new solution, the underlying model may not create durable value. Our approach is different. We focus on identifying the problems worth solving, building reusable expertise, expanding strategic customer relationships, and creating solutions that can be replicated across customers and industries. As a result, the economic potential of a customer relationship can increase before every additional opportunity appears in contracted backlog. That is why we evaluate commercial progress through a broader lens. Are use cases expanding within strategic accounts? Are customers progressing towards implementation? Are we creating reusable intellectual property? And can what we learn with one customer be applied elsewhere? Increasingly, the answer is yes. And because analog and fault-tolerant quantum computing exist on the same platform for us, the work we do today compounds rather than becoming obsolete over time.

From a technology perspective, the first half was also significant, and we continued delivering against our roadmap. Perhaps most importantly, Pasqal demonstrated an important example of quantum advantage in material simulation. Using our systems, we performed a one-to-one simulation of the rare-earth magnetic material TmMgGaO_4 . We reproduced experimentally observed behavior and generated consistent results across five independently deployed QPUs. Using our QPUs, we were also able to explore quantum regimes of TMGO and predicted new properties that were then verified experimentally. The work took hours on our systems compared with weeks using classical GPUs. It is important to note that even with weeks on GPUs, the convergence to an answer was not guaranteed. Our work also demonstrates repeatability across our deployed machines and illustrates the value of our engineering effort to create systems that deliver consistent performance. This work illustrates how quantum computing can address a real, important, and computationally difficult materials problem. We also advanced our fault-tolerant roadmap. We demonstrated under live conditions an initial capability to construct and operate key building blocks of a logical qubit. We used that capability to solve differential equations, demonstrating our focus on valuable industrial problems. The demonstration was designed to evidence a repeatable and robust capability rather than an isolated experimental result. In May, Pasqal was selected as a finalist in the XPRIZE Quantum Applications Competition, a global competition supported by Google Quantum AI, Google.org, and GESDA. The competition evaluates applications based on quantified impact, hardware feasibility, and demonstrable advantage over classical approaches. Our selection validates our focus on real-world use cases and rigorous benchmarking.

We continued advancing photonic integrated circuit capabilities through AEPONYX who we acquired 18 months ago. Recently, we reported that we've trapped four individual rubidium atoms using optical tweezers generated by a photonic integrated circuit, which we believe is a first for a neutral atom quantum computer. Our atom lifetimes match our existing bulk optic systems with no loss in qubit control quality. By moving qubit control onto a photonic chip, we removed what we believe to be one of the biggest barriers to scale. This work also gives us a roadmap to reduce the optical footprint of future processors by up to 50x. We also shared our unique progress from utilizing agentic GenAI systems to run various workloads on our QPUs. Our work on agentic workflows for quantum computing was reported by Nature. We converted a plain English description of a quantum simulation into a running result. The GenAI agent reasons about hardware constraints, encodes the problem into the geometry of atoms trapped by laser light, validates the code on a classical emulator, then runs it on a live neutral-atom QPU with the researcher staying in charge of every scientific decision along the way. What we demonstrate is that the combination of our fleet of cloud-accessible, high complexity, and operational full-stack QPUs with powerful agentic systems makes it significantly easier and faster to do end-to-end complex work for both fundamental research and application development and deployment. Across hardware, software, and applications, our objective remains consistent: deliver useful capabilities today, improve performance and scalability, and progress towards systems with tens of thousands of physical qubits and hundreds of logical qubits by the end of the decade. For us, building quantum computers that excel commercially means building hardware that delivers industry-leading performance and can be manufactured in a scalable way. With that, I will turn the call over to Stephane to review our first half financial performance and capital position.

