NASDAQ: XLAB · GPU CLOUD CAPACITY · DE-SPAC, LISTED AUG 28, 2026

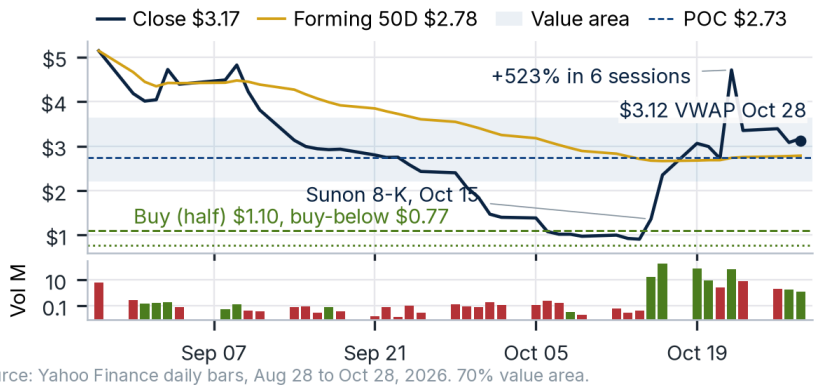
Exascale Labs Holdings

A near-empty de-SPAC priced for a business it hasn't become yet. $3.12 is 2.8x my $1.10 base value, and two founders control 94.8% of the vote.

RATING	PRICE (OCT 28 VWAP)	BLENDED VALUE	PRICE VS BASE
STEER CLEAR No buy above $1.10 Buy-below $0.77	**$3.12** close $3.17	**$1.10** base $0.21 low / $3.77 high	**2.8x** per FD share, treasury method

No long at this price, and not a short (squeeze risk on a 1.1M-share float).

Figure 1.1 XLAB daily close, Aug 28 to Oct 28, 2026 (forming 50-day, no 200-day yet)



Source: Yahoo Finance daily bars, Aug 28 to Oct 28, 2026. 70% value area.

KEY STATS	as dated
Market cap FD treasury method, at $3.12	$201.8M
Enterprise value FD, est. net cash $12.65M	$189.2M
EV / FY26 gross profit	78.2x
Revenue FY26, audited	$14.82M / +111%
Gross / op. margin FY26	16.3% / -32.4%
FCF less SBC FY26	($2.75M)
Shares short Oct 15 settlement	39,229

Sources: SEC filings (10-K, 8-K/A, Sep 28, 2026), Yahoo Finance, FINRA via Nasdaq.com, and my calculation (Section 1).

PUBLIC FLOAT	TRUST REDEEMED	FOUNDER VOTE	EV / FY26 REVENUE	RED-FLAG CHECK	MACRO REGIME
1.8% 1,134,789 sh	**95.9%** no PIPE	**94.8%** on 47.6% of equity	**12.8x** FY ended Jun 30, 2026	**FAIL** 7 Fail · 7 Caution · 1 Pass	**Green** 0 of 4 signals on

KEY LEVELS (OCT 28, 2026 CLOSE)

XLAB LEVEL	TYPE	WHAT IT IS
4.85	Resistance	Oct 22 swing high
4.48	Resistance	Oct 23 high
3.84	Resistance	Oct 16 high
3.55 to 3.77	Resistance	AVWAPs 3.55 and 3.68, VAH 3.64, Oct 26 high 3.77
3.43	Resistance	Oct 28 high, failed-breakout line
3.17	Current	Oct 28 close (VWAP 3.12)
2.70 to 2.85	Support	POC 2.73, Oct 27 low 2.75, AVWAPs 2.83 and 2.84, long entry zone
2.50	Support	Oct 19 and Oct 21 swing lows
2.21 to 2.30	Support	VAL 2.21, Oct 20 low 2.30, long out below 2.20
1.75 to 1.85	Support	Oct 16 gap edge, volume node
1.45 to 1.75	Gap	Unfilled Oct 16 gap, low-volume pocket

Source: my technical read on Yahoo Finance daily and 5-minute bars, Aug 28 to Oct 28, 2026.

THREE CASES + BLEND (11.00%)

XLAB VALUE PER FD SHARE (TREASURY METHOD), 11.00%	LOW	BASE	HIGH
Conservative (floor reference only)	$0.01	$0.20	$0.25
Market-implied	$0.32	$0.60	$0.99
Growth-adjusted	$0.09	$1.60	$6.54
Blend, half market-implied and half growth-adjusted	**$0.21**	**$1.10**	**$3.77**

Source: Yahoo Finance 5-minute and daily bars (Oct 28, 2026, pulled Oct 29, 8:21 AM ET), my three-case valuation (Oct 29, 2026) and SEC filing deadlines.

Next: Q1 FY27 10-Q, due about Nov 16, 2026. First post-merger balance sheet. I recheck the call then.

By Brad Wolff, finance student

Student research for educational purposes only. Not investment advice. See Methodology and Disclosures.

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Summary: Exascale Labs Holdings (NASDAQ: XLAB)

MY READ · THE CALL

STEER CLEAR

Report dated Oct 29, 2026. Prices are as of the Oct 28, 2026 regular session. Fiscal year ends Jun 30.

XLAB is a near-empty de-SPAC priced for a business it hasn't become yet. Legacy Exascale resells third-party GPU capacity at a 16.3% gross margin (FY26, audited) on $14.82M of revenue, with 12 full-time employees and almost no owned hardware. At $3.12 the equity is worth about $202M on fully diluted shares (treasury method). That's 12.8x FY26 revenue and 78.2x FY26 gross profit. My reverse DCF says the price needs about a 15% owner-earnings margin by FY31, against -18.6% in FY26. The other route is about 48% a year revenue growth from FY28 to FY31 at an 8% margin. The business has never shown the gross-margin change either path needs (FY24 4.2%, FY25 15.8%, FY26 16.3%).

The structure makes it worse. 95.9% of the $280M trust was redeemed and there was no PIPE. Two founders hold 94.8% of the vote through 20-vote Class B shares while owning 47.6% of the equity. The public float is 1,134,789 shares, 1.8% of basic shares, which is how 171.6M shares traded on Oct 16. My red-flag check is a **Fail**, and that's why the call is Steer clear.

It isn't a Short. The price ($3.12) is below the blend high ($3.77) and the Growth-adjusted high ($6.54), so it isn't well above the high of all three cases. Borrow cost and availability are unconfirmed. Squeeze risk on a 1.1M-share float is high.

THE CALL	Oct 29, 2026
Rating	**Steer clear.** Red-flag check **Fail**. Not a Short: borrow unconfirmed, squeeze risk high
Value	Blend **$0.21 / $1.10 / $3.77** (low / base / high) per FD share, treasury method, 11.00%
Buy (half)	**$1.10**. Not met: price is 2.8x this level
Buy (full)	Buy-below **$0.77** (30% margin, uncertainty High). Not met: 4.1x
Price	$3.12 VWAP, $3.17 close (Oct 28, 2026)
Macro	Green, 0 of 4 signals on. No change to the call
Technical	No entry trigger at the Oct 28 close
Re-check	Q1 FY27 10-Q, due about Nov 16, 2026

1 Snapshot

PRICE · VALUE · BALANCE SHEET · SHARES · SHORT INTEREST

At $3.12 the equity is worth about $202M on fully diluted shares (treasury method). That's 12.8x FY26 revenue and 78.2x FY26 gross profit.

Metrics

XLAB metric	Value	Date / basis	Source
Price (reference)	$3.12 VWAP, $3.17 close	Oct 28, 2026	Yahoo Finance 5-min and daily bars
XLABW (warrant)	$0.20 close	Oct 28, 2026	Yahoo Finance
Market cap, FD treasury method (64.68M)	$201.8M	at $3.12	my calc.†
Enterprise value, fully diluted (treasury method) (est. net cash $12.65M)	$189.2M (basic $188.1M)	at $3.12	my calc.†
EV / FY26 revenue	12.8x	FY ended Jun 30, 2026	my calc.†
EV / Q4 FY26 run-rate revenue ($17.05M)	11.1x	Q4 FY26 derived	my calc.†
EV / FY26 gross profit	78.2x	FY26	my calc.†
Revenue FY26 / growth	$14.82M / +111%	FY26, audited	8-K/A Ex. 99.1 (Sep 28, 2026)
Gross margin / operating margin	16.3% / -32.4%	FY26	8-K/A Ex. 99.1
Net loss (incl. $7.38M non-cash SAFE remeasurement)	($12.16M)	FY26	8-K/A Ex. 99.1
Employees	12 full-time (5 US, 7 Singapore)	10-K	10-K Item 1 (Sep 28, 2026)

† My calculation.

Source: SEC EDGAR filings as listed, Yahoo Finance, and my calculation on those inputs.

Owner earnings (FCF less SBC)

XLAB, fiscal years to Jun 30	FY24	FY25	FY26
Operating cash flow	($0.56M)	($1.01M)	($2.75M)
Capex	($0.03M)	($0.002M)	$0
FCF	($0.59M)	($1.01M)	($2.75M)
SBC	$0.02M	$0.15M	$0
FCF less SBC	**($0.61M)**	**($1.17M)**	**($2.75M)**
FCF less SBC margin	-46.2%	-16.6%	-18.6%

Source: 424B3 (Jul 7, 2026) Exascale MD&A and cash-flow summary for FY24 and FY25. 8-K/A Ex. 99.1 and 10-K (Sep 28, 2026) for FY26. My calculation. SBC will rise. 345,000 RSUs were granted Oct 6, 2026 (Forms 4), and most of the 10M-share plan is unused.

Net cash

- Jun 30, 2026, reported: cash $2.69M plus USDC $2.16M (10-K balance sheet).
- Jun 30, 2026, pro forma for the merger: $13.99M cash plus $2.16M USDC = **$16.15M**, with no debt and no lease liabilities (8-K/A Ex. 99.3).
- My estimate for the end of October 2026: **$12.65M** (range $11.45M-$13.45M). That's after the ~$1.5M convertible loan XLAB made to an unnamed third party in July (10-K Note 15) and four months of underlying burn at about $0.5M a month.
- Runway. On my $0.5M-a-month burn estimate it's about 25 months, and that's the figure the valuation uses. On reported FY26 numbers it's 32 months (operating loss) to 55 months (operating cash flow). Both are before the compute commitment below.
- Off balance sheet: a $71M, three-year Compute Service Agreement signed Jul 15, 2026 (10-K Note 15). That's about $23.7M a year against $12.65M of estimated cash. The payment schedule and cancellation terms aren't disclosed.

Source: 10-K and 8-K/A (Sep 28, 2026) and my estimate. The first post-merger balance sheet arrives with the Q1 FY27 10-Q.

Fully diluted shares and share-count change

XLAB share count	Shares	Source
Class A (1 vote)	33,689,050	10-K cover (Sep 25, 2026)
Class B (20 votes, unlisted, converts 1:1)	30,645,739	10-K cover
Basic	**64,334,789**	**10-K cover**

XLAB share count	Shares	Source
FD, treasury method at $3.12 (warrants out of the money, adds 345,000 RSUs)	**64,679,789**	**my calc.†**
FD, all-in (adds 14,099,992 warrants at $11.50 and RSUs)	78,779,781 (+22.5% vs basic)	8-K (Sep 2, 2026), Forms 4 (Oct 6, 2026)†
FD, full plan (adds the remaining 9,655,000 plan reserve)	88,434,781 (+37.5%)	8-K Item 5.02†
Evergreen top-up, Jan 1, 2027 (5% of Class A)	about +1.68M	8-K (Sep 2, 2026)

† My calculation.