Stephane Rougeot

Thank you, Wasiq. The first half of 2026 reflected continued commercial progress, disciplined execution, and further strengthening of our financial position as we prepare for our next phase of growth. Revenues for the six months ended June 30, 2026, were EUR 4.9 million compared with EUR 4.3 million in the prior year period. This is an increase of approximately 14%. QPU-related services revenues increased by EUR 1 million or 34%, to EUR 3.9 million from EUR 2.9 million. The increase was primarily driven by EUR 0.8 million of revenues recognized in connection with the QPU upgrade under our Julich contract. Cryostat revenue was EUR 0.9 million compared to EUR 1.3 million in the prior year period. The decline reflected fewer cryostat deliveries with revenues being recognized when delivery occur. Revenues can fluctuate between periods based on the timing of project milestones and service performance. For example, the Aramco QPU was commissioned during the period and entered its operational phase, but revenues associated with the related service is expected to be recognized in future periods as those services are performed.

At June 30, 2026, our order book, defined as firm orders not yet fulfilled, was EUR 70.4 million. Contract liabilities were EUR 28.2 million at the end of June 2026 compared with EUR 23 million at year-end. The increase primarily reflected the timing difference between billings

and the satisfaction of our performance obligations. As Wasiq noted, we assess the order book together with the quality and strategic depth of the underlying relationship. Our focus remains on expanding strategic accounts, progressing applications, and improving solution repeatability. Government grant income was EUR 3.1 million compared with EUR 3.5 million in the prior year period. The decline primarily reflected the timing of milestone achievements and eligible costs, and it was not the result of a reduction in grants awarded. Our reported operating loss was EUR 59.2 million compared with EUR 19.8 million in the prior year period. The increase was driven largely by share-based compensation and professional expenses associated with the company's financing, business combination, and public company preparation. If you exclude these charges, which are one-off in nature, our operating loss was EUR 21.6 million. This is a EUR 2.9 million increase compared to the first half of 2025 on a like-for-like basis. Employee salaries and benefit expenses were EUR 41.6 million compared with EUR 15.4 million in the prior year period. This cost includes a large one-off non-cash amount of EUR 27.3 million related to IFRS 2 share-based payment, and it compares with EUR 1 million in the prior year period. Excluding these share-based payment charges, our employee salaries and benefit expenses were stable year-on-year.

Professional services and other services were EUR 19.6 million compared with EUR 8.3 million in the prior year period. These costs include a large one-off amount of EUR 10.2 million related to legal consulting and audit fees associated with the business combination and listing process. Excluding these transaction-related expenses that are one-off in nature, professional services and other services increased by EUR 1.1 million or plus 13% compared to 2025. The net loss of the period was EUR 53.2 million, compared with EUR 26.1 million in the prior year period. The 2026 result includes a EUR 7 million gain from the fair value remeasurement of financial liabilities prior to conversion. Net cash used in operating activities was EUR 25.2 million, and this compares with EUR 20 million in the prior year period. The difference between the reported net loss and operating cash use reflects significant non-cash items including share-based compensation as well as working capital movements. Net cash used in investing activities was EUR 5 million, including EUR 2 million for property, plant, and equipment, and EUR 2.4 million for intangible assets. Finally, net cash provided by financing activities was EUR 67.3 million, driven primarily by EUR 68.5 million of proceeds from capital increases in the first quarter of 2026, partially offset by the repayment of borrowings and lease liabilities as well as interest payments. We ended June 2026 with EUR 110.8 million of cash and cash equivalents compared with EUR 73.8 million at the end of December 2025. Our net liquidity position was EUR 83.8 million. Total equity increased to EUR 129.1 million from a negative EUR 4.4 million at year-end 2025. This reflects the Series C financing and the conversion of redeemable bonds into equity. During January and February 2026, we issued Series C shares for gross proceeds of EUR 69.7 million. In March, redeemable bonds with a fair value of EUR 95.2 million converted into Series C shares, significantly reducing our current borrowing.

Following the reporting period, on August the 27th of 2026, we completed the business combination, and our ordinary shares began trading on Nasdaq under the symbol PSQL. At closing of this transaction, Pasqal received \$27.7 million from the SPAC trust

account. Substantially concurrently, we completed the March 2026 financing and received \$250 million of aggregate subscription proceeds through the issuance of senior unsecured convertible bonds and associated warrants. These proceeds, together with our June 30 cash balance, provide substantial resources to pursue our growth strategy. Our capital priorities remain focused on core research and development, acceleration of our fault-tolerant roadmap, commercial expansion, manufacturing and deployment capacity, software and middleware, and disciplined investment in the capabilities required to scale the business. We will continue to manage capital with discipline and align our investment with technology milestones, customer opportunities, and the goal of building a durable, scalable quantum computing company. With that, I will turn the call back to Wasiq.

Wasiq Bokhari

Thank you, Stephane. As we look to the remainder of 2026 and beyond, our priorities are clear. First, we will continue building enterprise-grade QPUs and strengthening the manufacturing and deployment capabilities required to deliver them consistently. Second, we will deepen our work on business-critical use cases in energy, financial services, and high-value materials. We will remain selective, concentrate on problems worth solving, and build solutions that can be repeated across customers. We will do so by going deeper with key reference customers. Third, we will expand access to our systems through on-premise deployment, cloud services, and partnerships that integrate Pasqal into the broader high-performance computing ecosystem. We will continue to ensure that our systems work seamlessly with other traditional computation based on CPUs and GPUs. Fourth, we will continue executing across the full technology stack, creating useful analog capabilities today while advancing logical qubits, error correction, and the longer-term fault-tolerant roadmap on the same hardware platform. And fifth, we will invest the capital we have raised with discipline. We now have significant resources, but our principle remains the same. Capital should follow clear technology milestones, drive real customer value, and create scalable commercial opportunities. Ultimately, we believe Pasqal represents a differentiated combination. Commercial systems operating today, a capital-efficient, scalable, energy-efficient neutral-atom architecture, demonstrated quantum advantage in material simulation, analog and fault-tolerant capabilities on one platform, a full stack offering, a deep customer relationships, and substantial capital resources to execute our roadmap. We are creating value today while building toward the fault-tolerant future of quantum computing. The first half of 2026 demonstrated meaningful progress on that journey, and we are excited about the opportunities ahead. With that, we are happy to answer your questions. Operator, please open the line for Q&A. Thank you.

Operator

Thank you. If you'd like to ask a question, please press star one on your telephone keypad. A confirmation tone will indicate your line is in the question queue. You may press star two if you'd like to remove your question from the queue. For participants using speaker equipment, it may be necessary to pick up your handset before pressing the star key. We do ask that you

each keep to one question and one follow-up. Thank you. Our first question comes from the line of Kingsley Crane with Canaccord Genuity. Please proceed with your question.

Kingsley Crane

Hi. Thanks for taking my questions. So great to see all the commercial momentum. Wasiq, the [inaudible] rare-earth magnet simulation was truly impressive. To what extent does this kind of result act as a precursor to that USA Rare Earth partnership? And then my understanding is that that type of magnet very cleanly maps onto the Rydberg array, which is what makes it so impressive. How do you get from materials that map that cleanly onto maybe others like battery cathodes or catalysts? Thanks.

Wasiq Bokhari

Thank you very much. It's a very good question. First of all, there is a one-to-one correspondence between the various magnetic materials that we can simulate in our Rydberg array because there is flexibility in the positioning of the atoms, and that gives us flexibility in terms of the configurations of the materials that we can simulate. So, that's a general capability we have. And obviously the interactions between these atoms themselves, that can also be programmed in a sense. That gives you the ability to have different kinds of bonding structure between these atoms. So, that is the basis for the flexibility in our approach. In terms of the work that we are doing with USARE or USA Rare Earth, it builds on that approach. Plus, it brings to bear some of our other capabilities, as well, which relate to the use of graph machine learning and other algorithms that we have. And the purpose of this research is to improve the efficiency of the separation process itself, which is one of the most critical elements in driving the cost and the availability of rare-earth materials. So, it's a combination of the material simulation plus other capabilities that we have that allows us to do this critical work with USARE.