Share-count change: there's no year-ago comparison for the merged company. Basic shares are unchanged from the Aug 27, 2026 close to the Sep 25, 2026 10-K record date. No new issuance appears in any 8-K through Oct 15, 2026 (EDGAR index). Earnouts: none. Convertibles issued by XLAB: none.

Short interest

XLAB short interest	Figure	As of	Source
Shares short	39,229	Oct 15, 2026 settlement	FINRA via Nasdaq.com
Shares short	43,764	Sep 30, 2026 settlement	FINRA via Nasdaq.com
Shares short	73,108	Sep 15, 2026 settlement	FINRA via Nasdaq.com
Shares short	518,598	Aug 31, 2026 settlement	FINRA via Nasdaq.com
Days to cover (figure I use)	1.0	Oct 15, 2026 settlement	Nasdaq.com
Days to cover (other source)	0.05	as shown on Yahoo Finance	Yahoo Finance
Borrow cost and availability	n/a		no free source

The 518,598 figure is the Aug 31 settlement, not a current one. All four short-interest figures predate the Oct 16-22 volume spike. As of the Oct 29, 2026 refresh, Oct 15, 2026 is still the latest FINRA settlement (Nasdaq.com and FINRA agree). The next settlement (around Oct 30/31) should publish mid-November. The two days-to-cover readings differ by source: Nasdaq.com shows 1.0, which looks like a display floor (39,229 ÷ 1,517,065 ≈ 0.03 days), and Yahoo shows 0.05. I show both and use the Nasdaq.com figure.

Source: FINRA short-interest data via Nasdaq.com and FINRA's consolidated short-interest feed, rechecked Oct 29, 2026, and Yahoo Finance.

Support, resistance, entry and stop (technical only)

- Support: 2.70-2.85 (volume POC 2.73, Oct 27 low 2.75), then 2.50, 2.21-2.30, 1.75-1.85, the 1.45-1.75 unfilled gap, 0.94 and 0.778 (record low, Oct 15).
- Resistance: 3.43 (Oct 28 high), 3.55-3.77, 3.84, 4.48, 4.85 (Oct 22 high), 5.27 and 7.39 (listing-day high, Aug 28).
- Conditional long (technical only and not a recommendation, because the call is Steer clear): entry zone 2.70 / 2.77 / 2.85. The trigger is a close above 2.85 after no close below 2.70. Out below 2.20 on a daily close.
- No entry trigger was in place at the Oct 28 close. The levels expire at a daily close outside 1.78-4.56 or at the Q1 FY27 10-Q (due about Nov 16, 2026), whichever comes first.

Source: Yahoo Finance daily and 5-minute bars, Aug 28 to Oct 28, 2026, and my technical read (Section 8).

2 The business and why now

FUNDAMENTALS · KPIS · GUIDANCE

Does the Sunon order or the ~$300M "qualified customer pipeline" change the economics? My answer is not yet.

What it is. XLAB is an asset-light GPU-as-a-Service reseller and cluster operator. It leases GPU capacity from third-party data centers and resells it as reserved or on-demand compute with its own orchestration software. It also offers GPU cluster management to data-center operators (10-K Item 1, 8-K/A Ex. 99.2). Equipment, net was $12,840 at Jun 30, 2026 (8-K/A Ex. 99.1 Note 7). It owns no data centers. Its modular data center, liquid cooling, HVDC power, interconnect and energy-storage offerings "have not generated revenue to date" (8-K/A Ex. 99.2).

Segments (FY26). Compute services $14.66M (reserved $14.65M, on-demand $0.01M) and data-center services $0.16M (8-K/A Ex. 99.1 Note 2q). Revenue is booked gross, as principal (10-K critical accounting policies). Booked as an agent, revenue would be closer to the $2.42M gross profit.

Why now. The stock listed on Aug 28, 2026 and fell 89% from the listing-day high to an Oct 15 low of 0.778. It then ran +523% in six sessions to 4.85 on Oct 22, after an $8.2M server sale to Sunon Inc. (8-K filed Oct 15, 2026, accepted the evening of Oct 14). The company reports its first post-merger quarter in mid-November. The question for an initiation is whether that order and the ~$300M "qualified customer pipeline" in its press releases change the economics. My answer is not yet.

KPIs by quarter

XLAB	Q3 FY26 (Jan-Mar 2026)	Q4 FY26 (Apr-Jun 2026), derived	FY26 (audited)
Revenue	$3,754,586	$4,261,468	$14,822,799
YoY growth	+101.6%	+67.8%	+111%
QoQ growth	n/a	+13.5%	
Gross profit (margin)	$586,927 (15.6%)	$759,888 (17.8%)	$2,418,253 (16.3%)
Loss from operations	($1,221,974)	($1,982,183)	($4,800,840)
Net loss (incl. SAFE remeasurement)	($2,632,431)	($4,245,414)	($12,162,391)
Operating cash flow	n/a (only 9M disclosed: ($3,758,611))	+$1,003,987	($2,754,624)

Source: 424B3 (Jul 7, 2026) Exascale MD&A and F-pages (Q3 and 9M, unaudited). 10-K and 8-K/A Ex. 99.1 (Sep 28, 2026) for FY26. Q4 = FY26 less 9M FY26 (my calculation, unaudited).

- **The positive Q4 operating cash flow is working-capital timing. It isn't owner earnings.** Contract liabilities (customer prepayments) rose from $109,657 at Mar 31, 2026 to $1,070,378 at Jun 30, 2026. That's $960,721 of the $1,003,987. Q4 net loss was still $4.25M. I measure owner earnings on the full year (FY26: ($2.75M)).
- Q4 annualizes to about **$17.0M**, still about 15% below the $20.0M 2026E management projection.
- Operating KPIs are disclosed only as FY26 monthly averages (8-K/A Ex. 99.2). Contracted GPU supply 1,294.7 GPUs. Deployed 1,154.7. Customer-contracted 1,050.8. Utilization of deployed capacity 91.0%. 9.21M billable GPU-hours. Weighted-average remaining contract term 8.2 months (4.2 a year earlier).
- Customers: 28 in FY25, of which 19 also produced FY26 revenue (68% "renewal"). Customer C was 20.1% and Customer D 19.2% of FY26 revenue. Customer H was 43.7% of receivables. Hong Kong was 30.6% of revenue. $2.80M of FY26 revenue was collected in USDT/USDC (10-K Notes 3, 5, 13).
- Backlog / RPO: not disclosed. Contract liabilities were $1.07M. The ~$300M "qualified customer pipeline" appears only in two press releases (Aug 27 and Sep 28, 2026). The Aug 27 release says it "is not indicative of contracted revenue, bookings or backlog." It isn't in the 10-K, S-4 or 424B3 and is never defined.
- Sunon purchase and sale agreement (8-K, Oct 15, 2026, Ex. 10.1): $8,208,000 for 12 NVIDIA HGX B300 servers (96 GPUs), network gear, deployment and 36 months of IT operations. Terms are a 30% deposit ($2,462,400) and 70% before shipment. It's conditional on the deposit, NVIDIA/OEM approval and export/import licenses. No deposit receipt has been disclosed. At FY26's 16.3% gross margin it would add about $1.3M of gross profit (my estimate, since unit prices are redacted).
- Non-binding only: Compal LOI (800 VDC validation), EnergyBank MOU (offshore wind) and a Japan data-center MOU (at least 20 MW) (8-K Ex. 99.1, Sep 28, 2026, and 10-K Note 15).

Guidance

The company gives no formal guidance. Its FY27 priorities are capacity expansion through host sites, commercializing 800 VDC and cooling, and monetizing SaaS (8-K Ex. 99.1, Sep 28, 2026). It says it has at least 12 months of liquidity from Sep 28, 2026 and that going-concern doubt is "alleviated" (8-K/A Ex. 99.2).

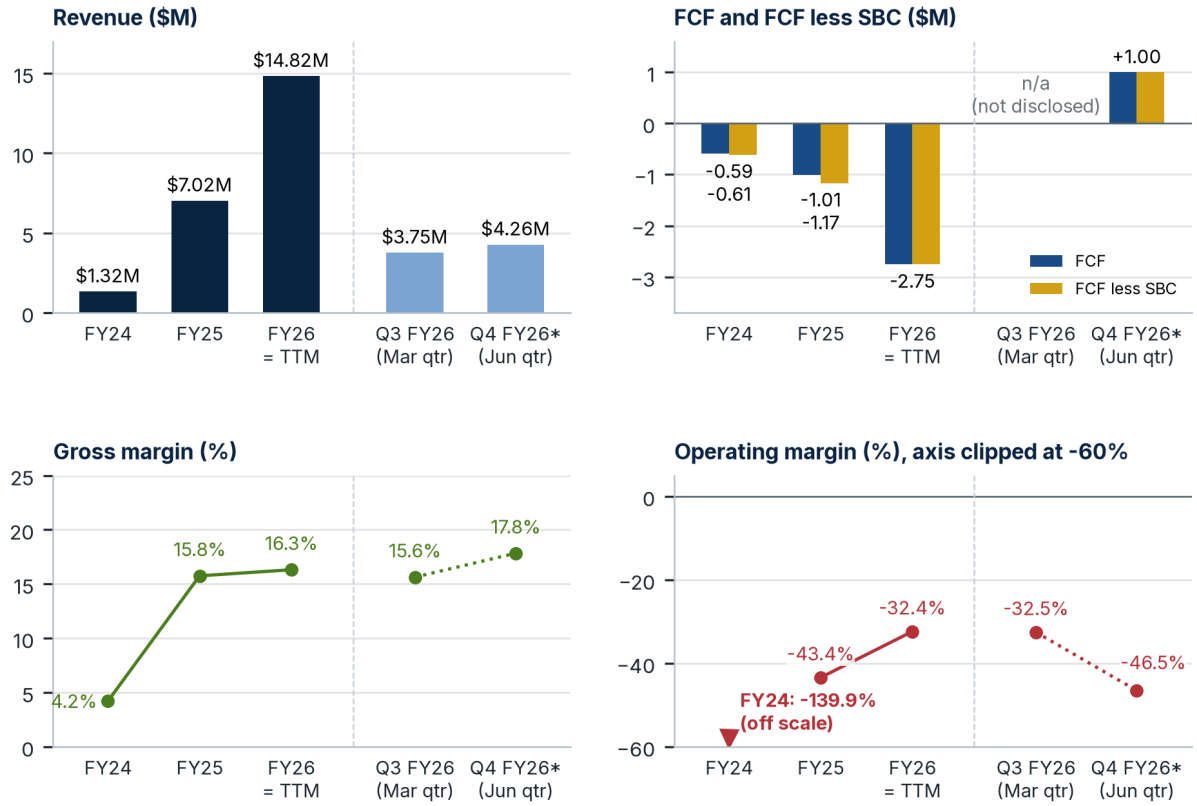
The only forward numbers are the management projections used to price the merger. They come from the 424B3 section "Exascale's Financial Projections," were prepared Sep 2025 and reaffirmed Apr 20, 2026, are unaudited and had no fairness opinion.

XLAB management projections	2026E	2027E	2028E
Revenue	$20.0M	$40.0M	$80.0M
Gross margin	22%	27%	65%
Operating income	($1.5M)	$2.0M	$14.7M

Source: 424B3 (Jul 7, 2026). The filing calls these projections "through fiscal year 2028" and doesn't state the year-end, so they aren't calendar-year figures. Read against the June FY26, revenue came in 25.9% below the 2026E figure, gross margin was 16.3% vs 22%, and the operating loss was ($4.80M) vs ($1.5M).

Fundamentals trend

Figure 2.1 XLAB fundamentals, FY2024 to FY2026 plus TTM and the last two quarters



Years to Jun 30. *Q4 FY26 = FY26 less 9M FY26 (my calculation, unaudited). Q3 FY26 cash flow not disclosed. Q4 FY26 +$1.00M operating cash flow is working-capital timing (contract liabilities +$0.96M), not owner earnings. Quarter lines dotted.