Kingsley Crane

Okay. Thank you. Really helpful. And for Stephane, EUR 70 million booked and awarded business against the EUR 66 million first half results, which were up nicely year-over-year. Could you just help investors decompose various elements within that including the grants and tax credits and just how to think about the timing of that conversion into revenue over the next several years, both now and in the future?

Stephane Rougeot

Yes, of course. So, if you look at the order book with, yeah, the booked and awarded business is EUR 70 million. Of course, compared to previous period and you refer to the EUR 66 million, some of it was converted into revenues already, and then we added new bookings during the quarter or the second quarter. And that's the way the mechanics work. I would say about half of it is what we would call commercial revenues, and you can find that in the notes of our financial statements. So, it's around EUR 37 million, and it gives you also a perspective on how they turn into revenues in the coming periods. So, you will see what's going to turn between now and the end of the year, which is around EUR 12 million and then what will become

revenue later. And this is a bunch of different contracts and orders that we've had with many clients. The rest is around grants and tax credit, and then they will turn into income progressively as we execute the work and we get the resources for which there has been grant and subventions, and that depends. Some of it is going to turn in 2026/2027. Some of those programs are even longer term. So, that's how we approach the order book and its conversion into revenue.

Kingsley Crane

Thank you so much.

Operator

Our next question comes from the line of Suji Desilva with Roth Capital Partners. Please proceed with your question.

Suji Desilva

Hi, Wasiq, Stephane. Congratulations on the progress here. You have an example here with customers like Aramco, where you had an initial application, and then it seems to land expand strategy of multiple applications. Can you give us a sense of what the multiplier effect can be kind of quantitatively of the initial size opportunity versus what you're seeing it expand into at a given customer so we can kind of think about future revenue growth?

Wasiq Bokhari

Yes. So, if you just look at the number of use cases themselves, then again, just indicatively, we can think about going from one to two use cases to a number which is well over a dozen. So, we are seeing more than a 6x or so increase in that. Now, each of these use cases, the ones that we pick mutually, are the ones that are considered consequential. And number one and number two, they're also considered general for the industry. So, the addressable markets for each of these use cases, they can be considerable.

Suji Desilva

Okay. Great. Thanks, Wasiq. And then my other question is on the visibility. What is the length of time from install of equipment at a customer to it being qualified for revenue generation? Is that just a couple of quarters? Or any sense of the timeframe there would be helpful.

Stephane Rougeot

So, as you know, Suji, we have two models. We have the model where we sell the machine, and in that type of model, we recognize the revenue at the time of the reception by the client when there is a transfer of ownership. So, for those type of revenue, they are more back ended at the time of commissioning and reception. And once we've booked the revenue at the back end, then you may have some maintenance and a few other things, but the way the machine is used doesn't really matter too much. Then we have what we call the cloud-based business. Here, the cloud-based business, as you can appreciate, we don't sell the machine. We sell hours. Sometimes they are packed with other things, consulting in order to create and develop

those use cases. In that case, of course, it's a bit more front-ended, but then it's not as big in terms of revenue potential at the beginning. Back to your earlier question, as there are more use cases, that generates an increased usage and an increased number of hours, and that comes up progressively. Now, it's hard for us to give you a particular indication in terms of the time it takes from getting the machine up and running and then starting to sell, getting use cases, and then the usage of hours. These are things that over the last 12 months we've started to launch and use with our clients. And of course, in the next 12 months, we'll be smarter and quicker at generating that.

Suji Desilva

Okay. Thank you, Stephane. Thanks, Wasiq.

Wasiq Bokhari

Thank you.

Operator

Our next question comes from the line of Gary Mobley with StoneX. Please proceed with your question.

Gary Mobley

Hi, everybody. Thanks for taking my question. At the top of the call in the prepared remarks, there was a mention of seven systems deployed with customers. How much of that is, I guess, access via the cloud? And what's the potential revenue that that installed capacity in the cloud can support, say, on an annual basis?

Wasiq Bokhari

Yeah. So, this seven includes a couple of processors that are utilized for internal purposes as well as we do development and we do future application planning and development, as well. In terms of what is accessible externally, that number is five currently, and these have very high availability numbers in terms of annual availability numbers of hours. So, we feel there is a substantial amount of revenue that can be generated. In terms of our engagement, cloud utilization is primarily driven by enterprises. So, as we deepen our enterprise engagement, the amount of cloud hours being consumed will go up, and that will result in revenue generated.

Gary Mobley

Okay. Thank you for that. And at your analyst briefing a few months ago, you outlined a roadmap to hit some fault-tolerant quantum compute in the digital domain target, I believe, of 2029. Is that still the target from a roadmap, I guess, goal perspective?

Wasiq Bokhari

It very much is. It remains our target.

Gary Mobley

All right. Very good. If I could just sneak one last question in given the brief response there. So, three systems being built currently, I would assume that's in the backlog number, but maybe the backlog number includes more than the three systems currently being constructed and [inaudible]. Are there any production bottlenecks like shortage of workforce, things like that?

Stephane Rougeot

So, Gary, let me take that one. So, on the system being produced currently, they are not necessarily contracted with clients. Some of the system, for example, as you may know, we have new models, new generations of machines that are being developed and on which we are starting to produce. And they are more powerful. They have better performance, and that's on our path to increase the performance of the analog machines and then shortly move to the FTQC regime. And this is why we have these productions. So, they are not necessarily in the backlog, and they would not necessarily be also in the backlog in terms of selling machines. They could be produced in order to be available cloud-based, and in such cases, they wouldn't appear in the backlog. So, you cannot really link the production that is on the way with the amount of the backlog and its evolution.

Gary Mobley

Got it.

Wasiq Bokhari

And in terms of manufacturing constraints, we are not experiencing any manufacturing constraints.

Gary Mobley

Thanks again.

Operator

Thank you. Our next question comes from the line of David Williams with Needham & Company. Please proceed with your question.

David Williams

Hey. Good morning, everyone. Thanks for the questions and congratulations on the successful transaction here. I guess maybe first, you've clearly made a lot of progress, especially during the quarter, but over the time here end. As you look at your competitors within this neutral atom space, how do you think about the differentiation and how do you compare, I guess, Pasqal and where you are today? Just I'd love to hear your thoughts on the competitive environment for neutral atom.

Wasiq Bokhari

I would rather talk about us, because I am not privy to all the details of other companies. What we believe differentiates us is a couple of things. Number one, it is our focus on building and delivering and operating industrialized, well-engineered machines instead of one-off what we

would consider is not completely industrialized systems. And this is the reason we have the largest fleet of high complexity quantum computers that are available and accessible, and they operate autonomously. So, that's the first differentiator for us. The second is our ability to progress from our analog capabilities in which we are, we believe, the commercial leader in the world and making that as part of a smooth spectrum going into fault-tolerant quantum computing, essentially keeping the same hardware platform. So, that remains our underlying architectural philosophy, and we continue to execute on that. This allows us to engage with customers and monetize that engagement today while also giving customers a future and the security as well that they will not face obsolescence. The third, of course, very important one is what we mentioned is our commercial focus. As we like to say, we do not like to boil the ocean. We want to focus on key verticals, and this is part of our deliberate exercise in terms of where we discovered we can find valuable use cases, and we put our energy in those verticals, and we go deep. Those are the three major differentiators for us.

David Williams

Great. Thanks so much for the color there. Certainly helpful. And then maybe just secondly, you talked a little bit about your agentic AI work. Can you give a little more color just about what that means and how you think that advances going forward? Thank you.