Source: 424B3 (Jul 7, 2026) Exascale MD&A and F-pages, and 8-K/A Ex. 99.1 and 10-K (Sep 28, 2026). TTM to Jun 30, 2026 equals FY26. Legacy Exascale was incorporated in June 2022 and the filings carry audited results for FY24-FY26 only, so a five-year history doesn't exist yet. The operating-margin panel stops at -60%, so FY24 (-139.9%) is marked off scale. Clipping it keeps the FY25 to Q4 FY26 moves readable.

3 Valuation

THREE CASES · BUY LEVELS · REVERSE DCF · SENSITIVITY

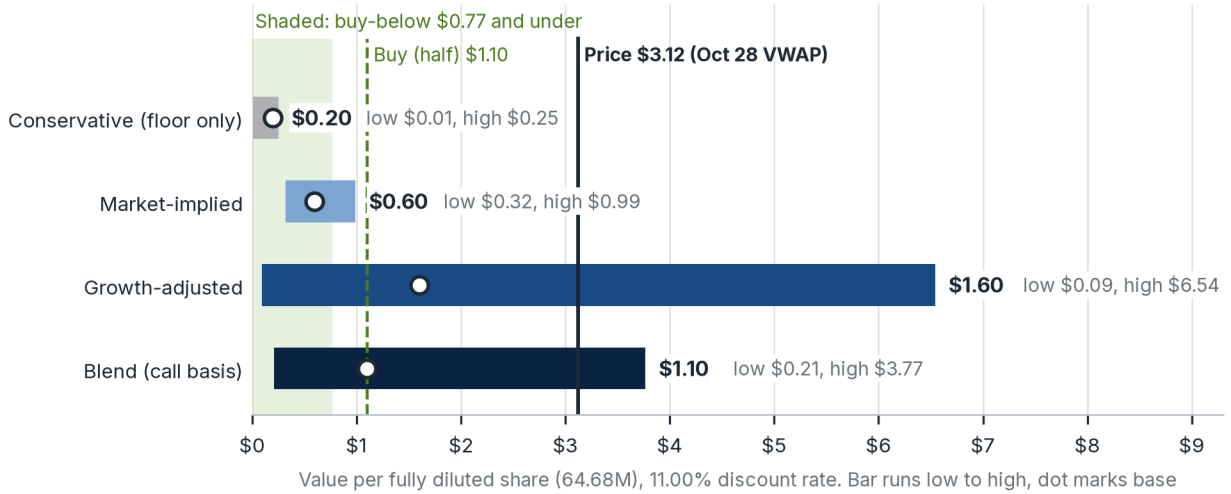
My blended base is $1.10 a share, and the price is 2.8x that.

Basis. Every per-share value below is per fully diluted share on the **treasury-method count of 64,679,789** (basic plus 345,000 RSUs). The $11.50 warrants are $8.38 out of the money at $3.12, so the treasury method leaves them out. The call and the buy levels rest on this count. Section 3c shows the all-in and full-plan counts.

Discount rate: 11.00% for every DCF. That's the 10-year Treasury on Oct 1, 2026 (5.24%, FRED DGS10) plus 5.75 points, rounded to the nearest 0.25 and kept within 9-12%. It resets with the Nov 2, 2026 reading (first trading day of November), which isn't out yet. As of Oct 29 the latest DGS10 is 4.99% (Oct 27), which would round to 10.75%. That's for reference only. The call stays on 11.00% until Nov 2.

Owner earnings. I define owner earnings as FCF less SBC. They were ($2.75M) in FY26, a -18.6% margin, so a multiple of trailing owner earnings gives a negative value. The value here is entirely an option on scaling, and on margins moving from reseller levels toward owned-capacity or software levels. So I lean on the reverse DCF and on explicit scenarios.

Figure 3.1 XLAB value per FD share vs price, Oct 29, 2026



Source: my three-case valuation, Oct 29, 2026, and Yahoo Finance (Oct 28, 2026 VWAP). Bars run low to high, dots mark the base.

3a. Three cases (low / base / high)

XLAB, per FD share (treasury method, 64.68M), 11.00%	Low	Base	High	Method and inputs
Conservative (floor reference only)[1]	$0.01	$0.20	$0.25	Net cash after 24 months of burn / estimated net cash $12.65M / reported pro forma $16.15M. The mechanical formula (50% DCF of trailing owner earnings + 50% x 14-20x trailing owner earnings, + net cash) gives ($0.34) / ($0.39) / ($0.44), so I floor it at net cash
Market-implied	$0.32	$0.60	$0.99	NTM gross profit $1.92M / $4.50M / $8.80M (FY27 revenue $16M / $30M / $44M at 12% / 15% / 20% gross margin) x neocloud EV/NTM gross profit (4.88x low, peer median 5.76x base and high), + scenario-matched net cash $11.45M / $12.65M / $13.45M
Growth-adjusted	$0.09	$1.60	$6.54	3-stage DCF on revenue x owner-earnings margin, 3% terminal. PV of FY27-36 owner earnings ($12.9M) / $22.4M / $141.2M. PV of terminal value $7.3M / $68.4M / $268.5M
Blend, half market-implied and half growth-adjusted	**$0.21**	**$1.10**	**$3.77**	**Call basis**

Source: my three-case valuation, Oct 29, 2026. Inputs from the 10-K and 8-K/A (Sep 28, 2026), the 424B3 (Jul 7, 2026) and Yahoo Finance peer data (Oct 28, 2026 close).

[1] Strict fallback under my no-consensus rule (Conservative only): **$0.01 / $0.20 / $0.25** per FD share, treasury method (net cash after 24 months of burn / estimated net cash $12.65M / reported pro forma $16.15M). On that basis there's no buy level above net cash, and the call is still Steer clear.

A departure from my own rule. There's no sell-side consensus for XLAB (Yahoo shows no estimates, Oct 29, 2026). Under my rule, Market-implied and Growth-adjusted should then be n/a and the call should rest on Conservative alone. I show all three cases anyway, built on my own low/base/high revenue and margin inputs and on peer gross-profit multiples. They're my estimates, not consensus, and the buy levels rest on them. On the strict fallback the call doesn't change.[1]

How I set the Market-implied multiple: XLAB's NTM owner earnings are negative, so owner earnings x multiple is n/a. I use NTM gross profit x the neocloud peers' EV/NTM gross profit (IREN 4.88x, CRWV 4.92x, NBIS 6.60x, APLD 44.9x, median 5.76x), capped at the peer median because XLAB has no five-year trading history of its own. I value on gross profit because the peers' sales carry 65-75% gross margins (they own their GPUs) while XLAB resells at 16%. Unadjusted cross-check: the neocloud median EV/NTM sales of 4.1x on $30M, plus net cash, gives $2.11 a share. That's still below the price.

Funding caveat: the DCF charges early-year burn at fair value. It doesn't capture dilution from raising equity below fair value, and that's likely. Cumulative base-case owner earnings for FY27-FY29 are ($13.7M) against about $12.7M of cash.

3b. Two-tier buy levels

XLAB buy level	Price	Rule	Status at $3.12
Buy (half)	**$1.10**	Base of the Market-implied + Growth-adjusted blend. Needs a red-flag Pass or Caution and a technical entry (swing low, POC or 50% retracement) with a stop	Not met. Price is 2.8x this level, and the red-flag check is a Fail
Buy (full), buy-below	**$0.77**	$1.10 less a 30% margin. Uncertainty grade **High**: pre-scale, no consensus, material weaknesses, controlled company	Not met. Price is 4.1x this level

Conservative is a floor reference only and never sets a buy level.

3c. Share-count sensitivity

XLAB, per share, 11.00%	Shares	Conservative	Market-implied	Growth-adjusted	Blend	Buy (half)	Buy-below
FD, treasury method (call basis)	**64,679,789**	**$0.01 / $0.20 / $0.25**	**$0.32 / $0.60 / $0.99**	**$0.09 / $1.60 / $6.54**	**$0.21 / $1.10 / $3.77**	**$1.10**	**$0.77**
FD, all-in (+ warrants, RSUs)	78,779,781	$0.01 / $0.16 / $0.21	$0.26 / $0.49 / $0.81	$0.07 / $1.31 / $5.37	$0.17 / $0.90 / $3.09	$0.90	$0.63
FD, full plan (+ 9,655,000 plan reserve)	88,434,781	$0.01 / $0.14 / $0.18	$0.24 / $0.44 / $0.72	$0.07 / $1.17 / $4.78	$0.15 / $0.80 / $2.75	$0.80	$0.56

Source: my three-case valuation, Oct 29, 2026. Same equity values spread over each count, with warrants counted and no exercise cash. The call stays on the treasury-method count.

3d. Reverse DCF: what $3.12 implies

Bottom line. At $3.12 the price needs about a 15% owner-earnings margin by FY31, against -18.6% in FY26, or about 48% a year revenue growth from FY28 to FY31 at an 8% margin. The business has never shown either.

Basis: 11.00%, 3% terminal growth, net cash $12.65M, 64.68M FD shares (treasury method).

- **Margin route.** On my base revenue path (FY27 $30M, FY28 $45M, FY29 $63M, FY30 $82M, FY31 $102M, then fading to 3%), the price needs an owner-earnings margin of **about 15% (15.3%) by FY31**, held after that. FY26 was **-18.6%**. A 15% owner-earnings margin needs gross margin of roughly 30% or more. That means owning or reselling higher-margin capacity, or real software revenue.
- **Growth route.** At a steady 8% margin, the price needs revenue about 2.1x my base path. That's either the base path scaled about 2.08x (about $213M by FY31), or **about 47.9% a year from FY28 to FY31** from a $30M FY27 (about $143.5M by FY31). At a 12% margin it needs 38% a year. At 20%, 26% a year.

3e. Run-rate check on the base case

- Q4 FY26 annualizes to about **$17.0M** (4 x $4,261,468).
- My base FY27 revenue of $30M needs about **+24% growth per quarter** for four straight quarters. The latest quarter grew **+13.5%**.
- If +13.5% a quarter simply repeats, FY27 is about **$23.6M**. The Growth-adjusted base then drops from **$1.60 to $1.30**, with the same growth and margins after that. I've left the case inputs unchanged and show this for information. It strengthens the Steer clear call.
- The low case ($16M) assumes a slight decline from the run-rate (about -2.5% a quarter). The high case ($44M) needs about +42% a quarter. The base leans on Sunon and on early resale of the Compute Service Agreement arriving on time.

3f. Bull / base / bear scenarios (Growth-adjusted, per FD share, treasury method, 11.00%)

XLAB scenario	Drivers	FY27 revenue	FY31 revenue	FY31 owner-earnings margin	Value
Bear	Core growth stalls (68% renewal, ~1-year contracts). Sunon fails export or NVIDIA approval. Compute Service Agreement capacity resold at a thin or negative spread. Dilutive raise	$16M	$35M	3%	**$0.09**
Base	Core grows about 20-30%. Sunon delivers (~$7M recognized in FY27). Partial resale of the Compute Service Agreement. Opex ~$9.5M. Gross margin ~15%	$30M	$102M	8%	**$1.60**
Bull	Pipeline converts. Compute Service Agreement fully resold. Gross margin rises to ~30%. Software attach	$44M	$197M	15%	**$6.54**
Reference only: management projections (2027E $40M, 2028E $80M, 2028E operating margin 18%), averaged into June fiscal years		~$30M	~$162M	18%	$6.14

Source: my three-case valuation, and the 424B3 (Jul 7, 2026) for the management projections. The management line is a reference, not a case. The 424B3 labels the projections "through fiscal year 2028" without a year-end. If they are June fiscal years, FY27 would be $40M and that line would be higher. Only the bull case and the management line support today's price, and both need a gross-margin change the business has never shown.

3g. Sensitivity grids (Growth-adjusted base, $ per FD share, treasury method)

Discount rate x terminal (FY31 onward) owner-earnings margin:

Rate \ margin	3%	5%	8%	12%	15%	20%
9%	0.80	1.40	2.28	3.46	4.35	5.83
10%	0.66	1.15	1.89	2.87	3.61	4.84
11%	**0.55**	**0.97**	**1.60**	**2.43**	**3.06**	**4.11**
12%	0.47	0.83	1.38	2.10	2.64	3.54
13%	0.41	0.72	1.20	1.83	2.31	3.10

Discount rate x terminal growth (8% margin):

Rate \ g	2%	3%	4%
9%	2.03	2.28	2.64
10%	1.71	1.89	2.12
11%	**1.47**	**1.60**	**1.76**
12%	1.28	1.38	1.49
13%	1.13	1.20	1.29

Source: my three-case valuation, Oct 29, 2026. The price ($3.12) sits in the 15-20% margin columns at 9-11%.

3h. What the valuation says

> My blended base is $1.10 a share, and the price is 2.8x that. Only the bull case ($6.54) and management's own projections ($6.14) support $3.12, and both need gross margin near 30% or higher, against 16.3% in FY26. With a red-flag Fail on top, the call is Steer clear, with a Buy (half) at $1.10 and a full buy-below at $0.77.

4 Peer comps

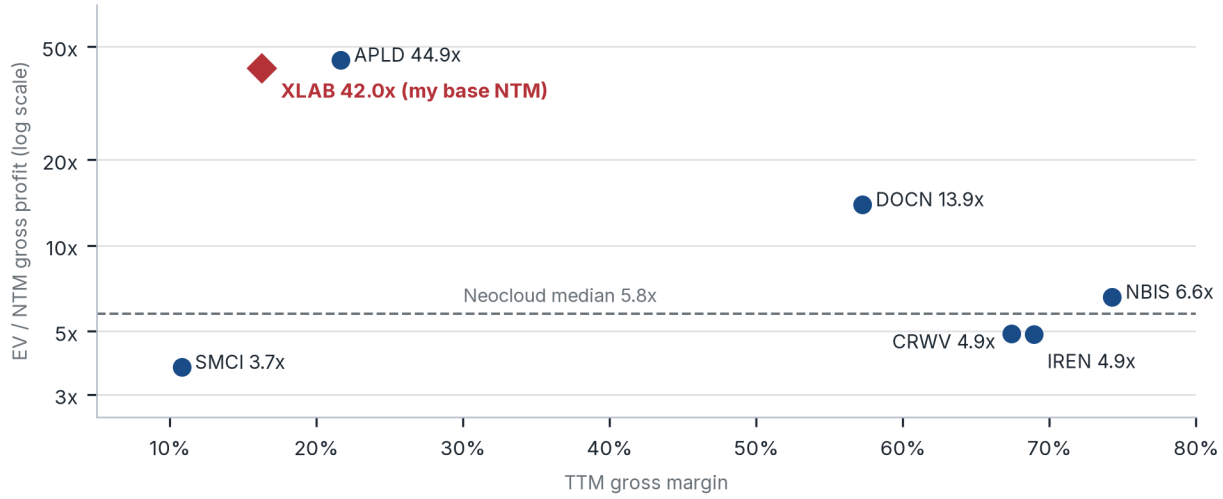
NEOCLOUDS · PROFITABLE CLOUD · RESELLER ANALOG

On gross profit XLAB costs about 7x the neocloud median, on a reseller's 16.3% gross margin.

Ticker	EV	TTM revenue	NTM revenue	NTM growth	Gross margin	Op. margin	FCF margin	EV/TTM sales	EV/NTM sales	EV/NTM gross profit
CRWV (CoreWeave)	$81.3B	$7.59B	$24.5B	+223%	67.4%	-1.9%	-120%	10.7x	3.3x	4.9x
NBIS (Nebius)	$52.1B	$1.36B	$10.6B	+685%	74.3%	-0.2%	-710%	38.5x	4.9x	6.6x
IREN	$13.3B	$0.71B	$3.96B	+460%	68.9%	-102%	-597%	18.8x	3.4x	4.9x
APLD (Applied Digital)	$11.9B	$0.87B	$1.22B	+40%	21.6%	-18.2%	-491%	13.6x	9.7x	44.9x
DOCN (DigitalOcean, profitable cloud)	$13.6B	$1.01B	$1.70B	+68%	57.2%	+10.4%	-2%	13.4x	8.0x	13.9x
SMCI (Super Micro, low-margin reseller analog)	$29.5B	$39.1B	$72.9B	+86%	10.8%	+13.4%	-21%	0.75x	0.40x	3.7x
XLAB	**$0.19B**	**$14.8M**	**$30M (my base, no consensus)**	**+102%**	**16.3%**	**-32.4%**	**-18.6%**	**12.8x**	**6.3x**	**42.0x**

Source: Yahoo Finance, Oct 28, 2026 close, fetched Oct 29, 2026. NTM revenue is consensus weighted to Nov 2026 to Oct 2027. Growth is NTM over TTM, and margins are TTM. XLAB figures come from the 10-K and my base case. Yahoo's TTM fields can lag a quarter. Lambda (private) and Nscale (IPO filed, not trading) are excluded.

Figure 4.1 XLAB and peers: EV/NTM gross profit vs gross margin, Oct 28, 2026



Source: Yahoo Finance, Oct 28, 2026 close, and my base case for XLAB's NTM gross profit. XLAB trades near APLD's gross-profit multiple with a lower margin, and about 7x the neocloud median.

Read-across: XLAB's EV/NTM sales (6.3x) sits between the neocloud median (4.1x) and the profitable cloud name (DOCN 8.0x). On gross profit it costs about 7x the neocloud median, and its margin structure looks like SMCI, a 0.4x-sales reseller. The peers own their GPUs and earn 67-74% gross margins (APLD 21.6%). XLAB earns 16.3%.

5 Capital structure, control and float after the de-SPAC

TRUST · CONTROL · FLOAT · LOCK-UPS · WARRANTS

95.9% of the $280M trust was redeemed and there was no PIPE. Two founders hold 94.8% of the vote on 47.6% of the equity.

Trust, redemptions and cash landed

XLAB de-SPAC cash	Figure	Source
IPO (Aug 1, 2025, units of 1 share + ½ warrant)	28,000,000 units at $10.00 = $280.0M	424B3 (Jul 7, 2026)
Trust before redemptions (Jun 30, 2026)	$289,883,138	8-K/A Ex. 99.3
Shares redeemed	26,865,211 (**95.9%**)	8-K (Sep 2, 2026)
Paid to redeemers	$278,134,702 (~$10.35 a share)	8-K/A Ex. 99.3
Left in trust, before deal costs	~$11.75M (the company cites "approximately $11.8 million")	8-K Ex. 99.1 (Sep 28, 2026)†
Left after $1.49M of pro forma deal costs	~$10.3M, 3.7% of the $280M raised	8-K/A Ex. 99.3†
PIPE, forward purchase, non-redemption agreement, equity line	None disclosed. The merger needed only $5.0M of minimum cash	424B3, 8-K, 10-K

† My calculation.

The company's "approximately $11.8 million" is what was left in trust before deal costs. My ~$10.3M is what was left after the $1.49M of pro forma deal costs.

Merger consideration was $500M in stock at a deemed $10.00 a share (424B3).

Control

XLAB holder	Class A	Class B (20 votes)	% of basic shares	% of vote
Wenying Jia (Chair), via Zerowave Ltd	0	25,645,739	39.9%	79.3%
Hoansoo Lee (CEO), via HSL Capital Management LLC and three family trusts	0	5,000,000	7.8%	15.5%
Two founders combined	**0**	**30,645,739 (612,914,780 votes)**	**47.6%**	**94.8%**
MFH 1, LLC (sponsor)	11,833,369	0	18.4%	1.8%
John Darwin (directly)	366,631	0	0.6%	0.06%
ARC Group International (Oct 7, 2026, inside the sponsor block, not additive)	4,946,413	0	7.7% (14.7% of Class A)	0.8%
Former public holders	1,134,789	0	1.8%	0.18%

Source: 10-K Item 12 (as of Sep 25, 2026), 8-K (Sep 2, 2026), 8-K/A Ex. 99.3, Schedule 13G and Form 3 (ARC, Oct 15, 2026), and my calculation on 64,334,789 basic shares and 646,603,830 total votes.

- XLAB is a Nasdaq "controlled company" with a staggered board. It doesn't use the governance exemptions today but says it may (10-K risk factors). Class B converts 1:1 on transfer to anyone other than a qualified holder.
- The public holds about 1.8% of the vote. Even if all 260,000,000 authorized Class A shares were issued, the Class B holders would still control the vote (10-K).

Float

- Free-trading public float: **1,134,789 shares, 1.8% of basic** (3.4% of Class A), about $3.5M at $3.12. The upper bound is **2,134,789** if the 1,000,000 representative shares are tradable. Their status isn't confirmed.
- The rest of Class A is merger shares locked to Feb 27, 2027 (19,354,261) or the unregistered 12.2M sponsor block.
- On Oct 16, 2026, 171.6M shares traded, 5.1x the entire Class A count. The same small float turned over many times.

Warrants

14,099,992 warrants at $11.50 (14,000,000 public, 100,000 private), expiring Aug 27, 2031. They're callable at $0.01 if the stock closes at or above $18.00 for 20 of 30 trading days (424B3, 10-K Ex. 4.2). The warrant agreement required a registration statement for the warrant shares within 20 business days of close (about Sep 25, 2026). No S-1 or S-3 appears on EDGAR through Oct 29, 2026, so holders may gain a cashless-exercise right after the 60th business day. That's about Nov 20-24, 2026. The exact date depends on which holidays count as non-business days: Nov 20 if only Labor Day counts, Nov 24 if Columbus Day and Veterans Day count too.

Lock-ups and resale

- **Feb 27, 2027:** the six-month lock-up ends for former Exascale holders, SAFE holders included. That's **50.0M shares** (19,354,261 Class A + 30,645,739 Class B), 77.7% of basic, with no price-based early release (8-K, Sep 2, 2026, Item 1.01 and Ex. 10.1/10.2).

SAFE holders' 8,864,761 shares cost about $1.70 each (my calculation on $15.09M of SAFEs), so they're in the money at today's price.

- **Sponsor block (12.2M):** the founder-share transfer limit ran only "until the completion of our initial business combination" (424B3). I found no post-close sponsor lock-up. Without a resale registration, Rule 144 for ex-shell shares opens about Sep 2, 2027. That's one year after the Form 10 information was filed. The 424B3 frames it as Aug 27, 2027. This is my reading of the rule, not a legal conclusion. The company is "obligated to register for resale" sponsor and affiliate shares (10-K risk factors).
- **ARC Group's 4,946,413 shares:** no filing states where they came from. The most likely source is a distribution of sponsor interests to ARC as a sponsor member. That's my inference. ARC's Form 3 refers to 40,000 private-placement warrant shares "which remain held by the sponsor," and the block is too large to have come from the public float, the locked merger shares or the 1.0M representative shares. ARC agreed in June 2026 to sell 1,000,000 of these shares to Publico Partners Ltd at an undisclosed price (Form 3 and 13G, Oct 15, 2026).