Wasiq Bokhari

Yes. Thank you for that question. One of the questions that people wonder about is what is the barrier to entry to be able to utilize our quantum computers? And for us, we have a starting advantage that we have a fleet of operational quantum computers, which are accessible very easily. What we have shown through this work is that we can lower that barrier to entry very significantly. What we have shown is that we can create these agentic systems that can become users of our quantum computers and very sophisticated users. And by having a human in the loop, we can do very complicated work with our systems. So, we believe that is the principal advantage that we have shown, and we will, of course, continue to lean into this. This has implications for both fundamental research, which means that throughout the academic and other research communities, this can expand the amount of work and the velocity with which this work can happen. And second, it lowers the barrier for all the enterprises who would be considering utilizing our systems but not really having the, let's say, fully prepared quantum capabilities internally. Through this agentic work, we can enable them to do pretty sophisticated work with our quantum computers.

David Williams

Thanks so much and best of luck.

Wasiq Bokhari

Thank you.

Operator

Thank you. Our next question comes from the line of Troy Jensen [sp] [Technical Difficulty].

Troy Jensen

Hey, gentlemen. Congrats on the SPAC, the capital raise. I'm sure it was an amazing branding event for you. Couple of technical questions for you, Wasiq. You mentioned increasing computational capabilities. What is the best way to increase computational capabilities? I would assume logical qubits, but I am by no means an expert.

Wasiq Bokhari

Troy, that is a very good question. So, the first step you have to always take to increase computational capabilities is to have more physical qubits, because logical qubits are built on high quality, identical physical qubits, which is what we provide. And there, our fundamental advantage in scalability works to our favor. So, that is the first thing. The second thing is that when you create logical qubits, then it is how do you cluster these physical qubits? How do you keep them operational at the physical level, and how do you put them together with the right error correction so we can get to the quantum error-corrected logical qubits? And there, neutral atom systems have certain unique advantages which other approaches do not have, and these approaches include that some of the errors are detectable or do not exist in neutral atom systems. Second, our systems are very flexible, meaning that once we entangle two atoms, we can move them. And as a result, this allows us to use more efficient quantum error correction than simpler surface codes, and that makes the ratio of logical qubits to physical qubits much more favorable for neutral atom systems.

Troy Jensen

Right.

Wasiq Bokhari

And of course, we have the other metrics, which is whenever we say the number of logical qubits, it has to be coupled with what is the fidelity of those logical qubits. So, there again, the neutral atom systems, we continue to progress that and to be at par with any other systems out there. So, it is a combination of all of those three things that we think about.

Troy Jensen

Perfect. I wasn't that far off. Just another technical question for you. The photonic integrated chip, can you just help me with the benefit of using a PIC as an optical tweezer? Is it primarily shrinking the optics for future scalability?

Wasiq Bokhari

That is a big reason. This allows us to shrink the optics, which allows us to have scalability. And the reduction in size allows us to scale the number of atoms we can control in a fixed footprint. So, in our longer-term roadmap, you will see that PICs start to play a role in going beyond tens of thousands of physical qubits. This is something which allows us to basically remove any potential constraint in terms of us going to beyond tens of thousands of physical qubits per single quantum computer.

Troy Jensen

Great. Awesome. With that, thanks for the answers and good luck going forward.

Wasiq Bokhari

Thank you.

Operator

[Technical Difficulty] I will turn the floor back to Mr. Bokhari for any final comments.

Wasiq Bokhari

Thank you very much. Thank you, operator, and thank you to everyone who joined us today. Pasqal is building a commercial quantum computing business around a clear premise: focus on the problems worth solving, deliver useful capabilities today, win our customers' trust, and build every part of the platform with a fault-tolerant future in mind. We enter this next chapter with a fleet of deployed systems, differentiated and industrialized neutral atom technology, significant and deepening customer relationships, demonstrated progress across our roadmap, and a stronger capital position following our Nasdaq listing and financing transactions. Our focus is execution. We will continue advancing our technology, deepening strategic customer relationships, delivering value to our customers, scaling our operational capabilities, growing our commercial activities, and allocating capital toward the opportunities where we believe we can create the greatest long-term value. Thank you again for your time and for your interest in Pasqal.

Operator

[Technical Difficulty] today's conference call. You may disconnect your lines at this time. Thank you for your participation.