6 The parties to this de-SPAC: history and track record

OPERATOR · SPAC · SPONSOR · INTRODUCER · UNDERWRITER · AUDITOR

Every prior de-SPAC run by BCAR's officers and directors trades far below $10 or has been delisted.

Every fact in this section comes from a filing or a named public source. Where I connect dots that no filing connects, I say it's an inference.

Legacy Exascale (the operating business and accounting acquirer)

- Exascale Labs Inc. was incorporated in Delaware in June 2022. On Jun 1, 2022, 1,500 common shares were issued to Wenying Jia "as nominee for the founders," with no cash paid (424B3, Recent Sales). The merger was accounted for as a reverse recapitalization, with Legacy Exascale as the accounting acquirer.
- **Hoansoo Lee**, 42, co-founder and CEO since June 2022, was also CFO from October 2025 to September 2026. His 424B3 biography lists HSL Capital Management LLC (a "multi-strategy hedge fund," June 2020 to December 2025), Staff Economist at the Council of Economic Advisers, Assistant Professor at Tsinghua University, roles at China Merchants Bank International Asset Management and TusPark Ventures, a BA from UC Berkeley and an AM/PhD from Harvard. These are self-reported and I didn't verify them.
- **Wenying Jia**, 57, Chair, has been an angel investor in digital assets since 2014 and in GPU-based crypto mining since 2017. The 424B3 says she "played a significant role in facilitating the formal establishment of Exascale in 2022."
- Independent directors: David Card (Nobel laureate 2021, UC Berkeley emeritus), Shachar Kariv (UC Berkeley) and Jaeyoung Shin (Samsung Ventures, audit chair) (424B3).
- Funding: a Base Camp investment agreement (May 9, 2023, amount not disclosed, converted into 312,500 shares) and 26 SAFEs for $14,092,500 plus a $1.0M SAFE on Jul 2, 2026, all converted into 8,864,761 Class A shares at close. Earlier rounds implied EV of about $150M (completed Q4 2024) and about $300M (Q2-Q4 2025). The merger priced the company at $500M about three months later (424B3). SAFE investors aren't named. In FY26, $0.5M of SAFE money was "received by an employee on our behalf" and $3.0M came in USDC (10-K MD&A).
- How the deal came together: ARC Group introduced Lee to BCAR's CFO John Darwin by email on Aug 5, 2025, four days after BCAR's IPO. NDA Aug 11. Data room Aug 25. Projections sent Sep 10. Draft LOI Sep 17 at a $450M EV. Exascale countered on Sep 22 at $500M with 20-vote Class B shares and a $5.0M minimum-cash condition. LOI signed Oct 1, 2025. Merger agreement Jan 11, 2026. Vote Jul 29, 2026. Close Aug 27, 2026 (424B3 Background, 8-K Sep 2, 2026). BCAR obtained no fairness opinion (424B3).

The SPAC shell: D. Boral ARC Acquisition I Corp. (BCAR)

- A British Virgin Islands SPAC incorporated Mar 20, 2025. The IPO priced Jul 30, 2025 and closed Aug 1, 2025: 28.0M units (25.0M plus a 3.0M over-allotment) at $10.00, $280.0M in trust. The deadline was Feb 1, 2027 (May 1, 2027 with extension). The merger agreement was signed about five months after the IPO, so no extension vote was needed (424B3, Corporate History).
- Officers: David Boral (Chair and CEO, founder and CEO of D. Boral Capital) and John Darwin (CFO). Directors: Kevin Chen, Luisa Ingargiola and Matt Laker (424B3, Management).
- Insiders held 13,200,000 shares, about 32.0% of the BCAR vote, and agreed to vote for the deal (424B3).
- Sister vehicles: D. Boral Acquisition I Corp. (DBCA, Boral and Darwin, still searching, deadline Aug 6, 2027), D. Boral ARC Acquisition II Corp. (pre-IPO) and ARC Group Acquisition I (ARCL, searching). An S-4 that wrongly named DBCA as co-registrant was filed and withdrawn on Jul 1, 2026 (EDGAR, RW 0001829126-26-007134). Some third-party trackers then listed a "terminated" DBCA-Exascale deal. That was a filing error, not a real deal.
- BCAR's own auditor (Guangdong Prouden CPAs) included a going-concern paragraph and was replaced at close (8-K, Sep 2, 2026, Item 4.01).

ARC Group and its principals

- ARC Group (Abraham Cinta) introduced the deal, consulted on valuation, and now holds 4,946,413 Class A shares (14.7%) through ARC Group International (13G, event date Oct 7, 2026). Fees paid to ARC aren't disclosed. The merger agreement says no finder fees (424B3).
- ARC links run through the deal. Darwin (sponsor manager) and current CFO Jake Carney both worked at ARC Group (424B3, 8-K Sep 30, 2026).
- In 2017 the SEC issued stop orders suspending the registration statements of Go EZ Corp., Arc Lifestyle Group and Nova Smart Solutions. The administrative law judge wrote that the conduct "call[ed] into question management's integrity." The order became final Aug 14, 2017 (SEC ALJ initial decision, 2017). Reuters (Oct 29, 2021 and Feb 10, 2022) linked Cinta and ARC partners to that matter, including Carlos Lopez, who signed the XLAB 13G. Reuters also reported an undisclosed role in Digital World Acquisition Corp.

The sponsor: MFH 1, LLC and its principals

- MFH 1, LLC was formed Mar 13, 2025. It's majority-owned by "MilunaC Technology Limited" (424B3, Sponsor Information). An EDGAR filer named MilunaC Technology Ltd (BVI, Taipei, CIK 2082088), controlled by Shang Ju Lin, sponsors Miluna Acquisition Corp (MMTX). The names match, so it's a probable match. No filing links the two, so I treat it as **unconfirmed**. Other MFH 1 members aren't disclosed.
- **John Darwin** is MFH 1's manager with voting and investment discretion. He's BCAR's former CFO, a former ARC Group managing director (2022 to October 2025), and Chief Investment Officer of D. Boral Capital since November 2025 (424B3, MFH 1 filings).
- Promote: 12,000,000 founder shares for $25,000 (12,321,429 bought, 321,429 forfeited). That's about $0.002 a share and 29.1% of post-IPO BCAR shares, above the usual 20%. At $3.12 they're worth about $37.4M (my calculation). The sponsor also bought 200,000 private units for $2.0M and was paid a $20,000 monthly admin fee until close, about $260,000 in total (424B3, 8-K Sep 2, 2026 Item 1.02, my calculation). No extension deposits were needed.
- **Reporting gap (my reading, not a legal conclusion).** MFH 1 has made three filings, all in 2025: a Form 3 (Jul 30, 2025), a Form 4 (Aug 5, 2025, the 200,000 private units) and a 13G (Sep 9, 2025, 12,200,000 shares). It has filed no Section 16 report since, even though 366,631 shares moved to Darwin before the 424B3 and ARC's 4,946,413 shares appeared by Oct 7, 2026. Darwin's own filing list shows no BCAR or XLAB filing after Aug 5, 2025. At 35.1% of Class A (Sep 25, 2026), MFH 1 is a 10% holder. So this looks like a Section 16(a) reporting gap unless an exemption applies (EDGAR, MFH 1 CIK 2065725 and Darwin CIK 1868212, searched Oct 29, 2026).

Placement agent and underwriter: D. Boral Capital (formerly EF Hutton)

- EF Hutton LLC renamed itself D. Boral Capital LLC on Nov 8, 2024 (company release). It underwrote BCAR's IPO and took no cash or deferred fee. It received 1,000,000 representative shares instead, held by David Boral (424B3).
- FINRA AWC No. 2022074783101, dated **Aug 5, 2025**: censure and a **$125,000 fine** for doing business on 96 days below minimum net capital (July 2020 to May 2024), deficient supervisory procedures and late corporate-offering filings. FINRA said the shortfalls (about $222,000 to $765,000) arose "primarily from a firm principal making capital withdrawals" (FINRA Disciplinary Actions, October 2025).
- A FINRA arbitration award in *Rallo v. D. Boral Capital* (Case 24-02667) was issued Feb 27, 2026. I haven't reviewed its outcome.

Auditor: HTL International, LLC

HTL International (Houston, PCAOB ID 7000) has audited Exascale "since 2025" and replaced the SPAC's auditor at close. FY26 audit fees were $420,000 (10-K Item 14). The FY26 opinion has no going-concern paragraph. HTL's FY25 opinion in the 424B3 did cite substantial doubt. The PCAOB firm summary I checked lists no inspection reports, and I haven't reviewed HTL's inspection history beyond that.

Finance leadership

Lee served as CEO and CFO until Sep 4, 2026. Gildas Bonnier was interim CFO from Sep 4 to Sep 25 at $10,000 a month (8-K, Sep 8, 2026). Jake Carney has been CFO since Sep 25 at **$6,000 a month**, with no bonus or equity. He was a managing director at ARC Group Limited, CFO of ARC Group Securities Acquisition I, and CFO of Deal Flow Capital from February to August 2026 (8-K, Sep 30, 2026). The CFO seat changed hands twice in three weeks, at a company with two material weaknesses.

Track record of the same principals' prior de-SPACs

Prior SPAC (principal and role)	Target / ticker, close	Redemptions	Outcome
EF Hutton Acquisition Corp I (Boral, Co-President)	ECD Automotive Design (ECDA), Dec 12, 2023	~98%	1-for-40 reverse split (Sep 2025) and 1-for-5 (Dec 2025). Nasdaq trading suspended Jan 16, 2026. Form 25 about Mar 20, 2026 and Form 15 Mar 30, 2026: delisted and deregistered
Northern Lights Acquisition (Darwin, Co-CEO)	SHF Holdings (SHFS), 2022	98.9% incl. forward purchase	$0.02418 on Jul 2, 2026 (market cap ~$1.6M). 1-for-12 reverse split Sep 30, 2026. Nasdaq bid-price extension to Apr 19, 2027
Edoc Acquisition (Chen, CEO)	Australian Oilseeds (COOT), Mar 21, 2024	~98%	$0.58 on Jul 2, 2026
InFinT Acquisition (Chen, director)	Seamless Group (CURR), Aug 30, 2024	~76%	$2.60 on Jul 2, 2026

Source: 424B3 (Jul 7, 2026), Prior SPAC Experience (prices as of Jul 2, 2026), ECDA 8-K (Jan 15, 2026) and Form 25 notice (Mar 10, 2026), and SHFS 8-K. Every prior de-SPAC in the list trades far below $10 or has been delisted, after redemptions of 76-99%. These are earlier deals run by BCAR's officers and directors, not by the MFH 1 entity itself.

My search turned up no SEC action or securities class action specific to BCAR or XLAB.

7 Red-flag scorecard

DE-SPAC CHECKLIST · 15 ITEMS

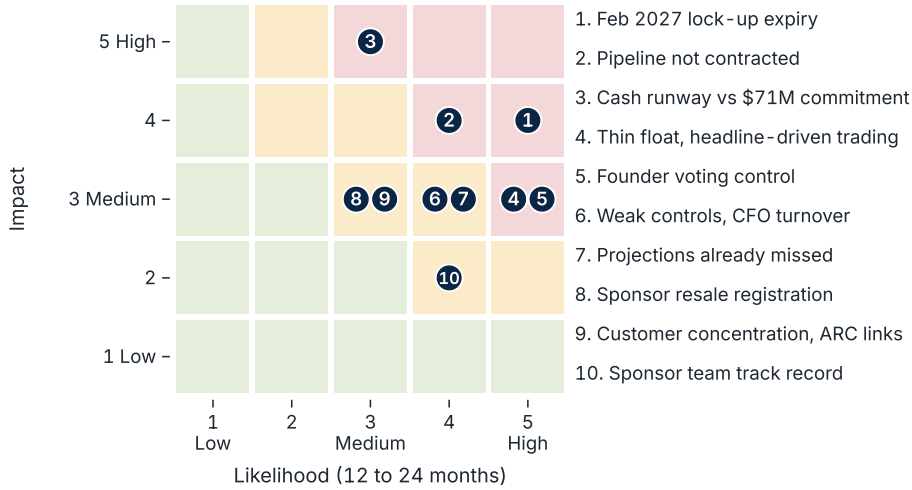
Overall: FAIL (Steer clear). One Pass (short interest), seven Caution, seven Fail.

#	XLAB item	Verdict	Finding	Source
1	Redemptions / cash landed	**Fail**	95.9% redeemed. ~$11.75M left in trust before deal costs, ~$10.3M after	8-K (Sep 2, 2026), 8-K/A Ex. 99.3
2	PIPE / forward purchase / equity line	Caution	None, only a $5.0M minimum-cash condition. A dilutive raise is likely	424B3, 10-K
3	Warrant overhang	Caution	14.10M warrants at $11.50 (41.9% of Class A). Registration deadline missed	8-K, 10-K Ex. 4.2, EDGAR index
4	Dual class / control / float	**Fail**	94.8% of the vote on 47.6% of the shares. Public float 1.8% of basic	10-K Item 12, 8-K/A Ex. 99.3
5	Fully diluted shares	Caution	78.78M all-in (+22.5%), 88.43M full plan (+37.5%), plus 5% evergreen	8-K, Forms 4 (Oct 6, 2026)
6	Lock-ups / unlocks	**Fail**	50.0M shares (77.7%) unlock Feb 27, 2027. No post-close sponsor lock-up found	8-K Ex. 10.1/10.2, 424B3
7	Going concern / controls / auditor	**Fail**	Two material weaknesses. Disclosure controls not effective. Going-concern doubt "alleviated" by management's own forecast. CFO changed twice in three weeks	10-K Item 9A and MD&A, 8-Ks (Sep 8, Sep 30, 2026)
8	Cash / burn / runway	Caution	About 25 months on my $0.5M/month burn estimate (valuation basis). 32-55 months on reported FY26 operating loss and operating cash flow. All on $12.65M estimated net cash, before the $71M compute commitment	10-K, 8-K/A Ex. 99.3[†]
9	Pipeline vs booked revenue	**Fail**	$300M pipeline (Aug 27 and Sep 28 press releases, undefined) vs $14.82M FY26 revenue. Disclosed contracted value is about $9.3M ($8.21M Sunon order, conditional, plus $1.07M contract liabilities), about 3.1% of the pipeline. That leaves about $290.7M not backed by any filed contract.	Press releases Aug 27 and Sep 28, 2026. 10-K FY26. Sunon 8-K Oct 15, 2026.
10	Customer concentration / related parties	Caution	Top two customers 39.3%. One customer 43.7% of receivables. ARC links. $1.5M loan to an unnamed party	10-K Notes 3, 11, 13, 15
11	Insider activity	Caution	No open-market Form 4 trades. Apparent sponsor Section 16 reporting gap	Forms 3/4, 13G, EDGAR
12	Short interest / borrow	**Pass**	39,229 shares short at the Oct 15, 2026 FINRA settlement. Borrow n/a	FINRA via Nasdaq.com
13	Sponsor / underwriter / introducer history	**Fail**	Prior de-SPACs delisted or near $0.02. FINRA $125K fine. 2017 SEC stop orders	424B3, FINRA AWC, SEC ALJ (2017)
14	Projections vs actual	**Fail**	FY26 revenue 25.9% below the $20.0M 2026E projection. Gross margin 16.3% vs 22%	424B3, 10-K
15	Promotion / trading pattern	Caution	Non-binding MOU/LOI headlines, a paid IR firm, and 171.6M shares traded Oct 16	8-K Ex. 99.1, 10-K Note 15, Yahoo Finance

[†] My calculation.

Source: my red-flag review of SEC filings through Oct 15, 2026, and FINRA and market data pulled Oct 29, 2026.

Figure 7.1 Risk heat map: likelihood vs. impact, risks 1 to 10



Source: my judgment, from the red-flag scorecard in Section 7 and SEC filings through Oct 15, 2026.

> The $300M pipeline is about 20x booked revenue, and only about 3.1% of it shows up as a disclosed contract.

Other disclosure-quality notes: the 10-K risk factors still cite "680,880,000 votes," a figure carried over from the S-4 that matches no share count in any filing (actual: 612,914,780). Lee's 424B3 biography calls him "Chairman," while Jia is Chair.

8 Technical read

TREND · VOLUME PROFILE · LEVELS · SETUPS

Technical read: no trigger at the Oct 28 close. Fade setups fit the short record better than the long. Steer clear unchanged.

Measures

XLAB measure	Value	As of
Oct 28 close / VWAP / open	$3.17 / $3.12 / $3.03	Oct 28, 2026 regular session
ATR(14)	0.69 (21.9% of price)	Oct 28 close
Forming 50-day (43 of 50)	2.78 (mean of closes), first valid print Nov 6, 2026	Oct 28
200-day / 50/200 cross	n/a (first ~Jun 15, 2027)	n/a
20-day SMA	2.07, rising	Oct 28
Volume profile POC / 70% VA	2.73 / 2.21 to 3.64	Aug 28 to Oct 28 (43 sessions)
Anchored VWAPs	listing 2.84, Oct 15 low 2.83, Oct 16 gap 2.90, Oct 23 3.55, Oct 22 high 3.68	through Oct 28

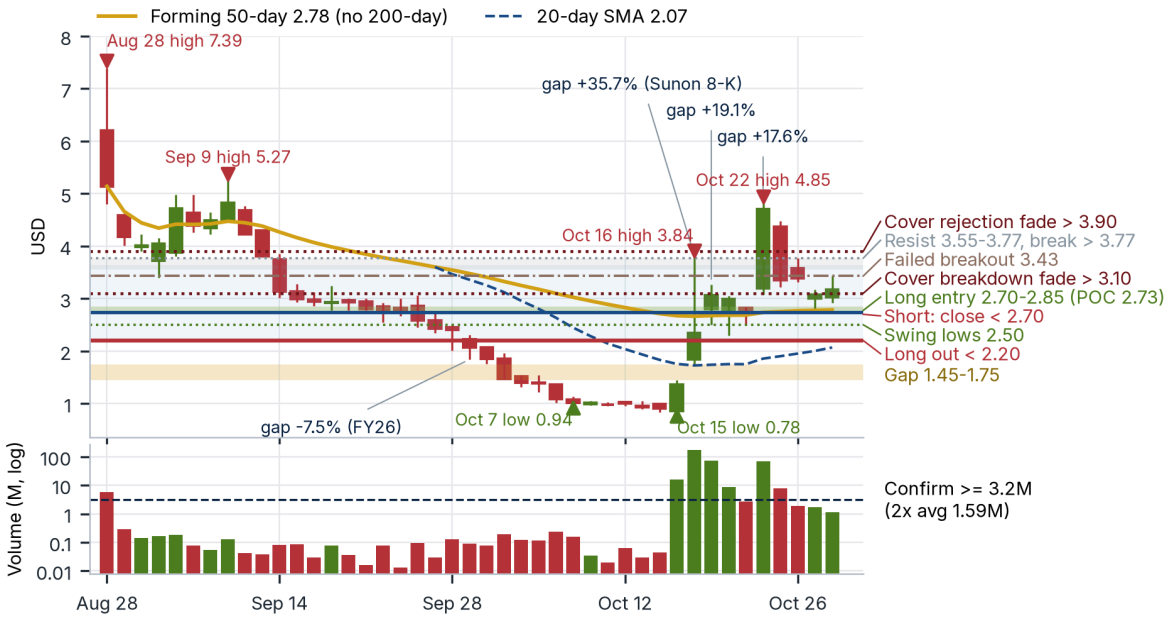
Source: Yahoo Finance daily and 5-minute bars, Aug 28 to Oct 28, 2026 (delayed about 15 minutes when pulled Oct 29, 8:20 AM ET).

Support and resistance ladder (through the Oct 28, 2026 close)

XLAB level	Type	What it is
4.85	Resistance	Oct 22 swing high
4.48	Resistance	Oct 23 high
3.84	Resistance	Oct 16 high
3.55 to 3.77	Resistance	AVWAPs 3.55 and 3.68, VAH 3.64, Oct 26 high 3.77
3.43	Resistance	Oct 28 high, failed-breakout line
3.17	Current	Oct 28 close (VWAP 3.12)
2.70 to 2.85	Support	POC 2.73, Oct 27 low 2.75, AVWAPs 2.83 and 2.84, long entry zone
2.50	Support	Oct 19 and Oct 21 swing lows
2.21 to 2.30	Support	VAL 2.21, Oct 20 low 2.30, long out below 2.20
1.75 to 1.85	Support	Oct 16 gap edge, volume node
1.45 to 1.75	Gap	Unfilled Oct 16 gap, low-volume pocket

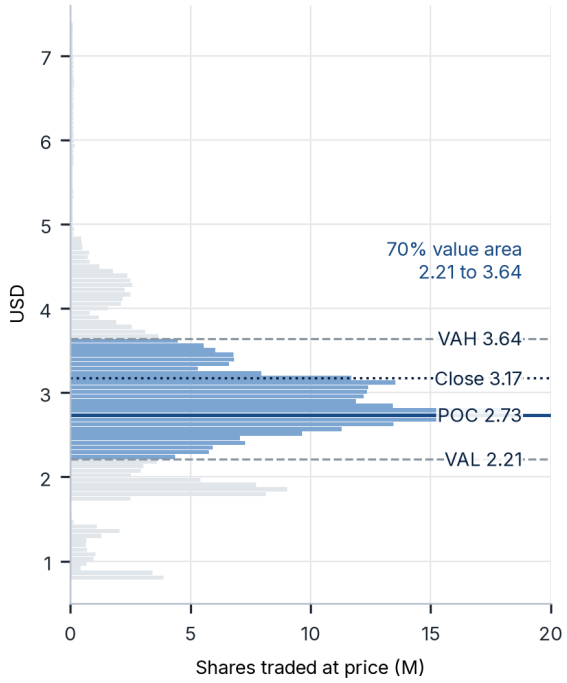
Source: my technical read on Yahoo Finance daily and 5-minute bars, Aug 28 to Oct 28, 2026.

Figure 8.1 XLAB daily levels, Aug 28 to Oct 28, 2026 (forming 50-day, no 200-day yet)



Source: Yahoo Finance daily and intraday bars, Aug 28 to Oct 28, 2026, as of Oct 29, 8:20 AM ET.
Levels expire at the Q1 FY27 10-Q (due about Nov 16, 2026) or a daily close outside 1.78-4.56 (2 x ATR14 0.69).

Figure 8.2 XLAB volume at price, Aug 28 to Oct 28, 2026 (70% value area)



Source: Yahoo Finance 5-minute bars, Aug 28 to Oct 28, 2026, as of Oct 29, 8:20 AM ET.

Volume profile (Aug 28 to Oct 28, 2026). POC **2.73**. 70% value area **2.21-3.64**. Price (3.17 close) is inside value, 0.44 above the POC. There's a low-volume pocket at 1.45-1.75, the same range as the unfilled Oct 16 gap. 94% of the profile's volume printed Oct 15-22, so it describes the spike's trading range, not a mature base. Anchored VWAPs: listing 2.84, Oct 15 low 2.83, Oct 16 gap 2.90, Oct 23 reversal 3.55, Oct 22 high 3.68.

Gaps. 15 of 42 sessions opened 5% or more from the prior close. There was one earnings gap, on Sep 29, 2026: -7.5% at the open after the FY26 results (Sep 28, 4:30 PM ET) and -13.8% close to close. Oct 16 gapped +35.7% after the Sunon 8-K and left the unfilled 1.45-1.75 gap. Several other gaps (Aug 31, Oct 19, Oct 20, Oct 22, Oct 23, Oct 27) have no sourced cause.

Record. XLAB has traded as Exascale Labs Holdings only since Aug 28, 2026, which is 43 regular sessions. Earlier prints belong to the SPAC and are excluded. The 50-day average is still forming (43 of 50 sessions, mean of all closes 2.78, first valid print Nov 6, 2026). There's no 200-day average yet (the first one is around Jun 15, 2027), so no 50/200 cross. 20-day SMA 2.07, rising. ATR(14) 0.69, 21.9% of price.

Structure. The stock fell 89% from the 7.39 listing-day high to the 0.778 low on Oct 15. It then ran +523% in six sessions to 4.85 on Oct 22 on 338M shares, 94% of all volume since listing. Oct 23 reversed -28.9%. Since then it has held a 2.75-3.77 range on falling volume (1.90M, 1.71M and 1.16M over Oct 26-28). Price is above the POC and the forming 50-day, and below the VWAP anchored at the Oct 22 high (3.68). So spike-day buyers are under water on average.

Setups (conditional)

XLAB setup (conditional)	Long (technical only)	Fade (breakdown)	Fade (rejection)
Entry / trigger	Zone 2.70 / 2.77 / 2.85. No close below 2.70, then a close above 2.85 in the upper half of the day's range	Daily close below 2.70	Rally into 3.55-3.77 that closes back below 3.43
Confirmation volume	At least 3.2M shares (2x the Oct 26-28 average)	At least 3.2M	At least 3.2M
Stop / cover	Out below 2.20 on a daily close	Cover above 3.10	Cover above 3.90
Targets	3.43, 3.64-3.77, 4.48	2.50, 2.21-2.30, 1.75-1.85	same

Source: my technical read on Yahoo Finance bars through the Oct 28, 2026 close.

Read. No setup had triggered at the Oct 28 close. Price sits mid-range between the 2.70-2.85 shelf and 3.43-3.77 overhead. The fade setups fit the structure better than the long: a lower high after the Oct 22 blow-off, the -28.9% Oct 23 reversal, and price under the Oct 22 anchored VWAP. Squeeze risk is **high**. The record already shows +523% in six sessions and one-day turnover of 5.1x the Class A count on a 1.1M-share public float, and borrow cost is unknown. A fade is a technical observation, not a Short rating. The Short gates aren't met (Section 3).

When these levels expire: at a daily close outside **1.78-4.56** (2 x ATR(14) from the Oct 28 close), or at the Q1 FY27 10-Q (SEC deadline about Nov 16, 2026, no date announced), whichever comes first.

9 Macro

REGIME · RATES · DISCOUNT-RATE SENSITIVITY

Regime Green (0 of 4 signals on). Effect on the call: no change.

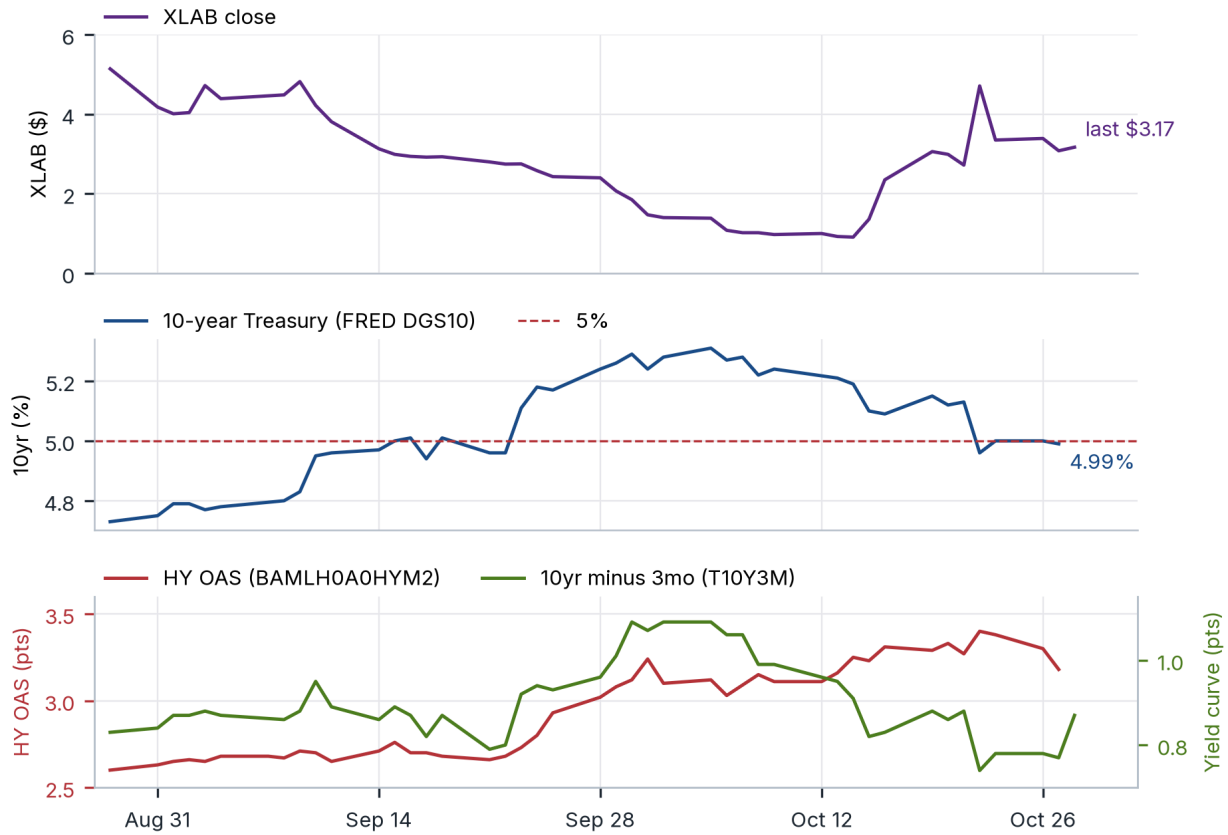
This section covers XLAB's public trading window only, Aug 28 to Oct 28, 2026 (43 sessions). The stock has no listed history before that. For names with fewer than about 250 trading sessions, or no valid 200-day average yet, I skip the regime-since-2000 chart with the stock price overlaid. XLAB has 43 sessions, so Figure 9.1 shows the trading window instead. The full overlay returns once XLAB clears that threshold.

Regime: Green (0 of 4 signals on)

Signal	Value	Date	Threshold	On/Off
Yield curve, 10-year minus 3-month (FRED T10Y3M)	0.87 points. October average 0.92. Last qualifying inversion run ended Aug 2025	Oct 28, 2026	Monthly average below 0 for 3+ months in a row, or within 12 months of the end of such a run	Off
Jobs, real-time Sahm rule (FRED SAHMREALTIME)	0.00	Sep 2026	0.50 or above	Off
Credit, high-yield OAS (FRED BAMLH0A0HYM2)	3.18 points	Oct 27, 2026	Above 5.0 points	Off
Trend, S&P 500 vs its 200-day average (FRED SP500)	7,743.98 vs 7,302.71	Oct 28, 2026	Close below the 200-day average	Off

Source: FRED T10Y3M, SAHMREALTIME, BAMLH0A0HYM2 and SP500, latest readings as dated, pulled Oct 29, 2026. Green is 0 signals on, Yellow 1, Red 2 or more. The last inversion run ended 14 months before October 2026, past the 12-month window.

Figure 9.1 Macro over XLAB's trading window, Aug 28 to Oct 28, 2026



XLAB's close, the 10-year Treasury, high-yield OAS and the 10-year minus 3-month spread, over the 43 sessions since listing. Sources: Yahoo Finance daily closes, FRED DGS10, BAMLH0A0HYM2 and T10Y3M.

Driver

The macro factors that matter most for XLAB are long-term rates and the market's appetite for speculative AI names. Its value sits years out, and it burns cash now. Over the trading window the 10-year Treasury (FRED DGS10) went from **4.73%** on Aug 28 to a high of **5.31%**, then **4.99%** on Oct 27. FRED hasn't posted Oct 28 yet, and Yahoo's ^TNX read 5.045% that day. My discount rate of 11.00% comes from the Oct 1 reading of 5.24%. A 10-year near or above 5% **works against** any upside in the call. High-yield OAS went from

2.60 on Aug 28 to a peak of 3.40 on Oct 22, then 3.18 on Oct 27. At the Oct 27 reading of 4.99%, adding 5.75 points rounds to a 10.75% rate (nearest 0.25, within 9-12%). I keep 11.00% until the Nov 2, 2026 reset.

Cases and blend at the discount rate plus or minus 1 point (per FD share, treasury method)

XLAB	10.00%	11.00%	12.00%
Conservative (floor reference)	$0.01 / $0.20 / $0.25	$0.01 / $0.20 / $0.25	$0.01 / $0.20 / $0.25
Market-implied	$0.32 / $0.60 / $0.99	$0.32 / $0.60 / $0.99	$0.32 / $0.60 / $0.99
Growth-adjusted	$0.12 / $1.89 / $7.69	$0.09 / $1.60 / $6.54	$0.07 / $1.38 / $5.66
Blend	**$0.22 / $1.24 / $4.34**	**$0.21 / $1.10 / $3.77**	**$0.20 / $0.99 / $3.32**

Source: my three-case valuation, Oct 29, 2026. Conservative (floored at net cash) and Market-implied (a multiple of NTM gross profit) don't use the discount rate.

> **Effect on the call: no change.** The regime is Green, so no macro adjustment applies. At plus or minus 1 point the blended base ($0.99 to $1.24) stays far below the $3.12 price.

10 Catalysts and what would change my mind

CALENDAR · TRIGGERS · FLOAT RISK · SHORT GATE

Next: the Q1 FY27 10-Q, due about Nov 16, 2026. It will carry the first post-merger balance sheet.

Catalyst calendar

Date	XLAB event	Source
Passed, about Sep 25, 2026	Warrant-share registration due (20 business days after close). None filed through Oct 29	10-K Ex. 4.2, EDGAR index
About Oct 15, 2026 (unconfirmed)	Sunon purchase order due, with the 30% deposit within 3 days of it	8-K (Oct 15, 2026) Ex. 10.1
Nov 2, 2026	Discount-rate reset (10-year on the first trading day of November)	FRED DGS10
About Nov 7, 2026	Sunon supplementary services agreement target	8-K (Oct 15, 2026)
About Nov 16, 2026	**Q1 FY27 10-Q (quarter ended Sep 30): first post-merger balance sheet, cash, opex and any Sunon deposit. No date announced**	**SEC 45-day deadline**
About Nov 20-24, 2026	60th business day after close (Nov 20 or Nov 24, depending on which holidays count): cashless warrant exercise if no registration is effective	10-K Ex. 4.2
Nov-Dec 2026	Sunon delivery window (4-6 weeks after deposit), subject to approvals	8-K (Oct 15, 2026)
Jan 1, 2027	Equity-plan evergreen (+5% of Class A, ~1.68M shares)	8-K (Sep 2, 2026)
About mid-Feb 2027	Q2 FY27 10-Q	SEC deadline
Feb 27, 2027	**Lock-up ends on 50.0M merger shares (77.7% of basic)**	**8-K (Sep 2, 2026) Item 1.01**
Any time	Equity raise or resale registration for the 12.2M sponsor shares	10-K risk factors
About Aug 27 to Sep 2, 2027	Rule 144 path for ex-shell sponsor shares, absent a registration (my reading)	424B3, Rule 144(i)
Aug 27, 2031	Warrant expiry	10-K Ex. 4.2

What would change my mind

Toward a more positive call:

- The Q1/Q2 FY27 10-Qs show gross margin clearly above 20% with revenue still growing more than 50% a year.
- The Sunon deposit and delivery are confirmed and the revenue recognized.
- The Compute Service Agreement is shown to be back-to-back with signed customer contracts at a positive spread.
- A disclosed backlog/RPO figure well above the ~$15M run-rate.
- Non-dilutive capacity financing, or the Class B holders extending their lock-up.
- Material weaknesses fixed and an experienced full-time CFO in the seat.
- Even then, a Buy (half) needs price at or below the blend base (now $1.10) and the red-flag check at Caution or better.

Toward a more negative call:

- **Run-rate miss.** My base case needs about +24% growth a quarter, and the last quarter grew +13.5%. If that pace simply repeats, FY27 is about $23.6M and the Growth-adjusted base falls to $1.30 (blend base lower still).
- An equity line, ATM or discounted PIPE used to fund the Compute Service Agreement, or the agreement billing without matching customers.
- Sunon failing export or NVIDIA approval.
- Customer concentration rising further (Hong Kong 30.6% of FY26 revenue).
- A sponsor resale registration going effective, or sponsor selling at the Feb 27, 2027 unlock.
- Another CFO change.

Float risk (cuts both ways). The public float is 1,134,789 shares, **1.8% of basic** (at most about 2.13M if the representative shares trade). The price can disconnect from value for long stretches, as on Oct 15-22 ($0.778 low to $4.85 high). Any short faces squeeze risk and possibly scarce, costly borrow. That's one more reason the call stays at Steer clear, even if the price later rises well above the case highs. The float changes at the Feb 27, 2027 unlock (+50.0M shares) or if a sponsor resale registration goes effective (+12.2M). I'd revisit the call at either point.

Short gate (for the record). A Short needs (1) price well above the high of all three cases, (2) a red-flag Fail and (3) a fade trigger with a cover stop and known squeeze/borrow risk. Only (2) is met today. $3.12 is below the blend high ($3.77) and the Growth-adjusted high ($6.54), no fade trigger had fired at the Oct 28 close, and borrow is unconfirmed.

11 Sizing box: not taken

REFERENCE MATH ONLY · $100K PERSONAL ACCOUNT

The call is Steer clear, so there's no position.

The reference math below uses the conditional technical long only to show how I'd set the size. That entry sits far above the $1.10 Buy (half) level and isn't a recommendation.

XLAB sizing ($100K personal account)	1% risk	0.5% risk (reference)
Risk budget	$1,000	$500
Entry / stop (technical read)	$2.77 / $2.20	$2.77 / $2.20
Risk per share	$0.57	$0.57
Shares = risk / (entry - stop)	1,754	877
Earnings-gap stress: the FY26 results reaction (-13.8% close to close, Sep 29, 2026) applied through the stop, fill ~$1.90	Loss ~$1,532 (1.5% of the account)	Loss ~$766
Gap-adjusted shares (risk / $0.87 a share)	1,144	572

Source: my calculation on the levels in Section 8.

A Valuation detail

PLAIN EV CHECK

EV of $189M compounded at 11% for 10 years, divided by a 12.9x terminal multiple, means about $42M of owner earnings in year 10. At a 10% margin that's about $416M of revenue, 28x FY26.

Risk matrix (full, with monitoring detail)

I score likelihood and impact from 1 to 5 over the next 12 to 24 months, by judgment from the filings and my red-flag scorecard, not from a model. Impact is the damage to value per share, or to the case for owning the stock, if the risk plays out.

#	Risk	Likelihood	Impact	What to monitor	Trigger level
1	Feb 2027 lock-up expiry	High	Medium-High	Lock-up waivers, Class B conversions, Forms 4 and 144	Any early waiver, or Class B converting to Class A before Feb 27, 2027
2	Pipeline not contracted	Medium-High	Medium-High	Filed backlog or RPO, contract liabilities, the Sunon deposit	No backlog or RPO in the Q1 FY27 10-Q, or no Sunon deposit ($2,462,400) disclosed
3	Cash runway vs $71M commitment	Medium	High	Cash and USDC, operating cash flow, compute-agreement payments	Q1 FY27 cash below the $11.45M low end of my estimate, or an equity raise
4	Thin float, headline-driven trading	High	Medium	Daily volume against the 1,134,789-share float, new MOU or LOI headlines	A daily close outside the 1.78 to 4.56 level-expiry band (Section 8)
5	Founder voting control	High	Medium	Board changes, use of controlled-company exemptions	XLAB starts relying on a controlled-company exemption
6	Weak controls, CFO turnover	Medium-High	Medium	Item 9A, the CFO seat, the auditor	Another CFO or auditor change, or a restatement
7	Projections already missed	Medium-High	Medium	Quarterly revenue against the 2026E and 2027E path	Q1 FY27 revenue below Q4 FY26's $4,261,468
8	Sponsor resale registration	Medium	Medium	EDGAR for S-1 or S-3 resale filings	A resale registration filed for sponsor or ARC shares
9	Customer concentration, ARC links	Medium	Medium	Concentration and related-party notes	Top-two share above 39.3%, or new payments to ARC disclosed
10	Sponsor team track record	Medium-High	Low-Medium	Sister vehicles, FINRA and SEC actions	A new regulatory action against the sponsor, underwriter or introducer

Source: my judgment, from the red-flag scorecard in Section 7 and SEC filings through Oct 15, 2026.

Sources

SEC EDGAR, Exascale Labs Holdings Inc. (CIK 2109869)

- 10-K for the fiscal year ended Jun 30, 2026, filed Sep 28, 2026 (acc. 0001829126-26-010462), incl. Ex. 4.2 (Description of Securities): https://www.sec.gov/Archives/edgar/data/2109869/000182912626010462/exascalelabs_10k.htm
- 8-K/A filed Sep 28, 2026 (acc. 0001829126-26-010463): Ex. 99.1 audited FY25/FY26 financials, Ex. 99.2 MD&A and KPIs, Ex. 99.3 pro forma Jun 30, 2026: https://www.sec.gov/Archives/edgar/data/2109869/000182912626010463/exascalelabs_8ka.htm
- 8-K filed Sep 2, 2026, closing and Form 10 information (acc. 0001829126-26-009632), incl. Ex. 10.1/10.2 lock-ups and Ex. 99.2 closing release: https://www.sec.gov/Archives/edgar/data/2109869/000182912626009632/exascalelabs_8k.htm
- 8-K filed Sep 28, 2026, FY26 results, Ex. 99.1 (acc. 0001829126-26-010494)
- 8-K filed Sep 8, 2026, interim CFO (acc. 0001829126-26-009860), and 8-K filed Sep 30, 2026, CFO change (acc. 0001829126-26-010623)
- 8-K filed Oct 15, 2026, Sunon purchase and sale agreement, Ex. 10.1 (acc. 0001829126-26-011139)
- 424B3 proxy statement/prospectus, Jul 7, 2026 (acc. 0001829126-26-007331): https://www.sec.gov/Archives/edgar/data/2109869/000182912626007331/dboralarcmer_424b3.htm
- S-4 (Jul 1, 2026, acc. 0001829126-26-007145), S-4/A (Jun 26, 2026, acc. 0001829126-26-006917) and withdrawn S-4 (RW 0001829126-26-007134)
- Forms 3 (Sep 8 and Oct 5, 2026) and Forms 4 (Oct 6, 2026, acc. 0001829126-26-010801 to -010804)
- Schedule 13G and Form 3, ARC Group International, Oct 15, 2026 (acc. 0001493152-26-047255 / -047312)
- MFH 1, LLC (CIK 2065725): Form 3 (Jul 30, 2025), Form 4 (Aug 5, 2025), 13G (Sep 9, 2025)
- MilunaC Technology Ltd (CIK 2082088): Form 3 (Oct 23, 2025), 13D (Nov 17, 2025), Form 4 (Feb 27, 2026)
- EDGAR submissions index, read Oct 29, 2026: https://data.sec.gov/submissions/CIK0002109869.json

Market data

- Yahoo Finance: XLAB and XLABW daily, hourly and 5-minute bars (Aug 28 to Oct 28, 2026), pulled Oct 29, 2026, 8:20-8:21 AM ET, about 15 minutes delayed. Peer data for CRWV, NBIS, IREN, APLD, DOCN, SMCI (Oct 28, 2026 close). ^TNX and ^GSPC (Oct 28, 2026).
- stockanalysis.com XLAB price history, read Oct 29, 2026 (Oct 28 close and after-hours, and Oct 16 and Oct 22 volume).
- FINRA short interest via Nasdaq.com, pulled Oct 29, 2026.

- FRED: DGS10 (Oct 1, 2026), T10Y3M, SAHMREALTIME, BAMLH0A0HYM2, SP500 (readings as dated in Section 9).

Parties and principals

- FINRA Disciplinary Actions, October 2025 (D. Boral Capital, AWC No. 2022074783101): https://www.finra.org/sites/default/files/2025-10/disciplinary-actions-october-2025.pdf
- D. Boral Capital rebranding release, Nov 8, 2024: https://dboralcapital.com/news/ef-hutton-llc-announce-rebranding-to-d-boral-capital-llc/
- FINRA arbitration award 24-02667: https://www.finra.org/node/378506
- SEC ALJ initial decision, Go EZ Corp. / Arc Lifestyle Group / Nova Smart Solutions (2017): https://www.sec.gov/files/alj/aljdec/2017/id1132ce.pdf
- Reuters, Oct 29, 2021: https://www.reuters.com/legal/litigation/trump-media-deal-partner-advisers-were-reprimanded-by-sec-2021-10-29/
- Reuters, Feb 10, 2022: https://www.reuters.com/business/how-china-based-dealmaker-got-shell-company-trumps-deal-off-ground-2022-02-10/
- ECDA 8-K, Jan 15, 2026: https://www.sec.gov/Archives/edgar/data/1922858/000143774926001367/ecda20260115c_8k.htm, and Form 25 notice, Mar 10, 2026: https://www.nasdaq.com/press-release/ecd-automotive-design-announces-intent-file-form-25-2026-03-10
- SHFS 8-K (reverse split, bid-price extension): https://www.stocktitan.net/sec-filings/SHFS/8-k-shf-holdings-inc-reports-material-event-936046ff083f.html
- PCAOB firm summary, HTL International: https://rasr.pcaobus.org/Firms/FirmSummaryPublic.aspx?FirmID=A9AC50594CD9ABC56B1536C6D441FAFF
- Context only: TechCrunch, Oct 6, 2026 (Lambda IPO plans) and Kalkine, Oct 22, 2026 (Oct 22 move, no company release).

Methodology and Disclosures

BASIS · DEFINITIONS · DISCLOSURES

Nasdaq: XLAB (Class A) and XLABW (warrants, $11.50 strike). CIK 2109869. Fiscal year ends Jun 30. Prices are as of the Oct 28, 2026 regular session. Report dated Oct 29, 2026.

Definitions. Per-share values are per fully diluted share, treasury method, unless a table says otherwise. Owner earnings are FCF less SBC. "My calculation" (marked † in tables) means derived by me from the cited filings and market data.

Disclosures. This report is for research and educational purposes only. It isn't investment advice or a recommendation to buy or sell any security. I don't hold XLAB or XLABW. Buy, stop and sizing levels are reference levels for a hypothetical personal account, not trades taken. Figures are as dated, and estimates and inferences are marked as such. Market data is delayed and may contain errors. Past performance of any security or deal party doesn't predict future results.